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Jobs increase year-over-year in 39 states in February; Dodge, ConstructConnect differ on starts

Seasonally adjusted **construction employment** rose from February 2023 to February 2024 in 39 states and fell in 11 states and the District of Columbia, according to AGC's [analysis](#) of data BLS [posted](#) on Friday. Texas added the most construction employees (32,200 or 4.0%), followed by Florida (21,000, 3.4%), California (11,500, 1.3%), Arizona (8,500 4.1%), and North Carolina (7,600, 3.0%). Alaska had the steepest percentage increase (16%, 2,600), followed by South Dakota (12%, 3,400), Arkansas (11%, 6,700), Oklahoma (8.0%, 6,500), and Idaho (6.6%, 4,400). New York lost the most jobs (-19,000, -4.4%), followed by Washington (-8,200, -3.5%), Ohio (-5,600, -3.3%), Maryland (-5,300, -3.3%), and Pennsylvania (-5,000, -1.9%). The steepest percentage loss occurred in North Dakota (-5.7%, -1,600 jobs), followed by New York, Minnesota (-3.6%, -4,900), and Washington. **For the month**, construction employment rose in 31 states, fell in 17 states and was unchanged in South Carolina, Vermont, and D.C. Texas added the most jobs (7,800, 0.9%), followed by Illinois (6,200, 2.7%) and Missouri (3,700, 2.5%). Alaska had the largest percentage gain (4.9%, 900 jobs), followed by Illinois and Kansas (2.7%, 1,800). (For D.C., Delaware, and Hawaii, BLS posts combined totals for mining, logging, and construction; AGC treats the changes as all from construction.)

Reports last week from two firms that separately collect information about projects differ regarding the monthly change from January to February but are closer on a trailing 12-month (TTM) basis that compares the latest 12 months to February 2022-February 2023. The month-to-month divergence likely reflects a difference in when the firms consider a project to have started and whether they adjust for normal seasonal variation, while the TTM similarity suggests they cover roughly the same set of projects. Both firms report the entire value of a project in the month they deem it to have started.

Total **construction starts** tumbled 8% in February from January at a seasonally adjusted annual rate but rose 2% on a TTM basis, Dodge Construction Network [reported](#) on Thursday. For the month, **nonbuilding starts** declined 3%, **nonresidential building starts** plunged 16%, and **residential building starts** declined 2%. On a TTM basis, nonbuilding starts jumped 19%, with highway and bridge starts and environmental public works starts both up 12%, utility/gas starts up 37%, and miscellaneous nonbuilding starts up 21%. Nonresidential building starts slipped 2%, with manufacturing starts down 13%, commercial starts down 8%, and institutional starts up 9%. Residential building starts fell 4%, with single-family starts down 2% and multifamily starts down 6%.

The **value of construction starts** plunged 44%, not seasonally adjusted, in February from January and declined 6.1% on a TTM basis, ConstructConnect [reported](#) on Friday. On a TTM basis, **nonresidential building starts** fell 9.6%, with commercial starts down 2.5%, institutional starts up 5.8%, and industrial (manufacturing) starts down 33.5%. **Engineering (civil) starts** rose 14%, with roads/highways starts up 8.1%, water/sewage starts up 11%, and power and miscellaneous starts up 49%. **Residential starts** tumbled 14%, with single-family starts down 3.2% and multifamily starts down 28.5%.

The **Architecture Billings Index (ABI)** in February registered a score of 49.5, seasonally adjusted, the 13th-straight reading below the breakeven 50 mark but up from 46.2 in January, the American Institute of Architects (AIA) [reported](#) on Wednesday. AIA calls the index "a leading economic indicator that leads nonresidential construction activity by approximately 9-12 months." The ABI is derived from the share of responding architecture firms that report a gain in billings compared to the previous month less the share reporting a decline in billings, presented on a 0-to-100 scale. Thus, any score below 50 means more firms reported decreased billings than increased billings. Readings for practice specialties (based on three-month averages) varied: institutional, 50.7 (vs. 50.0 in January); mixed practice, 47.1 (vs. 45.1); commercial/industrial, 46.1 (vs. 46.8); and residential (mainly multifamily), 44.9 (vs. 45.2). An index for new design contracts rose to 51.1 (from 49.7), the highest reading since June.

Housing starts (units) in February increased 11% from January and 5.9% year-over-year (y/y) at a seasonally adjusted annual rate, the Census Bureau [reported](#) on Tuesday. Single-family starts soared 12% for the month and 35% y/y. Multifamily (five or more units) starts climbed 8.6% for the month but plummeted 36% y/y. **Residential permits** rose 1.9% for the month and 2.4% y/y. Single-family permits increased for the 12th-straight month, by 1.0% from January and 30% y/y. Multifamily permits rose 2.4% for the month but plunged 33% y/y.

Data DiGest is a weekly summary of economic news. Sign up [here](#). Editor: Ken.Simonson@agc.org, Chief Economist, AGC. Go here for [Ken's PPT](#) or more [construction data](#).

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