AGC THE CONSTRUCTION ASSOCIATION

# Data DIGest

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## Jobs increase in October, ADP finds; DMI slips; data center spending soars, ConstructConnect says

For the second month in a row, the shutdown of federal agencies has prevented the release of construction spending and **employment** data this week. ADP provides a partial substitute for employment data based on analysis of over 26 million employees for whom it processes payrolls. ADP reported on Wednesday, "Private employers added 42,000 jobs in October," following two months of declines. Construction firms added 5,000 employees. A study ADP posted on October 30 found that in the first half of 2025, the Bureau of Labor Statistics consistently revised its initial employment estimates (based on more complete data) to levels closer to ADP's estimates. In addition, the study found ADP more closely matches the construction share of total private establishments (fixed business locations) than does the monthly BLS survey.

The Dodge Momentum Index (DMI)—"a monthly measure based on the three-month moving **value of nonresidential building projects going into planning**, shown to lead construction spending for nonresidential buildings by a full year to 18 months"—declined 7.1% in October from an upwardly revised September reading, Dodge Construction Network reported today. "'After several months of record-breaking levels, planning momentum slowed in October,' stated Sarah Martin, Associate Director of Forecasting….'Activity remains solid across the board, especially for data centers and hospitals. However, recent growth should not solely be attributed to gains in real activity. Anticipated increases in labor and material costs are also driving up project expenses and are inflating the overall trend in the DMI. In the coming months, Dodge anticipates activity to continue to decelerate on average, especially as macroeconomic risks continue to mount.' On the commercial side, activity slowed down for warehouses and hotels, while planning momentum was sustained for data centers, traditional office buildings, and retail stores. On the institutional side, education and healthcare planning have slowed down, after strong activity in recent months. Meanwhile, recreational and public planning continued to grow. Year-over-year [y/y], the DMI was up 52% when compared to October 2024. The commercial segment was up 54% (+43% when data centers are removed) and the institutional segment was up 49% over the same period."

"Year-to-date **data center spending** has soared to $32.9 billion, a 92.8% increase over the same period in 2024, showing remarkable market growth," ConstructConnect reported on Tuesday. "Southern states dominate data center construction, with Louisiana, Virginia, and Texas collectively accounting for over two-thirds of all U.S. starts spending through September 2025. A robust near-term pipeline includes 39 late-stage projects worth a combined $25.5 billion, with the potential to more than double 2024's record-high spending levels….ConstructConnect expects full-year **2025 power infrastructure starts spending** to cool in light of last year's record high. Annual power infrastructure spending increased fivefold in the four years from 2021 to 2024. A few large projects have anchored energy spending this year. Most notably, a $14 billion liquefied natural gas project in Texas. In the coming years, strong energy demand is expected to result in a near-term surge in new power spending. Further out, we anticipate annual spending exceeding $30 billion."

"Confidence in the market for new **multifamily housing** increased year-over-year in the third quarter," the National Association of Home Builders reported on Thursday, based on its latest quarterly Multifamily Market Survey. "Developers of low-rise market-rate and subsidized rental properties express increased optimism…Weakness is concentrated in the mid-to-high-rise and condominium developments which tend to be common in high-density metro areas."

"**Economic activity in the services sector** returned to expansion in October," the Institute for Supply Management reported on Wednesday. Construction respondents were among six sectors (out of 18) reporting contraction, along with decreases in new orders (5 sectors), inventories (6), imports (7), and order backlogs (7). Construction was among 16 sectors reporting higher prices paid and among the sectors reporting no change in business activity (5), employment (4), supplier deliveries (9), and imports (8). Items significant for construction reported up in price include copper products (3 months in a row) and electrical components (3). Price declines were reported for diesel fuel (8). Construction labor (3) and transformers were listed in short supply.

Contractors are invited to complete AGC's 2026 Construction Hiring and Business Outlook survey. The survey will close on Friday, December 13 and results will be released in early January.

Chief economists Ken Simonson (AGC), Kermit Baker (American Institute of Architects), and Michael Guckes (ConstructConnect) will discuss the **construction outlook** in a webinar from 1 to 2:30 PM ET on Thursday, November 13.

Data DIGest is a weekly summary of economic news. Sign up here. Editor: Ken.Simonson@agc.org, Chief Economist, AGC. Go here for Ken's PPT or more construction data.
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