

Private Market Resources & Economic Outlook

Erin McLaughlin

March 2022

The logo for the American Council of Engineering Companies (ACEC) features the acronym "ACEC" in a large, white, serif font. A thin, white, curved line arches over the letters. The background of the slide is a photograph of a modern building at dusk, with a curved walkway and a glass-enclosed structure illuminated from within, set against a dark blue sky with light clouds.

ACEC

AMERICAN COUNCIL OF ENGINEERING COMPANIES

Construction Put in Place – January 2022

	January (p) 2022	January 2021	YOY % Change
Total Construction	\$1.677 T	\$1.550 T	+8.2%
Residential (private)	\$829.4 B	\$731.2 B	+13.4%
Private (non-residential)	\$497.2 B	\$463.4 B	+7.3%
Public	\$350.7 B	\$355.1 B	-1.3%

Source: U.S. Census Bureau

p = preliminary, released 3.1.22

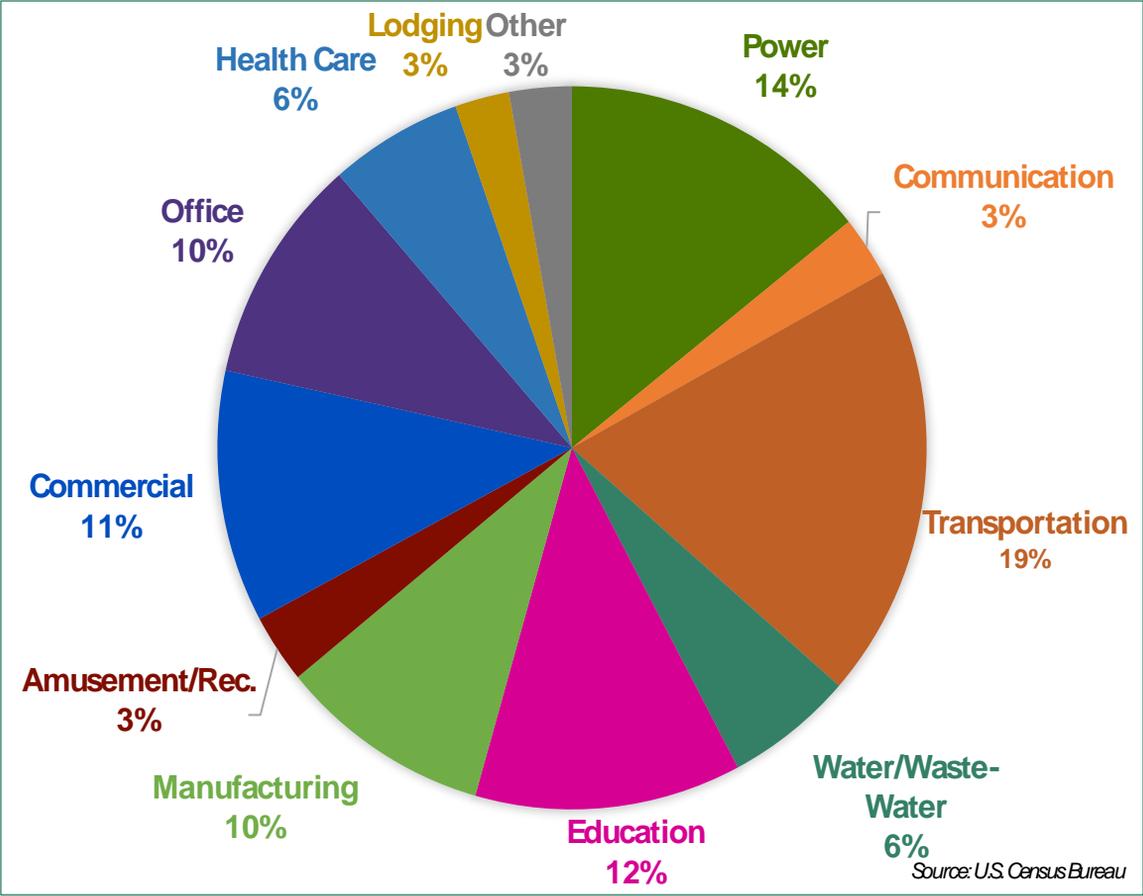
Construction Put in Place – 2021 vs. 2020 YOY Comparison

Construction Put in Place	2021	2020	YOY % Change
Total Construction	\$1.590 T	\$1.469 T	+8.3%
Residential (Private)	\$775.3 B	\$628.9 B	+23.3%
Non-Residential (Private)	\$468.8 B	\$479.0 B	-2.1%
Public	\$346.3 B	\$361.2 B	-4.1%

Source: U.S. Census Bureau, revised for March release from February preliminary release

YOY is not seasonally adjusted.

2021 Non-Residential Spending



NABE Outlook Survey

(released 2.28.22)

“NABE Outlook Survey panelists' projections for inflation in 2022 are significantly higher than those in the December 2021 survey,” said **NABE President David Altig**, executive vice president and director of research, Federal Reserve Bank of Atlanta.

“They see a risk that inflation will remain higher than previously expected over the next three years, coming largely from the labor market. More than two-thirds of survey respondents cite rising wages as a risk factor.”

- 30% identify monetary policy missteps as the greatest downside risk
- 77% suggest a wage price spiral is either already occurring or will be a major risk in 2022

Wage Price Spiral

- **What is a ‘wage price spiral’?**

The wage-price spiral is an economic term that describes the phenomenon of price increases as a result of higher wages. When workers receive a wage hike, they demand more goods and services and this, in turn, causes prices to rise. The wage increase effectively increases general business expenses... It is essentially a perpetual loop or cycle of consistent price increases. The wage-price spiral reflects the causes and consequences of inflation...
(source: Investopedia)

NABE Outlook Survey

(released 2.28.22)

Note: Survey conducted in mid-February, prior to Russian attack on Ukraine.

1b. What is the greatest downside risk to the U.S. economy through 2022, considering both probability of occurrence and potential impact?

Response	Percent of Responses
Geopolitical tensions / Global growth slowdown	19%
Ongoing supply-chain issues	25
A variant of the coronavirus against which the vaccines are ineffective	15
Fiscal policy inaction / Widening federal deficit	0
Monetary policy missteps	30
Substantial stock market decline or market volatility	6
Other (please specify)	6
Don't know / not sure	0

Fed Chair Jerome Powell Testimony

(3.2/3.2 2022 Before House & Senate Committees)

- Federal Reserve Chair Jerome Powell on Capitol Hill Wednesday/Thursday this week for two days of testimony:
 - *Hearings to examine the Semiannual Monetary Policy Report to the Congress*
- Powell said he would propose a quarter-percentage-point interest-rate increase at the central bank's meeting in two weeks amid high inflation, strong economic demand and a tight labor market
 - Not half a point as many suspected
- Powell said Fed would proceed carefully (perhaps the series of planned rate hikes will not be as aggressive) given the uncertainty since Russia's invasion of Ukraine
 - **“We’re going to avoid adding uncertainty to what is already an extraordinarily challenging and uncertain moment.”**
 - Powell to the House Financial Services Committee on Wednesday

Additional Resources

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Thank You

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