

ABAA Presentation Snapshot

Big Idea

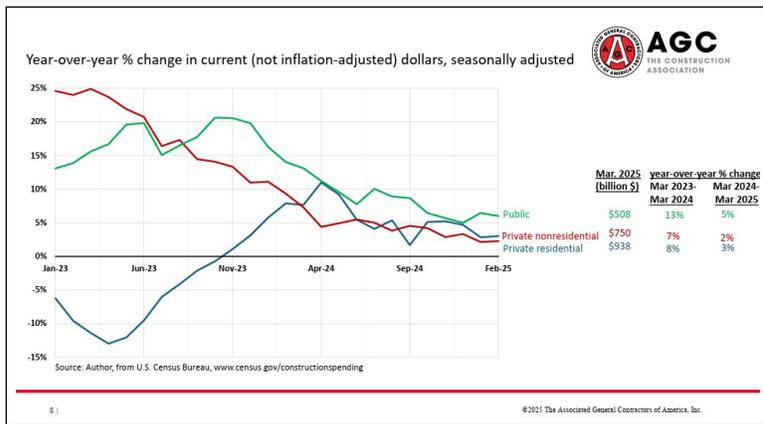
Title: Will U.S. Construction Thrive or Dive in the Rest of '25?

Despite ongoing challenges and rising risks, the construction industry shows modest growth potential—particularly in sectors like infrastructure and data centers—though economist Ken Simonson cautions that optimism is fading amid labor shortages, regulatory shifts, and economic uncertainty.

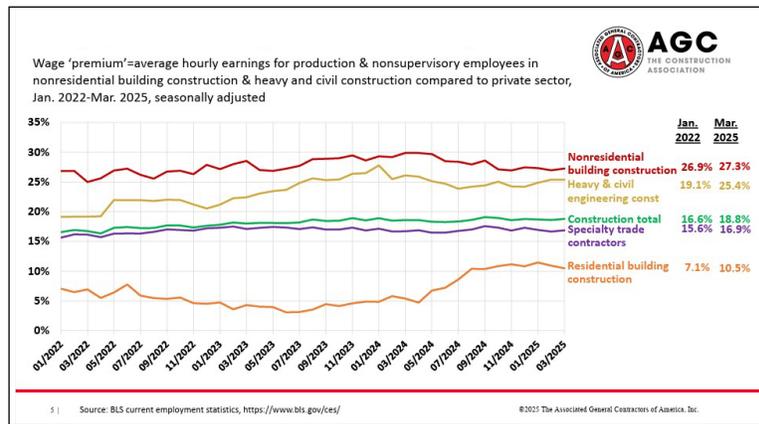
Key Insights

- Construction job growth has slowed but still outpaces other sectors, with fewer layoffs overall.
- Multi-family construction has declined for 1.5 years, stabilizing only in hotspots like Nashville and Austin.
- Industry risks include tariffs, supply chain disruptions, and immigration changes affecting labor availability.
- Reduced federal regulations may help accelerate project starts.
- Growth is strongest in data centers, power, and infrastructure; single-family housing shows gradual improvement.
- Medium-term outlook is “modestly positive” but with rising risk of decline; optimism is fading due to inflation and recession concerns.

Change in construction spending, January 2023-March 2025



The wage ‘premium’ contractors pay to attract craft workers is rising



Snapshot Conclusion

Overall, the construction industry continues to show resilience despite emerging risks and a slowdown in certain sectors. While growth opportunities remain, especially in infrastructure and technology-related projects, caution is warranted as economic uncertainty increases.

About the ABAA Conference

The ABAA Building Enclosure Conference has over 400 professionals meet annually to learn about cutting-edge air barrier technology from industry-leading companies.

About the Presenter



Ken Simonson is the Chief Economist for the Associated General Contractors of America, providing expert analysis on construction activity, materials costs, and employment trends across segments and regions.



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