Methodology:

ABC 2026 Construction Industry Workforce Shortage Model

Associated Builders and Contractors' proprietary model uses the historical relationship between inflation-adjusted construction spending growth, sourced from the U.S. Census Bureau's Construction Put in Place survey, and payroll construction employment, sourced from the U.S. Bureau of Labor Statistics, to convert anticipated increases in construction outlays into demand for construction labor at a rate of approximately 3,450 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 Current Employment Statistics, Job Openings and Labor Turnover Survey, and Current Population Survey
- U.S. Census Bureau Value of Construction Put in Place Survey
- Proprietary forecasts produced by ABC and informed by a broad review of external projections

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.