

First



Brood

One Presentation by One Man

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Sage Policy Group, Inc.

On Behalf of
Construction Executive

2026 Q1 Construction
Economic Update & Forecast

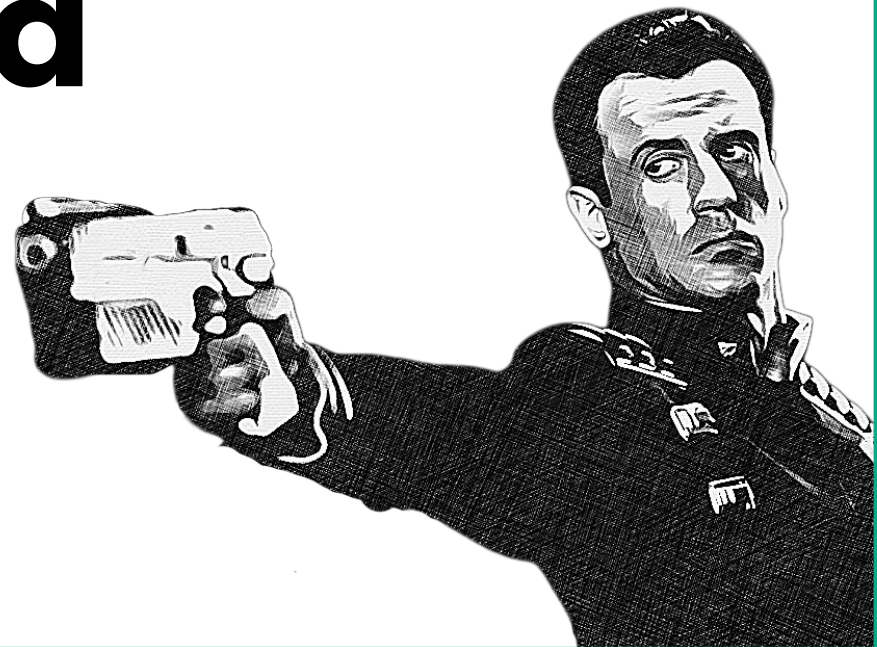
April 8, 2026

Thank You to Our Sponsors



Judge Dread

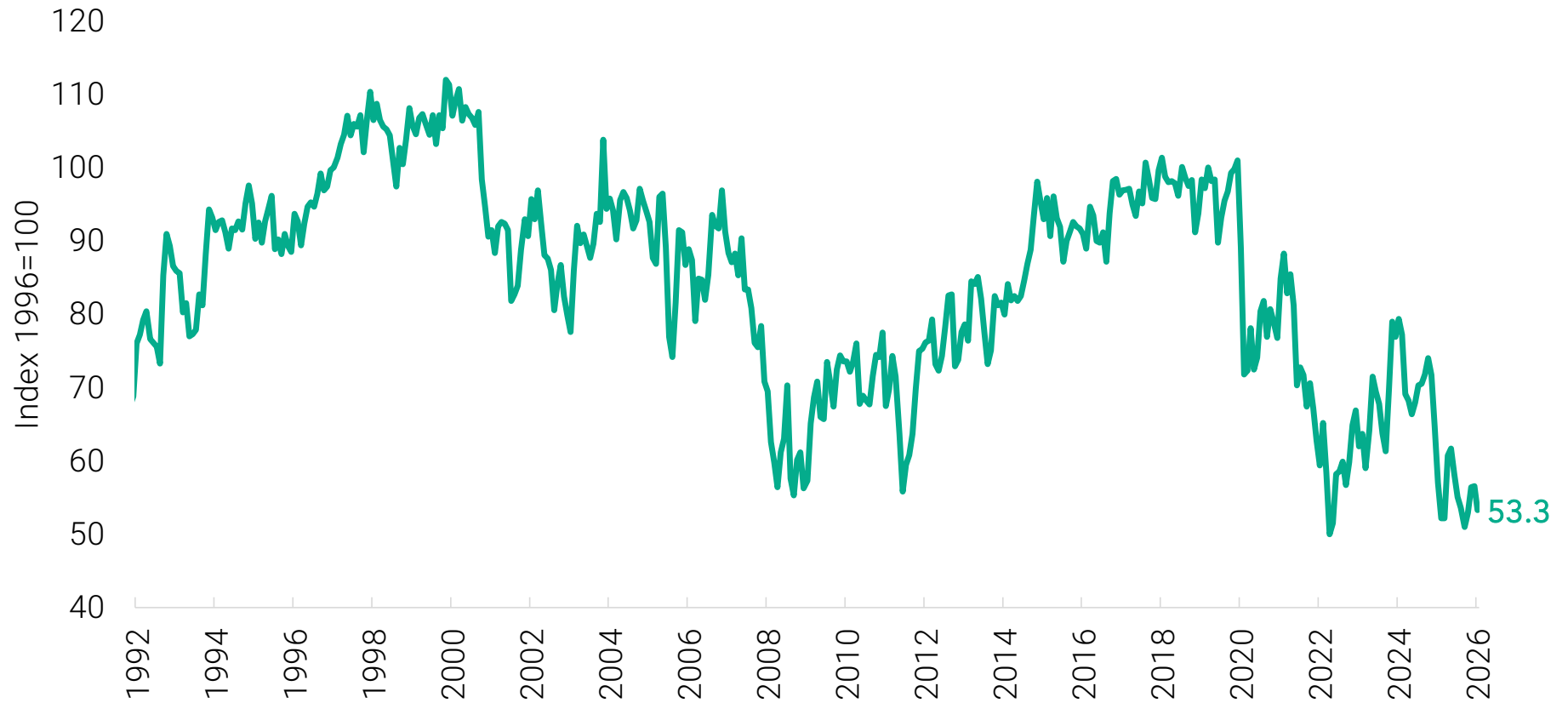
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Judge Dredd (1995)—Sylvester Stallone as Judge Joseph Dredd

University of Michigan Index of Consumer Sentiment

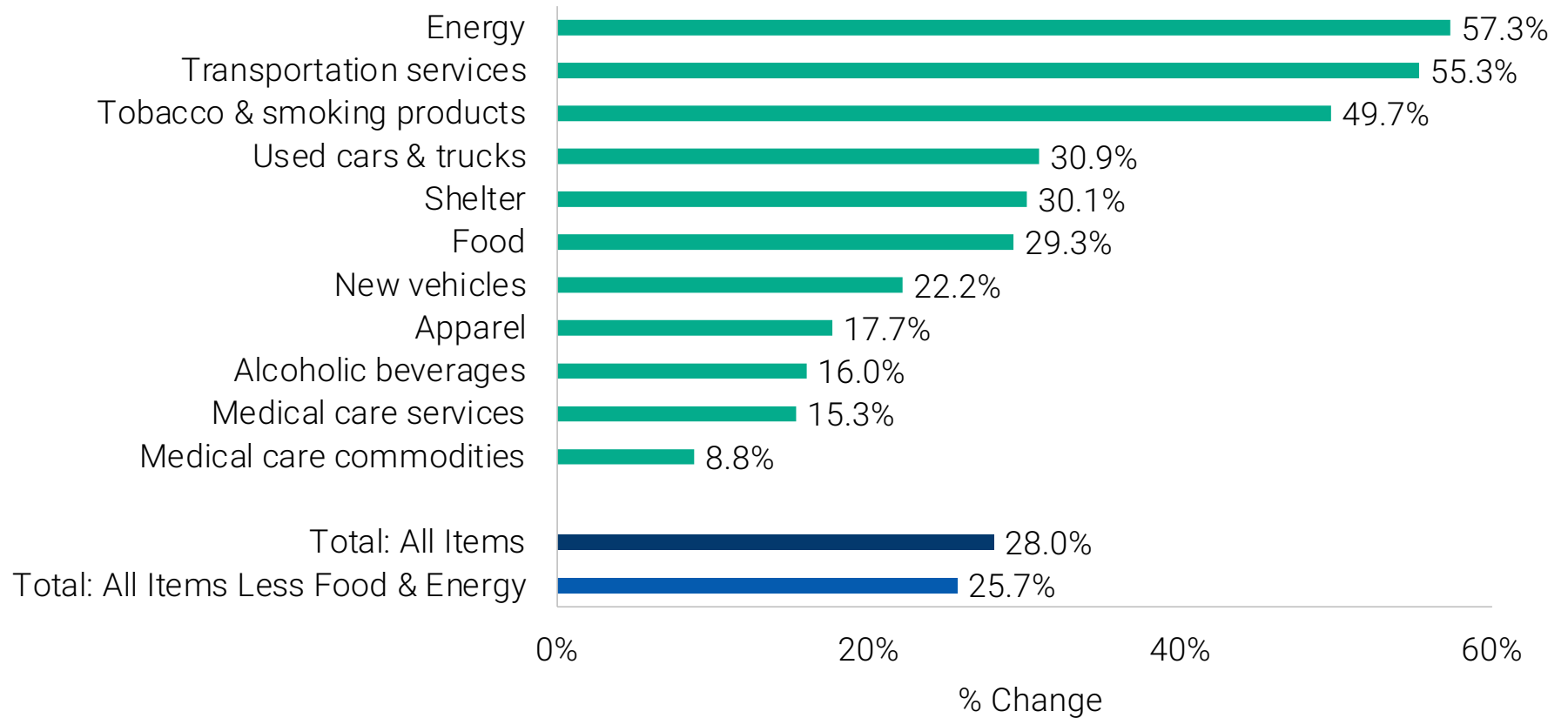
1992 – March 2026



Source: University of Michigan Survey of Consumers

Consumer Price Index, Select Categories (SA)

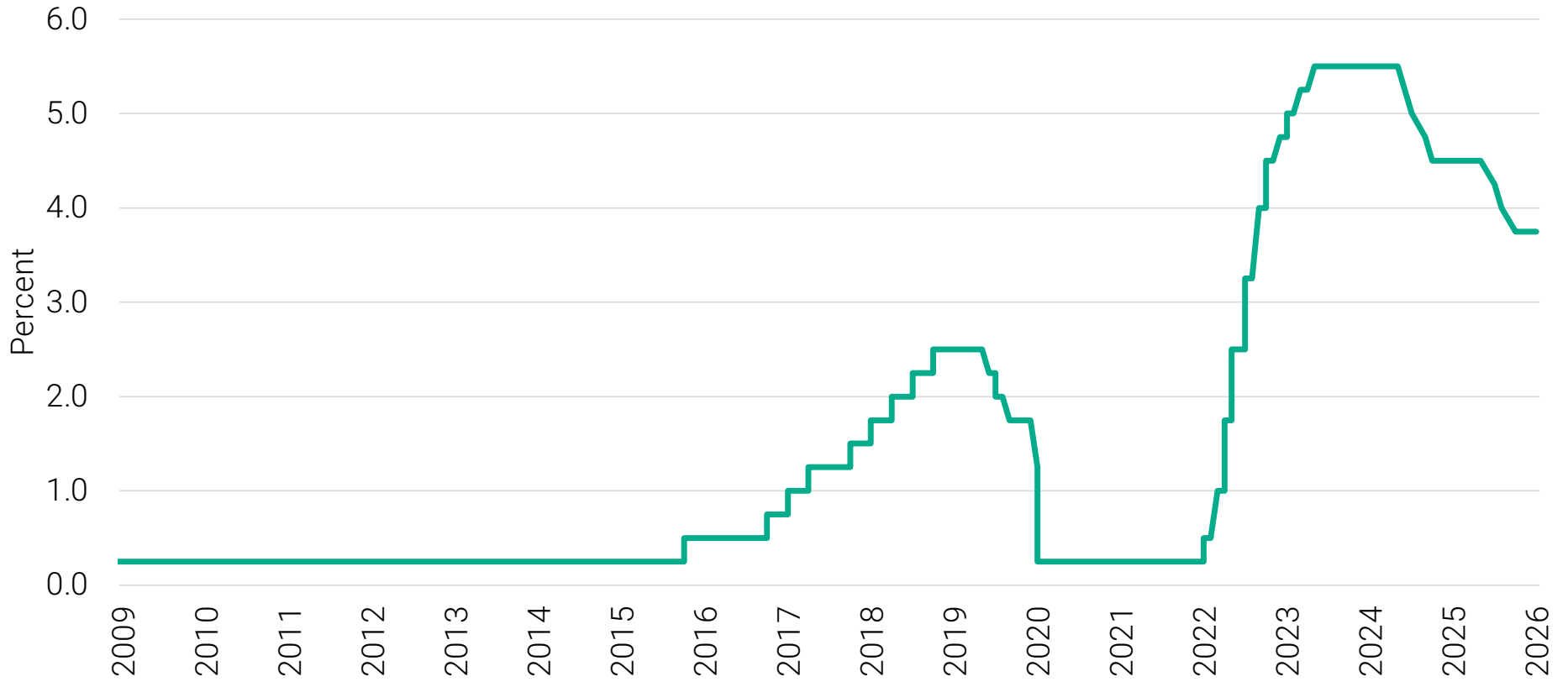
% Change May 2020 v. February 2026



Source: U.S. Bureau of Labor Statistics

Federal Funds Rate, Target Rate Upper Limit

2009 – 2026



Source: Board of Governors of the Federal Reserve System

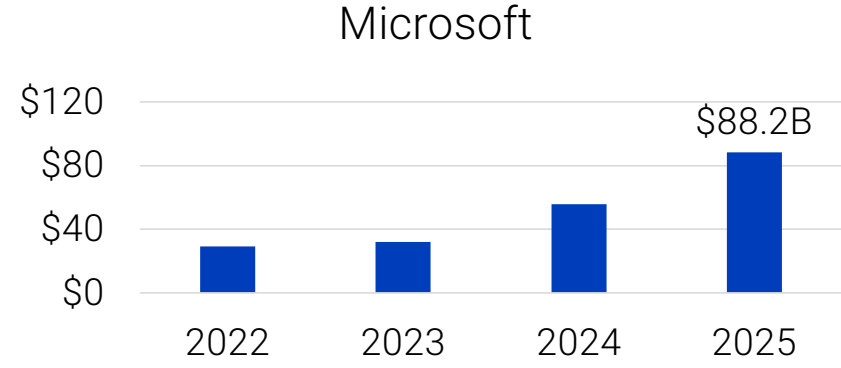
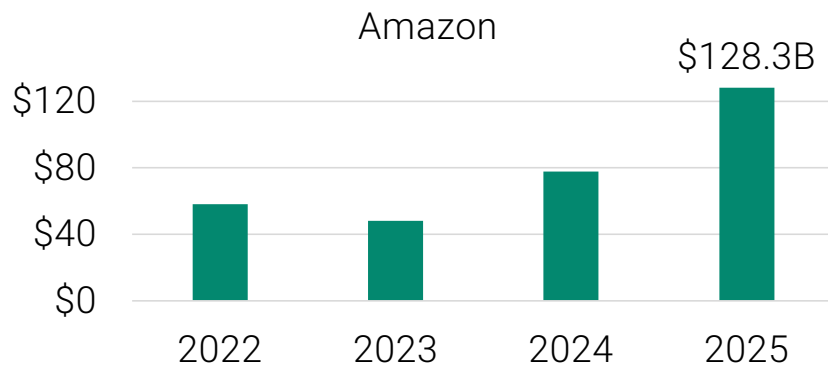
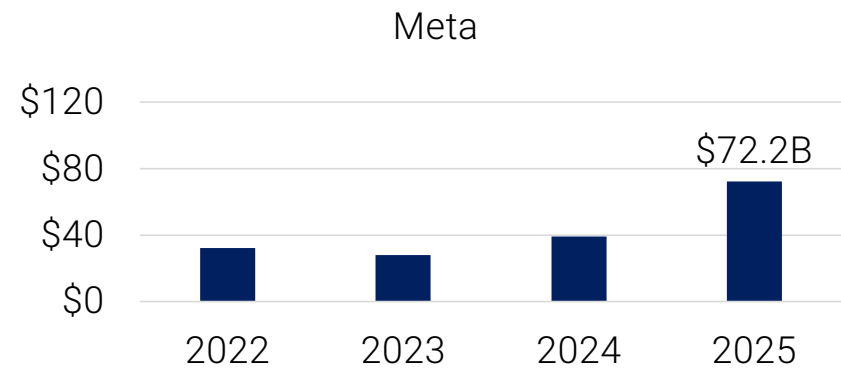
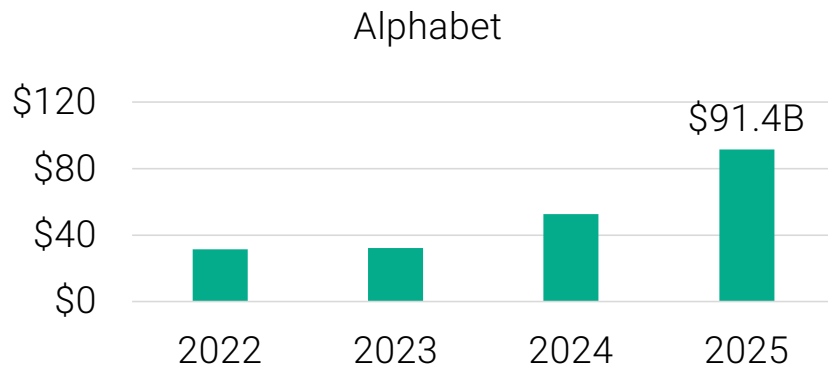
Over the Top



Over the Top (1987)—Sylvester Stallone as long-haul truck driver Lincoln Hawk

Big Tech's AI-Fueled Spending Surge

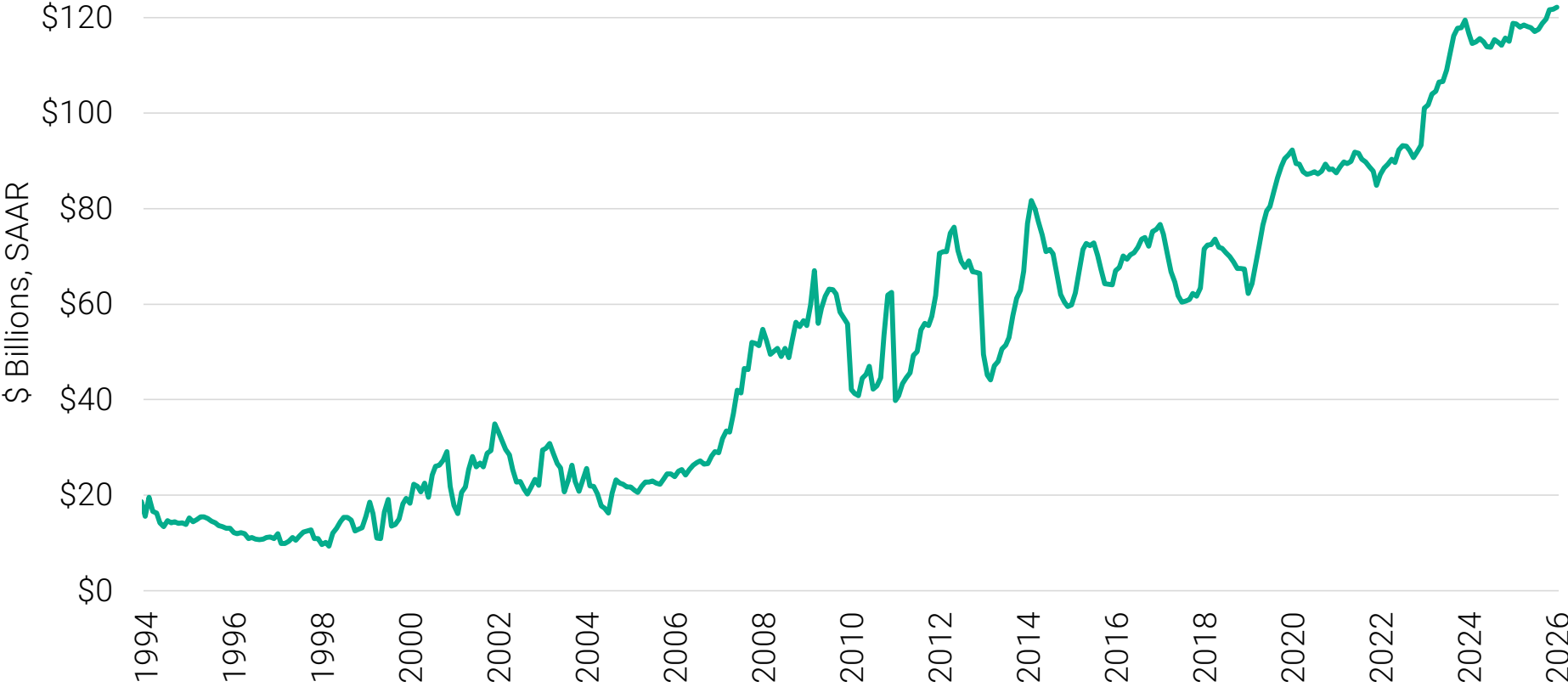
Annual Capital Expenditures (\$Billions), 2022 – 2025



Source: Company financial statements

Private Construction Spending on Electric Power Generation & Distribution

1994 – January 2026



Source: U.S. Census Bureau

S&P 500

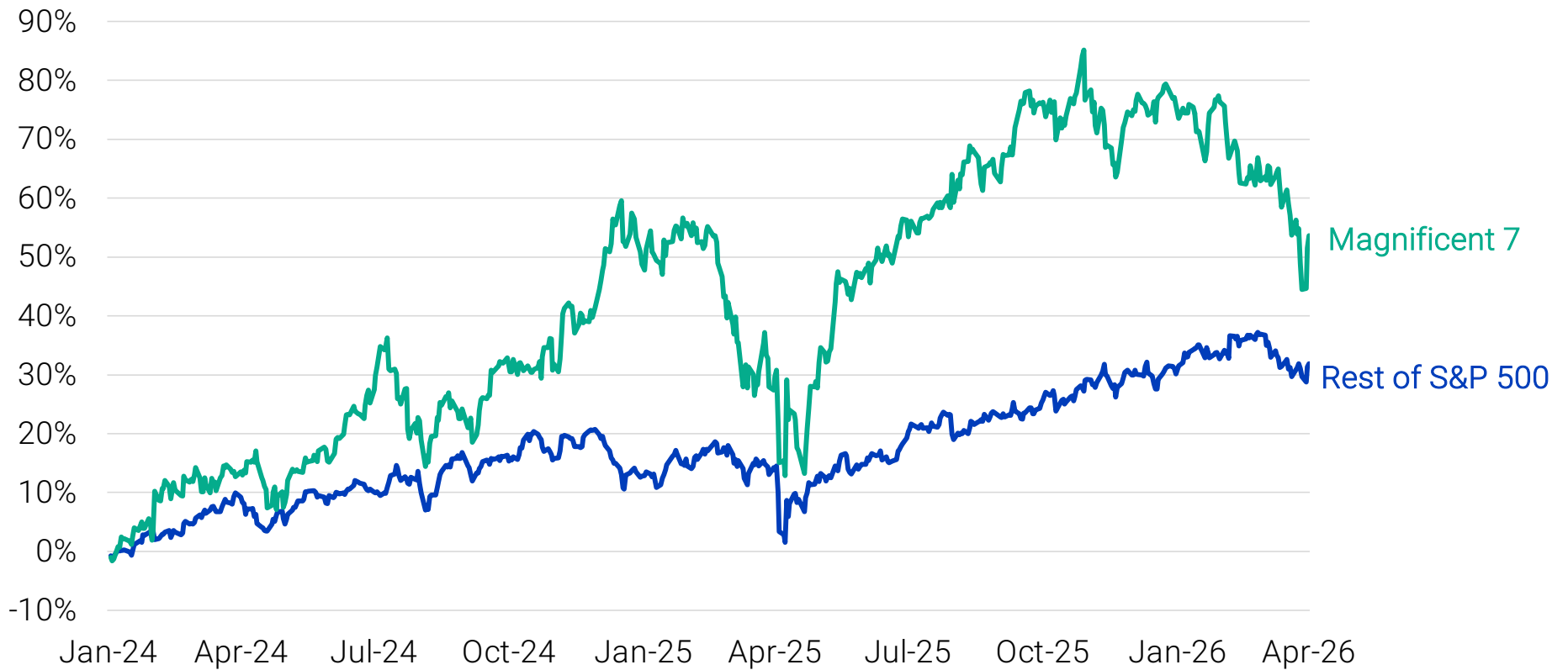
2020 – March 2026



Source: FRED, Federal Reserve Bank of St. Louis

Magnificent 7 v. Rest of S&P 500

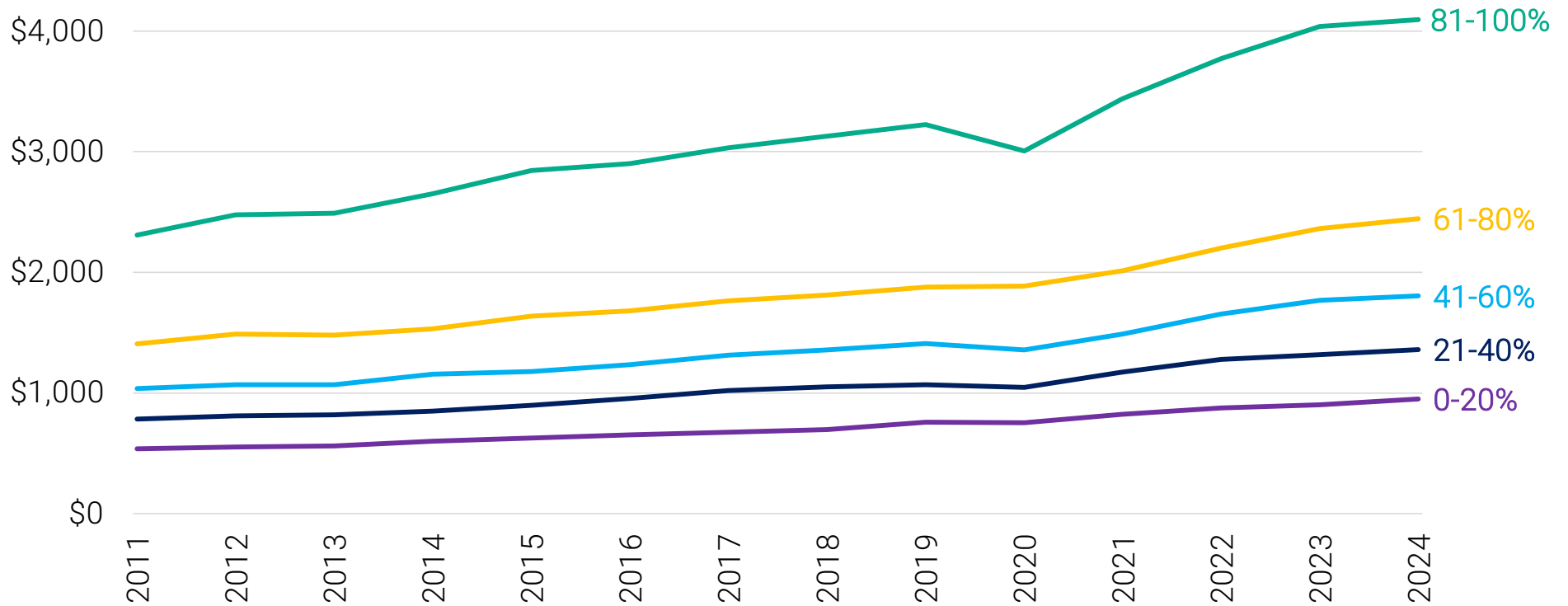
% Change in Close Price Since January 2024



Source: Yahoo! Finance

Top 20% of Earners Do Almost 40% of Spending

Aggregate Spending (\$ Billions) by Income Quintile



Source: U.S. Bureau of Labor Statistics

The Spendables

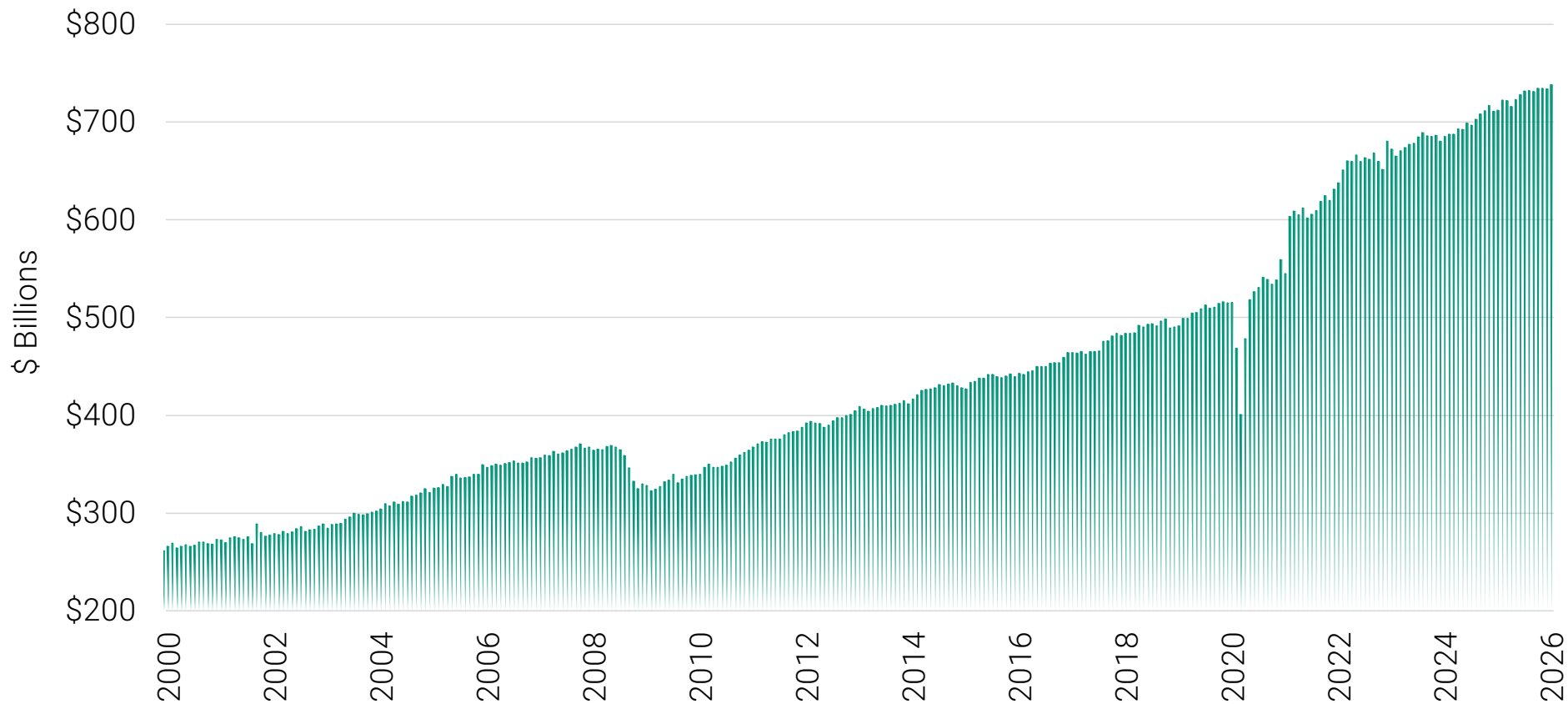


The Expendables (2010)—Sylvester Stallone as mercenary Barney Ross

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Tango With Cash

U.S. Retail Sales, 2000 – February 2026

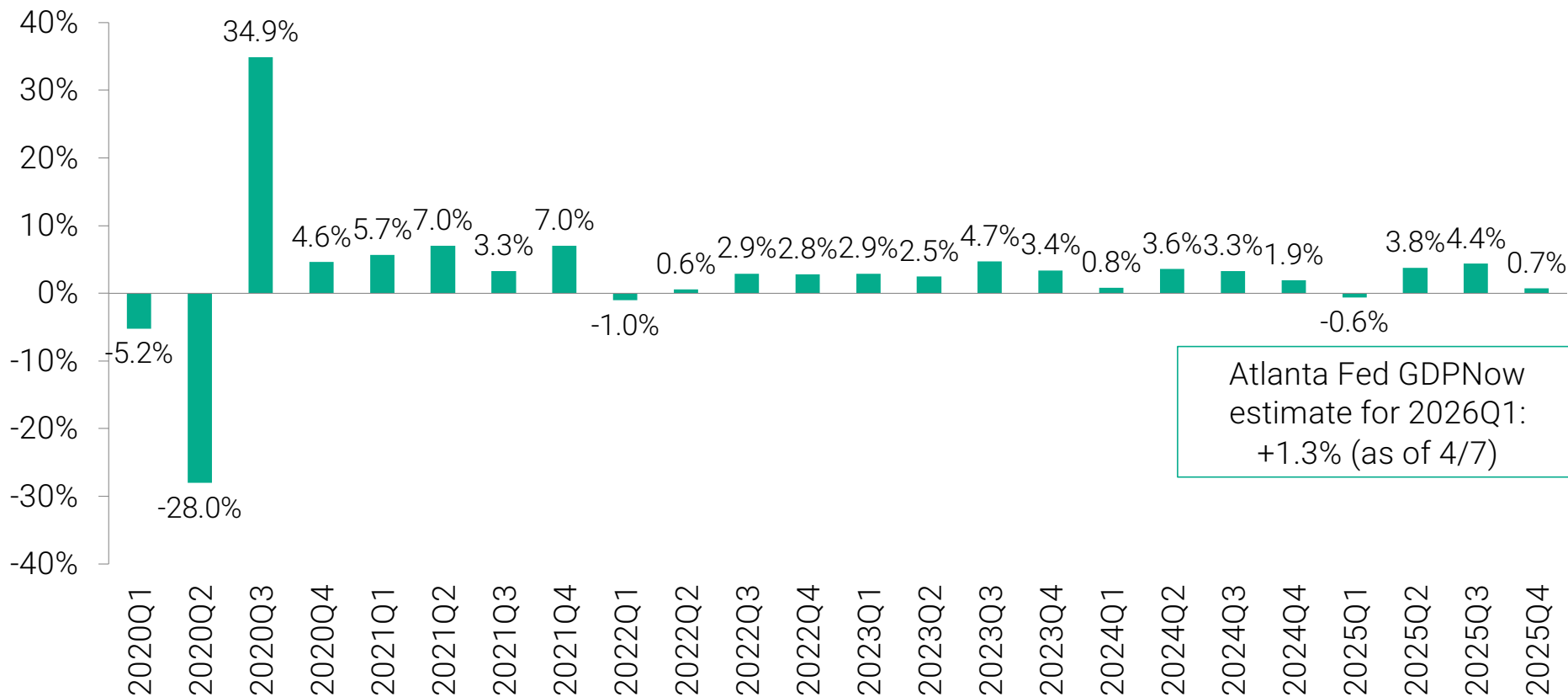


Source: U.S. Census Bureau

Tango & Cash (1989)—Sylvester Stallone as police officer Ray Tango

U.S. Gross Domestic Product Growth

% Change from Preceding Period (SAAR), 2020 – 2025Q4

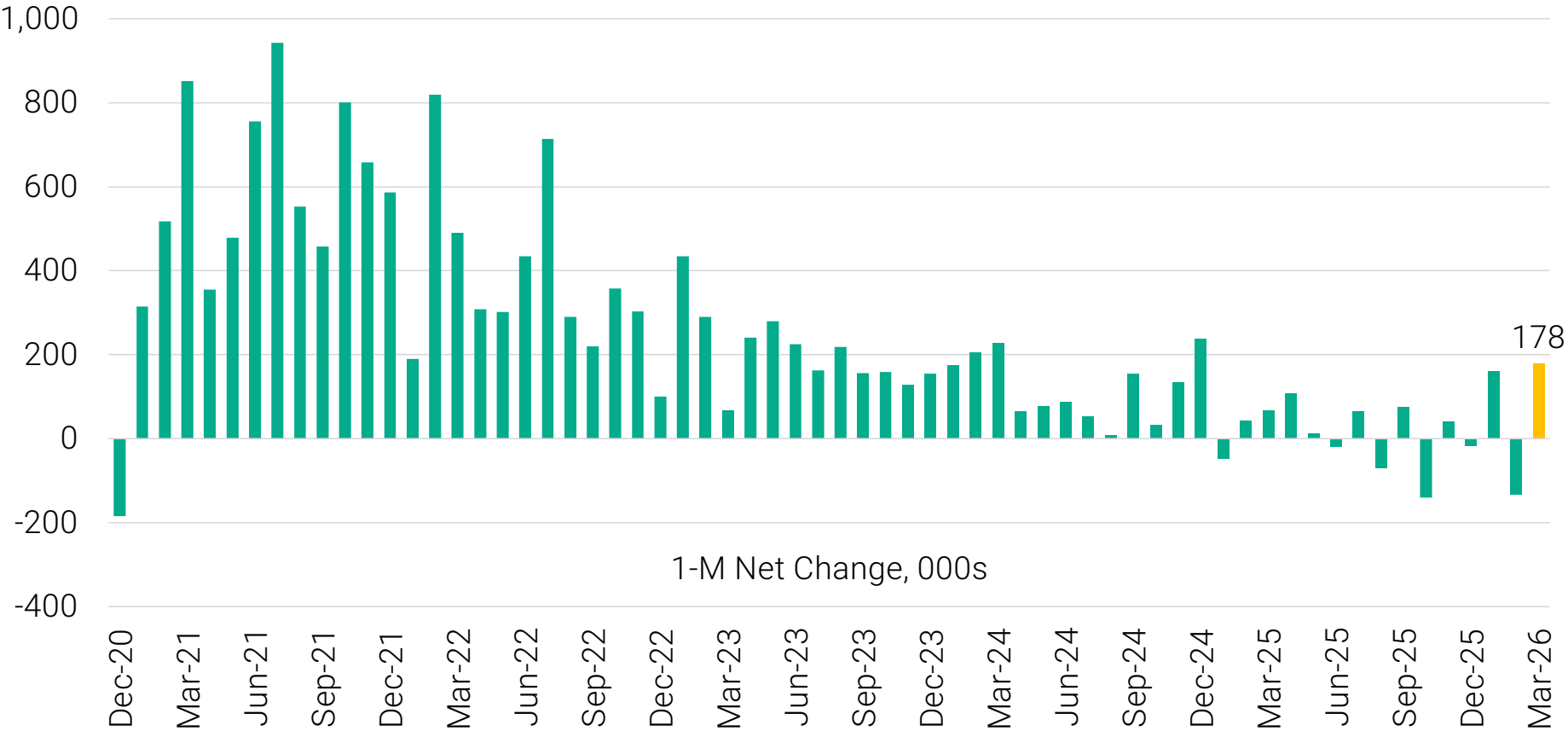


Atlanta Fed GDPNow
estimate for 2026Q1:
+1.3% (as of 4/7)

Source: U.S. Bureau of Economic Analysis *2025Q4: 2nd estimate

U.S. Job Growth, Monthly

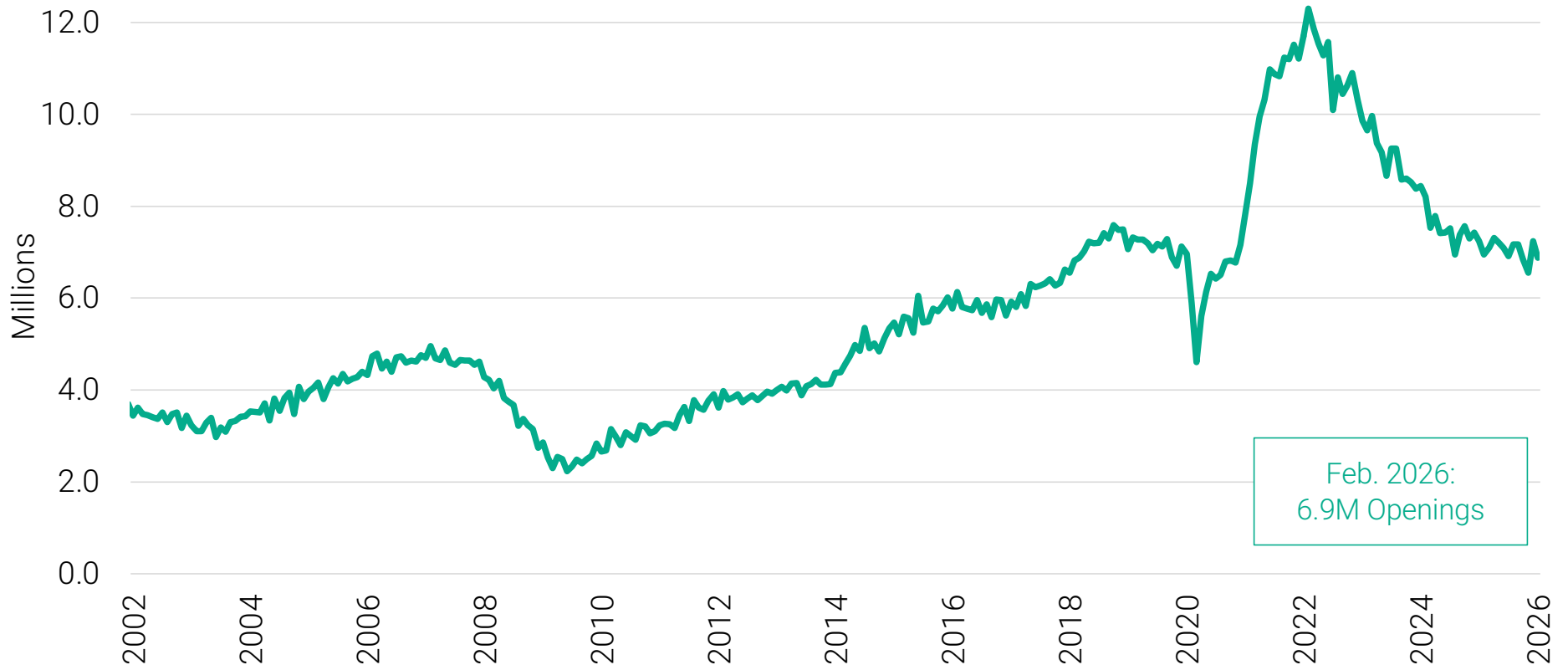
December 2020 – March 2026



Source: U.S. Bureau of Labor Statistics

U.S. Job Openings

2002 – February 2026

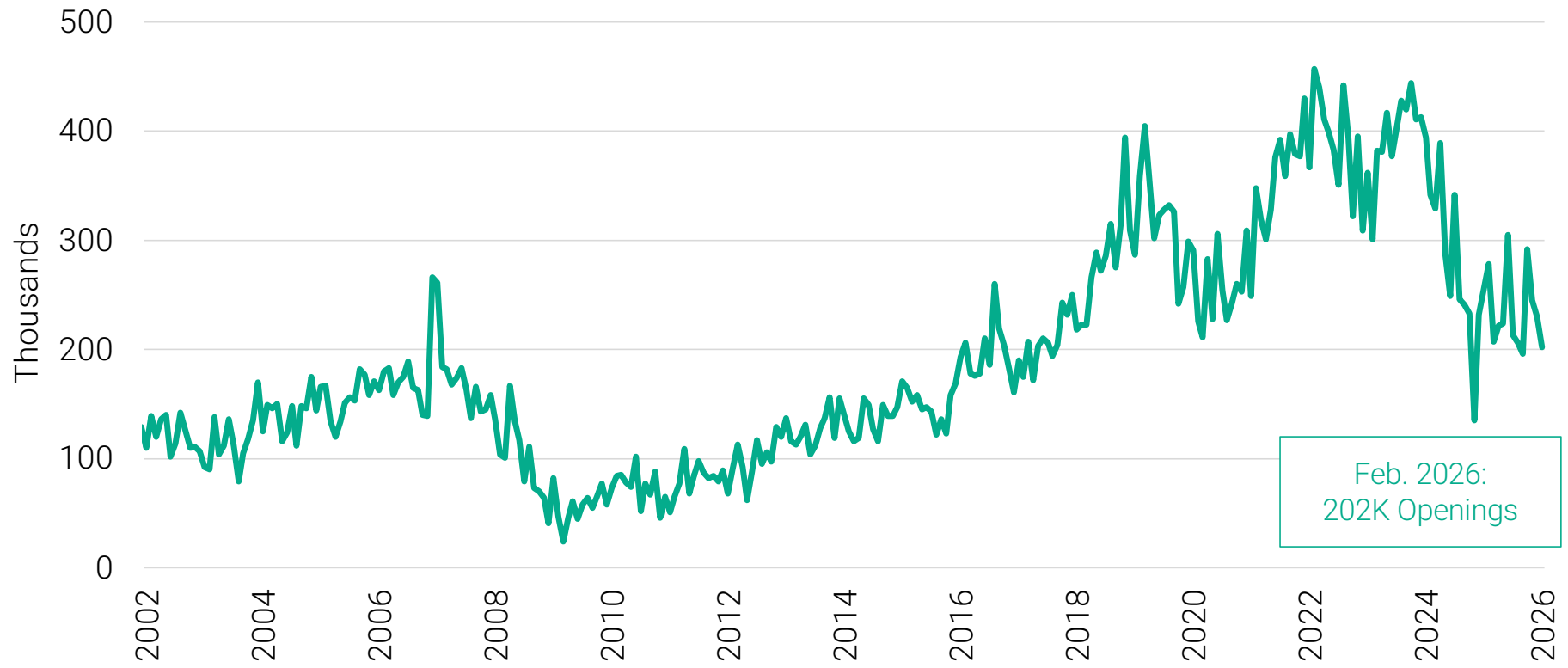


Feb. 2026:
6.9M Openings

Source: U.S. Bureau of Labor Statistics

U.S. Construction Job Openings

2002 – February 2026



Feb. 2026:
202K Openings

Source: U.S. Bureau of Labor Statistics

Employment Growth, 25 Largest Metros (NSA)

January 2024 v. January 2026 Absolute Change

Rank	MSA	%	Rank	MSA	%
1	Austin-Round Rock-San Marcos, TX	4.1%	14	Miami-Fort Lauderdale-West Palm Beach, FL	0.7%
2	Houston-Pasadena-The Woodlands, TX	2.4%	15	Phoenix-Mesa-Chandler, AZ	0.6%
3	Dallas-Fort Worth-Arlington, TX	2.3%	16	Seattle-Tacoma-Bellevue, WA	0.5%
4	Charlotte-Concord-Gastonia, NC-SC	2.2%	16	Tampa-St. Petersburg-Clearwater, FL	0.5%
5	New York-Newark-Jersey City, NY-NJ	1.9%	18	San Diego-Chula Vista-Carlsbad, CA	0.4%
6	Riverside-San Bernardino-Ontario, CA	1.8%	19	Los Angeles-Long Beach-Anaheim, CA	0.0%
7	San Antonio-New Braunfels, TX	1.7%	20	St. Louis, MO-IL	-0.3%
8	Philadelphia-Camden-Wilm., PA-NJ-DE-MD	1.6%	21	San Francisco-Oakland-Fremont, CA	-0.8%
9	Chicago-Naperville-Elgin, IL-IN-WI	1.3%	22	Detroit-Warren-Dearborn, MI	-0.9%
9	Orlando-Kissimmee-Sanford, FL	1.3%	23	Boston-Cambridge-Newton, MA-NH	-1.1%
11	Denver-Aurora-Centennial, CO	1.2%	24	Baltimore-Columbia-Towson, MD	-1.4%
12	Atlanta-Sandy Springs-Roswell, GA	0.9%	25	Washington-Arlington-Alex., DC-VA-MD-WV	-2.2%
13	Minneapolis-St. Paul-Bloomington, MN-WI	0.8%	-	U.S. Total (SA)	1.0%

Source: Bureau of Labor Statistics

Note: MSA data are not seasonally adjusted (NSA);
U.S. data are seasonally adjusted (SA)

Construction Employment Growth, 25 Largest Metros (NSA)

January 2024 v. January 2026 Absolute Change

Rank	MSA	%	Rank	MSA	%
1	Houston-Pasadena-The Woodlands, TX	14.2%	14	San Antonio-New Braunfels, TX	1.5%
2	Austin-Round Rock-San Marcos, TX	11.5%	15	Philadelphia-Camden-Wilm., PA-NJ-DE-MD	1.2%
3	St. Louis, MO-IL	10.8%	16	Denver-Aurora-Centennial, CO	-0.1%
4	Dallas-Fort Worth-Arlington, TX	8.6%	17	Orlando-Kissimmee-Sanford, FL	-1.3%
4	Minneapolis-St. Paul-Bloomington, MN-WI	8.6%	18	Phoenix-Mesa-Chandler, AZ	-1.8%
6	Charlotte-Concord-Gastonia, NC-SC	7.9%	19	New York-Newark-Jersey City, NY-NJ	-3.0%
7	Washington-Arlington-Alex., DC-VA-MD-WV	5.7%	20	San Francisco-Oakland-Fremont, CA	-4.3%
8	Baltimore-Columbia-Towson, MD	5.3%	21	San Diego-Chula Vista-Carlsbad, CA	-4.4%
9	Atlanta-Sandy Springs-Roswell, GA	5.1%	22	Boston-Cambridge-Newton, MA-NH	-4.6%
10	Tampa-St. Petersburg-Clearwater, FL	4.7%	23	Seattle-Tacoma-Bellevue, WA	-4.7%
11	Chicago-Naperville-Elgin, IL-IN-WI	4.2%	24	Los Angeles-Long Beach-Anaheim, CA	-5.5%
12	Detroit-Warren-Dearborn, MI	4.0%	25	Riverside-San Bernardino-Ontario, CA	-10.0%
13	Miami-Fort Lauderdale-West Palm Beach, FL	1.9%	-	U.S. Total (SA)	2.4%

Source: Bureau of Labor Statistics

Note: MSA data are not seasonally adjusted (NSA);
U.S. data are seasonally adjusted (SA)

Unemployment Rates, 25 Largest Metros (NSA), Dec. 2025

Rank	MSA	%	Rank	MSA	%
1	Austin-Round Rock-San Marcos, TX	3.2%	14	San Francisco-Oakland-Fremont, CA	4.1%
2	Atlanta-Sandy Springs-Roswell, GA	3.3%	15	Houston-Pasadena-The Woodlands, TX	4.2%
3	Miami-Fort Lauderdale-West Palm Beach, FL	3.5%	16	Boston-Cambridge-Newton, MA-NH	4.3%
3	Phoenix-Mesa-Chandler, AZ	3.5%	17	Orlando-Kissimmee-Sanford, FL	4.4%
3	St. Louis, MO-IL	3.5%	17	San Diego-Chula Vista-Carlsbad, CA	4.4%
6	Baltimore-Columbia-Towson, MD	3.6%	19	Chicago-Naperville-Elgin, IL-IN-WI	4.5%
6	Charlotte-Concord-Gastonia, NC-SC	3.6%	19	New York-Newark-Jersey City, NY-NJ	4.5%
6	Dallas-Fort Worth-Arlington, TX	3.6%	21	Tampa-St. Petersburg-Clearwater, FL	4.6%
6	Denver-Aurora-Centennial, CO	3.6%	22	Detroit-Warren-Dearborn, MI	4.7%
10	San Antonio-New Braunfels, TX	3.7%	23	Los Angeles-Long Beach-Anaheim, CA	4.8%
11	Washington-Arlington-Alex., DC-VA-MD-WV	3.8%	24	Seattle-Tacoma-Bellevue, WA	5.0%
12	Minneapolis-St. Paul-Bloomington, MN-WI	4.0%	25	Riverside-San Bernardino-Ontario, CA	5.1%
12	Philadelphia-Camden-Wilm., PA-NJ-DE-MD	4.0%	-	U.S. Total (SA)	4.4%

Source: Bureau of Labor Statistics
 Note: MSA data are not seasonally adjusted (NSA);
 U.S. data are seasonally adjusted (SA)



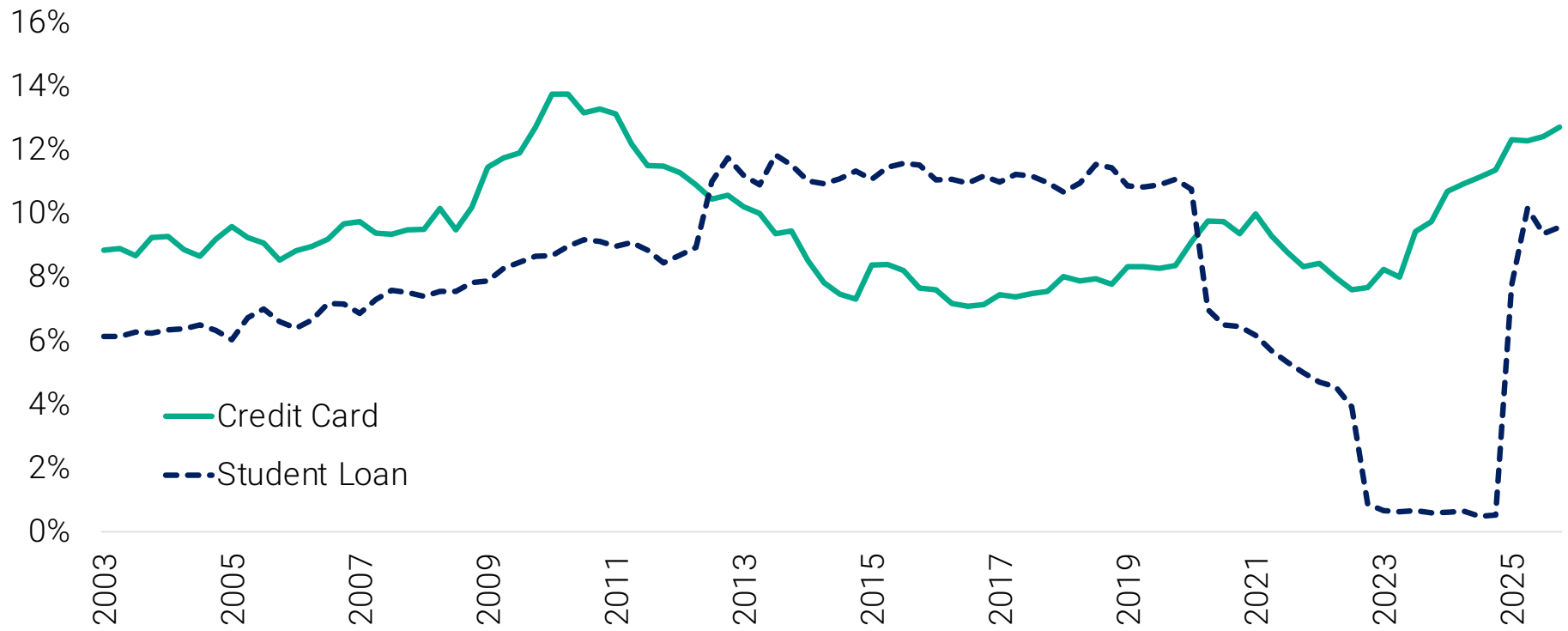
A Little Rocky



Rocky (1976)—Sylvester Stallone as boxer Rocky Balboa

Rocky I: Loan Delinquency Surges

Severe Delinquency by Loan Type, 2003 – 2025
% of Balance 90+ Days Delinquent

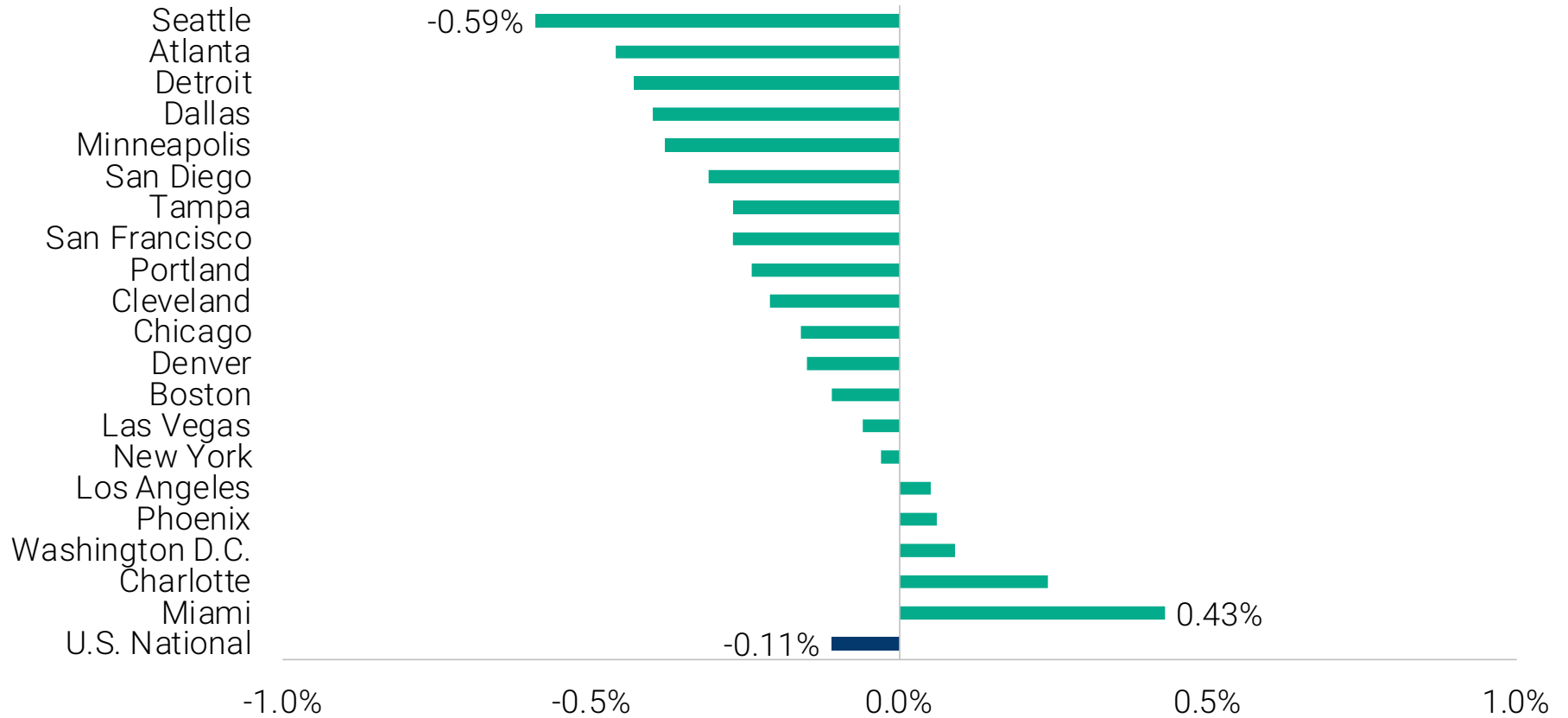


Source: New York Federal Reserve

First Blood (1982)—Sylvester Stallone as Vietnam War veteran John Rambo

Rocky II: S&P Case-Shiller Home Price Index

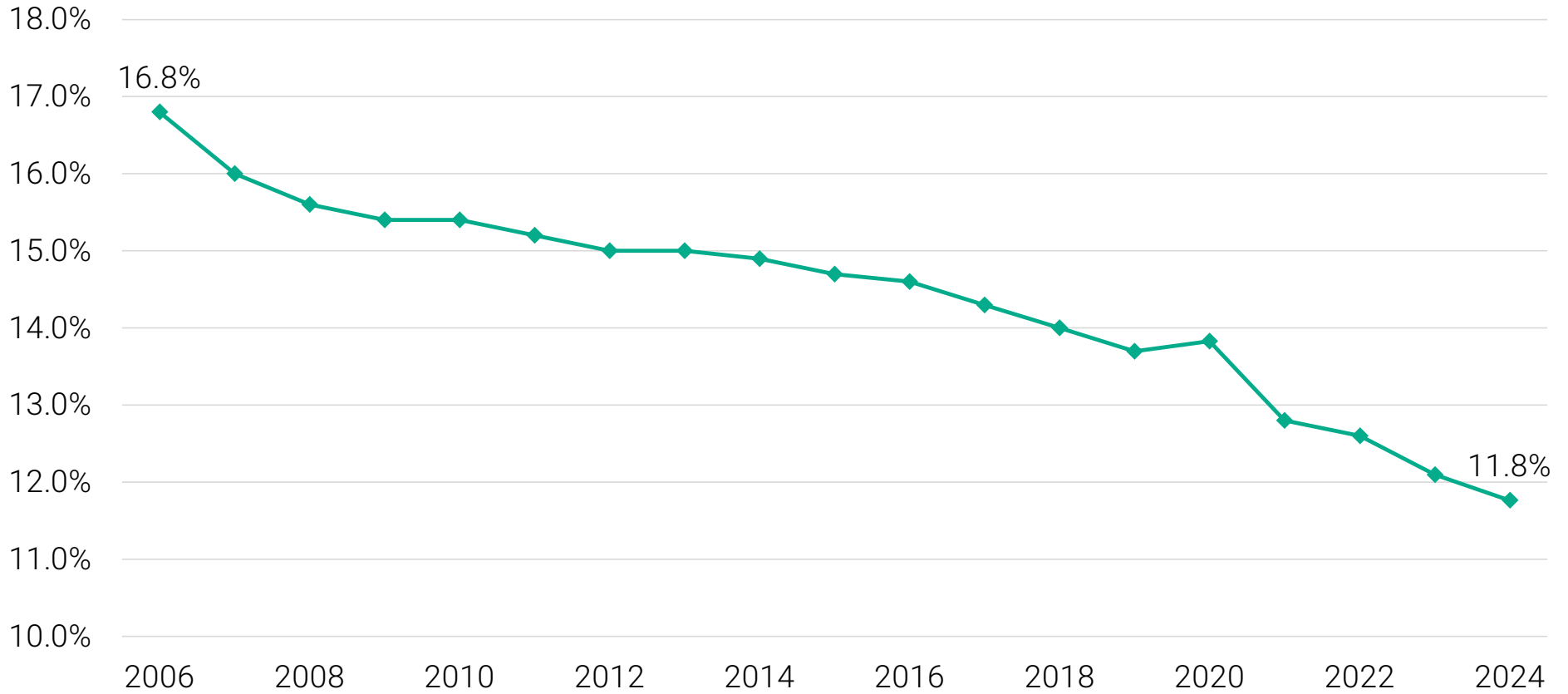
1-Month % Change, January 2026



Source: Standard & Poor's

Americans are Increasingly Staying Put

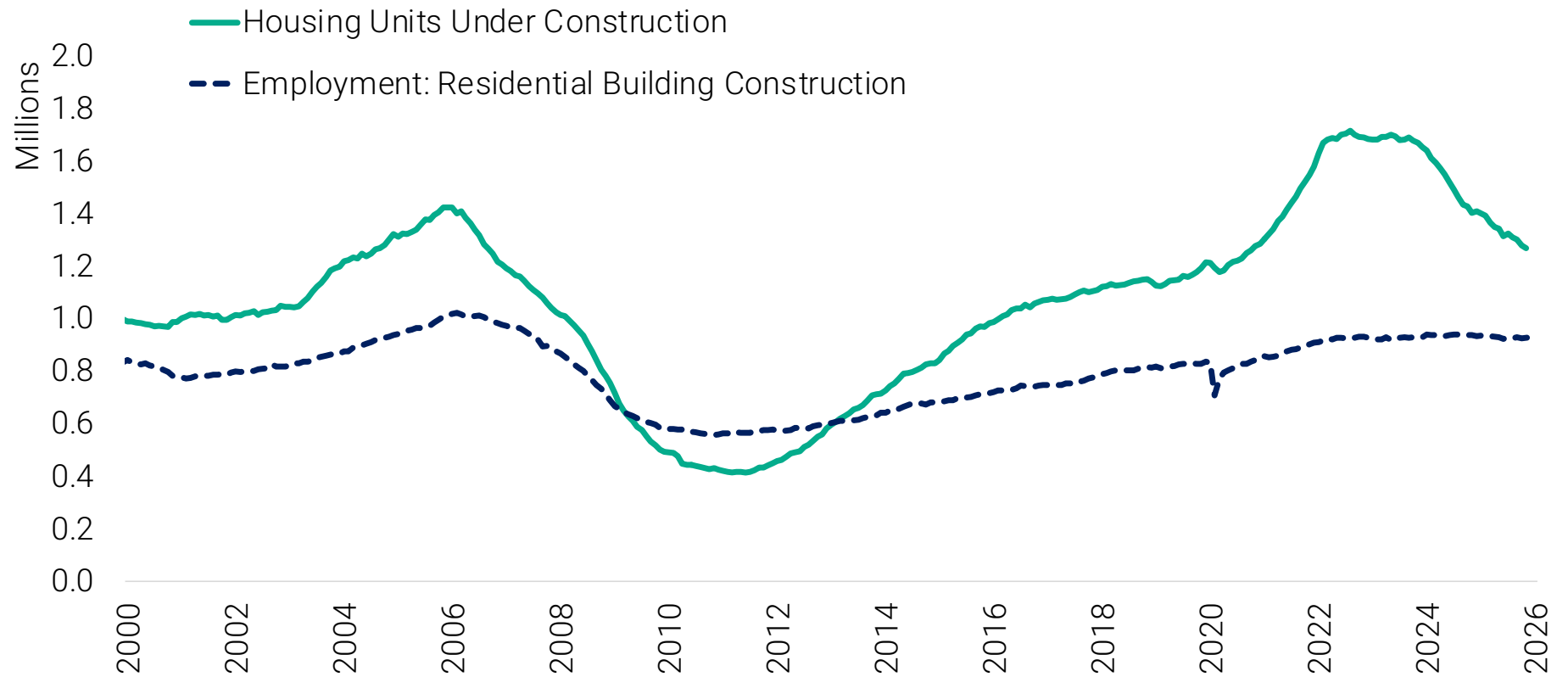
Percentage of U.S. Population that Moved in the Past Year



Source: U.S. Census Bureau, American Community Survey

Housing Units Under Construction vs. Residential Employment

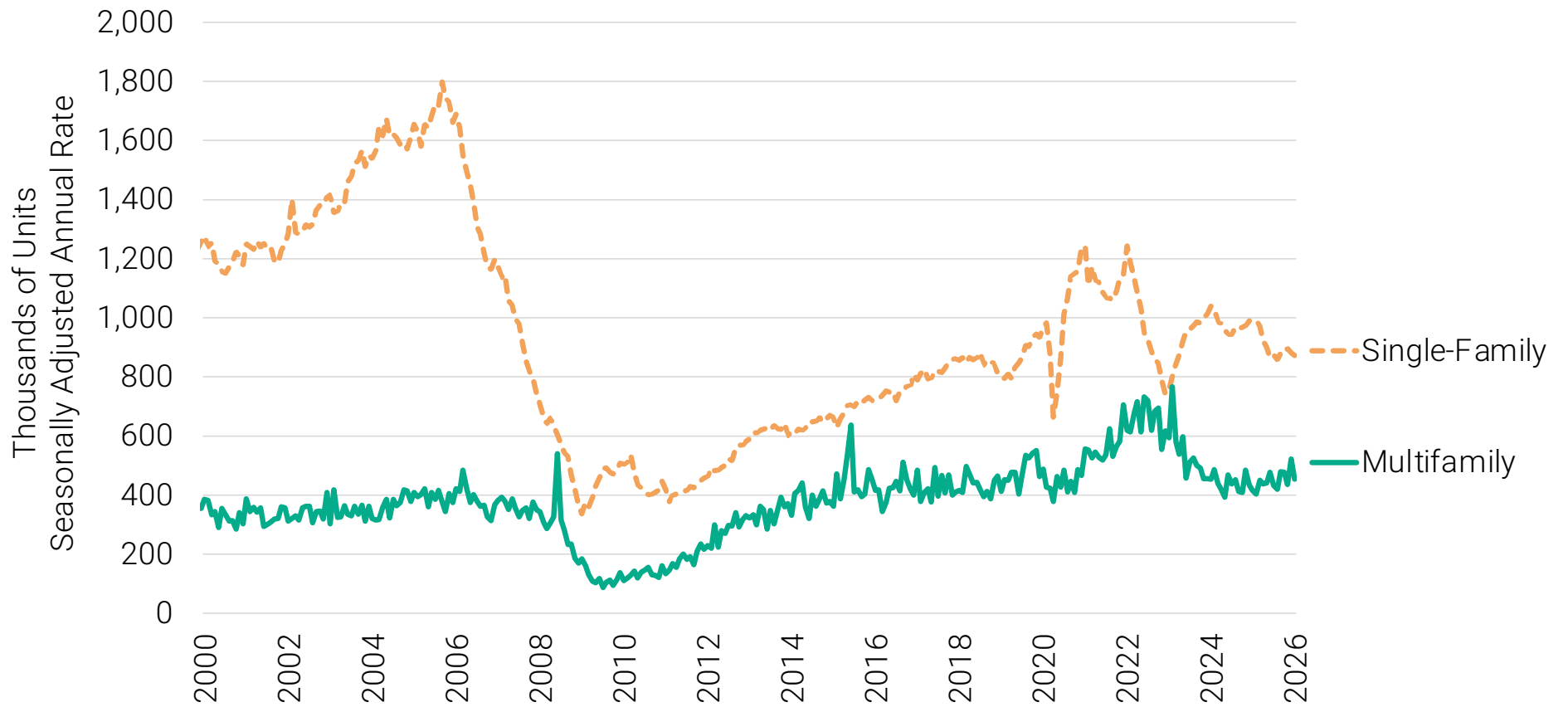
2000 – 2026



Source: U.S. Census Bureau; U.S. Bureau of Labor Statistics

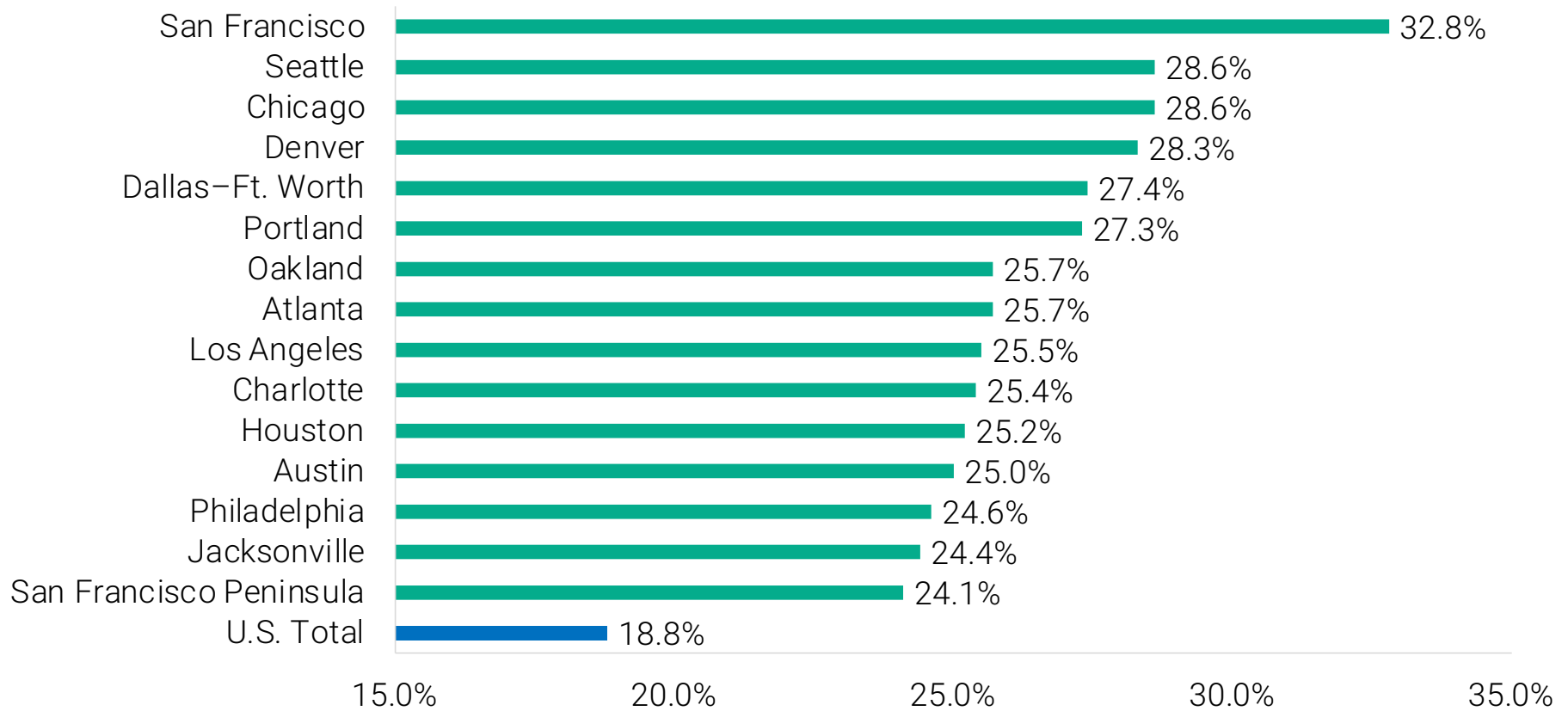
U.S. Residential Building Permits

2000 – January 2026



Source: U.S. Census Bureau

Rocky III: Highest Office Vacancy Rates, 2025Q4



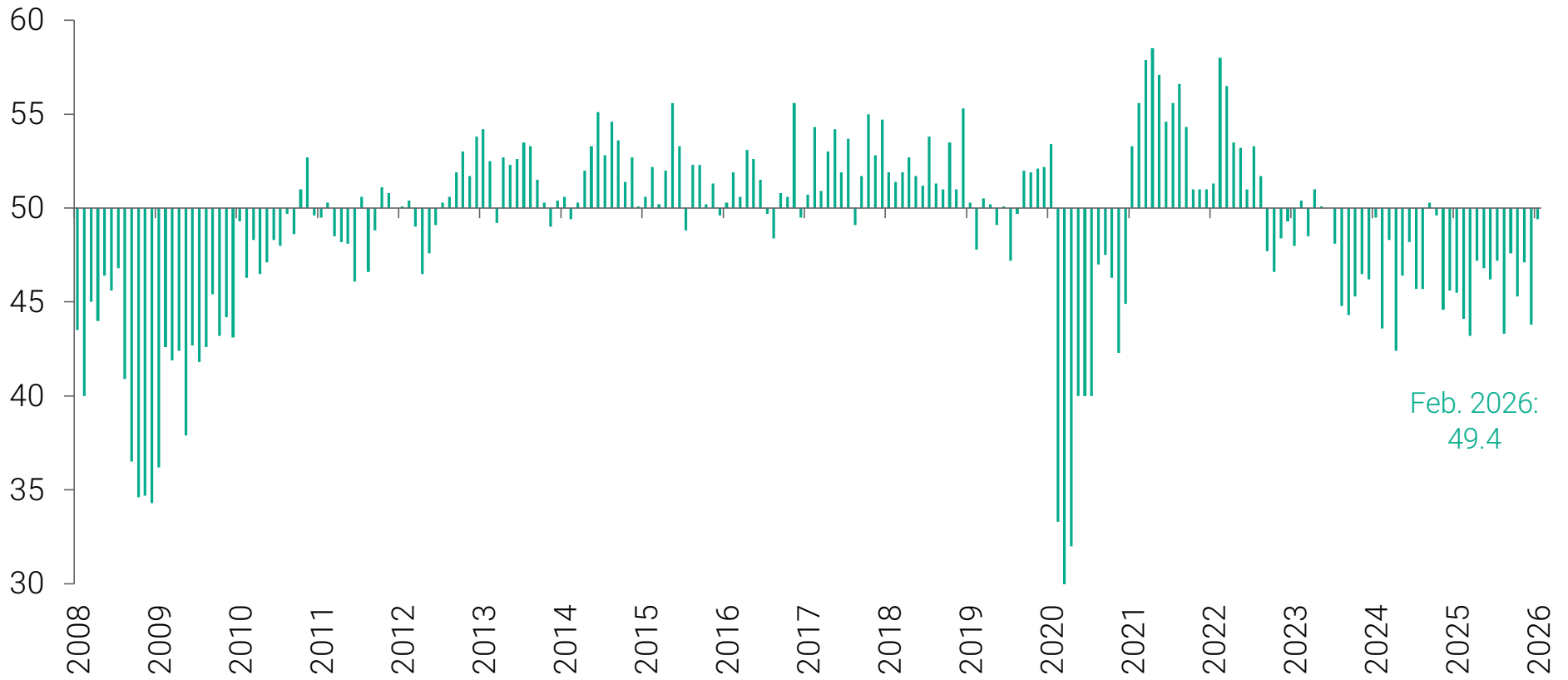
Source: CBRE

Rocky IV: U.S. Cities Face Fiscal Stress

- With the city facing a projected \$1.12 billion shortfall in 2026 Chicago Mayor Brandon Johnson said recently, “We have reached a point of no return”.
- Between December 2024 and April 2025, Chicago, Los Angeles, San Francisco, and Washington all experienced credit rating downgrades.
- According to research conducted by The Pew Charitable Trusts, at least 20 of the nation’s 25 most populous cities have reported budget gaps for fiscal year 2026—and often beyond.

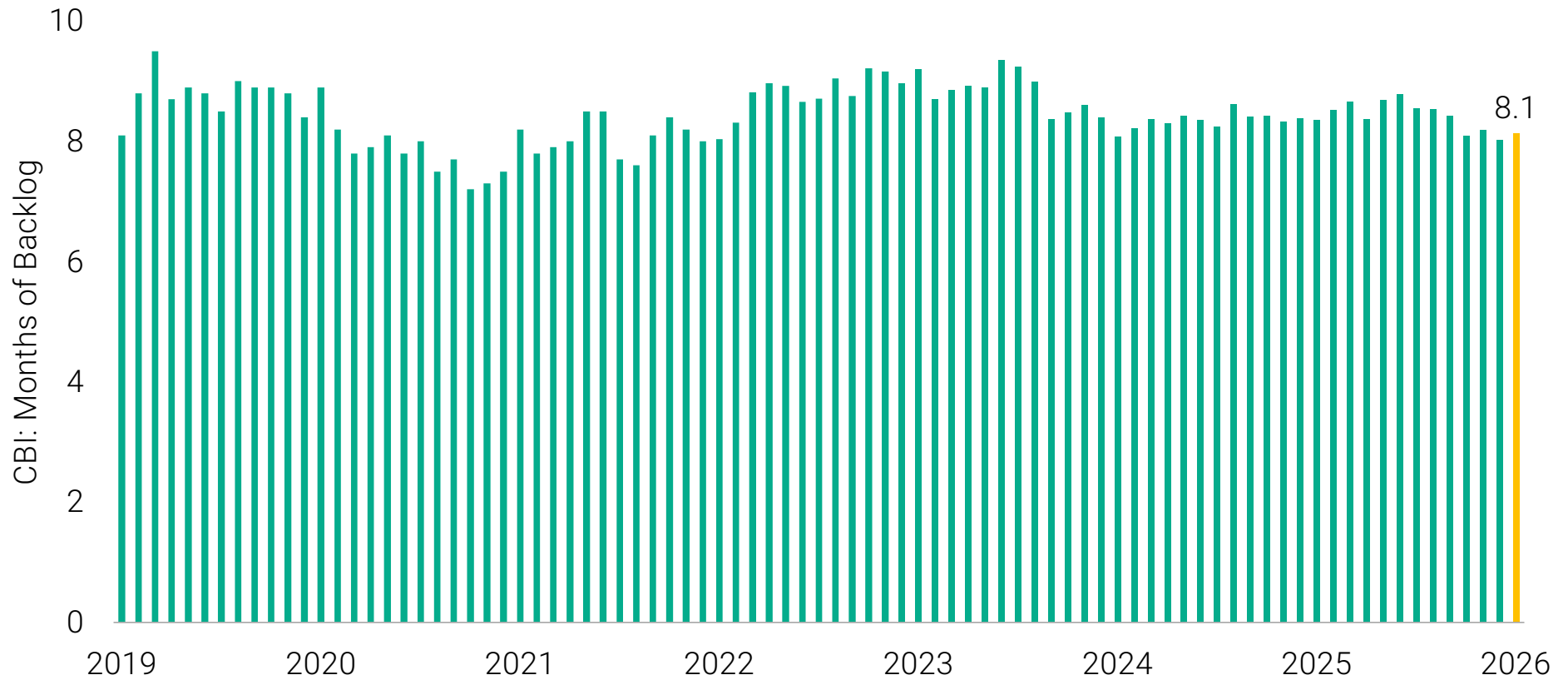
Rocky V: Design Work in Retreat

Architecture Billings Index: 2008 – February 2026



Source: The American Institute of Architects

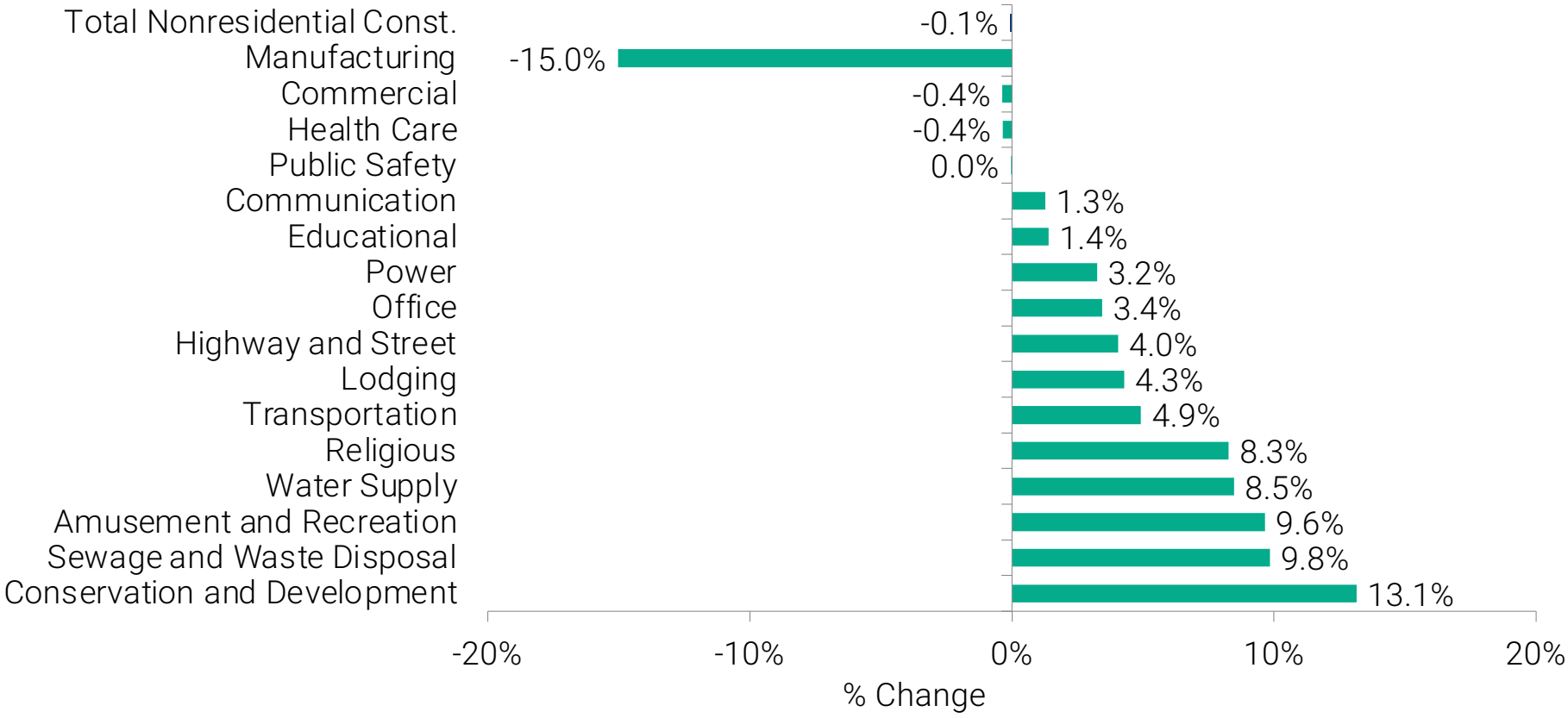
ABC Construction Backlog Indicator, 2019 – Feb. 2026



Source: Associated Builders and Contractors; Sage

Rocky VI: Nonresidential Construction Spending Declines

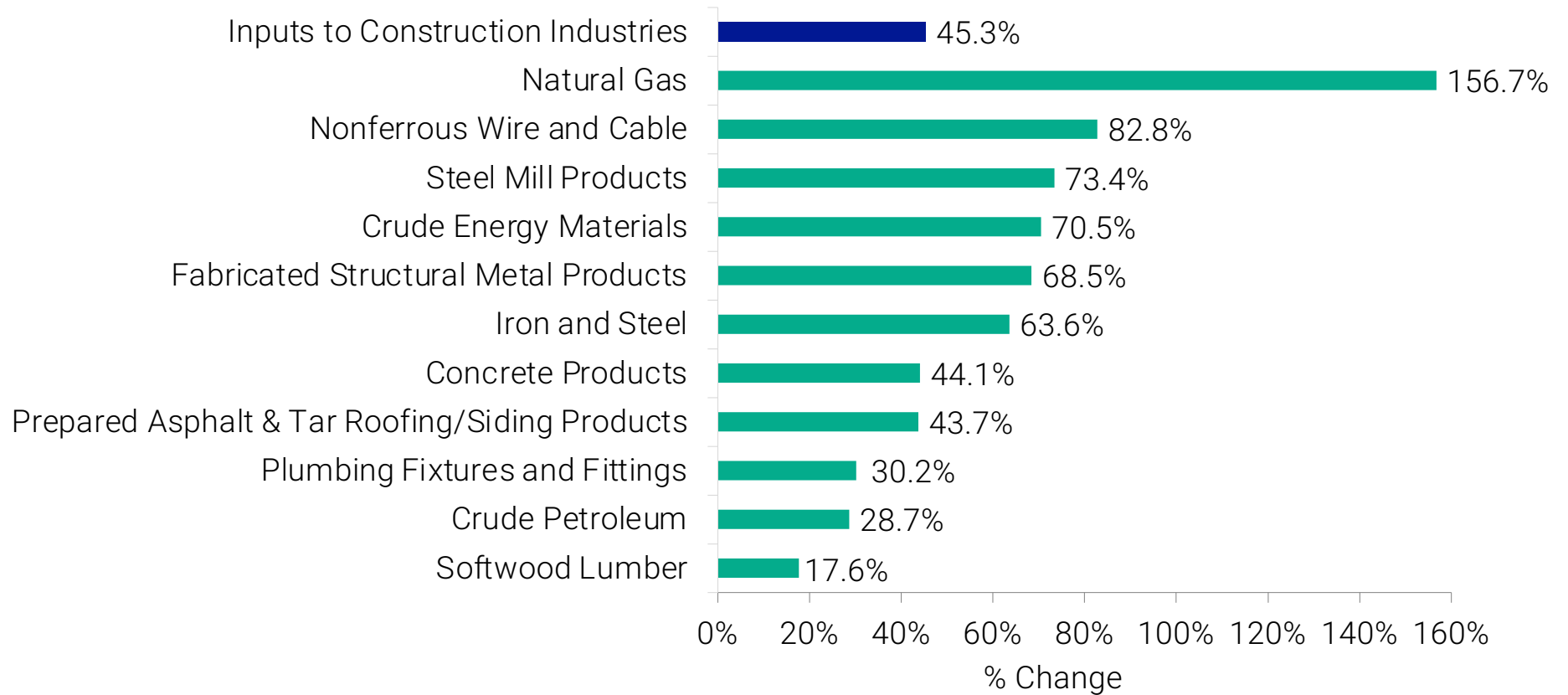
January 2025 v. January 2026 (Current \$)



Source: U.S. Census Bureau

Construction Materials PPI (NSA)

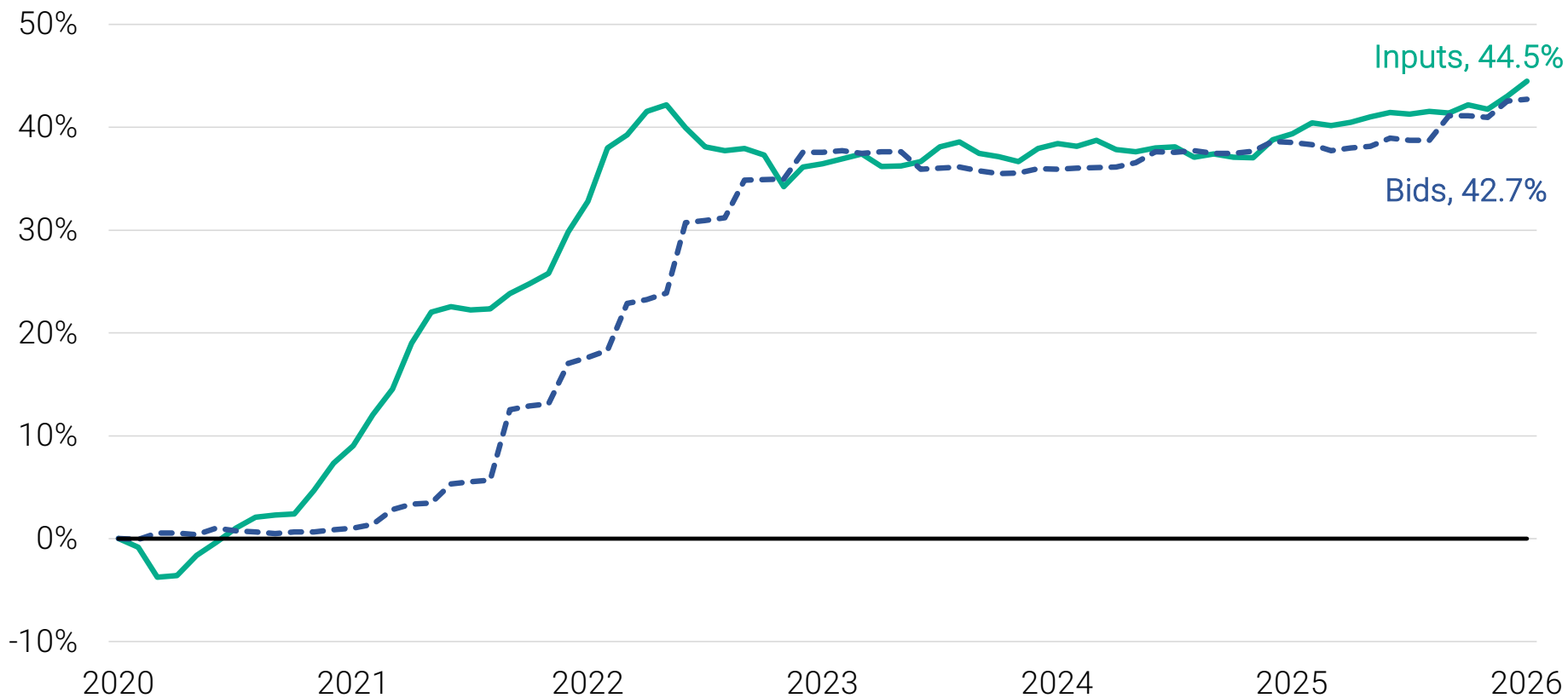
February 2020 v. February 2026



Source: U.S. Bureau of Labor Statistics

New Nonresidential Construction: Input Costs v. Bid Prices

% Change v. February 2020



Source: U.S. Bureau of Labor Statistics
Inputs: PPI Commodity data for Inputs to new nonresidential construction, excluding capital investment, labor, and imports.
Bids: PPI Commodity data for Construction (partial)-New nonresidential building construction.

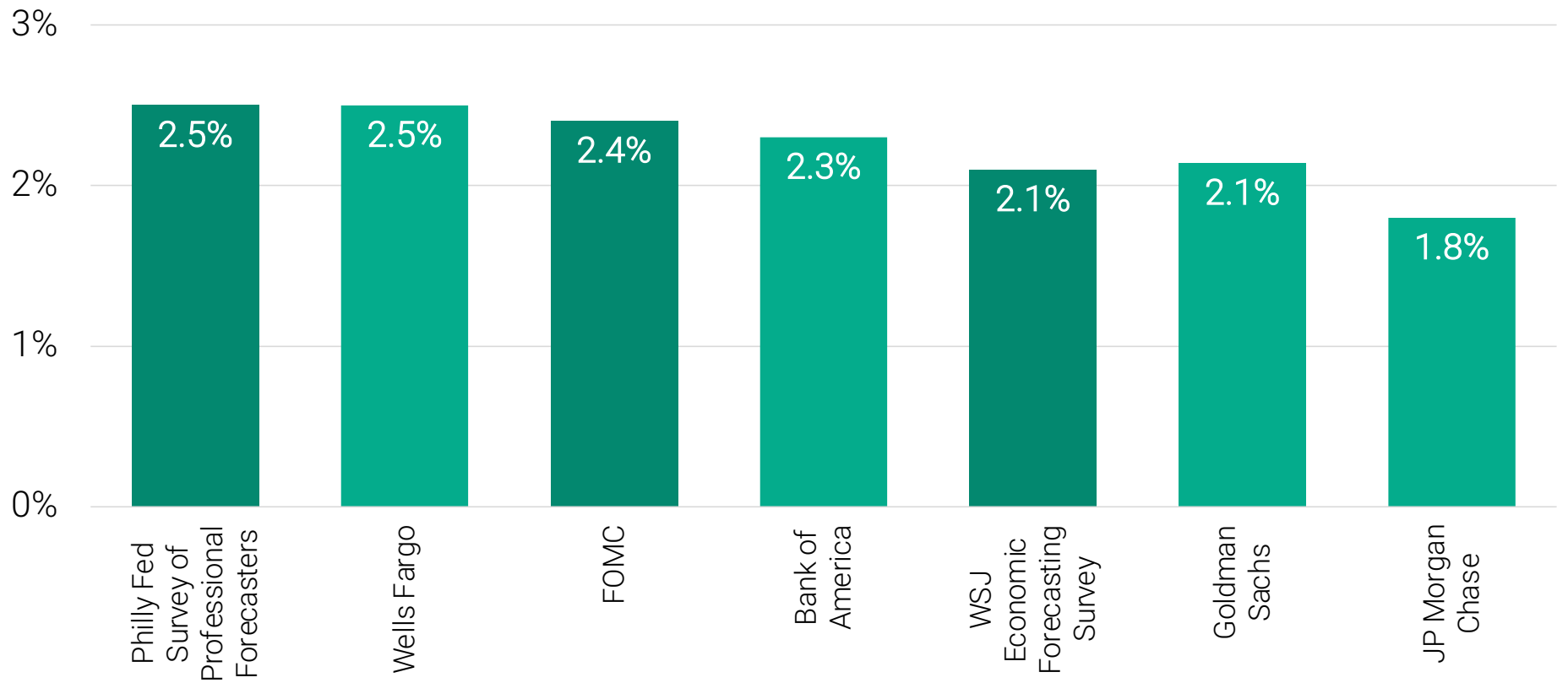
Cliffhanger



Cliffhanger (1993) — Sylvester Stallone as mountain climber Gabe Walker

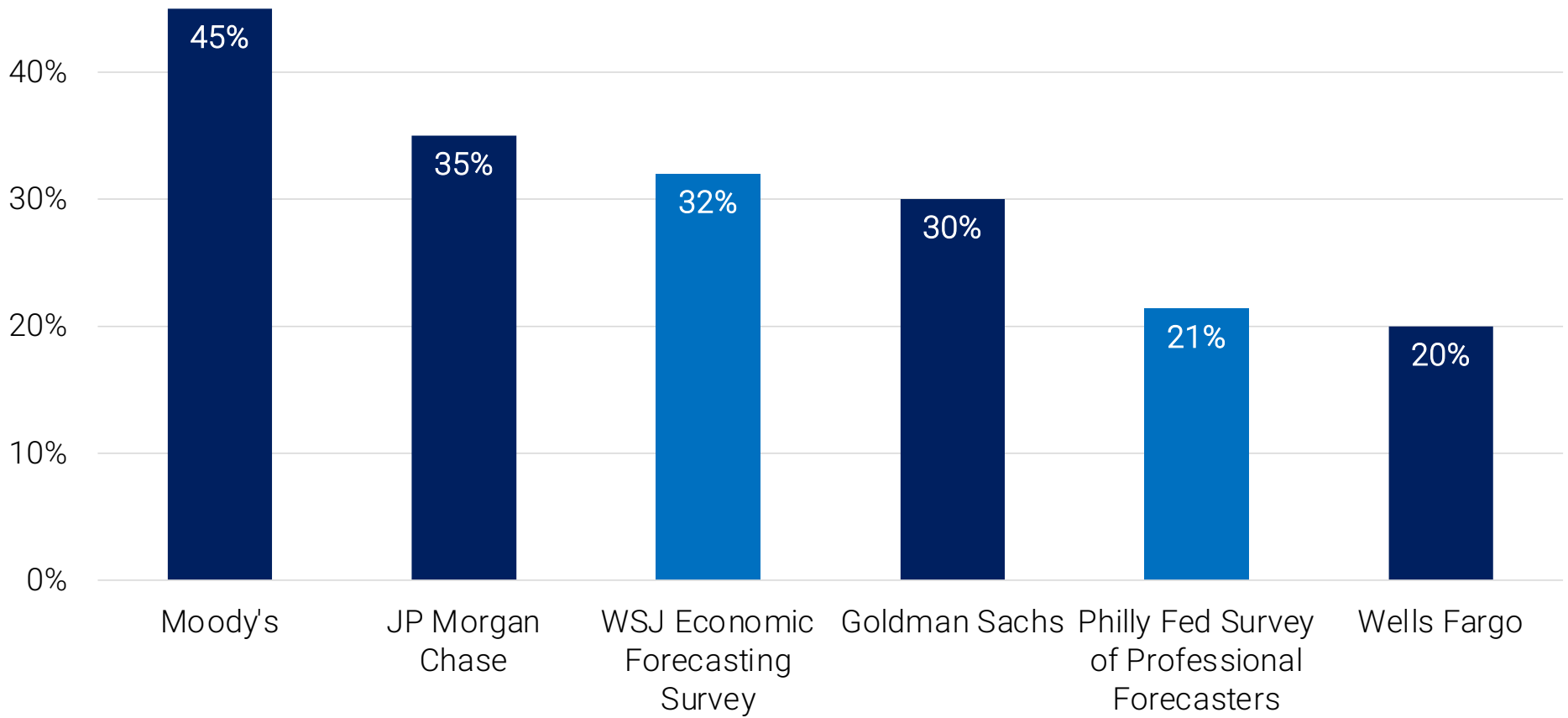
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Major Forecasts for U.S. GDP Growth in 2026



Source: Brokerage and media reports

2026 Recession Probability, Major Forecasts



Source: Brokerage and media reports

The **Alarum** has Sounded

- Inflation poised to stage a comeback – tariffs/immigration/war;
- Interest rates will be higher for longer – ditto;
- Many consumers now exhausted financially, and circumstances could worsen;
- Are asset prices overextended?
- So forecast is for growth in 2026, but there are risks, including rising interest rates and falling asset prices, and that's because of . . . well you know.

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Q&A

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