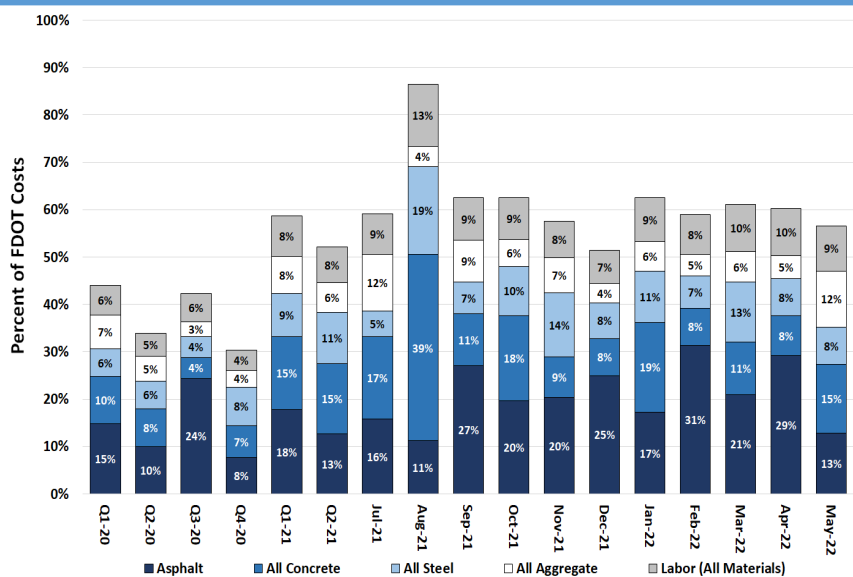
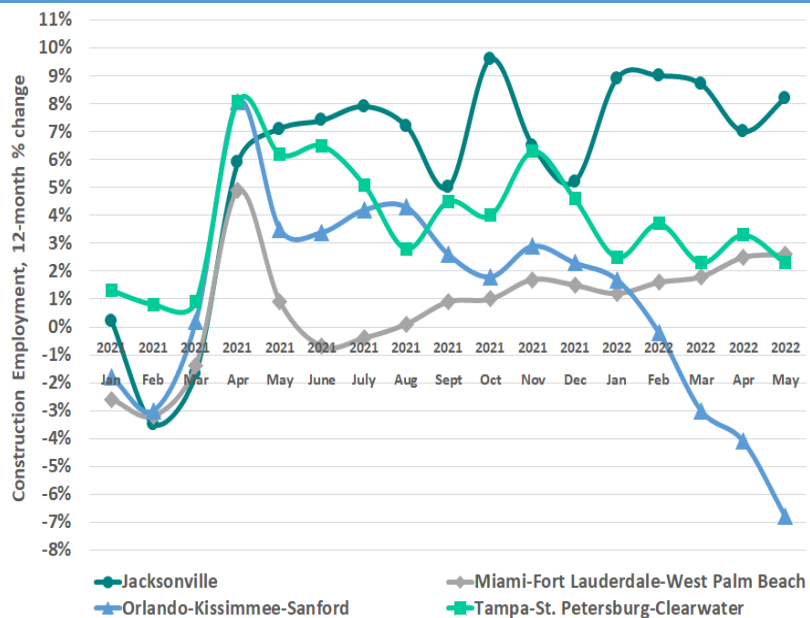


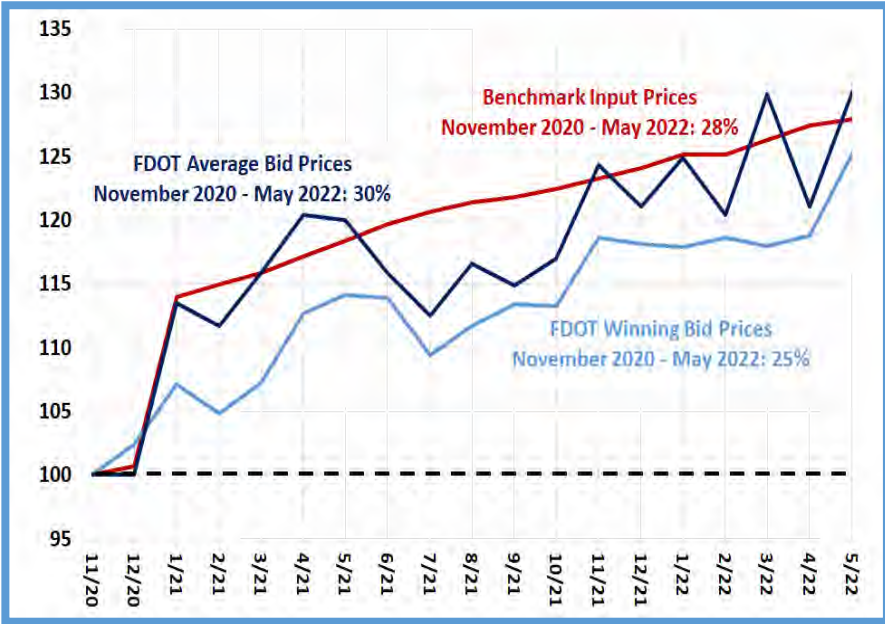
# June 2022: Material Prices Surge in Response to Fuel Costs

High fuel costs and material shortages have driven up industry benchmark prices as well as bid prices in May. Over the last few months, the price of crude oil, and therefore gasoline and diesel, has risen substantially across the globe (see **Trucking Update** for more). As Europe speeds up reconfiguring energy systems and sources, the situation is likely to get worse before it gets better. In the US, crude oil production has been stable over the last three years at about 11,500 thousand of barrels per day. Beside materials, labor costs are rising as well due to a slow-down in skilled labor availability and recruitment, especially in Central Florida. Construction employment growth in North Florida is going strong, however, boosting statewide employment growth.

- Construction employment rose by 8.2% in Jacksonville in May 2022, year-over-year, continuing a trend of high growth.
- Orlando saw a decline of -6.8% in May, continuing the metro area's negative trend in construction employment.
- Tampa and Miami metro areas rose by 2.3% and 2.6%, respectively.
- Statewide construction employment was 2.6% higher in May 2022 compared to Nov. 2019 pre-pandemic levels.
- Total Florida non-farm employment growth is steady at 3.2% over Nov. 2019.
- The statewide unemployment rate remains 3.0% in May 2022, on par with pre-pandemic levels.



- Tracking FDOT's costs by month shows how the cost composition can shift depending on project type, scheduling, and material costs.
- Preliminary data shows that aggregate and concrete costs as a share of total costs have doubled in May 2022, underscoring recent price increases for fuel and reinforcing steel.
- Steel costs as a share of total costs remain high compared to 2020 levels.
- Asphalt cost shares shrank according to May 2022 preliminary data, while labor costs remain within the 8% - 10% range.



- Industry price increases are due to high fuel costs and persistent material shortages and raw material cost increases.
- Compared to Nov. 2020, industry benchmark input prices were 28% higher in May 2022.
- The FDOT indices were updated with preliminary May 2022 data.
- For winning bids, FDOT prices are running 25% higher than Nov. 2020.
- On average, FDOT bids are 30% higher in May compared to the baseline, surpassing the industry benchmark estimate.