



Methodology:

ABC Construction Industry Workforce Shortage Model

Associated Builders and Contractors' 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 3,550 new jobs per billion dollars of additional construction spending. This increased demand is added to projected industry retirements to determine the number of net new workers required to achieve an equilibrium between supply and demand for construction labor.

The following data series are used as inputs to the model:

- U.S. Bureau of Labor Statistics
- U.S. Census Bureau
- The American Institute of Architects Consensus Construction Forecast
- Proprietary forecasts produced by ABC

ABC issues monthly news releases on construction-related economic data and trends, including federal construction spending, job openings, employment 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.