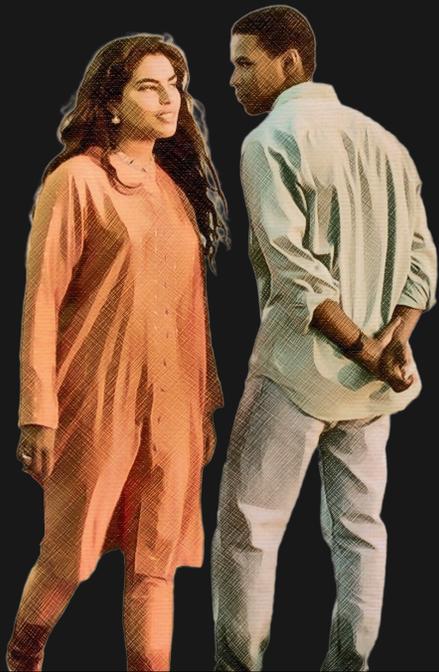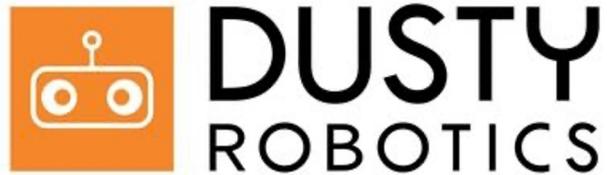# Monetary Masala

By: Anirban Basu
MPP, MA, JD, PHD
Sage Policy Group, Inc.

On Behalf of
Construction Executive

2025 Q1 Construction Economic
Update & Forecast

April 2, 2025

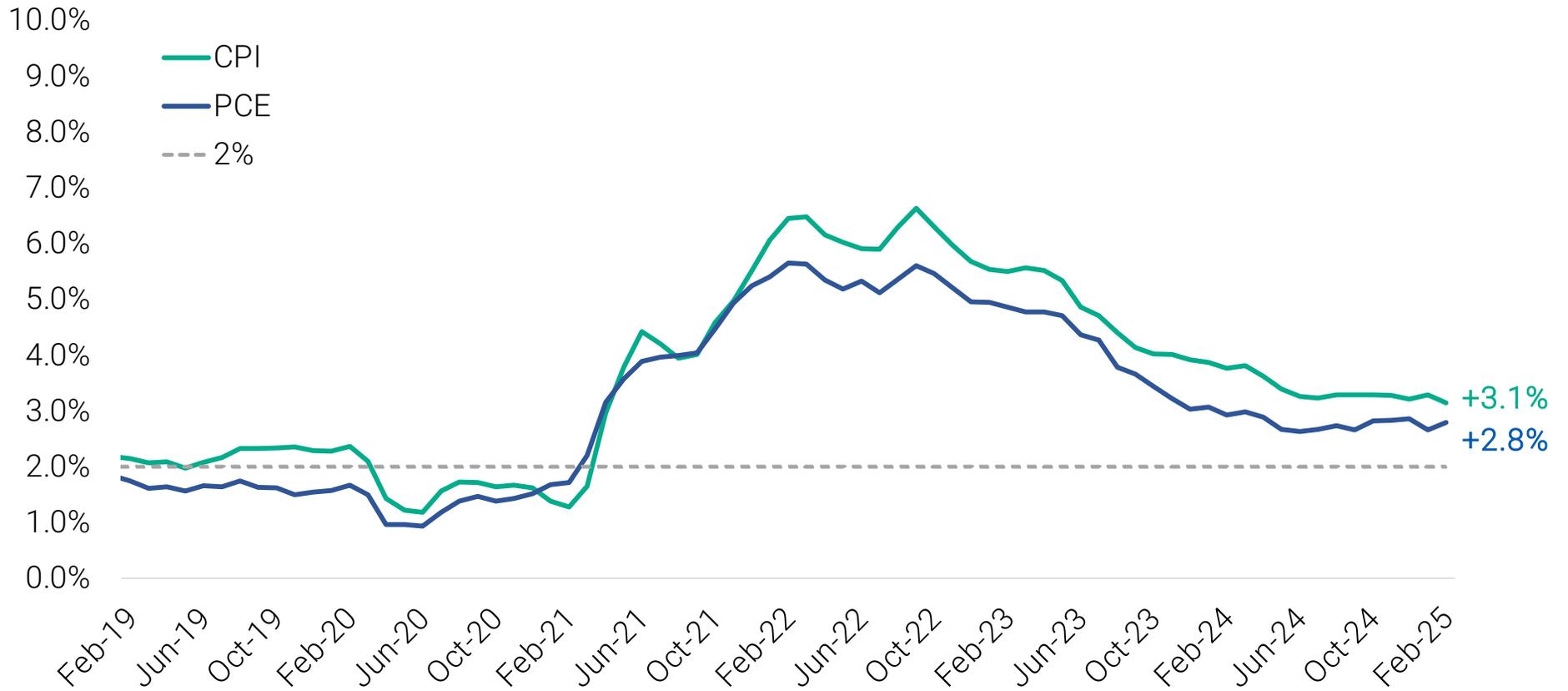# Thank You to Our Sponsors

The Taking of Inflation 2.0

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Core CPI & PCE, 12-Month % Change (SA)

2019 – February 2025

Legend:
- CPI
- PCE
- 2%

+3.1%
+2.8%

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Consumer Price Index, Select Categories (SA)
% Change May 2020 v. February 2025

| Category	% Change
Energy	57.2%
Transportation services	52.1%
Tobacco & smoking products	38.6%
Used cars & trucks	35.6%
Shelter	26.4%
Food	25.4%
New vehicles	21.7%
Apparel	14.6%
Alcoholic beverages	14.2%
Medical care services	10.7%
Medical care commodities	8.7%
Total: All Items	25.0%
Total: All Items Less Food & Energy	22.6%

% Change

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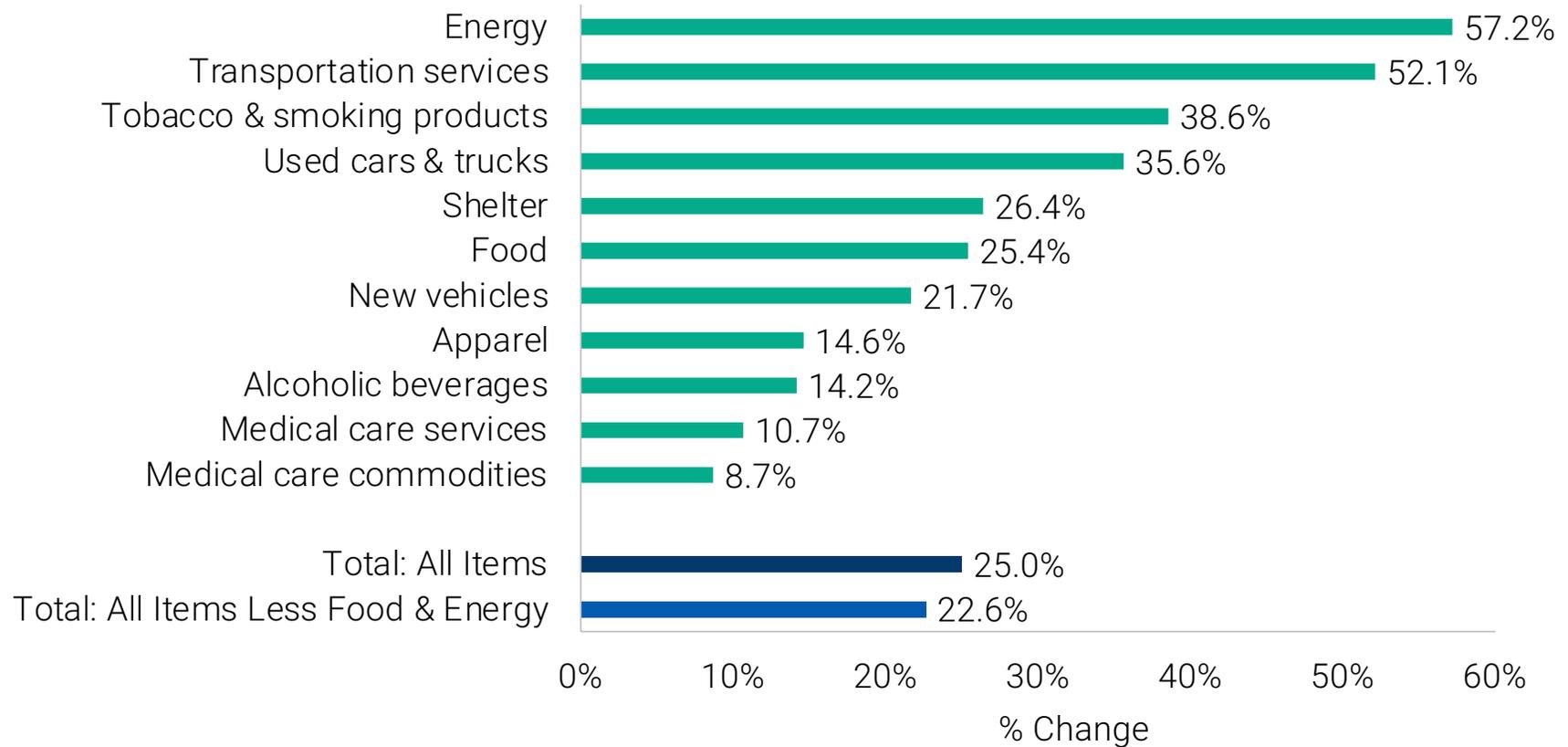
The Manhattan Candidate

2024 Trump Campaign Economic Policy Proposals

- Extend the expiring 2017 Tax Cuts and Jobs Act (TCJA) – *inflationary*

- Additional reduction in the corporate tax rate to 15% – *inflationary*

- Eliminate income taxes on Social Security benefits – *inflationary*

- Eliminate taxes on tips – *inflationary*

- 10% to 25% across-the-board tariff on imports – *inflationary*

- Mass deportation of all undocumented migrants – *inflationary*

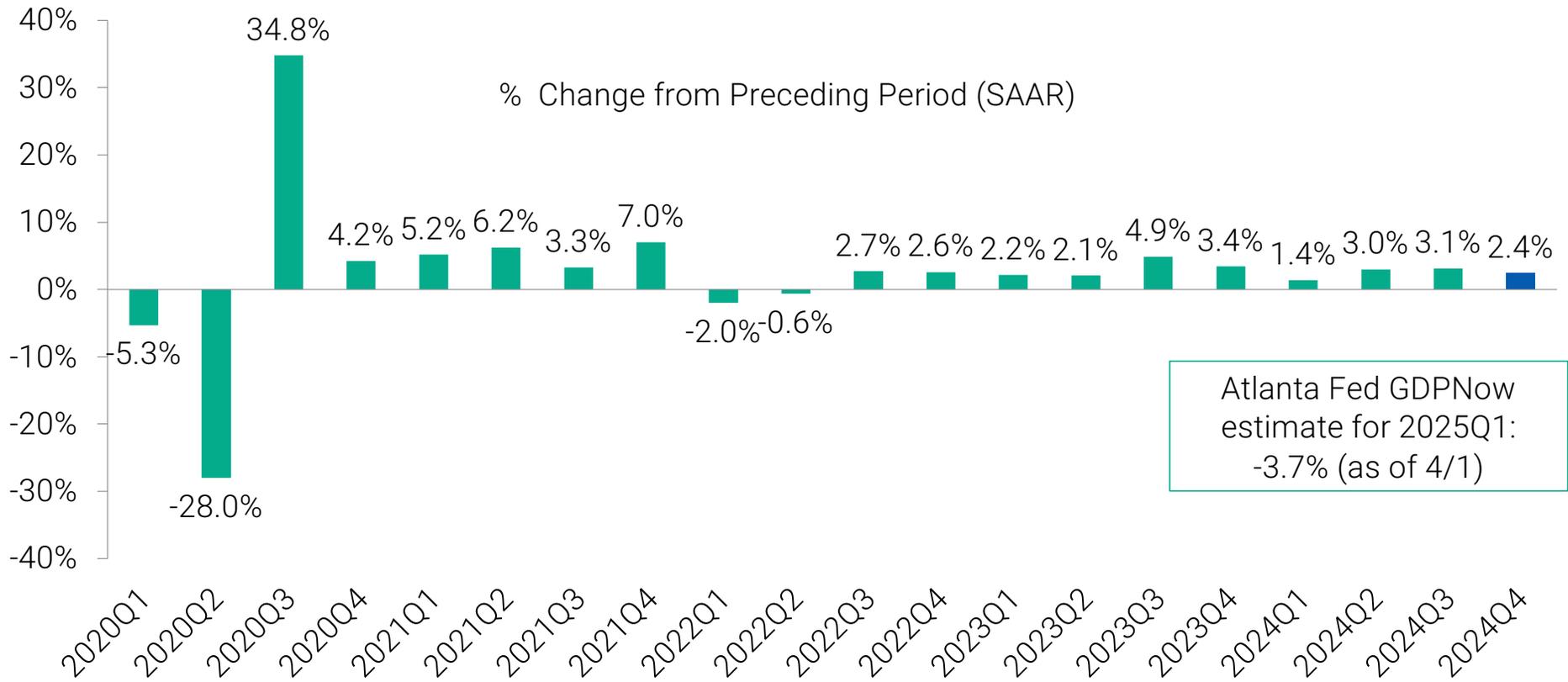*The Manchurian Candidate (2004)—Denzel Washington as Major Bennett Marco

SAGE|policy group

Federal Funds Rate, Target Rate Upper Limit, 2009 – 2025

Percent
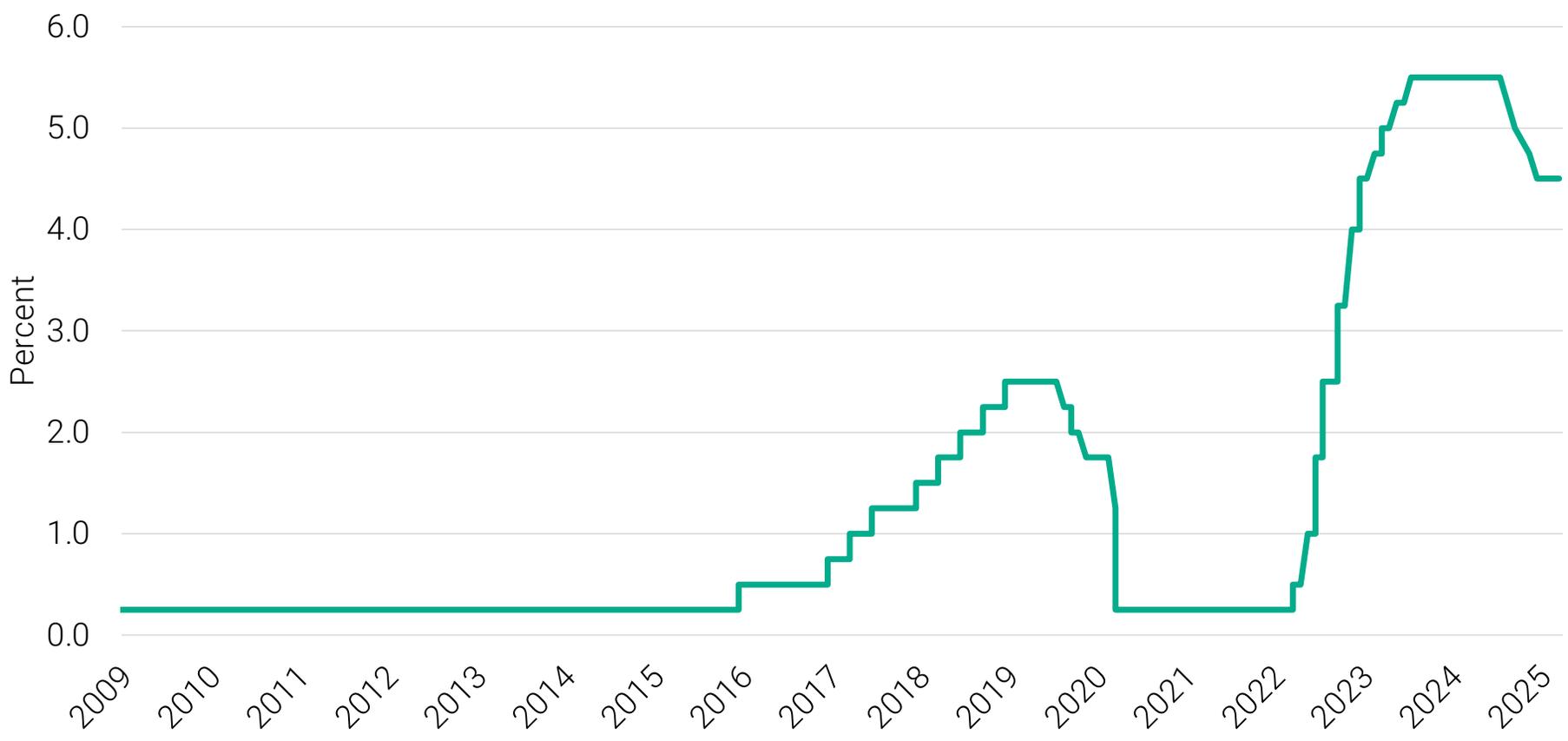
Source: Board of Governors of the Federal Reserve System

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U.S. Gross Domestic Product Growth, 2020 – 2024Q4

% Change from Preceding Period (SAAR)

- -5.3% (2020Q1)
- -28.0% (2020Q2)
- 34.8% (2020Q3)
- 4.2% (2020Q4)
- 5.2% (2021Q1)
- 6.2% (2021Q2)
- 3.3% (2021Q3)
- 7.0% (2021Q4)
- -2.0% (2022Q1)
- -0.6% (2022Q2)
- 2.7% (2022Q3)
- 2.6% (2022Q4)
- 2.2% (2023Q1)
- 2.1% (2023Q2)
- 4.9% (2023Q3)
- 3.4% (2023Q4)
- 1.4% (2024Q1)
- 3.0% (2024Q2)
- 3.1% (2024Q3)
- 2.4% (2024Q4)

Atlanta Fed GDPNow estimate for 2025Q1: -3.7% (as of 4/1)

Source: U.S. Bureau of Economic Analysis   *2024Q4: 3rd (final) estimate

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They Got Game

U.S. Retail Sales, 2000 – February 2025
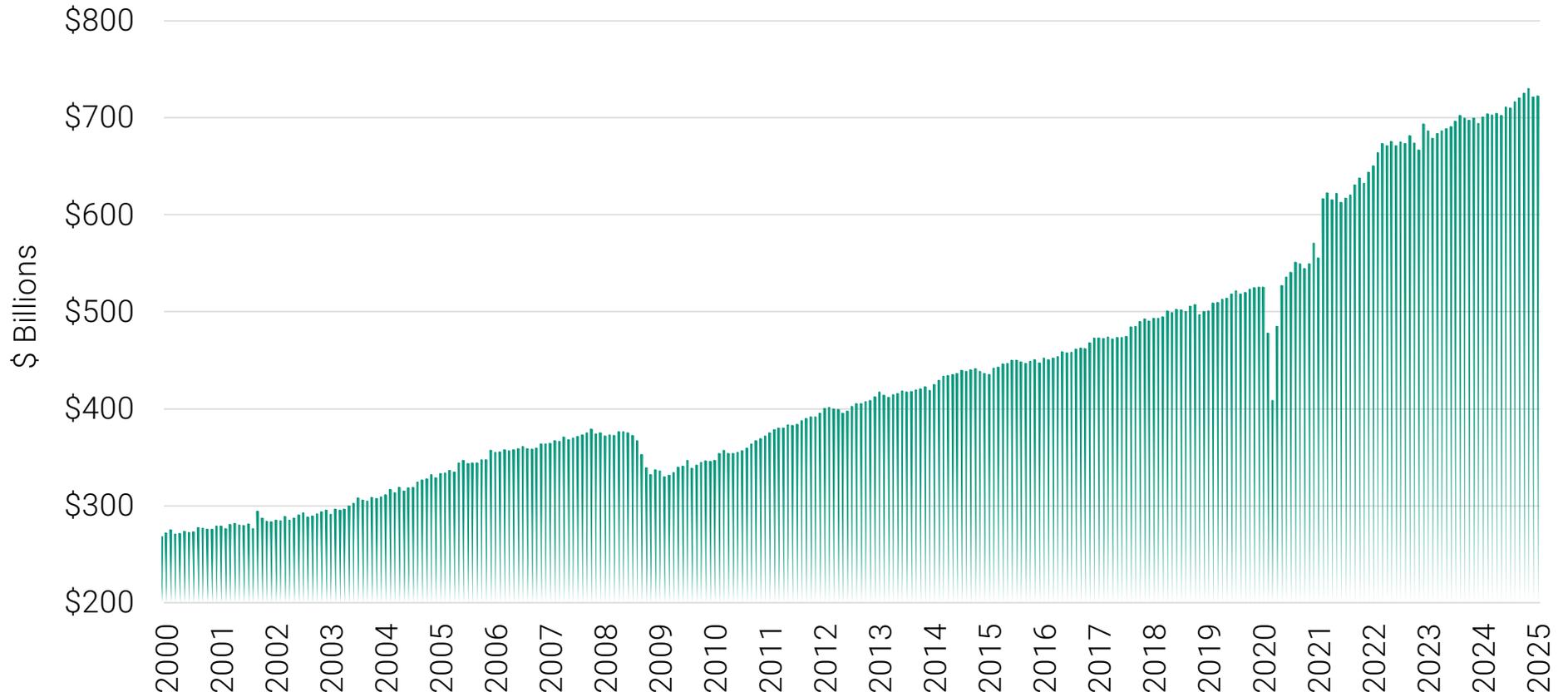
Source: U.S. Census Bureau

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Total U.S. Household Wealth, 1989 – 2024

$ Trillions
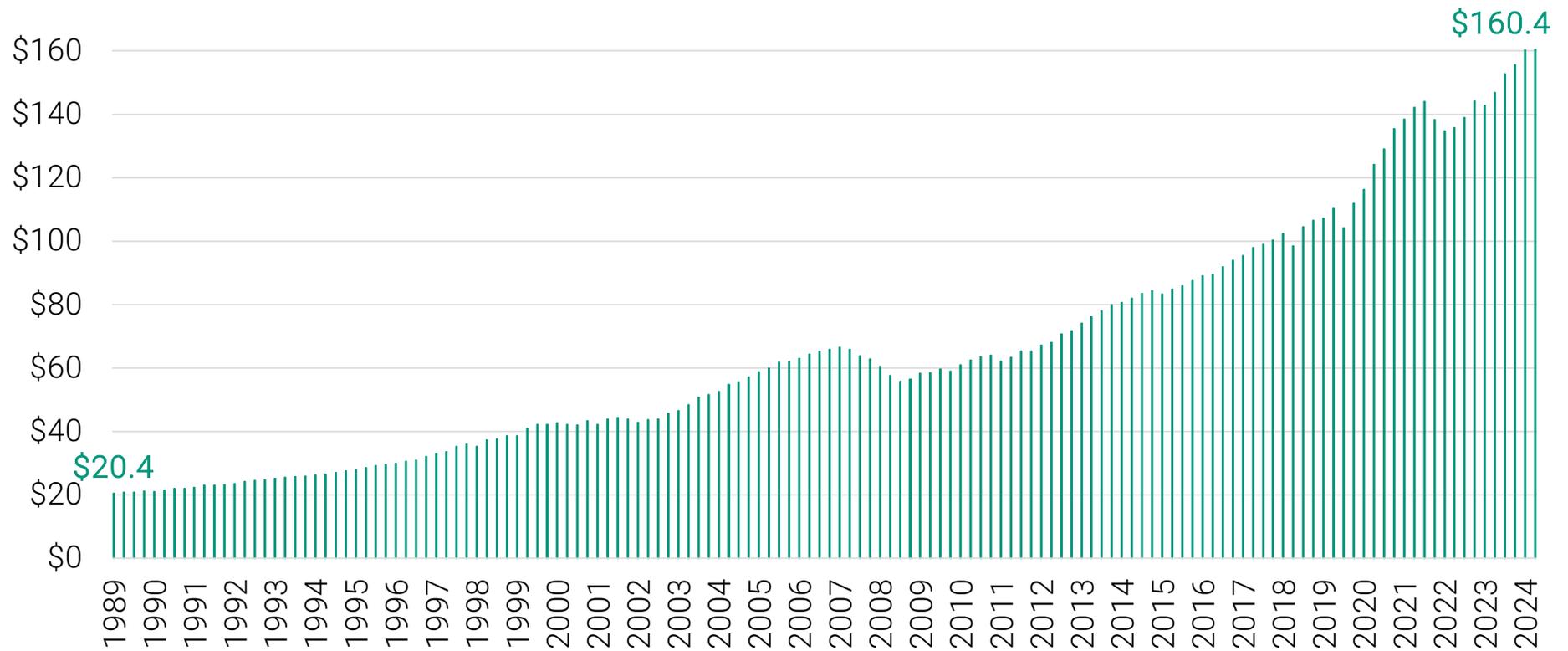
$160.4

$20.4

$160
$140
$120
$100
$80
$60
$40
$20
$0

1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

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U.S. Household Wealth by Wealth Percentile Group, 1989 – 2024

$ Trillions

Legend:
- Top 0.1%
- 99-99.9%
- 90-99%
- 50-90%
- Bottom 50%

13.8% of wealth

17.0%

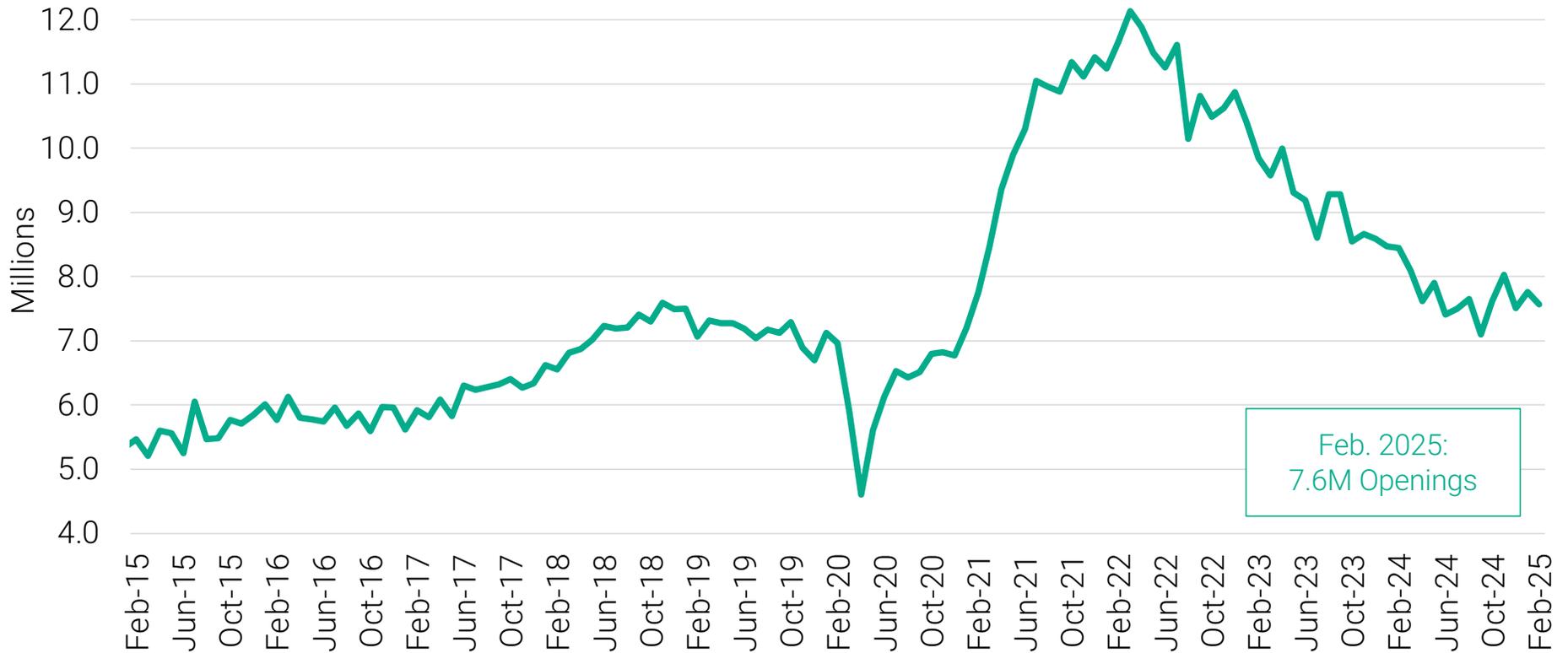36.4%

30.3%

2.5%

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The Equalizer

The Equalizer (2014, 2018, and 2023)—Denzel Washington as mystery man Robert McCall

SAGE|policy group

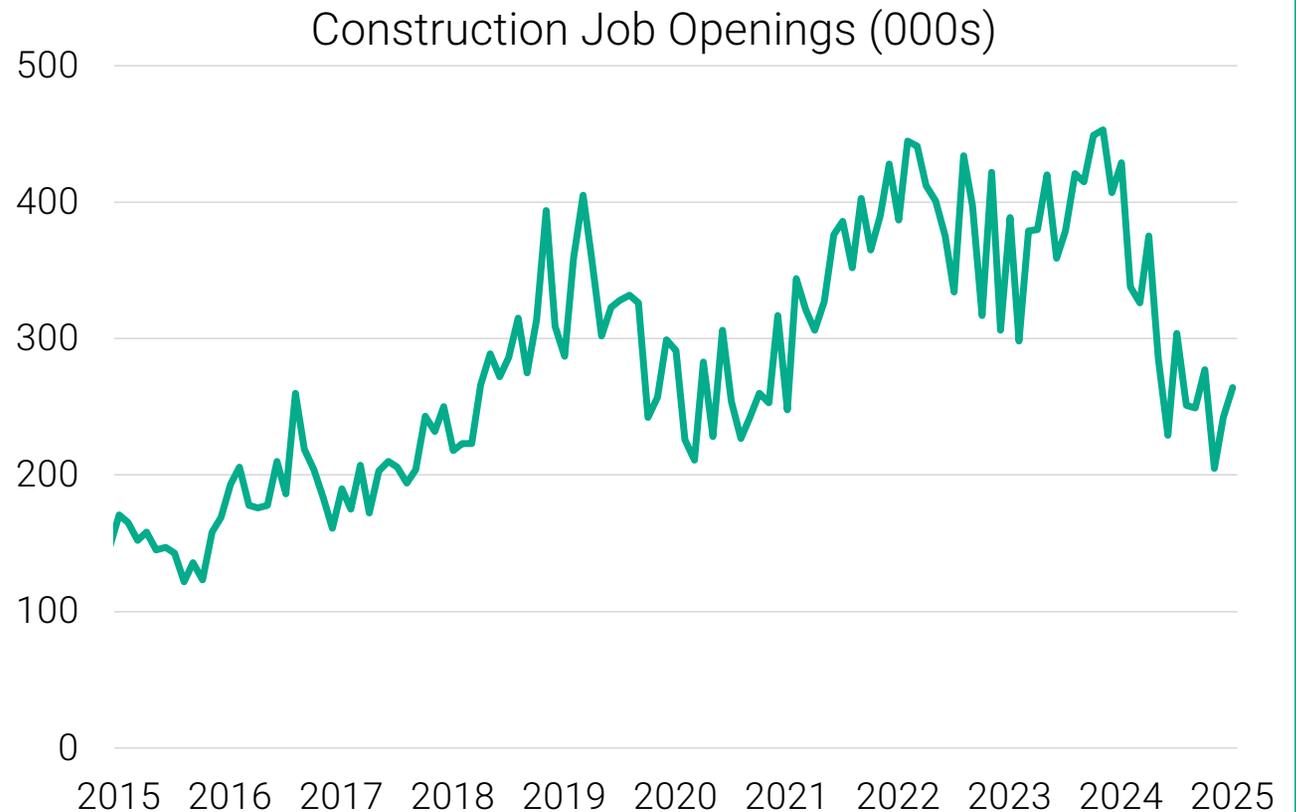# U.S. Job Openings, 2015 – February 2025

Millions

Feb. 2025:
7.6M Openings

SAGE | policy group

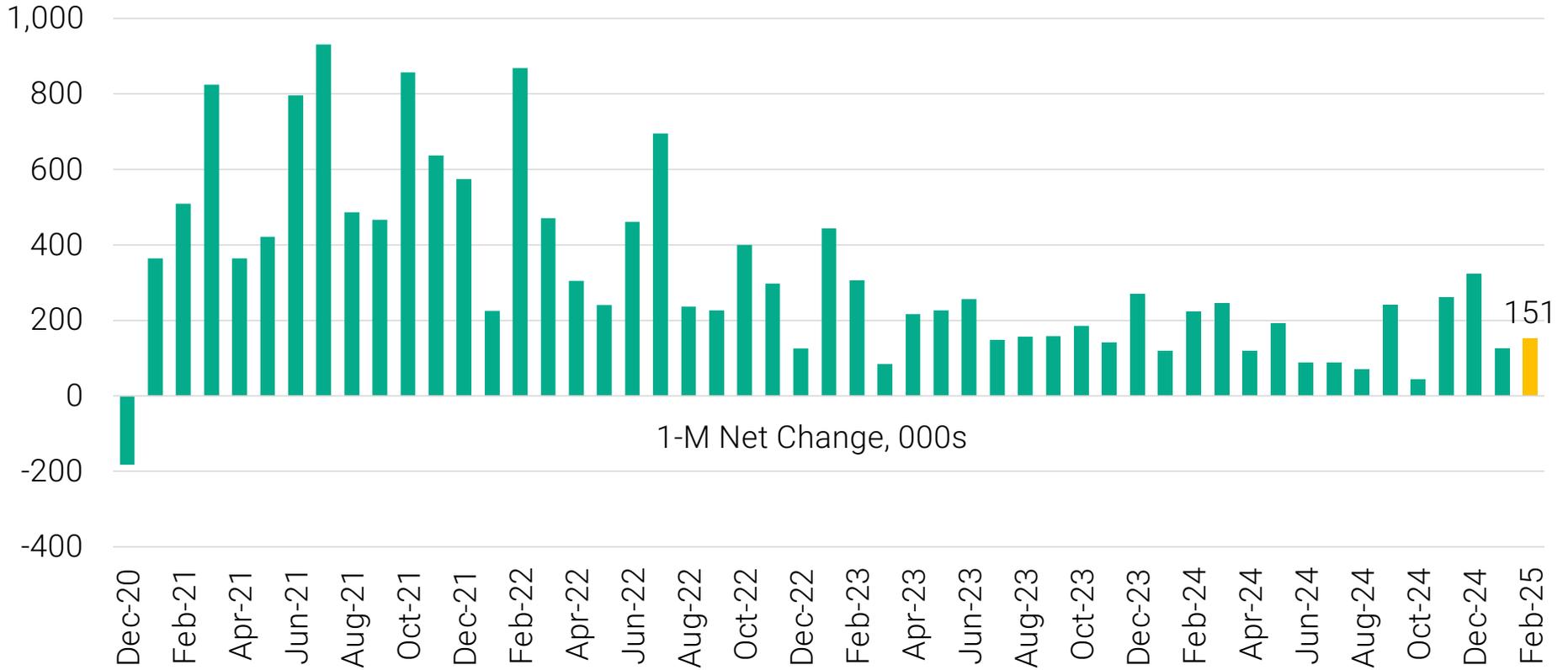# U.S. Construction Job Openings, 2015 – February 2025

- From 2015-2019 the number of unfilled U.S. construction jobs averaged 228,000.

- In 2024 there was an average of 306,000 unfilled construction jobs.

- That's 34% higher than the 2015-2019 average.

Construction Job Openings (000s)

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U.S. Job Growth, Monthly
December 2020 – February 2025

1-M Net Change, 000s

151

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U.S. Wage Growth v. Inflation

YOY % Change, 2007 –February 2025

Legend:
- Average Hourly Earnings
- Inflation (CPI)

Y-axis values: 10.0%, 8.0%, 6.0%, 4.0%, 2.0%, 0.0%, -2.0%, -4.0%

X-axis labels: 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025

End labels: +4.0%, +2.8%

Source: U.S. Bureau of Labor Statistics

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U.S. Jobs Recovered Since February 2020

Nonfarm Employment by Industry Sector, February 2020 v. February 2025

Industry Sector	Value
Private Education & Health Services	2,497
Trade, Transportation, & Utilities	1,361
Professional & Business Services	1,090
Government	758
Construction	700
Financial Activities	370
Other Services	85
Leisure & Hospitality	60
Information	42
Manufacturing	22
Mining & Logging	-59

+6.9M Total
(+4.5%)

Thousands, SA

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Employment Growth, 25 Largest Metros
February 2020 v. February 2025 % Change

Rank	MSA	%	Rank	MSA	%
1	Austin-Round Rock-San Marcos, TX	19.2%	14	San Diego-Chula Vista-Carlsbad, CA	2.9%
2	Orlando-Kissimmee-Sanford, FL	12.4%	15	New York-Newark-Jersey City, NY-NJ	2.4%
3	Dallas-Fort Worth-Arlington, TX	12.0%	16	Seattle-Tacoma-Bellevue, WA	1.5%
4	Tampa-St. Petersburg-Clearwater, FL	10.4%	16	Washington-Arlington-Alexandria, DC-VA-MD-WV	1.5%
5	Phoenix-Mesa-Chandler, AZ	10.2%			
6	San Antonio-New Braunfels, TX	10.0%	18	Baltimore-Columbia-Towson, MD	1.2%
7	Charlotte-Concord-Gastonia, NC-SC	9.4%	19	St. Louis, MO-IL	1.0%
8	Houston-Pasadena-The Woodlands, TX	8.1%	20	Chicago-Naperville-Elgin, IL-IN-WI	0.6%
9	Miami-Fort Lauderdale-West Palm Beach, FL	8.0%	21	Detroit-Warren-Dearborn, MI	0.5%
10	Atlanta-Sandy Springs-Roswell, GA	7.3%	22	Minneapolis-St. Paul-Bloomington, MN-WI	-0.4%
11	Riverside-San Bernardino-Ontario, CA	6.8%	23	Los Angeles-Long Beach-Anaheim, CA	-0.6%
12	Denver-Aurora-Centennial, CO	4.8%	24	Boston-Cambridge-Newton, MA-NH	-1.2%
13	Philadelphia-Camden-Wilm., PA-NJ-DE-MD	4.0%	25	San Francisco-Oakland-Fremont, CA	-3.7%

U.S. % Change 2/2020 v. 2/2025: +4.5%

Construction Employment Growth, 25 Largest Metros

February 2020 v. February 2025 % Change

Rank	MSA	%	Rank	MSA	%
1	Phoenix-Mesa-Chandler, AZ	30.0%	14	Boston-Cambridge-Newton, MA-NH	2.6%
2	Austin-Round Rock-San Marcos, TX	26.6%	15	Chicago-Naperville-Elgin, IL-IN-WI	2.5%
3	San Antonio-New Braunfels, TX	20.3%	15	Minneapolis-St. Paul-Bloomington, MN-WI	2.5%
4	Charlotte-Concord-Gastonia, NC-SC	17.1%	17	Denver-Aurora-Centennial, CO	0.5%
4	St. Louis, MO-IL	17.1%	18	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	0.1%
6	Dallas-Fort Worth-Arlington, TX	14.3%			
6	Tampa-St. Petersburg-Clearwater, FL	14.3%	19	Riverside-San Bernardino-Ontario, CA	-0.2%
8	Miami-Fort Lauderdale-West Palm Beach, FL	12.4%	20	Houston-Pasadena-The Woodlands, TX	-1.3%
9	Atlanta-Sandy Springs-Roswell, GA	12.3%	21	Baltimore-Columbia-Towson, MD	-3.5%
10	Orlando-Kissimmee-Sanford, FL	12.1%	22	Los Angeles-Long Beach-Anaheim, CA	-5.7%
11	Detroit-Warren-Dearborn, MI	10.5%	23	New York-Newark-Jersey City, NY-NJ	-7.6%
12	San Diego-Chula Vista-Carlsbad, CA	5.6%	24	Seattle-Tacoma-Bellevue, WA	-10.6%
13	Washington-Arlington-Alex., DC-VA-MD-WV	2.8%	25	San Francisco-Oakland-Fremont, CA	-13.0%

Source: Bureau of Labor Statistics
Current Employment Statistics (CES) Survey. Note: data are not seasonally adjusted.

U.S. % Change 2/2020 v. 2/2025: +9.2%

Unemployment Rates, 25 Largest Metros, January 2025

Rank	MSA	%
1	Baltimore-Columbia-Towson, MD	3.0%
1	Miami-Fort Lauderdale-West Palm Beach, FL	3.0%
3	Washington-Arlington-Alexandria, DC-VA-MD-WV	3.1%
4	Minneapolis-St. Paul-Bloomington, MN-WI	3.2%
5	Atlanta-Sandy Springs-Roswell, GA	3.4%
6	Austin-Round Rock-San Marcos, TX	3.5%
6	Phoenix-Mesa-Chandler, AZ	3.5%
8	Orlando-Kissimmee-Sanford, FL	3.6%
9	San Antonio-New Braunfels, TX	3.8%
9	Tampa-St. Petersburg-Clearwater, FL	3.8%
11	Charlotte-Concord-Gastonia, NC-SC	3.9%
11	Dallas-Fort Worth-Arlington, TX	3.9%

Rank	MSA	%
13	Seattle-Tacoma-Bellevue, WA	4.1%
14	Boston-Cambridge-Newton, MA-NH	4.2%
14	Philadelphia-Camden-Wilm., PA-NJ-DE-MD	4.2%
16	St. Louis, MO-IL	4.3%
17	Houston-Pasadena-The Woodlands, TX	4.4%
17	San Francisco-Oakland-Fremont, CA	4.4%
19	San Diego-Chula Vista-Carlsbad, CA	4.5%
20	New York-Newark-Jersey City, NY-NJ	4.7%
21	Denver-Aurora-Centennial, CO	4.9%
22	Chicago-Naperville-Elgin, IL-IN-WI	5.1%
23	Riverside-San Bernardino-Ontario, CA	5.3%
24	Los Angeles-Long Beach-Anaheim, CA	5.4%
25	Detroit-Warren-Dearborn, MI	5.6%

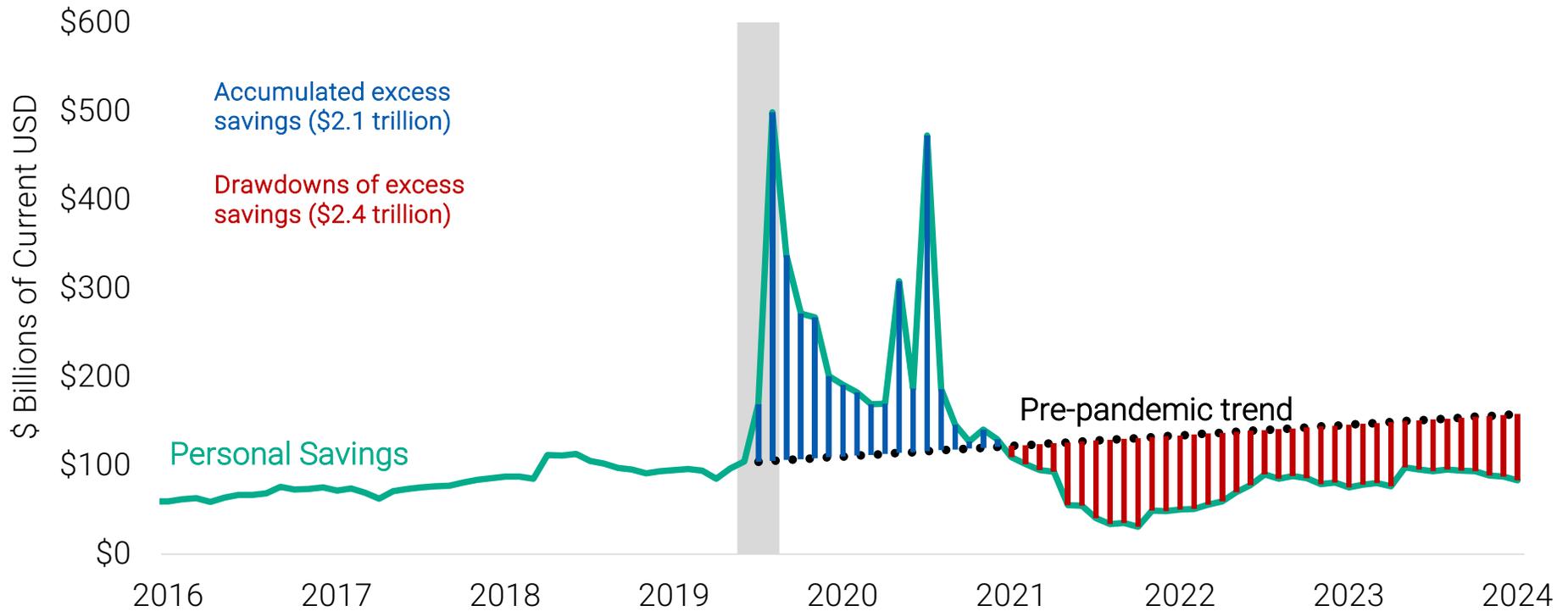U.S. Unemployment Rate—Jan: 4.0% | Feb: 4.1%

Devil in a Bunch of **Data**

Devil in a Blue Dress (1995)—Denzel Washington as Easy Rawlins

Drawdown of Pandemic Related Excess Savings

Aggregate Personal Savings Versus the Pre-pandemic Trend
(Abdelrahman and Oliveira, Federal Reserve Bank of San Francisco)

Source: Federal Reserve Bank of San Francisco

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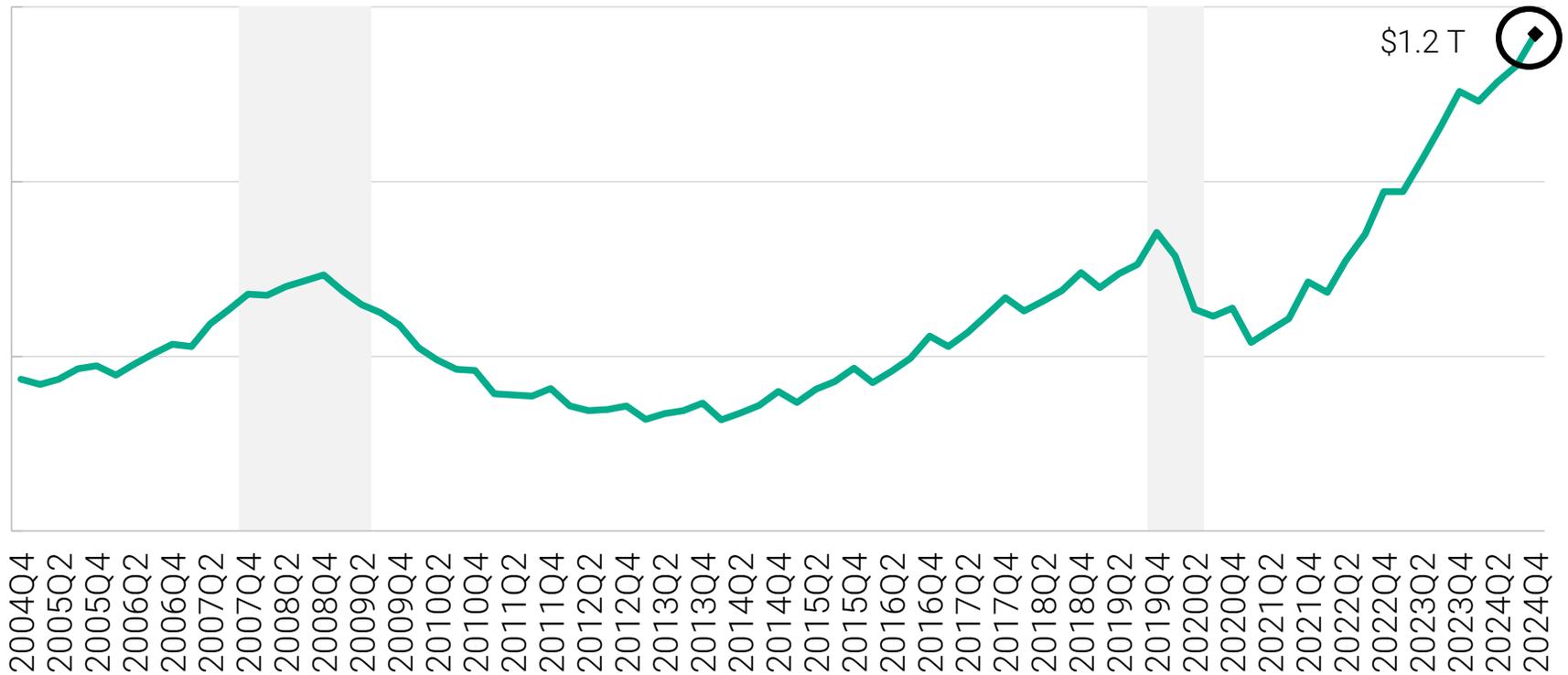# U.S. Credit Card Debt, 2004 – 2024
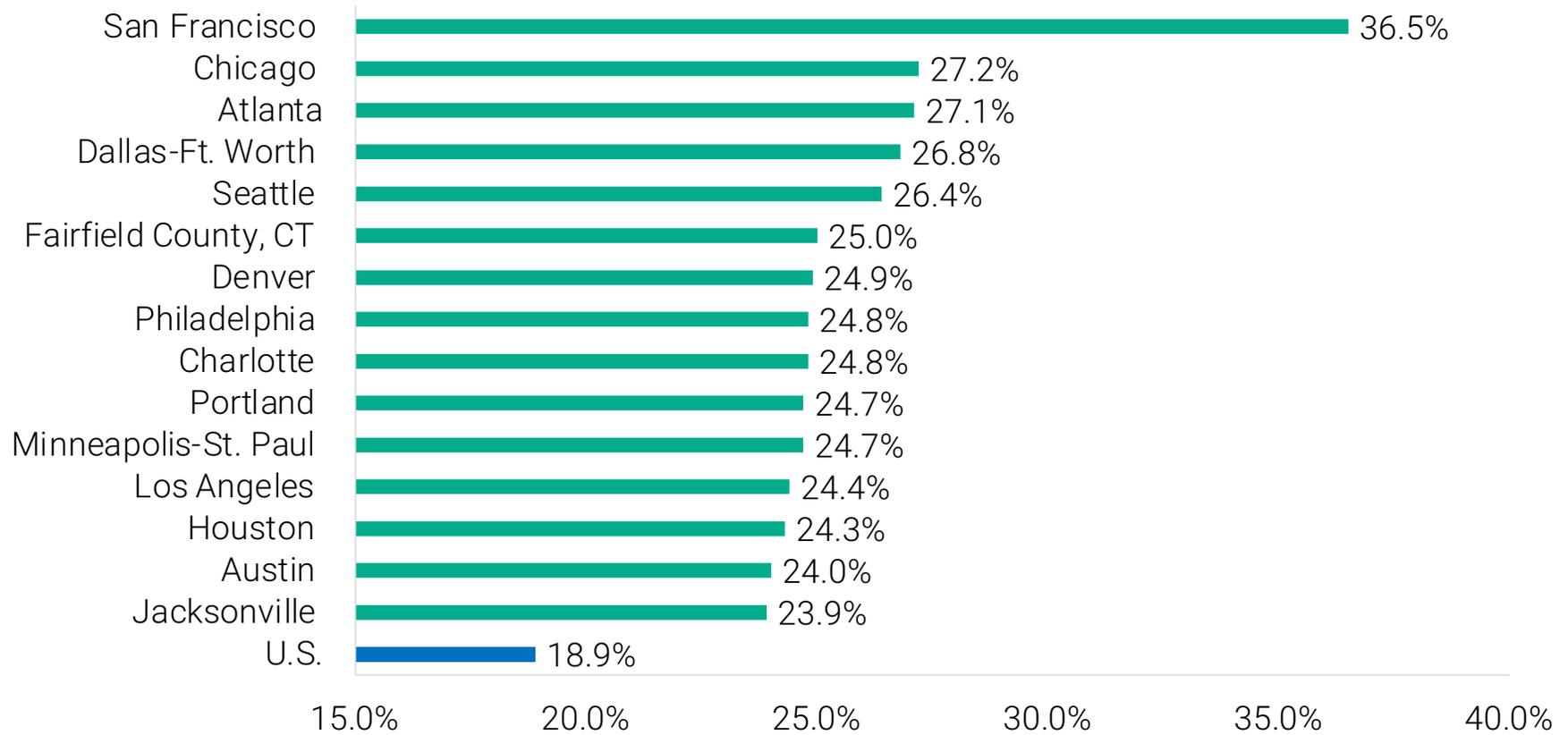
$ Trillions

$1.2 T

Shaded areas indicate U.S. recessions

Source: FRED; New York Fed Consumer Credit Panel/Equifax

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Highest Office Vacancy Rates, 2024Q4

City	Vacancy Rate
San Francisco	36.5%
Chicago	27.2%
Atlanta	27.1%
Dallas-Ft. Worth	26.8%
Seattle	26.4%
Fairfield County, CT	25.0%
Denver	24.9%
Philadelphia	24.8%
Charlotte	24.8%
Portland	24.7%
Minneapolis-St. Paul	24.7%
Los Angeles	24.4%
Houston	24.3%
Austin	24.0%
Jacksonville	23.9%
U.S.	18.9%

Source: CBRE

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U.S. Commercial Foreclosures, 2014 – 2024

U.S. Total of Commercial Foreclosures
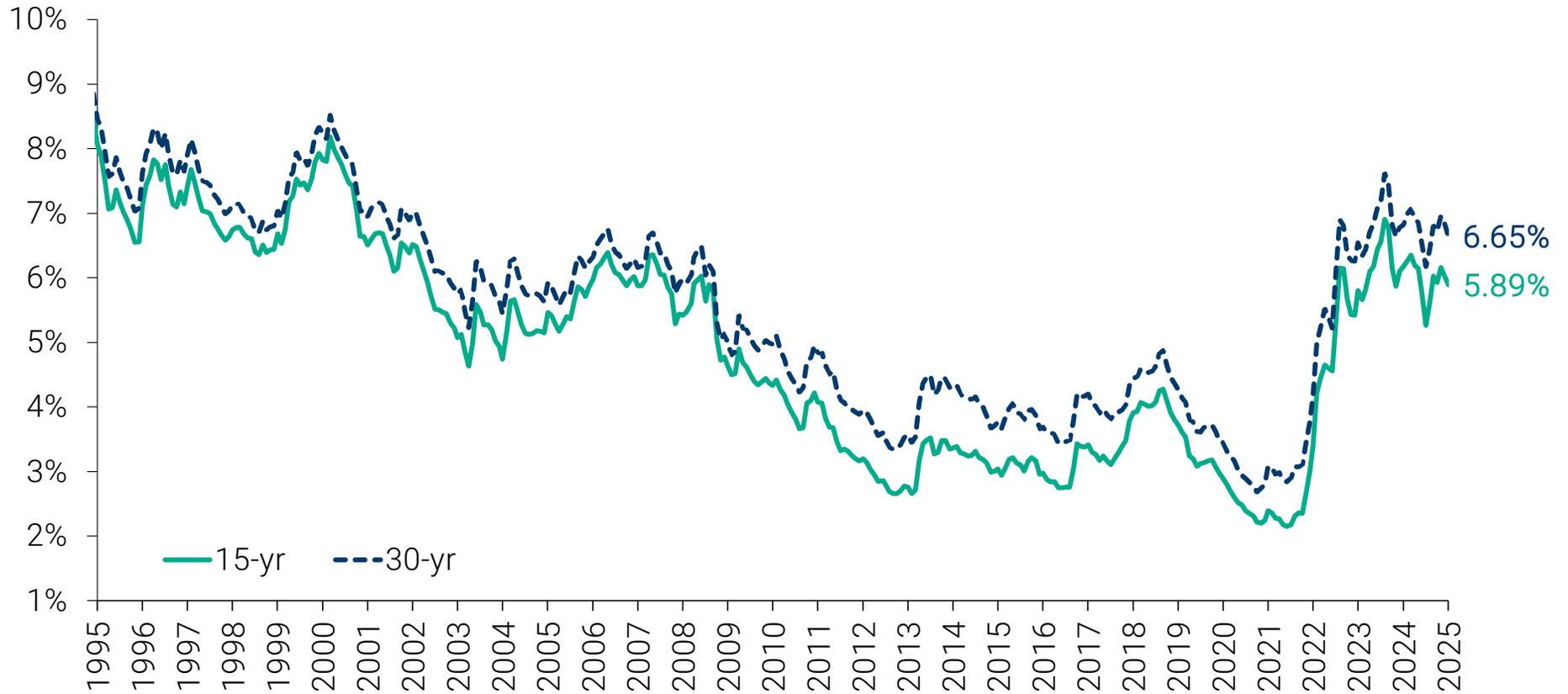

ATTOM™

1626

378

725
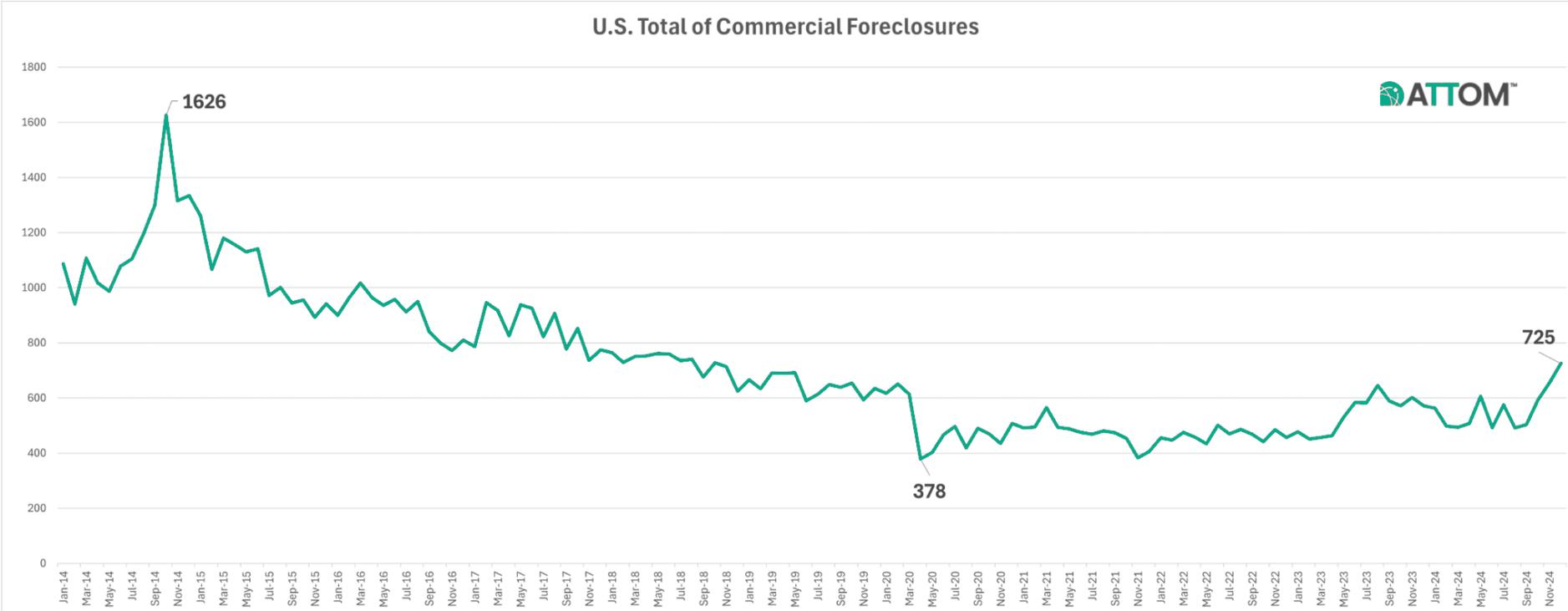
Source: ATTOM

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Fences

Fences (2016)—Denzel Washington as Troy Maxson, Pittsburgh sanitation worker
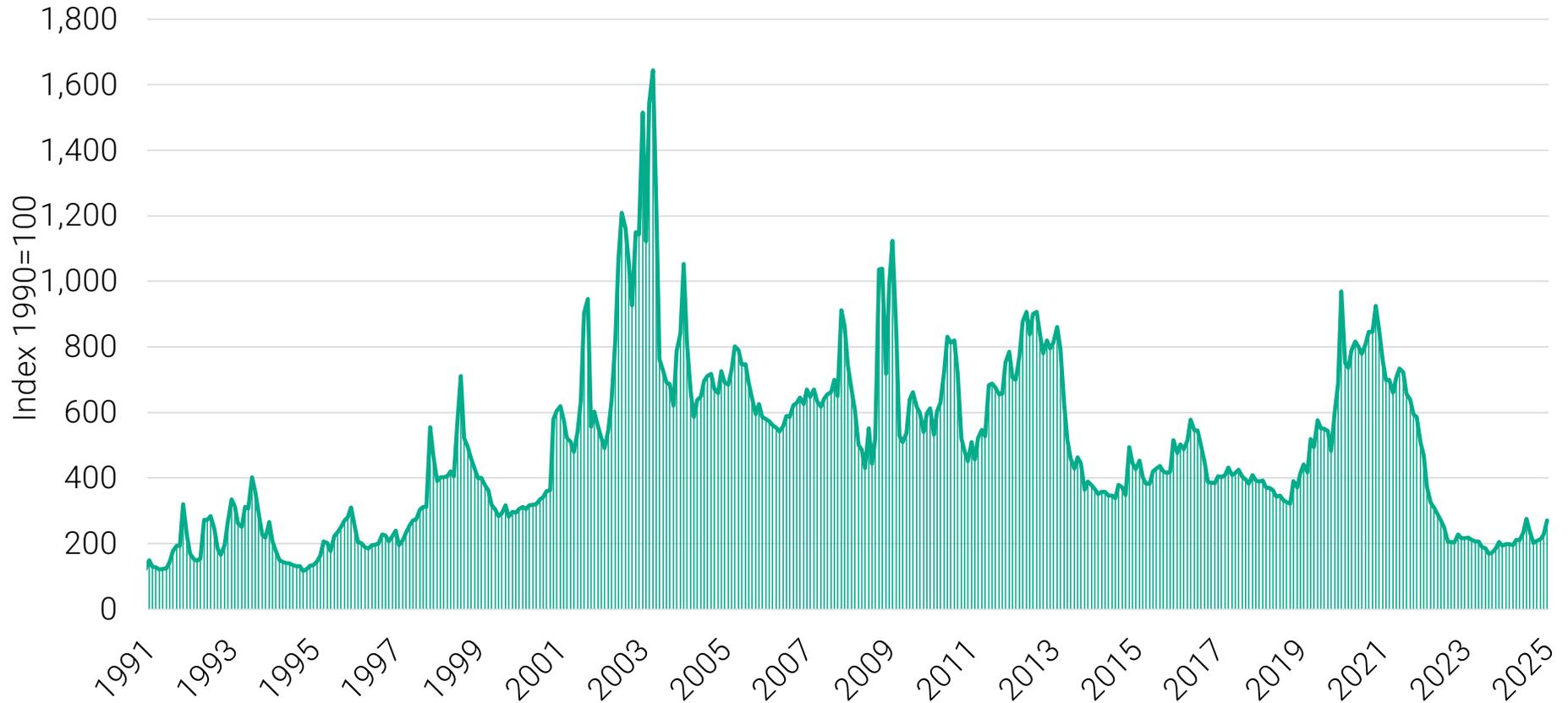
U.S. 15-Year & 30-Year Fixed Mortgage Rates
1995 – March 2025*

6.65%
5.89%

15-yr ----- 30-yr

Source: Freddie Mac   *Week ending 3/27/2025

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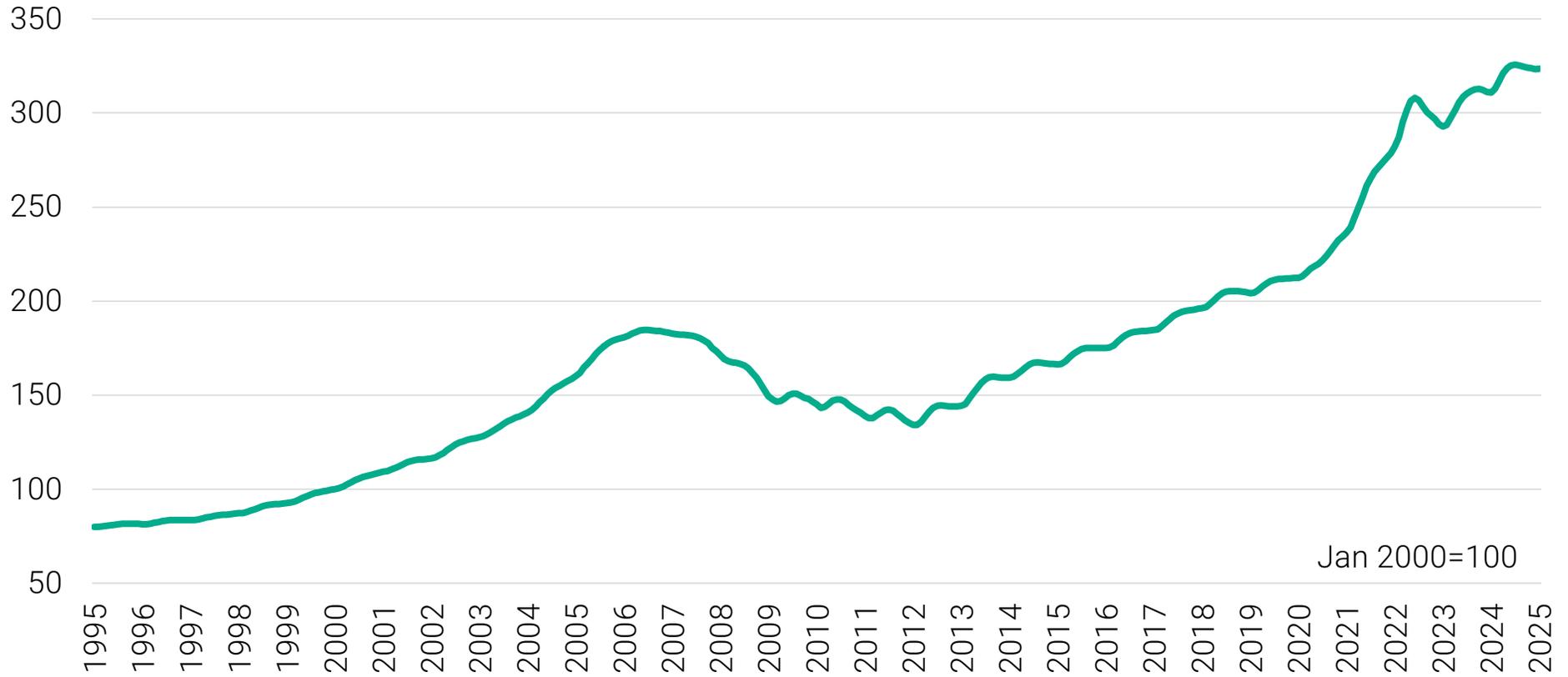
U.S. Mortgage Loan Applications Composite Index

1991 – March 2025

Source: Mortgage Bankers Association (MBA)

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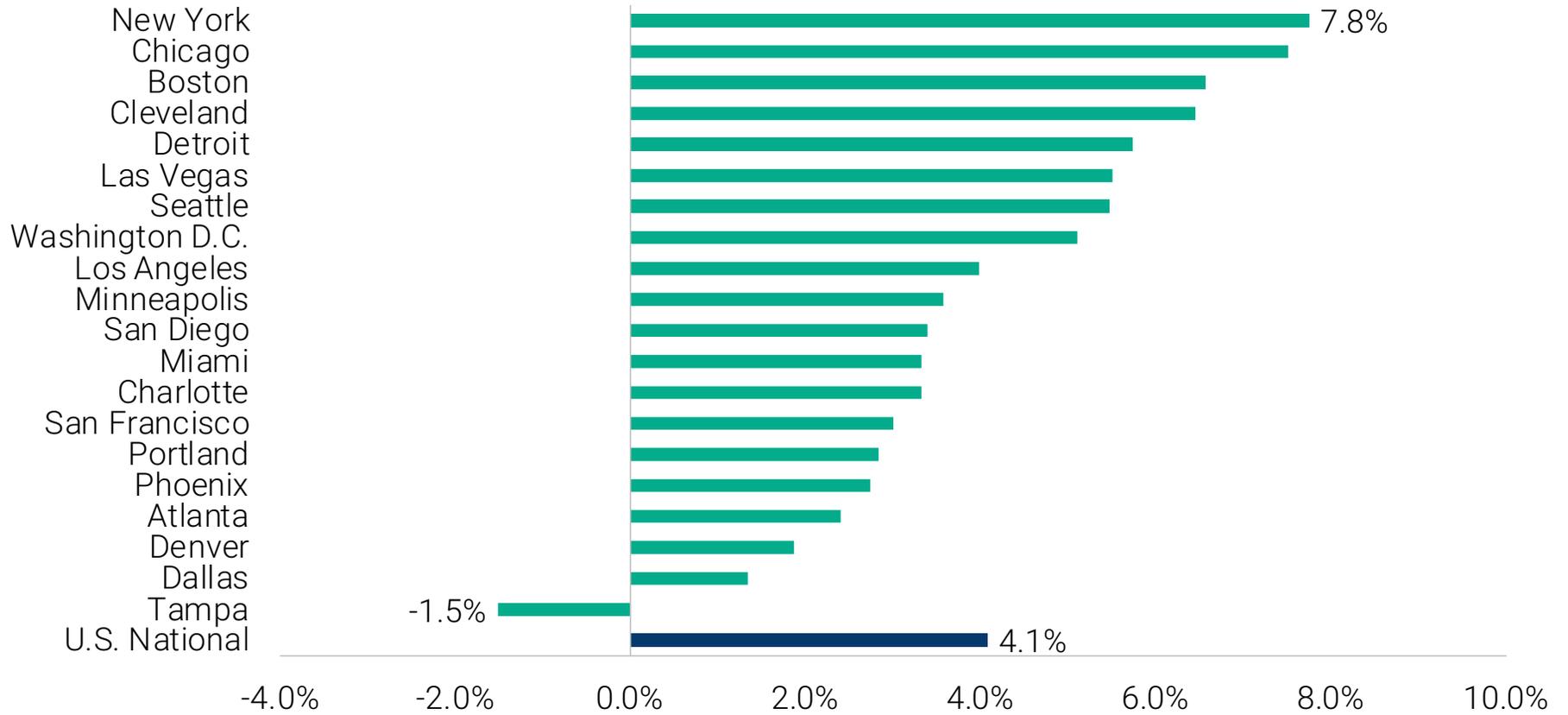# S&P Case-Shiller Home Price Index
1995 – January 2025

Jan 2000=100

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S&P Case-Shiller Home Price Index by Metro Area
12-Month % Change, January 2025

Metro Area	% Change
New York	7.8%
Chicago	
Boston	
Cleveland	
Detroit	
Las Vegas	
Seattle	
Washington D.C.	
Los Angeles	
Minneapolis	
San Diego	
Miami	
Charlotte	
San Francisco	
Portland	
Phoenix	
Atlanta	
Denver	
Dallas	
Tampa	-1.5%
U.S. National	4.1%

Source: Standard & Poor's

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S&P Case-Shiller Home Price Index by Metro Area

1-Month % Change, January 2025

Metro Area	Value
Los Angeles	0.5%
Chicago	
Detroit	
Cleveland	
Phoenix	
San Diego	
Washington D.C.	
New York	
San Francisco	
Las Vegas	
Miami	
Seattle	
Denver	
Atlanta	
Minneapolis	
Charlotte	
Boston	
Portland	
Dallas	
Tampa	-0.6%
U.S. National	0.1%

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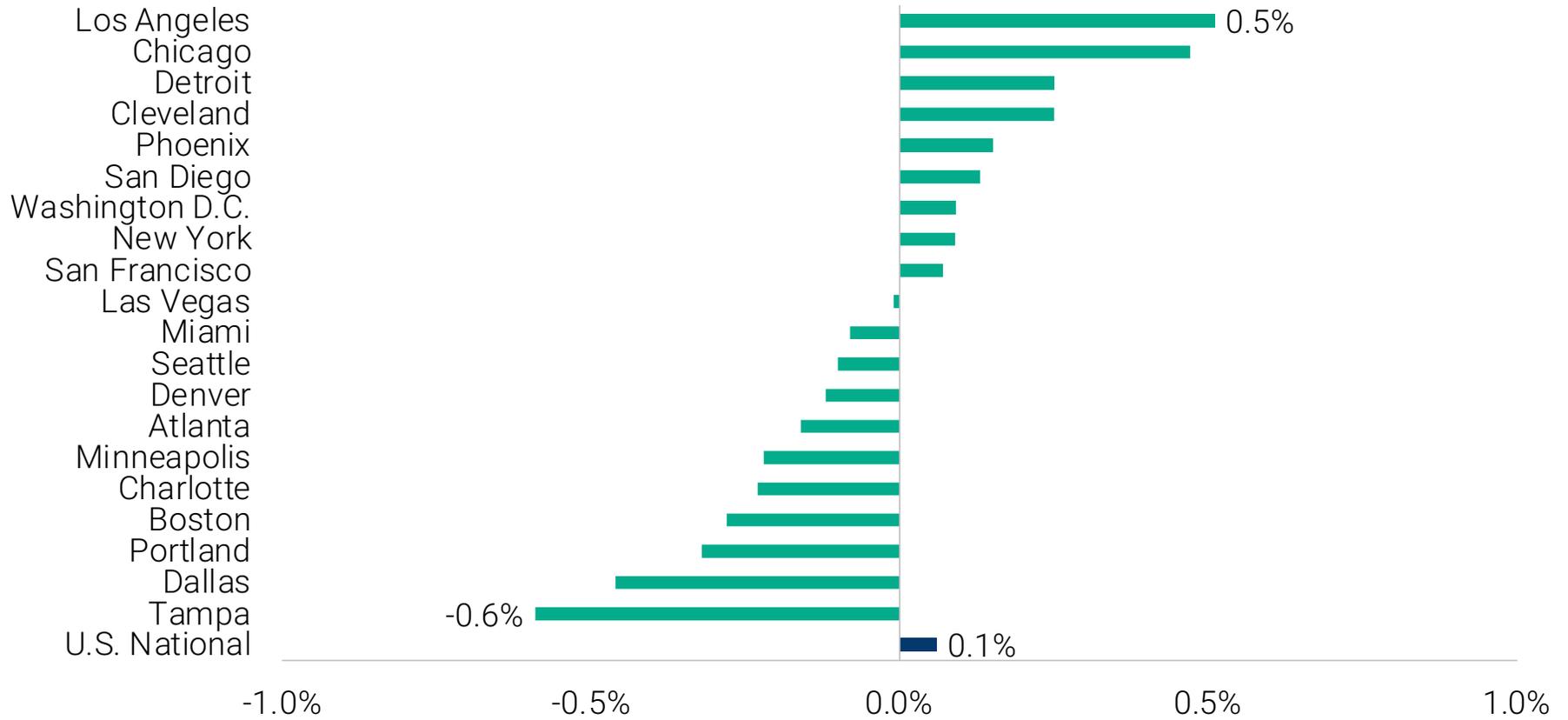
U.S. Residential Building Permits
1995 – February 2025

Thousands of Units, Seasonally Adjusted Annual Rate

Single-Family

Multifamily

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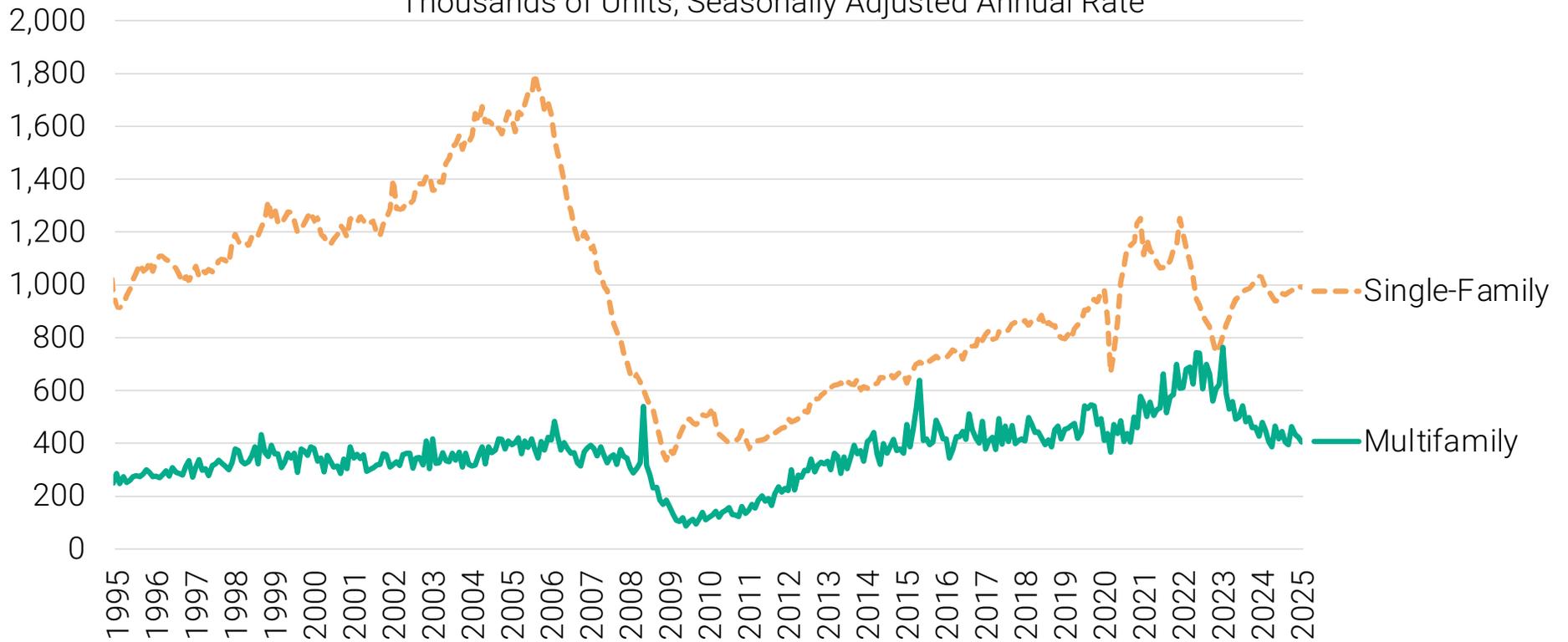
Housing Units Under Construction vs. Residential Employment
2000 – February 2025

Legend:
- Housing Units Under Construction
- Employment: Residential Building Construction

Y-axis: Millions (0.0 to 1.8)
X-axis: 2000 to 2025

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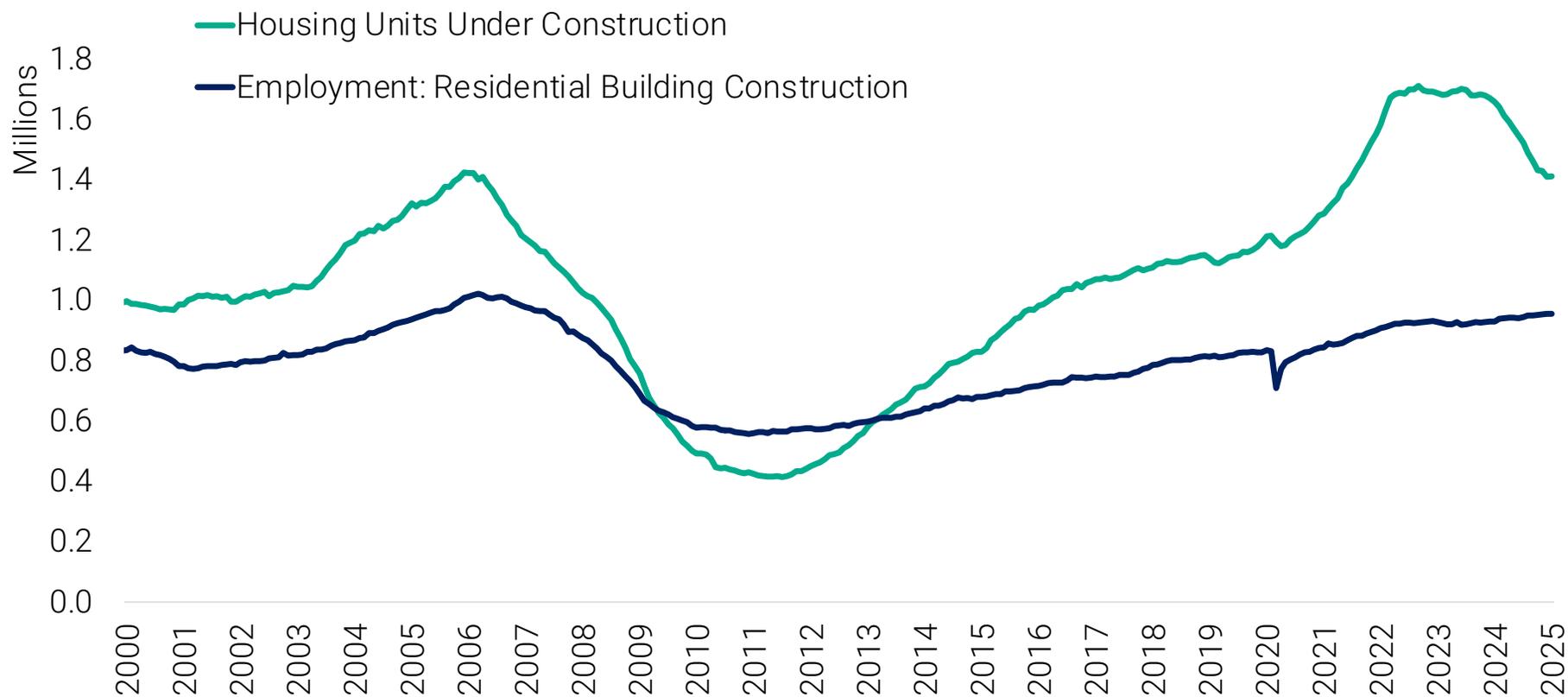
ABC Construction Backlog Indicator, 2012 – February 2025

CBI: Months of Backlog

8.3

Source: Associated Builders and Contractors; Sage

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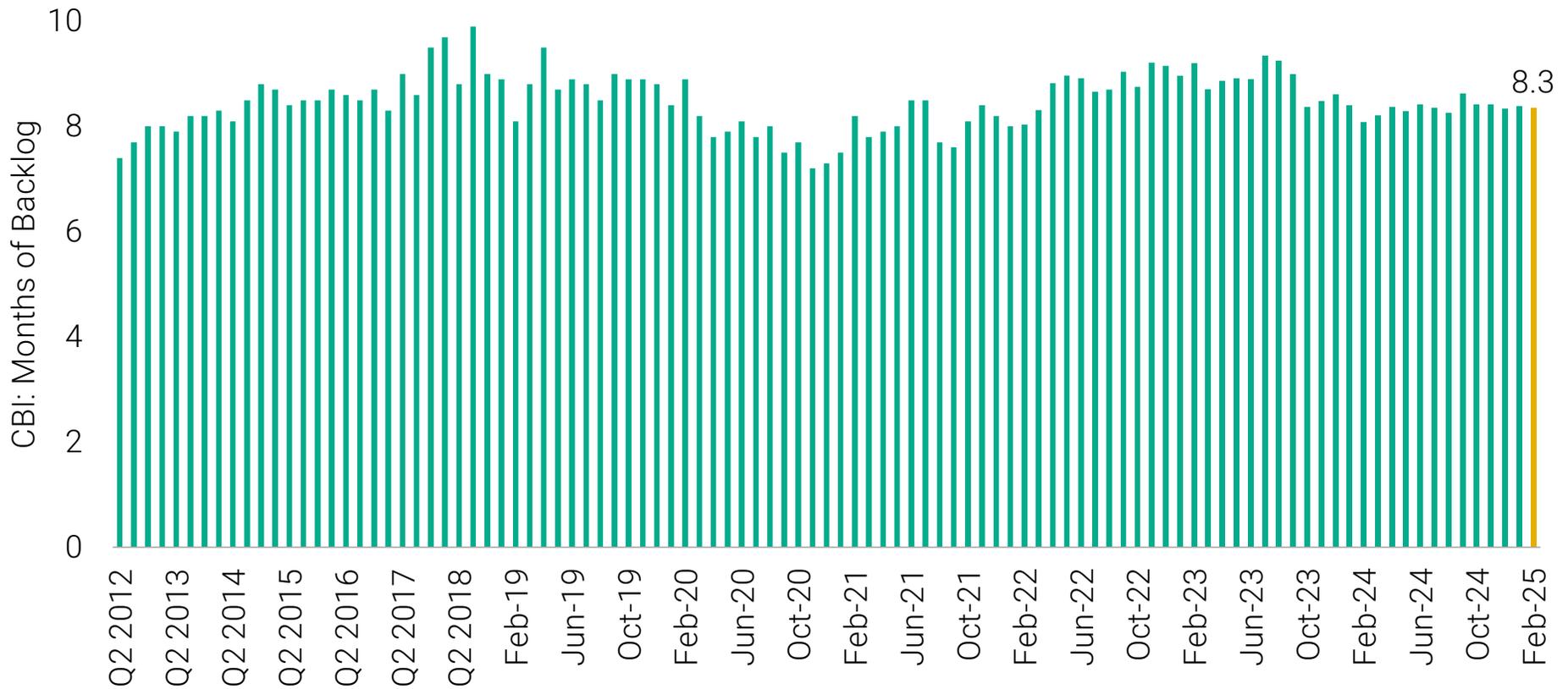
Architecture Billings Index

2008 – February 2025

Feb. 2025: 45.5

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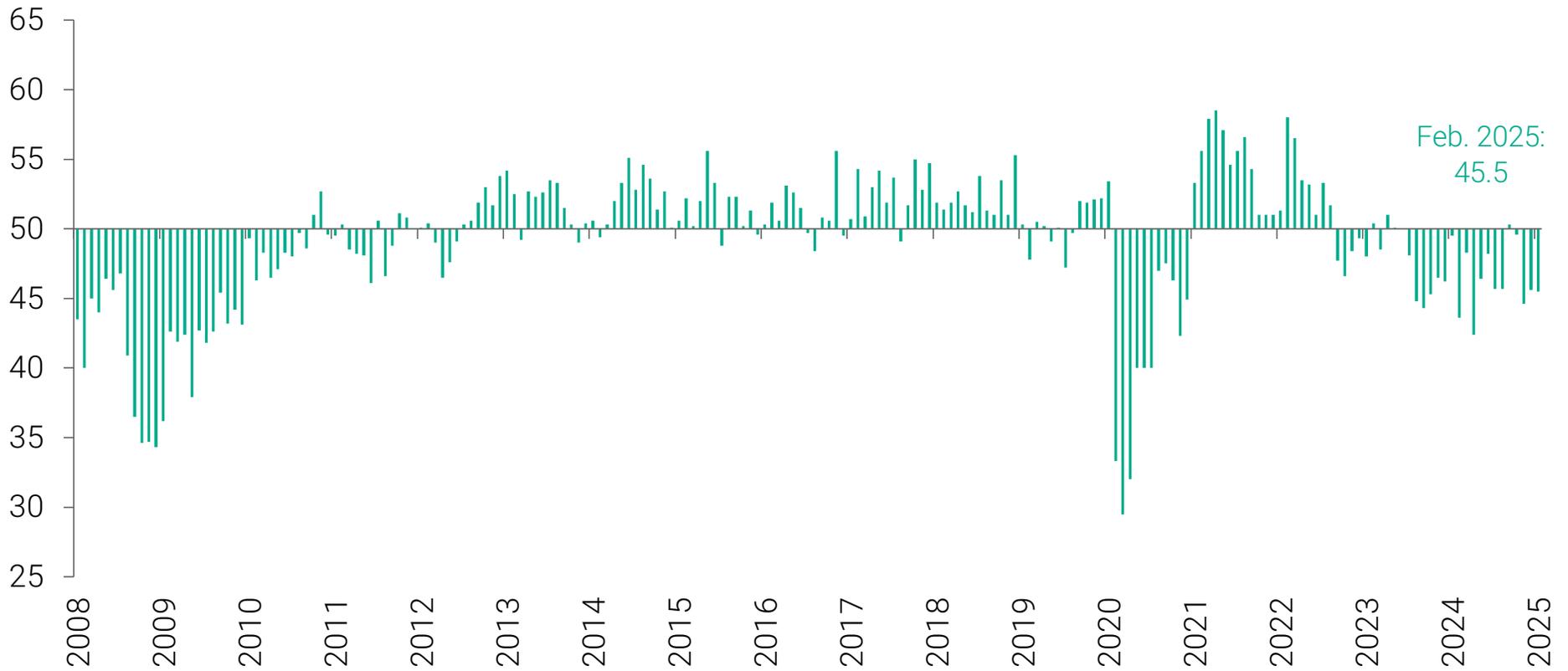
Nonresidential Construction Spending by Subsector
February 2020 v. February 2025 (Current $)

Subsector	% Change
Total Nonresidential Const.	42.2%
Manufacturing	199.3%
Water Supply	86.4%
Sewage and Waste Disposal	74.5%
Health Care	44.8%
Highway and Street	42.5%
Amusement and Recreation	36.5%
Commercial	34.9%
Religious	34.8%
Conservation and Development	32.6%
Power	23.5%
Communication	21.7%
Educational	21.0%
Transportation	14.7%
Office	7.6%
Public Safety	5.4%
Lodging	-29.0%

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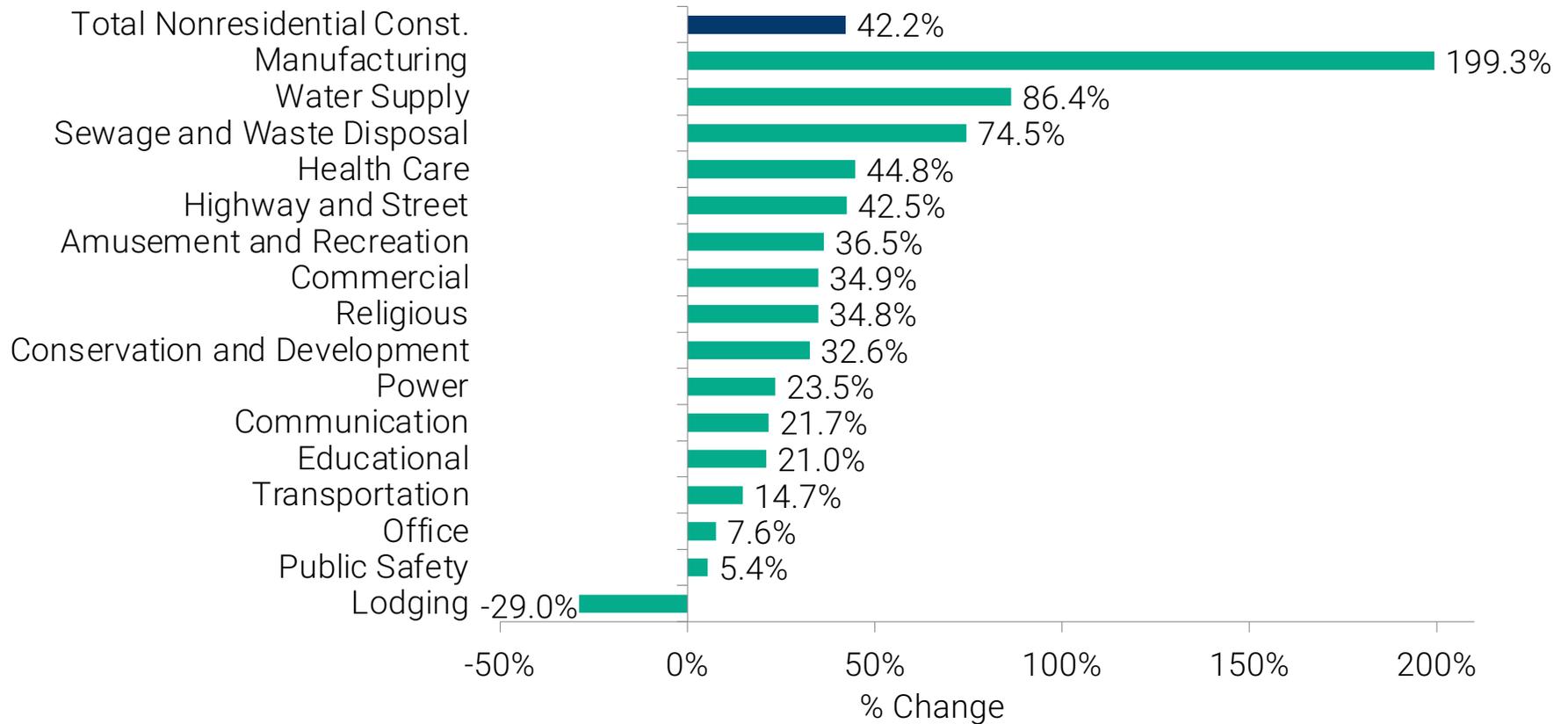
New Nonresidential Construction: Input Costs v. Bid Prices

% Change v. February 2020

Inputs, 38.7%

Bids, 38.1%

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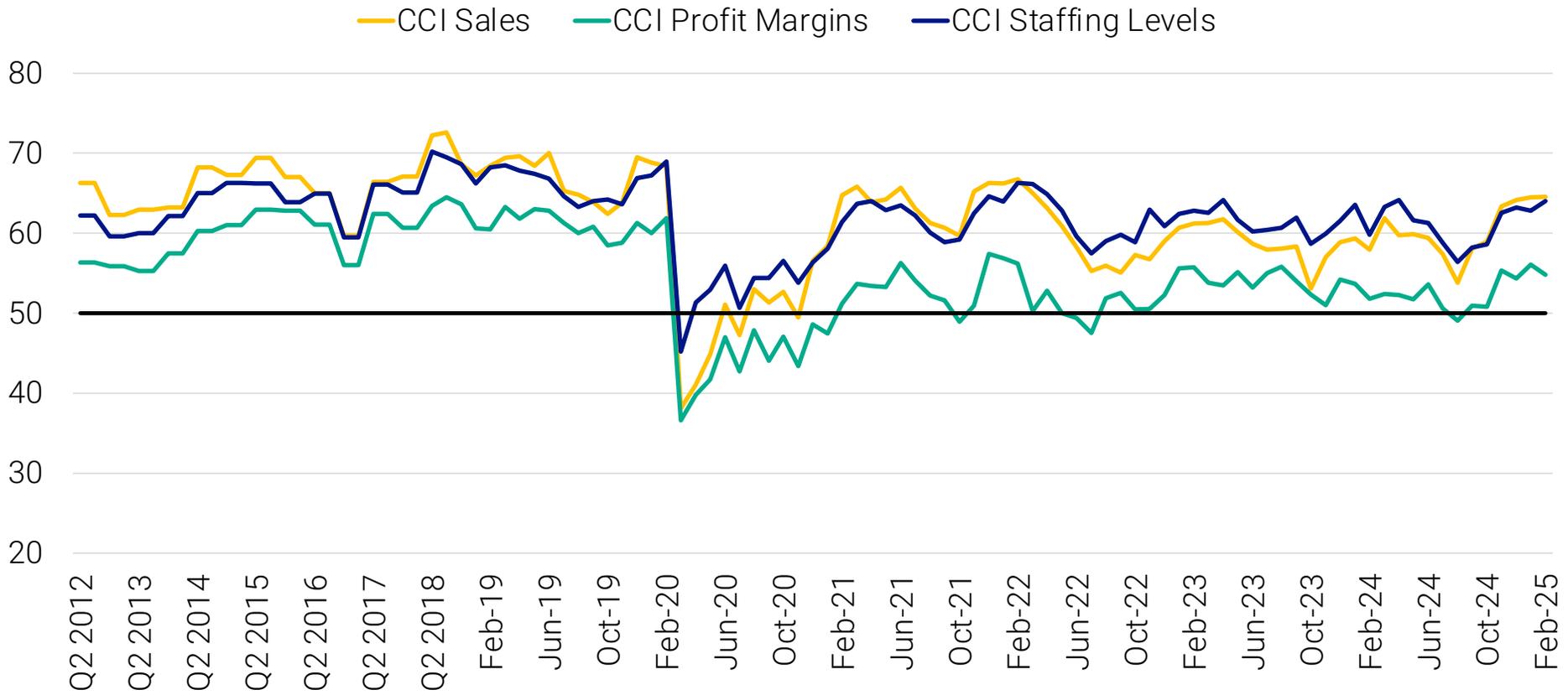
Glory (1989)—Denzel Washington as Trip, a member of the 54th Massachusetts infantry regiment

ABC Construction Confidence Index, 2012 – February 2025

Legend: CCI Sales, CCI Profit Margins, CCI Staffing Levels

NFIB Index of Small Business Optimism
1987 – February 2025

Percent Next 3 Months "Good Time to Expand"

12%

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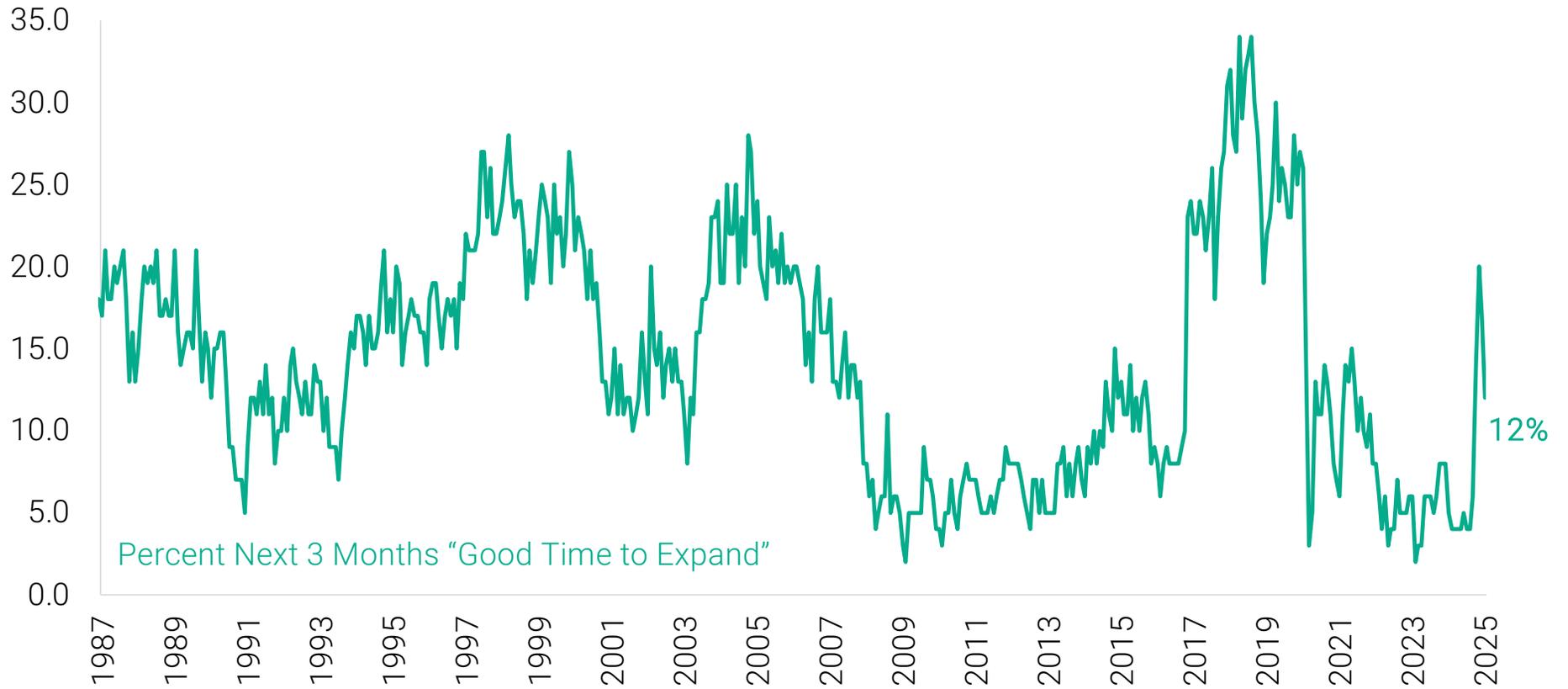
Conference Board: U.S. Leading Economic Index
2000 – February 2025

Index (2016=100)
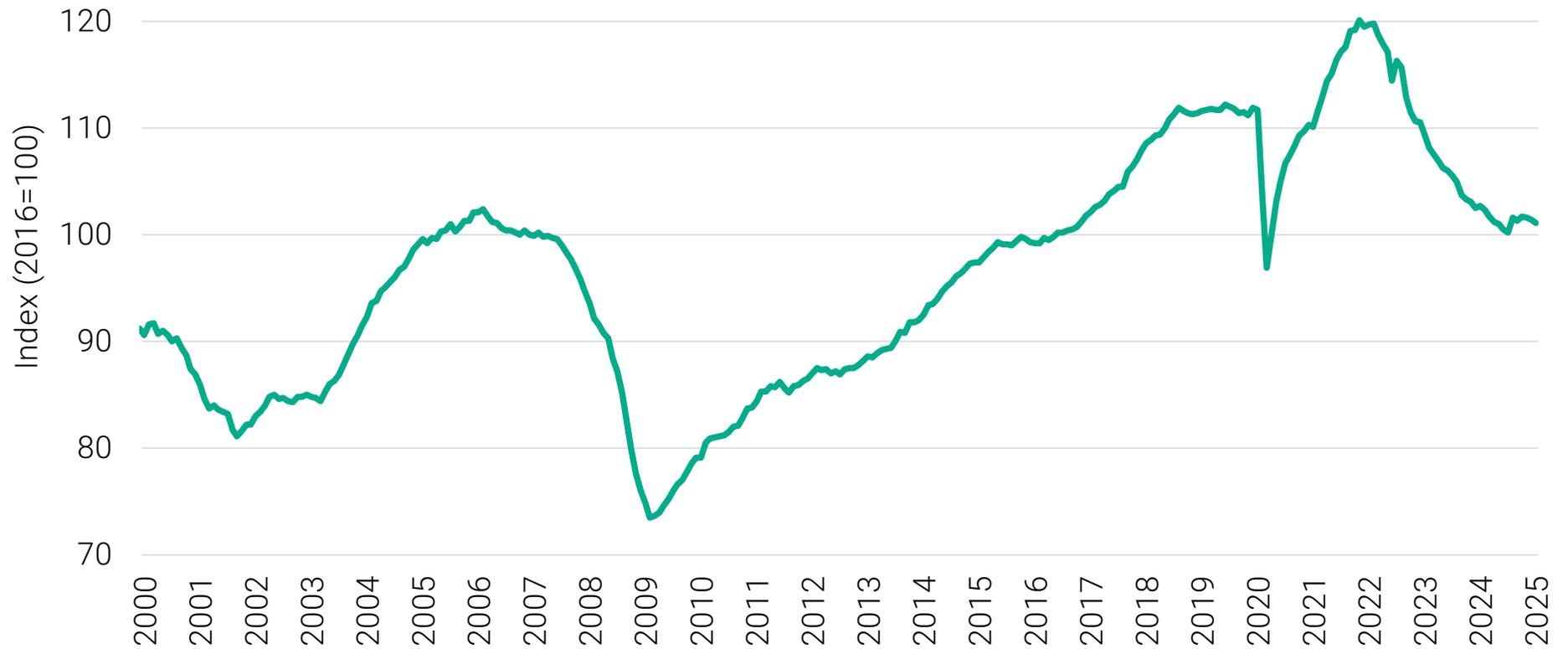
Source: The Conference Board

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Major Economic Forecasts for U.S. GDP Growth

■ 2024　■ 2025

	IMF (Jan. 2025)	World Bank (Jan. 2025)	OECD (Mar. 2025)
2024	2.8%	2.8%	2.8%
2025	2.7%	2.3%	2.2%
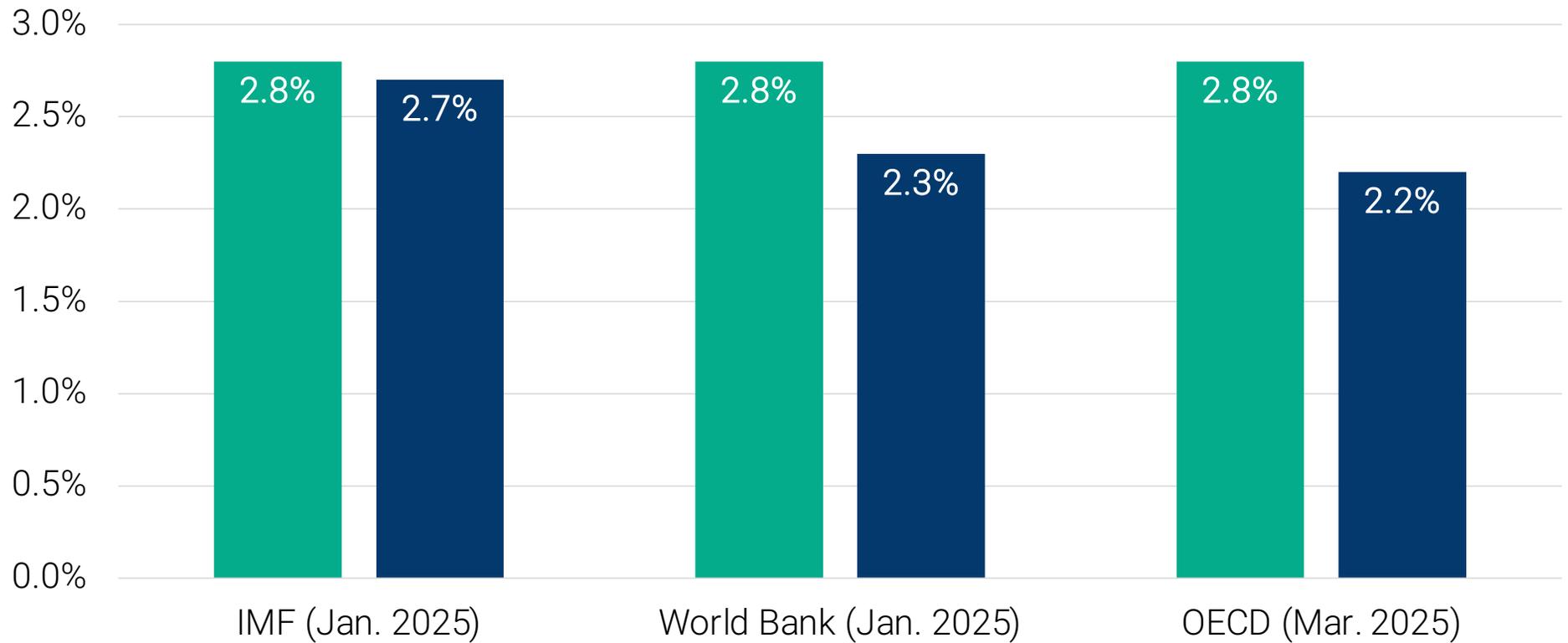
Source: IMF; OECD; World Bank

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Out of Time

Could U.S. Economy Surprise to the Downside?

- Inflation poised to stage a comeback;

- Interest rates will be higher for longer;

- Many consumers now exhausted financially, and circumstances could worsen;

- Are asset prices overextended?

- So forecast is for growth in 2025, but there are risks, including rising interest rates and falling asset prices.

*Out of Time (2003)—Denzel Washington as police chief Matt Lee Whitlock

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Thank You

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Q&A

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