



Definition and Methodology

The Construction Backlog Indicator (CBI) is a forward-looking national economic indicator that reflects the amount of work that will be performed by commercial and industrial contractors in the months ahead. This new, national economic data set is the only reliable leading economic indicator offering this level of specificity focused on the U.S. commercial and institutional, industrial, and infrastructure construction industries.

What is Backlog?

Backlog is the amount of work, measured in dollars, that construction companies are contracted to do in the future. The greater the value of the backlog, the more comfortable contractors can be with respect to their near-term economic circumstances. The smaller the value of the backlog, as a share of annual revenues, the less comfortable are the circumstances in which contractors are operating. Excessively small backlogs imply that contractors are running out of work and need to identify and secure additional sources of future revenues.

The measure is particularly timely given ongoing economic turbulence as well as initiatives designed to countervail economic weakness, including the American Recovery and Reinvestment Act of 2009.

Methodology

This national assessment of construction backlogs is based upon a confidential, monthly survey sent to ABC member companies located throughout the U.S. These members are active in various nonresidential construction segments and the results are disaggregated by these segments. Each sample firm reported their respective revenues for FY 2007 when the survey was initiated in 2008.

The formula ABC uses to convert reported backlogs measured in dollars into months of available work is:

$$\text{Current month's level of backlogs (reported in dollars)} \div \text{Fiscal year 2007 revenues (base year)} \\ \times 12 = \text{total months of forward-looking work under contract}$$

To maximize the comparability of one month versus another, ABC has worked to maximize consistent reporting among survey sample participants. The effort has been supported by the longstanding relationships between ABC and its members, as well as carefully crafted communications with those responsible for responding to each monthly survey.

Regional Highlights

CBI survey participants are asked to provide information regarding the geographic source of their revenues. Companies indicate the percentage of work performed in each of four regions of the country: Northeast, South, Middle States and West. The composition of regions is as follows:

Northeast	South	Middle States	West
Maine	Virginia	Ohio	Montana
Vermont	North Carolina	Michigan	Wyoming
New Hampshire	South Carolina	Wisconsin	Colorado
Massachusetts	Georgia	Minnesota	New Mexico
Rhode Island	Florida	North Dakota	Arizona
Connecticut	Alabama	South Dakota	Utah
New York	Louisiana	Nebraska	Idaho
Pennsylvania	Mississippi	Kansas	Nevada
New Jersey	Tennessee	Missouri	Washington
Maryland	Kentucky	Iowa	Oregon
Delaware	Texas	Indiana	California
District of Columbia	Oklahoma	Illinois	Alaska
West Virginia	Arkansas		Hawaii

Industry Highlights

CBI survey participants also identify the approximate percentage of their company's revenue performed in each of three construction segments/categories. These categories are:

Commercial and Institutional – construction related to office space, retail, malls, restaurants, hotels/convention centers, arenas, stadiums, construction related to hospitals, nursing homes, assisted living centers, K–12 schools, colleges/universities, military bases and government research centers;

Infrastructure – construction related to supply of water, wastewater disposition, power generation/distribution, roads/highways/bridges and telecommunications infrastructure; and

Industrial – construction related to manufacturing facilities, refineries, distribution centers, warehouse space and flex space.

Company Revenue Highlights

CBI survey participants are asked to provide information regarding their company's annual revenues. Using this data, firms are then placed into one of five revenue categories:

- Less than \$30 million;
- \$30 million-\$50 million;
- \$50 million-\$75 million;
- \$75 million-\$100 million;
- More than \$100 million.