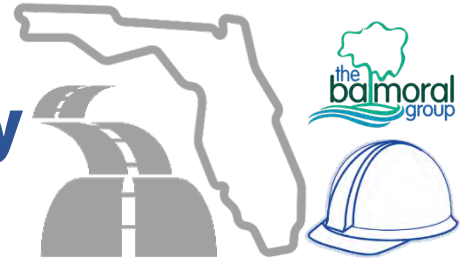
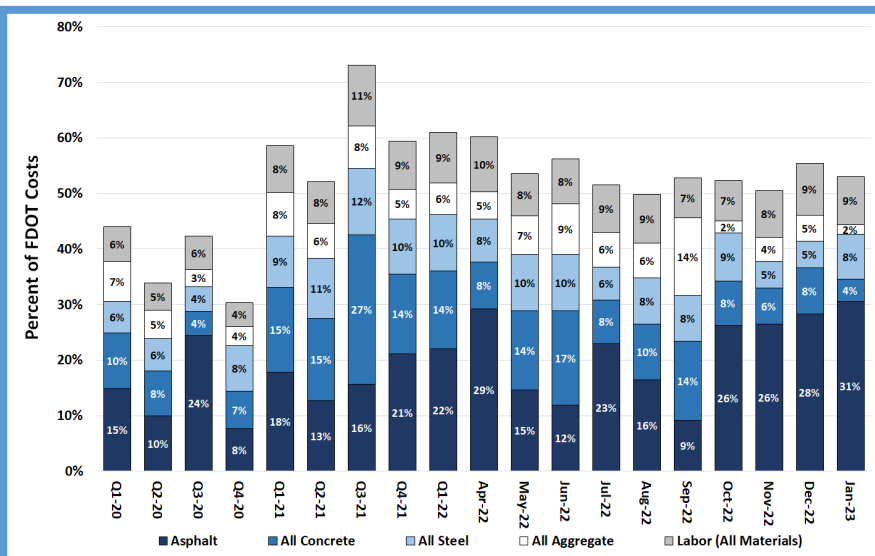
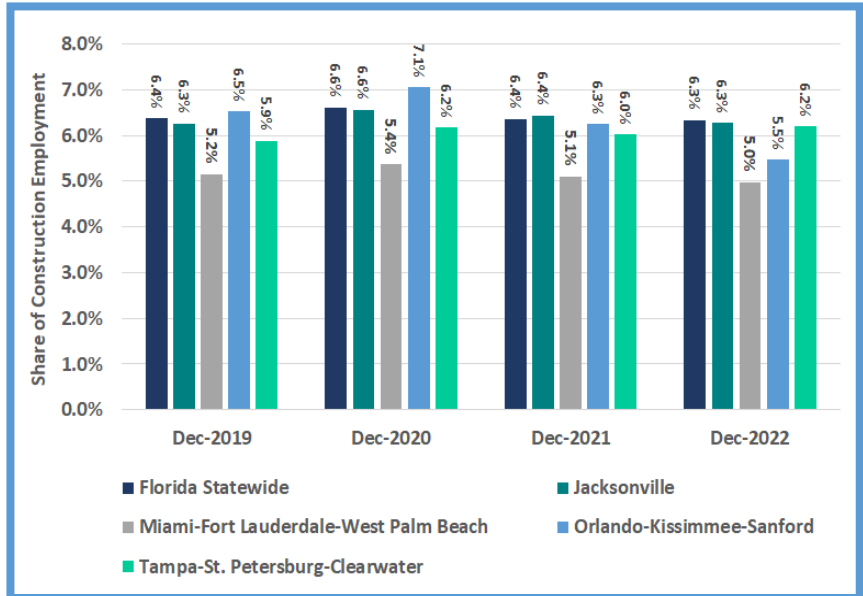


February 2023: Uncertainty & Labor Market Shifts

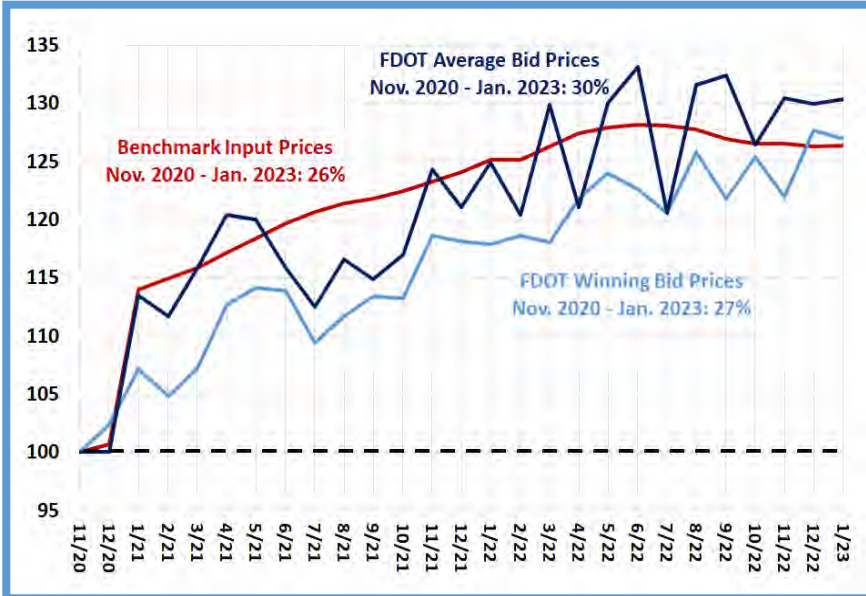


According to the National Association for Business Economics' **January 2023 Business Conditions Survey**, **40% of respondents still report shortages for skilled labor**. However, about half of those who reported labor shortages expect them to abate in 2023. The Florida construction employment market has shifted in some major metro markets since 2019. With cost of living increases in many urban areas, securing workers has become more difficult. Highway material producers report increasing bids to cover the cost of retaining workers. Lingering material price instability is also contributing to higher bid prices. FDOT bid prices hovered just above industry benchmarks in January 2023 according to preliminary data. In addition, there is renewed uncertainty surrounding how the Build America, Buy America Act could be applied to construction materials like aggregate, asphalt, and cement.

- January 2023 metro employment data is scheduled to be released in March.
- For this update, comparing the share of construction employment to total non-farm employment shows stability statewide and in some major metro markets over the last few years.
- However, the share of construction employment in metro Orlando declined from 7.1% in 2020 to 5.5% in 2022.
- Miami metro construction employment shares hover around 5.0%, lower than the statewide average.
- Jacksonville and Tampa have maintained about 6.0% - 6.5% of total employment.



- According to preliminary data, asphalt expenditures were the highest proportion of total costs in Jan. 2023.
- Despite some abatement at year end 2022, steel costs were a larger share of total costs in January than previously.
- Aggregate and concrete costs were a smaller share than usual, which may change with updated data given recent price hikes for both materials.
- Labor costs remain consistent with previous months and are likely baked into bids going forward – at 9% of total cost, a full 50% higher than two years ago (6%).



- Industry asphalt binder prices declined in January 2023 compared to December 2022, while aggregate and cement prices increased. Changes in steel prices depended on the product.
- Industry benchmark input prices were 26% higher in January 2023 compared to the same month in 2020.
- FDOT indices were updated with final Dec. and preliminary Jan. 2023 data.
- For winning bids, FDOT prices ran 27% higher than November 2020 levels, slightly higher than industry costs.
- On average, FDOT bids were 30% higher in January compared to the baseline.

- A request for public comment published by the Office of Management and Budget (OMB) in early February 2023 has renewed uncertainty over how **Build America, Buy America** requirements may be applied to construction materials.
- The law currently includes language stating requirements “shall not include cement and cementitious materials, aggregates such as stone, sand, or gravel, or aggregate binding agents or additives as inputs of the construction material,” but several of the questions OMB addressed seem to contradict this.
- In particular, industry experts are expressing concern over questions regarding aggregate, asphalt, and cement exemptions, which had been thought to be settled.
- Comments on the proposed rule are due March 13, 2023.
- Read more on the topic from [ASCE](#).