
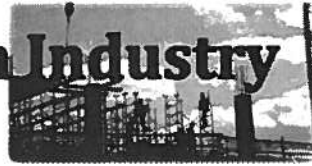


About ABC



- ABC . . . 25,000 merit shop contractors, subcontractors and other construction-related companies, over 2 million employees
- Federation of 77 chapters
- Includes all specialties within the U.S. construction industry,
 - Industrial, commercial and institutional sectors
- Recognized as a leading construction organization in the U.S.
 - representing America’s business community and construction industry
- Rated by Fortune magazine as one of the “most influential” organizations in the United States

The Construction Industry



- 2009 Idaho GSP \$54 billion
- 2009 value of construction \$2.7 billion, 5.1% of total
- Idaho's Construction Industry . . .
significant to Idaho's economy!



2010 Summary

Construction Employment . . .

- 92,000 jobs lost
- Unemployment at 18.8% through November
- Unemployment twice the National average



2010 Summary

Nonresidential Construction Spending

- Total spending down 6.8%
- Private spending down 16.5%
- Public spending up 3.3%

Public spending dominates

ABC Forecasts 14.7%
overall decline from 2009



2011 Forecast

- Idaho Department of Labor
 - Specialty Trade Contractors down 22%
 - Heavy and Civil down 15%
 - Building Construction down 20%
- Overall construction employment down 20% from 2009



ABC Forecast 2011

- Continued weak growth at 3%
- Slow recovery not rapid enough to rescue the year
- Construction activity concentrated in federal construction
- Flat growth most segments



Performance by Sector

- Total nonresidential down .1%
- Private nonresidential down .2%
- Public Nonresidential flat
- Employment
 - Non residential up .2%
 - Residential up 25%
- Construction material prices up 3.6%



Issues of Concern

- Lending remains very difficult
 - More red tape and regulation
 - Financial institutions still saying “no”
 - Access to capital must improve or the economy could stall

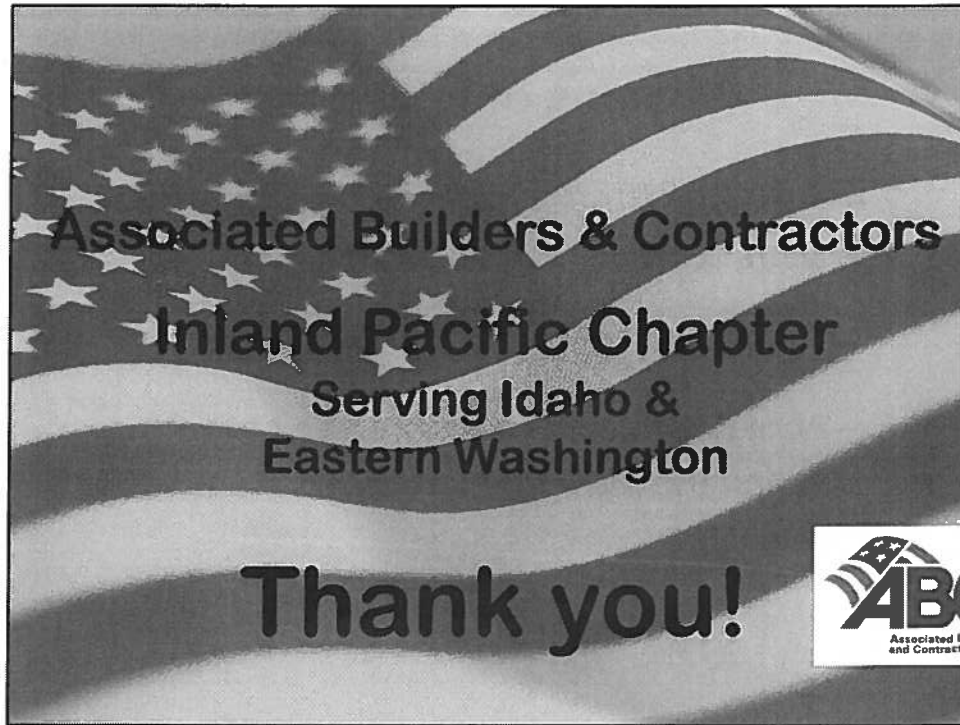


Issues of Concern



- Uncertainty remains
- Rising energy prices, especially fuel
- Severe labor shortages following the “Great Recession”





**Year-to-Date Performance: 2009-2010
and ABC's 2011 Forecast**

| Indicator | 2009 | 2010 | 2011* | % Change 2010-2011 |
|---|-----------|-----------|-----------|-----------------------|
| Construction Put in Place (millions, seasonally adjusted annual rate) U.S. Census Bureau | | | | |
| <i>Total Nonresidential</i> | | | | |
| Lodging | \$25,474 | \$11,653 | \$10,814 | -7.2% |
| Office | \$52,717 | \$36,225 | \$34,413 | -5.0% |
| Commercial | \$55,042 | \$41,112 | \$38,645 | -6.0% |
| Health care | \$45,111 | \$40,038 | \$40,338 | 0.7% |
| Educational | \$102,907 | \$87,650 | \$85,897 | -2.0% |
| Power | \$89,405 | \$79,568 | \$83,944 | 5.5% |
| Manufacturing | \$58,513 | \$39,025 | \$34,342 | -12.0% |
| Total All Industries | \$654,207 | \$557,867 | \$557,242 | -0.1% |
| <i>Private Nonresidential</i> | | | | |
| Lodging | \$25,350 | \$11,051 | \$10,256 | -7.2% |
| Office | \$37,904 | \$22,858 | \$21,716 | -5.0% |
| Commercial | \$51,286 | \$38,393 | \$36,089 | -6.0% |
| Health care | \$35,651 | \$29,843 | \$31,000 | 3.9% |
| Educational | \$16,800 | \$13,275 | \$14,500 | 9.2% |
| Power | \$77,622 | \$66,542 | \$71,025 | 6.7% |
| Manufacturing | \$57,976 | \$38,313 | \$33,715 | -12.0% |
| Total All Industries | \$347,759 | \$259,214 | \$258,716 | -0.2% |
| <i>Public Nonresidential</i> | | | | |
| Office | \$14,813 | \$13,366 | \$12,698 | -5.0% |
| Commercial | \$3,756 | \$2,719 | \$2,556 | -6.0% |
| Health care | \$9,460 | \$10,195 | \$9,338 | -8.4% |
| Educational | \$86,107 | \$74,375 | \$71,397 | -4.0% |
| Power | \$11,783 | \$13,026 | \$12,919 | -0.8% |
| Total All Industries | \$306,448 | \$298,653 | \$298,526 | 0.0% |
| Construction Employment (thousands, not seasonally adjusted) U.S. Department of Labor | | | | |
| Nonresidential | 726.2 | 676.2 | 677.2 | 0.2% |
| Residential | 639.6 | 579.8 | 726.9 | 25.4% |
| Producer Price Index U.S. Department of Labor | | | | |
| Inputs to Construction Industries – Index Value | 188.6 | 196.2 | 203.3 | 3.6% |
| Gross Domestic Product (2005 billions of dollars) U.S. Department of Commerce | | | | |
| Real GDP | 12,880.6 | 13,353.4 | 13,587.1 | 1.75% |

*= Data predictions by ABC Chief Economist

Haagenson

1-7-2011