Methodology:

ABC Construction Industry Workforce Shortage Model

ABC's proprietary model uses the historical relationship between inflation-adjusted construction spending growth and payroll construction employment to convert anticipated increases in construction outlays into demand for construction labor at a rate of approximately 3,620 new jobs per billion dollars of additional construction spending. This increased demand is added to the current level of above-average job openings. Projected industry retirements, shifts to other industries and other forms of anticipated separation are also factored into the model.

The following data series are used as inputs to the model:
- Construction Spending (U.S. Census Bureau)
- Construction Employment (U.S. Bureau of Labor Statistics)
- Construction Job Openings (U.S. Bureau of Labor Statistics)
- Consumer Price Index (U.S. Bureau of Labor Statistics)
- Job-to-Job Flows (U.S. Census Bureau)
- Construction Worker Demographics (U.S. Bureau of Labor Statistics)
- Forecasted Construction Spending Growth (Associated Builders and Contractors)

ABC issues news monthly news releases on construction-related economic data and trends, including on federal construction spending, employment, GDP and the Producer Price Index data, as well as state-by-state construction unemployment estimates. In addition, ABC produces the Construction Backlog Indicator, the only economic indicator that reflects the amount of work that will be performed by commercial and industrial construction contractors in the months ahead, and the Construction Confidence Index, a diffusion index that signals construction contractors' expectations for sales, profit margins and staffing levels. Visit abc.org/economics.