

## Most states record job gains through October; PPIs for inputs, highway cost index slide

Seasonally adjusted **construction employment** increased in 37 states and the District of Columbia from October 2013 to October 2014, decreased in 12 states, and remained flat in Hawaii, an AGC [analysis](#) of Bureau of Labor Statistics (BLS) [data](#) released on Friday showed. Florida again added the most jobs (38,900 jobs, 10.2%), followed by Texas (38,500, 6.2%) and California (34,300, 5.3%). The largest percentage gains were in North Dakota (15%, 4,900 jobs), Utah (14.9%, 11,000) and Florida. The largest percentage losses occurred in New Jersey (-8.1%, -11,100 jobs), Mississippi (-7.7%, -4,200), West Virginia (-7.6%, -2,600) and Kentucky (-7.6%, -5,200). New Jersey also lost the largest number of jobs, followed by Kentucky and Mississippi. For the month, 28 states and D.C. added construction jobs, 19 states lost jobs, and Arkansas, Kansas and South Carolina had no change. (BLS combines mining and logging with construction in D.C., Delaware and five other states to avoid disclosing data for industries with few firms.)

The **producer price index (PPI) for final demand** increased 0.3%, not seasonally adjusted (and seasonally adjusted), in October and 1.5% over 12 months, BLS [reported](#) on November 18. AGC posted an [explanation](#) and [tables](#) focusing on construction prices and costs. Final demand includes goods, services and five types of nonresidential buildings that BLS says make up 34% of total construction. There are no indexes yet for other building types, or for residential or nonbuilding construction. The PPI for final demand construction, not seasonally adjusted, rose 0.5% in October and 2.2% over 12 months. The overall **PPI for new nonresidential building construction**—a measure of the price contractors say they would charge to build a fixed set of five categories of buildings—also climbed 0.5 % for the month and 2.2% since October 2013. The PPI for new healthcare construction was flat in October and rose 1.6% over 12 months; the index for industrial buildings rose 0.4% and 1.9%, respectively; school buildings, 0.5% and 2.3%; offices, 0.6% and 2.3%; and warehouses, 0.5% and 2.7%. **PPIs for new, repair and maintenance work** on nonresidential buildings by electrical contractors rose 0.2% and 1.0%; concrete contractors, 1.1% and 1.5%; plumbing contractors, 0.1% and 2.2%; and roofers, 0.2% and 5.1%. The **PPI for inputs to construction**—an average of the cost of all materials used in construction plus items consumed by contractors, such as diesel fuel—dropped 0.9% in October and increased 1.0% over 12 months. Materials with notable one- or 12-month price changes included diesel, -5.8% and -10.4%, respectively; copper and brass mill shapes, -1.6% and -3.9%; insulation materials, -2.7% and 1.1%; lumber and plywood, -1.7% and 6.8%; and gypsum products, 1.1% and 9.4%.

The National **Highway Construction Cost Index**, a measure of the cost of state highway construction projects, rose 0.5% in the second quarter of 2014, following a 1.1% increase in the first quarter, the Federal Highway Administration [reported](#) on Monday. The index decreased 0.8% from the second quarter of 2013 to the second quarter of 2014.

In releasing the **PPI data**, BLS [announced](#) several **updates**, including some **affecting construction**: “With the release of data for January 2015 data, PPI will update weights for the inputs to construction industry indexes to reflect 2007 [Bureau of Economic Analysis input/output] data. Along with the weight update, PPI will implement several methodological improvements and simplifications, expand coverage and recode the indexes.” New indexes will cover inputs to single-family, multifamily and other residential structures; commercial structures, including farm structures; health care structures; highways and streets; power and communication structures; educational and vocational structures; and miscellaneous other nonresidential new construction. Each input index will comprise separate indexes for goods (the current scope of input indexes to construction), divided into energy and goods less foods and energy; and services, divided into trade, transportation and warehousing; other services; and maintenance and repair construction.

“The **value of new construction starts** settled back 4% in October,” Dodge Data & Analytics (formerly McGraw Hill Construction) [reported](#) on Monday, based on data it collected. “The decline followed the 10% increase reported in September, which was the strongest month for total construction starts so far in 2014. Both nonresidential building and nonbuilding construction lost momentum in October [falling 14% and 9%, respectively], while residential building posted a moderate gain [11%] given further growth for multifamily housing. During the first ten months of 2014, total construction starts on an unadjusted basis were...up 5% from the same period a year ago” with nonresidential building up 14%, residential building up 7% and nonbuilding construction down 8%.

The Architecture Billings Index, which measures whether **architecture firms’ billings** rose or fell from the prior month (any score over 50 denotes more firms reported growth than reported decline) dipped to a score of 53.7 in October from 55.2 in September, the American Institute of Architects (AIA) [reported](#) on October 22. All four practice segments were above 50.

**Housing starts** declined 2.8% at a seasonally adjusted annual in October from September but rose 7.8% from October 2013, the Census Bureau [reported](#) on Wednesday. Single-family starts increased 4.2% for the month and 15% year-over-year. The often-volatile multifamily (buildings with 5 or more units) starts decreased 15% and 6.8%, respectively. **Building permits** rose 4.8% and 1.2%, respectively, as single-family permits increased 1.4% and 2.4%, while multifamily permits rose 8.0% for the month but slipped 1.5% year-over-year.

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