CONSTRUCTION EXECUTIVE
CONSTRUCTION FUTURES

November 2025

What We Learned in November: Dismal Industry Data Trickles in as Government Reopens

The government reopened on Nov. 12. Based on the few public sector data releases that have occurred since the reopening, the construction industry continues to struggle. Nonresidential spending contracted again in August, industrywide job growth remains sluggish and materials prices appear to be trending higher. Despite this, contractors remain relatively confident about the outlook while backlog remains at a healthy level.

Construction Job Growth Rebounds in September

The construction industry added 19,000 jobs in September, ending a three-month streak of employment declines. Job losses have been concentrated on the residential side of the industry. Nonresidential hiring, while better than the residential side of the industry, has been strictly modest in 2025 even with September's healthy gain. Despite slow employment growth, the industry unemployment rate remains low, suggesting that the labor supply remains constrained.

Construction Spending Contracts

Nonresidential construction spending shrank for the third time in the past four months in August and is now down about 2.4% from the all-time high reached in December 2023. While few segments have momentum, the downturn in manufacturing-related construction activity has been particularly sharp. With tariffs and uncertainty weighing on several subsegments and megaprojects made possible by the CHIPS Act coming to an end, nonresidential spending may continue to contract in the coming months.

Construction Backlog and Confidence Slip in October, Contractors Remain Upbeat

ABC's Construction Backlog Indicator fell to 8.4 months in October, down 0.1 months from September but unchanged from one year ago. While contractor confidence declined slightly for the month, contractors continue to expect their sales, profit margins and staffing levels to improve over the next six months.

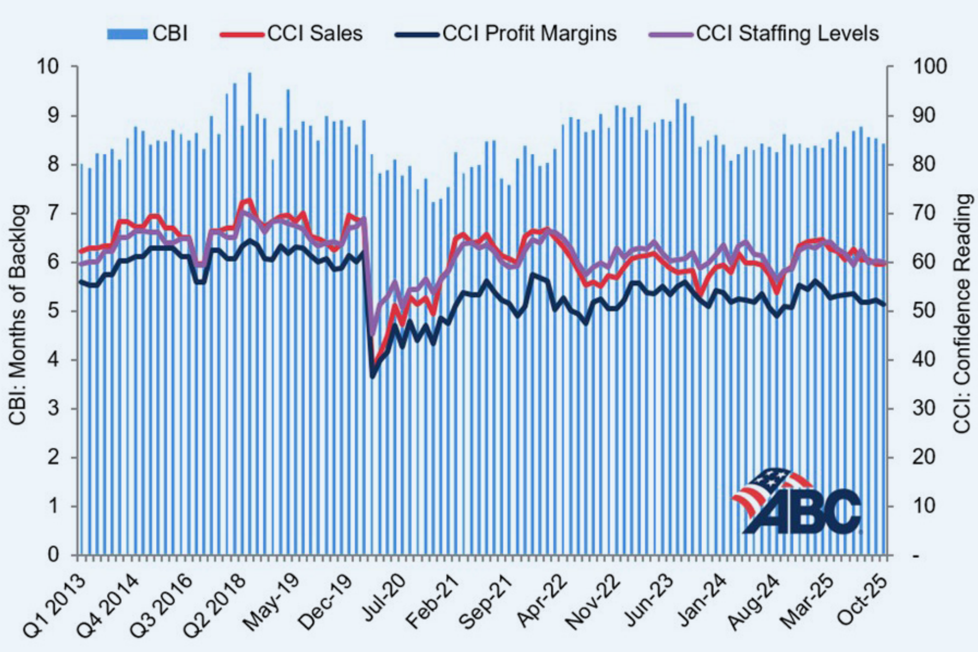
Materials Prices Have Risen in 2025

Construction materials prices, which were largely unchanged in 2024, have started to rise again in 2025. This is especially true for materials subject to higher tariffs like iron and steel. Industrywide materials prices were up just 2.3% year over year in August, although it should be noted that many of the steepest tariffs did not go into effect until the start of that month. The extent to which tariffs are pushing input prices higher should be more apparent when September Producer Price Index data is released on Nov. 25.

Looking Ahead

There won't be an employment report for October, and November employment data won't be published until the middle of December. As of this writing, the Census Bureau hasn't determined when it will release newer construction spending data. Which is to say, even with the government reopened, it may be some time before we regain a typical level of understanding about the industry's economic performance.

ABC Construction Backlog Indicator and Construction Confidence Index
2012-October 2025



November 2025 Economic Overview	Values			Change From	
Construction Backlog Indicator (Months)*	Oct-25	Sep-25	Oct-24	Sep-25	Oct-24
Nationwide	8.4	8.5	8.4	**-0.1**	**0.0**
Middle States	8.1	8.6	8.3	**-0.5**	**-0.2**
Northeast	7.7	7.6	7.9	**0.1**	**-0.2**
South	9.6	9.9	9.4	**-0.3**	**0.2**
West	8.1	7.5	7.4	**0.6**	**0.7**
Construction Confidence Index**	**Oct-25**	**Sep-25**	**Oct-24**	**Sep-25**	**Oct-24**
Sales	59.6	59.6	59.0	**0.0**	**0.6**
Profit Margins	51.3	52.3	50.8	**-1.0**	**0.5**
Staffing	60.1	60.3	58.6	**-0.2**	**1.5**
Spending ($Millions)	**Aug-25**	**Jul-25**	**Aug-24**	**Jul-25**	**Aug-24**
Total Construction	$2,169,468	$2,165,016	$2,205,322	**0.2%**	**-1.6%**
Residential	$927,260	$919,941	$943,874	**0.8%**	**-1.8%**
Nonresidential	$1,242,208	$1,245,075	$1,261,448	**-0.2%**	**-1.5%**
Amusement and recreation	$42,966	$43,157	$42,356	**-0.4%**	**1.4%**
Commercial	$120,610	$120,759	$130,394	**-0.1%**	**-7.5%**
Communication	$29,640	$29,515	$29,404	**0.4%**	**0.8%**
Conservation and development	$12,608	$12,620	$11,555	**-0.1%**	**9.1%**
Educational	$137,604	$136,615	$139,715	**0.7%**	**-1.5%**
Health care	$69,625	$69,514	$68,984	**0.2%**	**0.9%**
Highway and street	$143,584	$143,940	$144,899	**-0.2%**	**-0.9%**
Lodging	$24,073	$24,169	$24,490	**-0.4%**	**-1.7%**
Manufacturing	$220,402	$222,515	$240,119	**-0.9%**	**-8.2%**
Office	$105,360	$105,824	$105,161	**-0.4%**	**0.2%**
Power	$155,728	$155,970	$154,096	**-0.2%**	**1.1%**
Public safety	$19,543	$19,550	$18,921	**0.0%**	**3.3%**
Religious	$4,793	$4,739	$3,967	**1.1%**	**20.8%**
Sewage and waste disposal	$52,033	$52,385	$48,100	**-0.7%**	**8.2%**
Transportation	$68,511	$68,834	$65,291	**-0.5%**	**4.9%**
Water supply	$35,127	$34,970	$33,996	**0.4%**	**3.3%**
Private Nonresidential	$737,277	$739,787	$768,337	**-0.3%**	**-4.0%**
Public Nonresidential	$504,932	$505,287	$493,111	**-0.1%**	**2.4%**
Employment (Thousands)	**Sep-25**	**Aug-25**	**Sep-24**	**Aug-25**	**Sep-24**
All Industries	159,626	159,507	158,314	**0.1%**	**0.8%**
Construction	8,305	8,286	8,267	**0.2%**	**0.5%**
Residential building	954	950	950	**0.4%**	**0.5%**
Nonresidential building	916	916	916	**0.0%**	**0.1%**
Heavy and civil engineering construction	1,188	1,183	1,164	**0.4%**	**2.1%**
Residential specialty trade contractors	2,368	2,369	2,418	**0.0%**	**-2.0%**
Nonresidential specialty trade contractors	2,879	2,868	2,820	**0.4%**	**2.1%**
Construction Unemployment Rate	3.8%	3.2%	3.7%	**0.6pp**	**0.1pp**
Average Hourly Construction Earnings	$40.07	$39.96	$38.59	**0.3%**	**3.8%**
Average Weekly Construction Hours	39.0	39.0	39.2	**0.0%**	**-0.5%**
Job Openings and Labor Turnover Survey	**Aug-25**	**Jul-25**	**Aug-24**	**Jul-25**	**Aug-24**
Job Openings	188,000	303,000	304,000	**-115,000**	**-116,000**
Hires	353,000	331,000	335,000	**22,000**	**18,000**
Total Separations	351,000	316,000	307,000	**35,000**	**44,000**
Layoffs and discharges	183,000	212,000	171,000	**-29,000**	**12,000**
Quits	146,000	90,000	127,000	**56,000**	**19,000**
Other separations	22,000	14,000	9,000	**8,000**	**13,000**
Producer Price Index	**Aug-25**	**Jul-25**	**Aug-24**	**Jul-25**	**Aug-24**
Construction	328.5	328.0	321.1	**0.2%**	**2.3%**
Multifamily	157.0	156.7	153.2	**0.2%**	**2.5%**
Nonresidential	166.2	165.8	162.0	**0.2%**	**2.6%**
Commercial	157.9	157.4	152.4	**0.3%**	**3.6%**
Healthcare	157.2	156.7	152.0	**0.3%**	**3.4%**
Industrial	164.4	164.0	159.4	**0.3%**	**3.2%**
Other nonresidential	164.2	164.0	160.3	**0.2%**	**2.4%**
Maintenance and repair	334.0	333.6	327.3	**0.1%**	**2.0%**

Sources: U.S. Bureau of Economic Analysis; U.S. Census Bureau; U.S. Bureau of Labor Statistics; Associated Builders and Contractors.

* The Construction Backlog Indicator measures the average months of work under contract for ABC members.

** The Construction Confidence Index is a diffusion index where values above 50 indicate expectations of expansion over the next six months, while values under 50 indicate expectations of contraction.