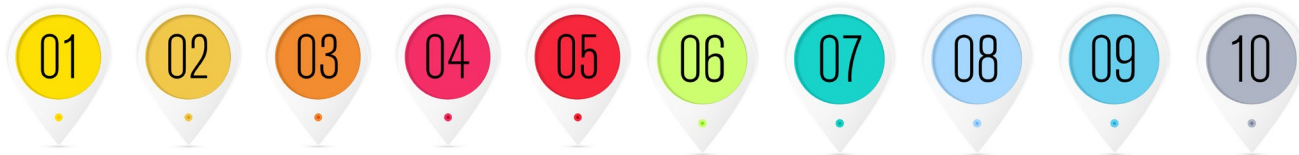


# NGA GLASS CONFERENCE™ CARLSBAD

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FEBRUARY 3-6, 2025





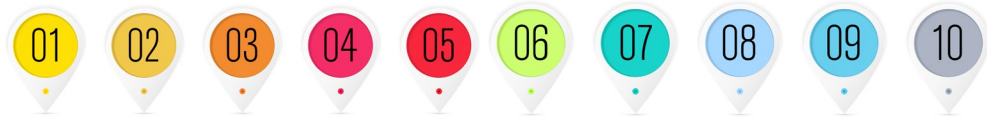
# Market Factors to Watch in 2025

**Katy Devlin**

NGA Vice President of Content & Programming





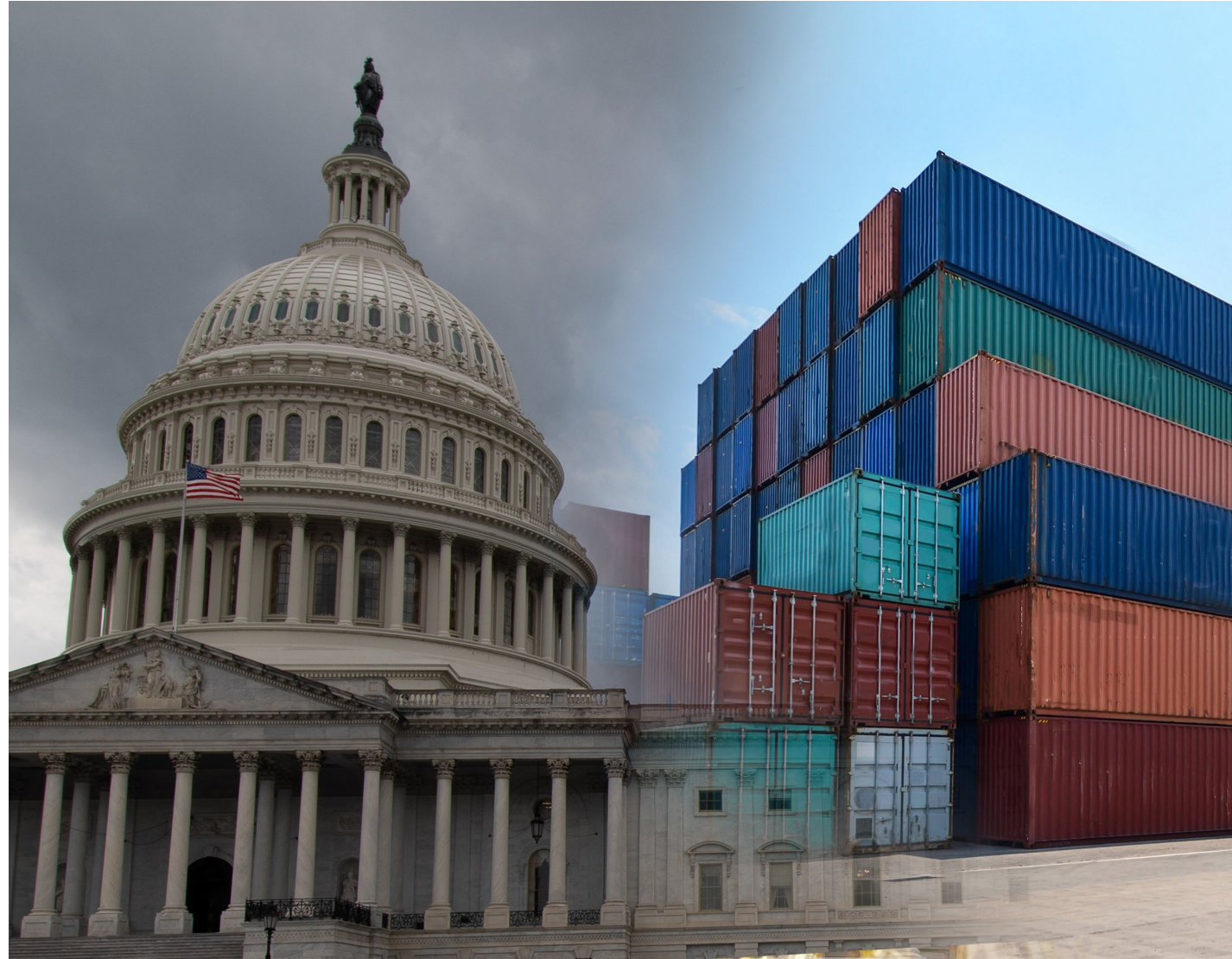


- Trade Policy
- State of the U.S. Economy
- Jobs + Immigration
- Construction Spending + Forecasts
- Industry-specific Trends



# Trade Policy

- **Feb. 1:** White House announces 25% tariffs on all goods from Mexico and most goods from Canada; 10% additional tariffs on goods from China. (Energy from Canada would see 10% tariff)
- **Feb 2:** Canada announces retaliatory tariffs on U.S. goods
- **Feb. 3:** Administration announces 30-day “pause” on blanket tariffs for Mexico and Canada
- **Feb. 4:** Tariffs on Chinese goods to go into effect; retaliatory tariffs from China





# Trade Policy

## Potential impacts

- Economists warn of possible **higher inflation** and **interest rates**, and **lower GDP**, if tariffs stay in place
- **Goldman Sachs forecast:** blanket tariffs on Canada and Mexico would lead to a 0.7% increase in core inflation and a 0.4% hit to gross domestic product
- **RSM forecast:** lower GDP by 0.36% for the year; increase the Personal Consumption Expenditures Index (PCE) by 0.4%

*“If the tariffs are sustained, then it is highly probable that the Fed’s rate-cutting campaign has come to an end and that the next move out of the Fed would be a rate increase.”*

*– RSM Real Economics Blog, Feb. 2, 2025*



# Trade Policy Impact on Supply Chains

- Drewry WCI: \$3,364 per 40ft container, **68% below** the previous pandemic peak of \$10,377 in September 2021, but **137% higher** than the average \$1,420 in 2019 (pre-pandemic).
- **Risks to supply chain:** climate change, natural disasters, cyberattacks, fraud, and geopolitical instability, plus tariffs.

*“Tariff actions ... could also lead to disruptions in supply chain as companies look to find new sources, look to reroute, to avoid tariff issues, and even the cross border administration that could come into play.”*

*Matt Lekstutis, Efficio*

Drewry World Container Index (WCI) - 30 Jan 25 (US\$/40ft)

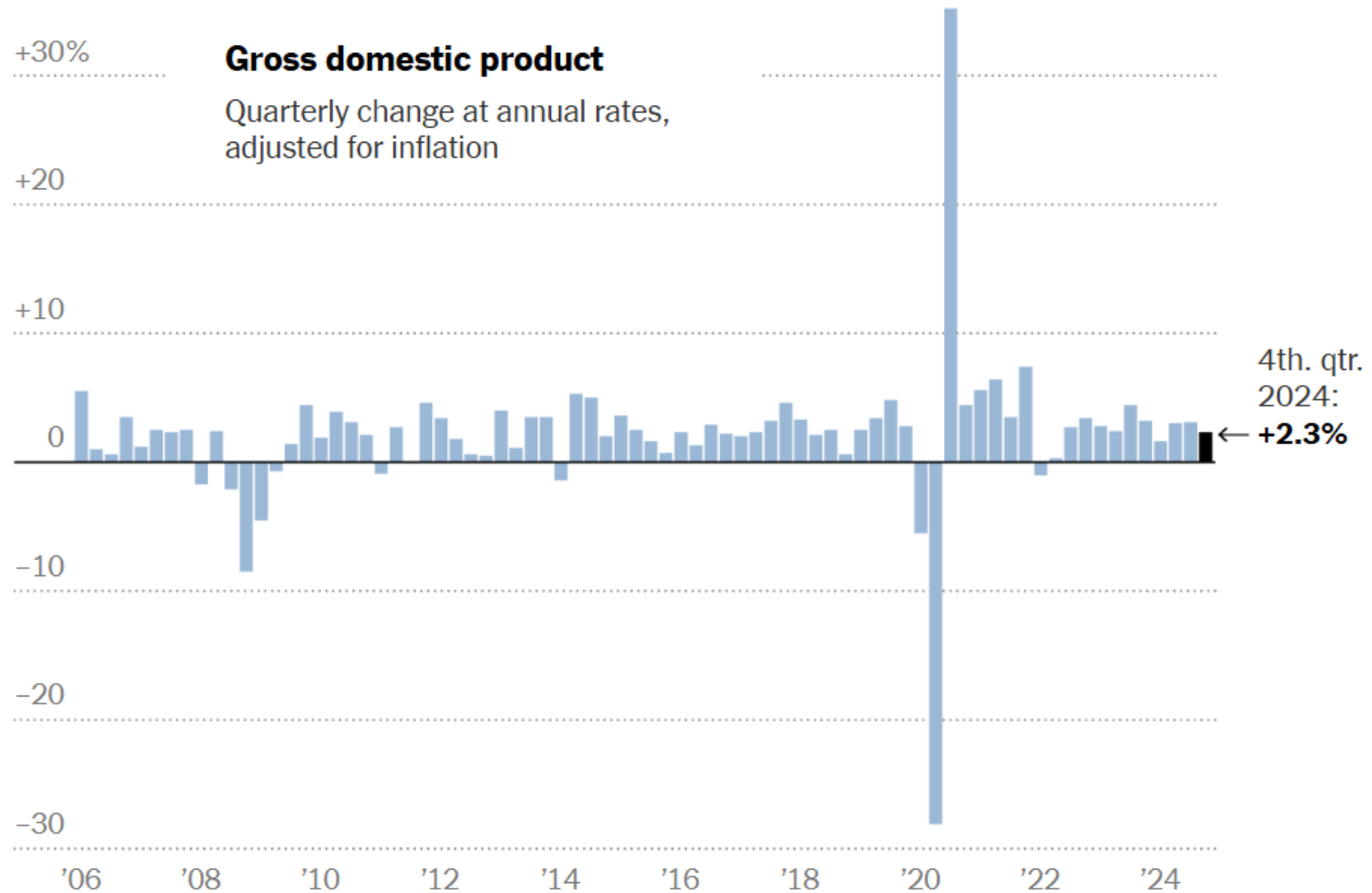


# GDP

- Q4 GDP rose **2.3%** (coming on the heels of 3.1% uptick in Q3 GDP)
- Overall 2024 GDP grew at **2.8%** rate, slightly down from 2.9% in 2023

*“Robust consumer spending, underpinned by low unemployment and steady wage growth, helped keep the economy on track despite high interest rates, stubborn inflation and political turmoil at home and abroad.”*

– NYT, Jan. 30, 2025



Source: Bureau of Economic Analysis • By Karl Russell

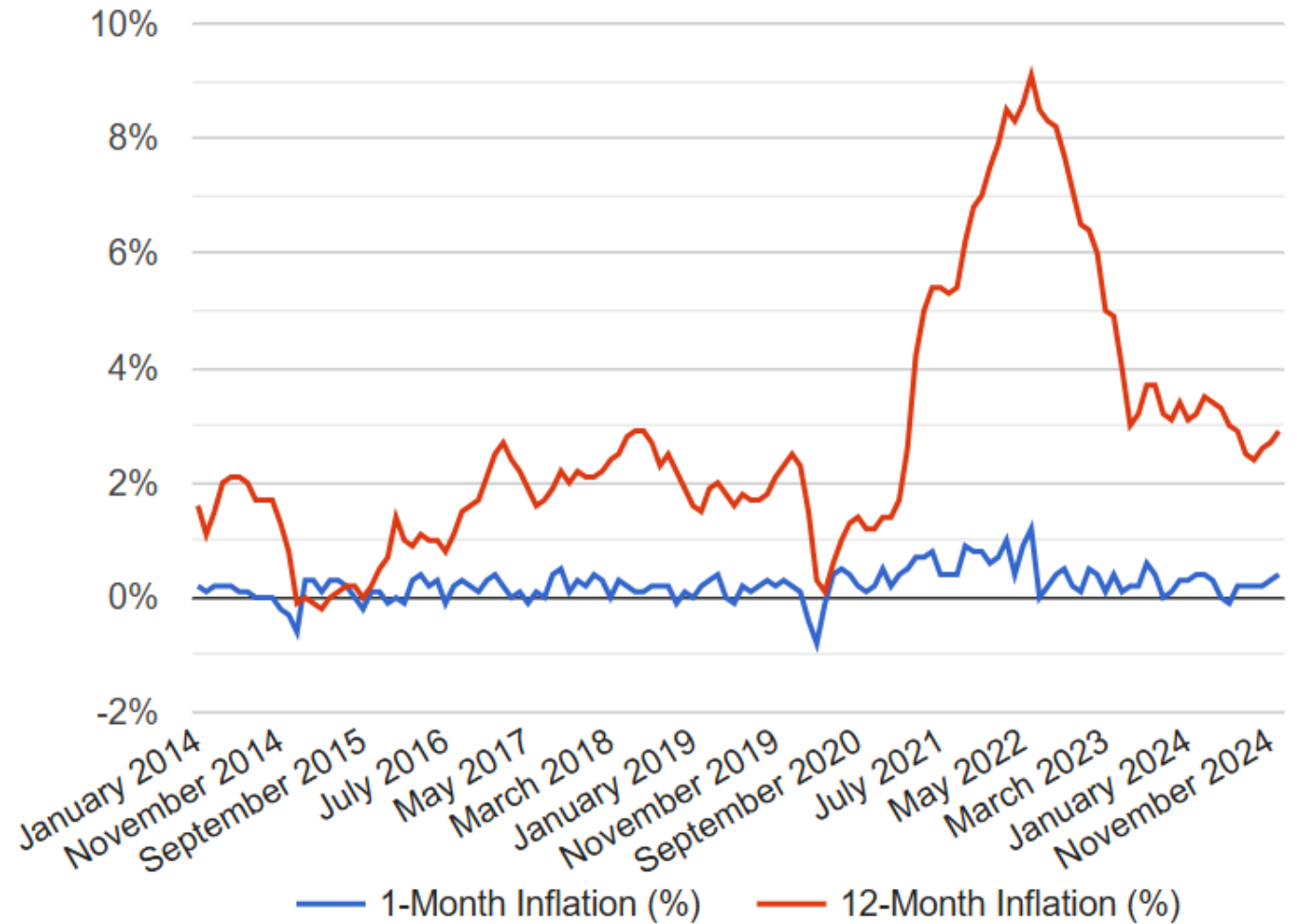
# Inflation

## Improved in 2024

- The annual inflation rate for the United States was **2.9%** for the 12 months ending December.
- Compare to **3.4%** annual rate in 2023, and **6.6%** in 2022.
- 2024 monthly low, **2.4%** in September. But ticking up ever since.

*“Inflation improved meaningfully in 2024, although it did not slow enough to meet the Fed's target or satisfy consumers weary from the big cumulative price increases of the last few years,”*  
 – Reuters, Jan. 15, 2025

**Monthly Inflation Rates and Annual Inflation Rates (2014-2024)**



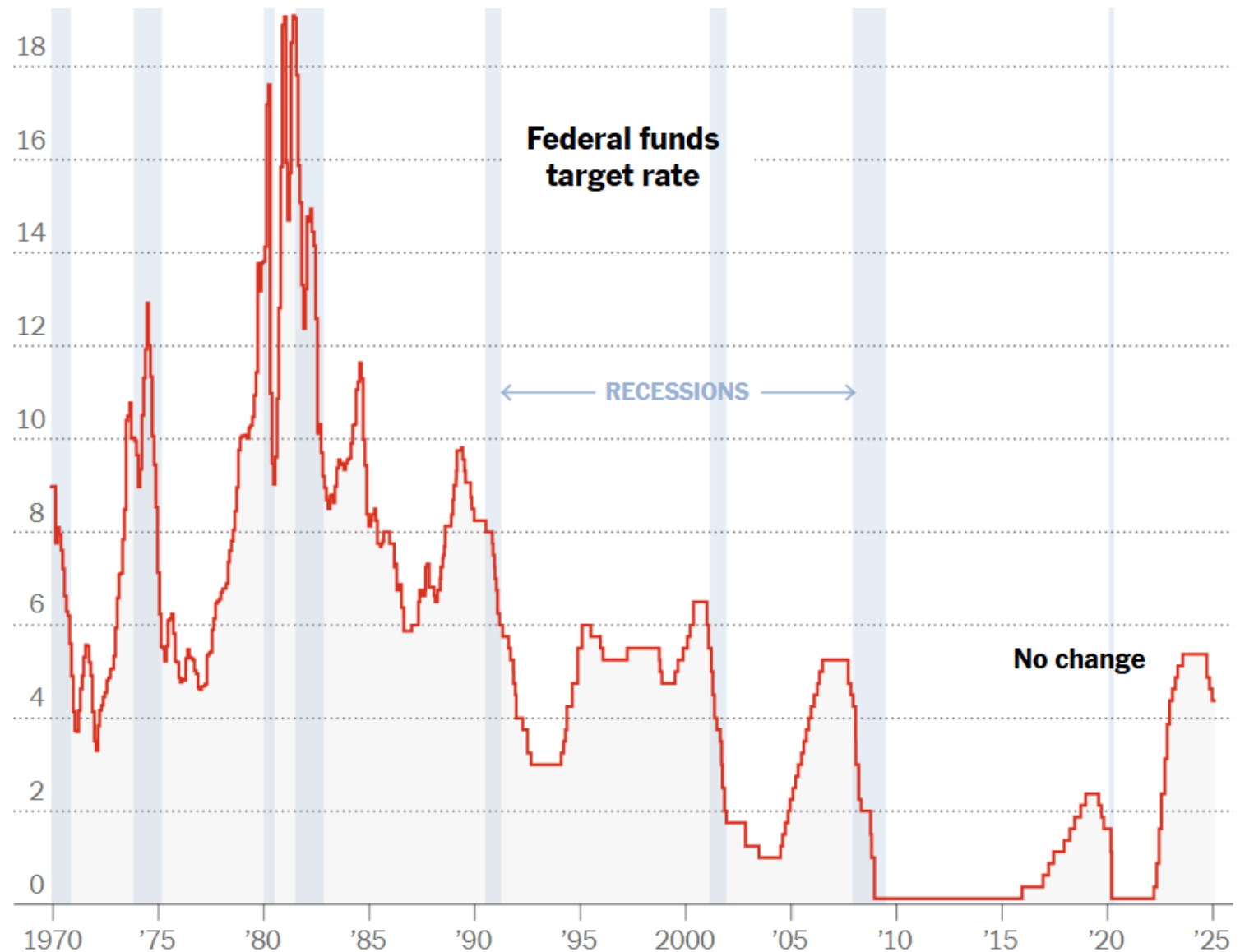


# Interest Rates

- Series of cuts began in September 2024
- At January meeting, Fed held rate steady at between **4.25%-4.5%**
- Rates down a full point from 12 months ago
- Mortgage rates remain high. **6.8%** on 30 y fixed, as of 1/30. (**6.6%** 1 year ago)

*“This is a central bank that is in no hurry to lower interest rates, even as Mr. Powell signaled his support for rates to continue falling over time.”*

– NYTimes, Jan. 29, 2025

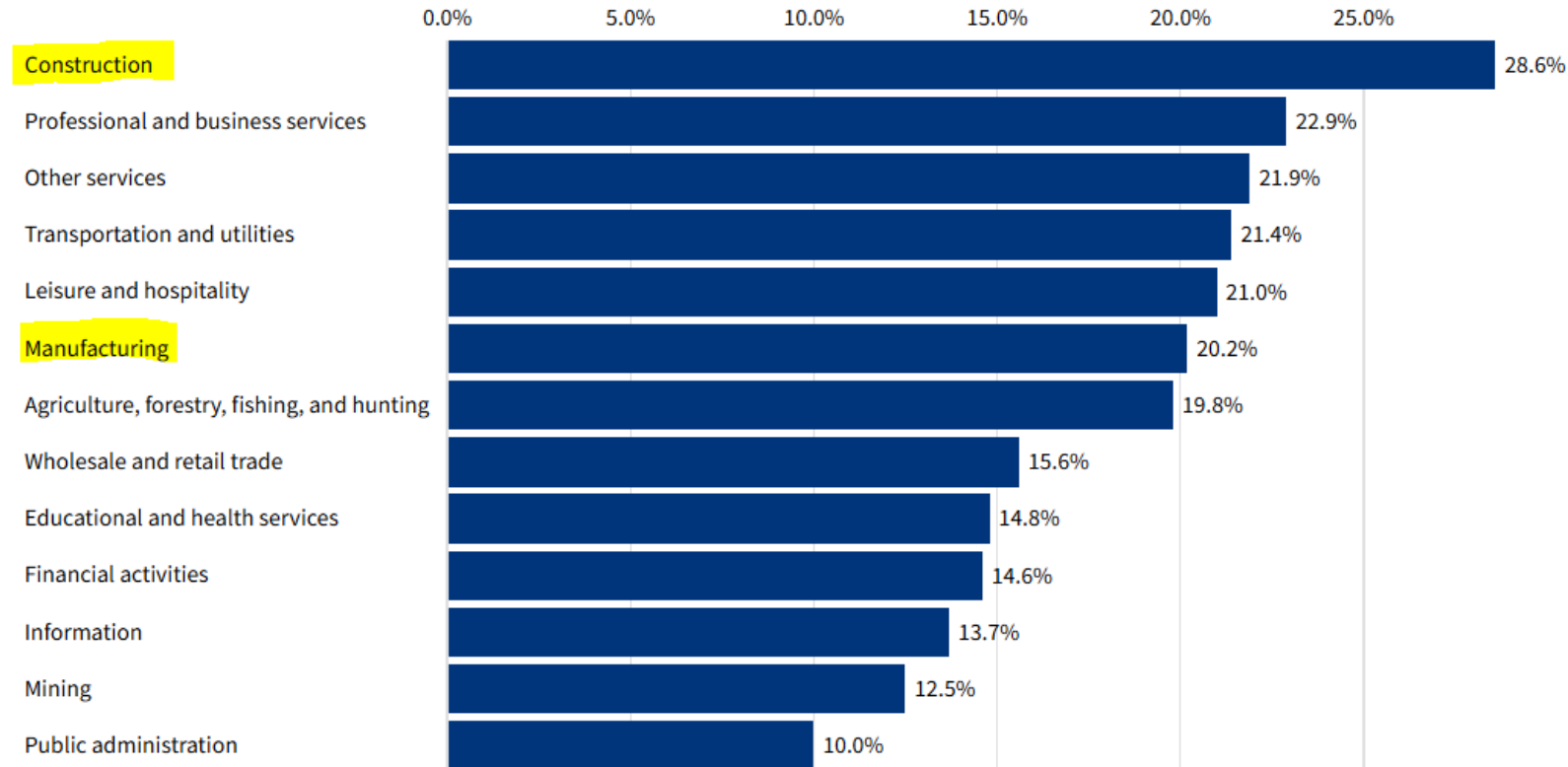


# Immigration Policies

- Administration has increased focus on border protection and immigration, including increase in deportations, and slowdown in visa allocation.
- About **26% of workers in construction** are immigrants and **13%** of people employed in the industry are not authorized to work in the U.S.
- About **20% of workers in manufacturing** are immigrants. **5.4%** are not authorized to work in the U.S.

## Construction has the biggest share of foreign-born workers.

Percent of industry that is foreign-born, 2023



Excludes military workers.

Source: [Census Bureau](#) • [Get the data](#) • [Embed](#) • [Download image](#) • [Download SVG](#)

# Jobs

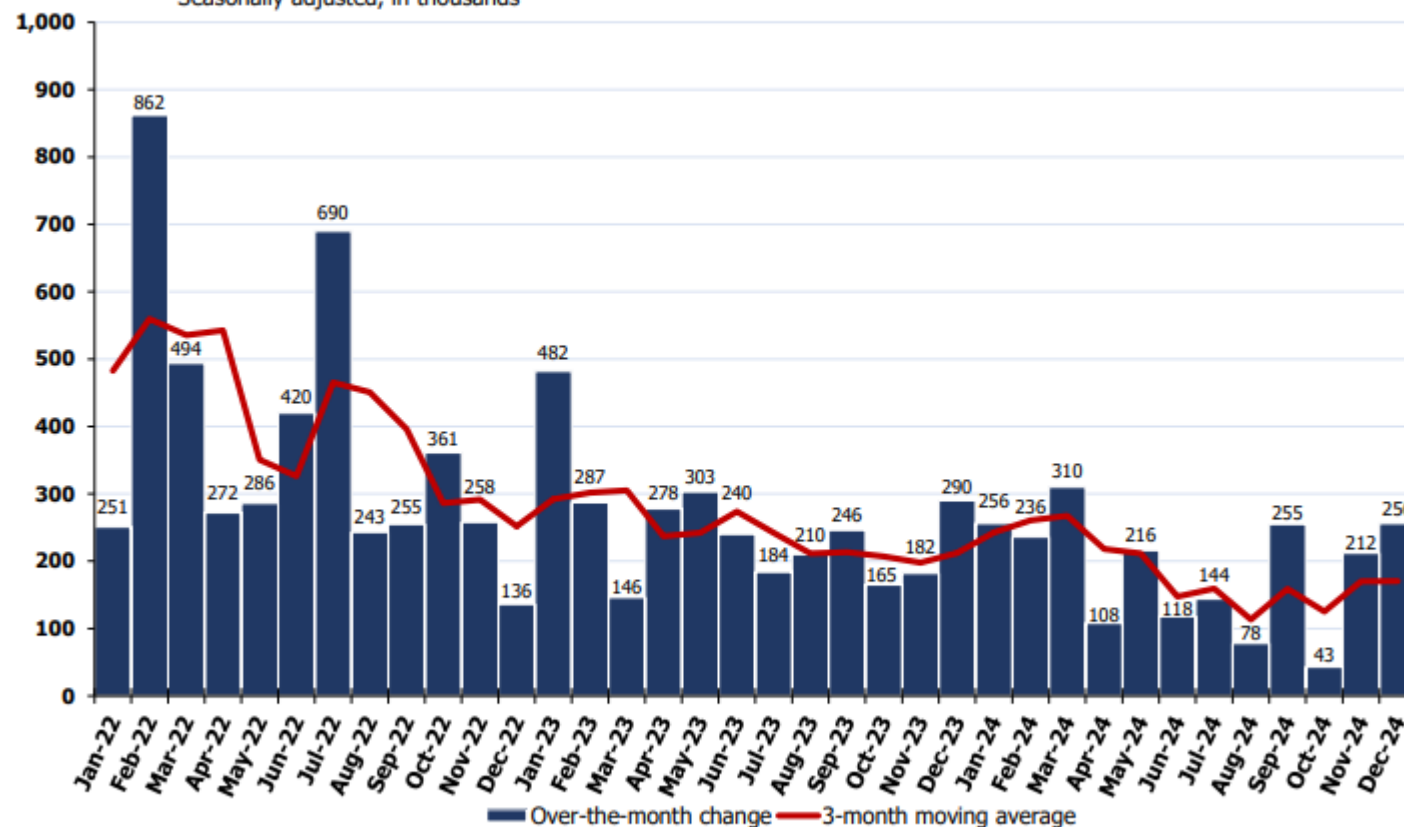
## 2024 Surpassed expectations

- U.S. added **256,000** in **December** and **2.2 million** in all of 2024. (From 2011 through 2019, the economy added on average 2.3 million jobs each year.)
- Forecasters projected annual growth of **1.4 million** jobs in 2024.
- Unemployment rate in Dec. changed little at **4.1 percent**.
- Over 2024, average hourly earnings increased by **3.9 percent**.
- Look for January jobs data on **Feb. 7**.

### Employment in total nonfarm

Over-the-month change, January 2022–December 2024

Seasonally adjusted, in thousands



Bureau of Labor Statistics, Current Employment Statistics, January 10, 2025.  
Most recent 2 months of data are preliminary.



# Construction Jobs

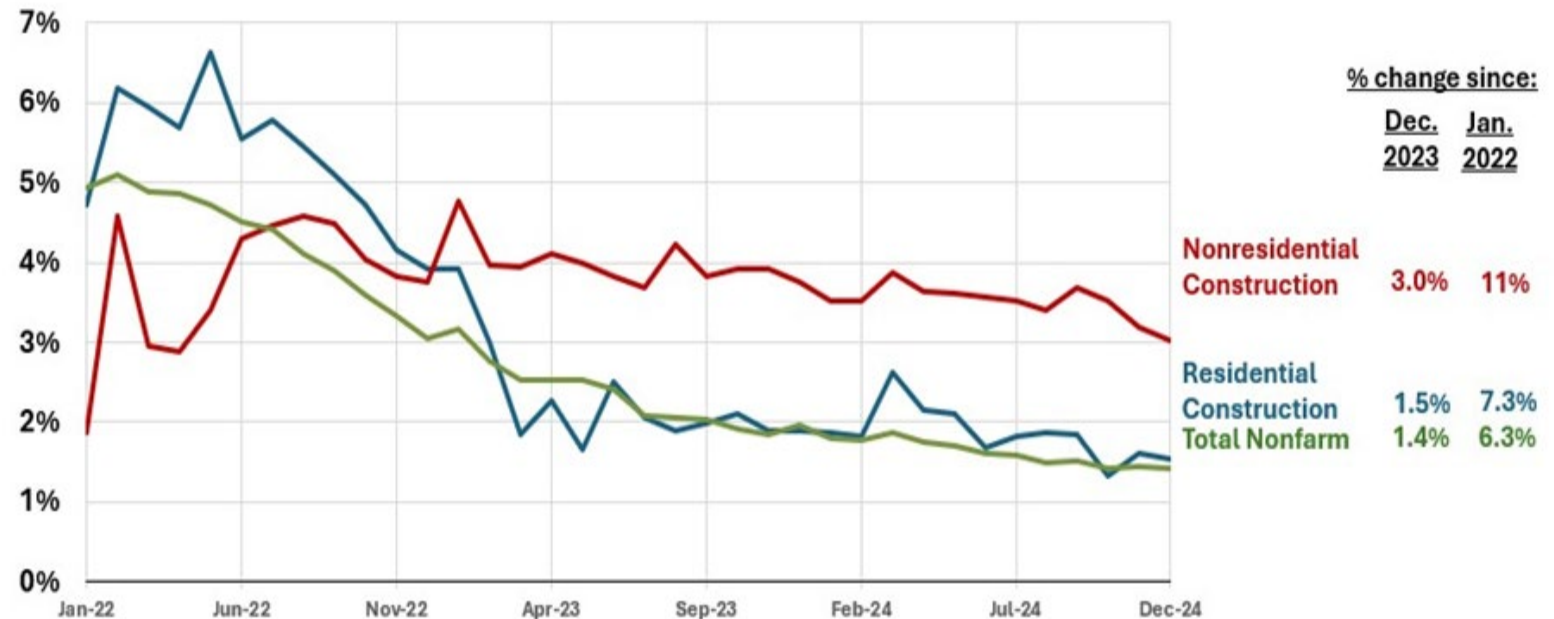
- Construction added **8,000** jobs in December
- Sector employment is up 196,000 (**2.4%**) year-over-year
- Labor costs for construction outpaced other sectors, up **4.2%** y/y versus **3.8%** for the total private sector.
- The industry's average hourly earnings (AHE) in December was **\$36.44** or **19.0%** more than the overall private average of **\$30.62**.

*“Construction contractors could face increasing difficulties finding qualified workers in 2025, even as employment in the sector grew across most metropolitan areas last year.”*

*– AGC of America, Dec. 30, 2024*

## Total nonfarm & construction employment, Jan. 2022–Dec. 2024

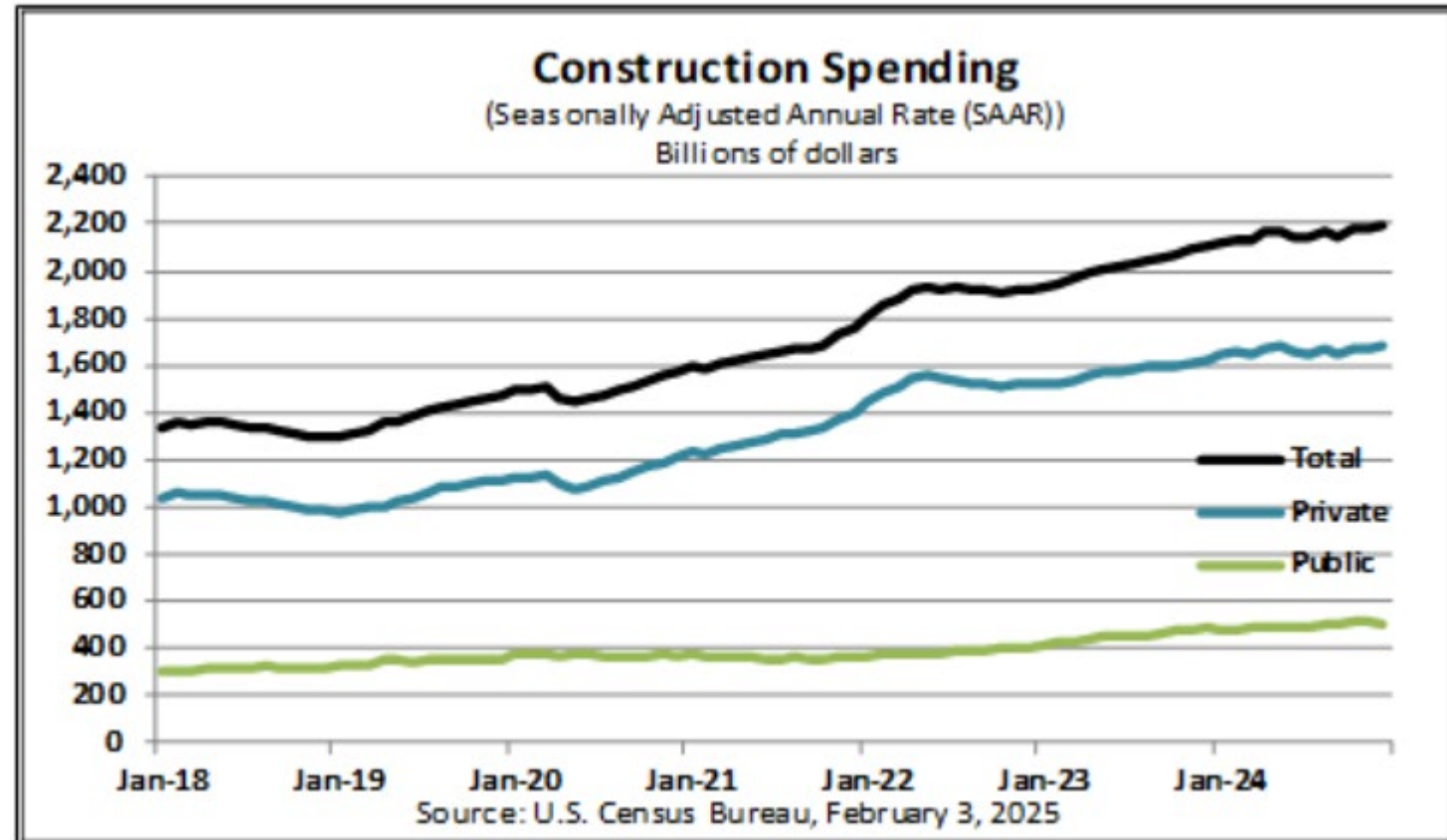
Year-over-year change, seasonally adjusted



Source: BLS current employment statistics, <https://www.bls.gov/ces/>

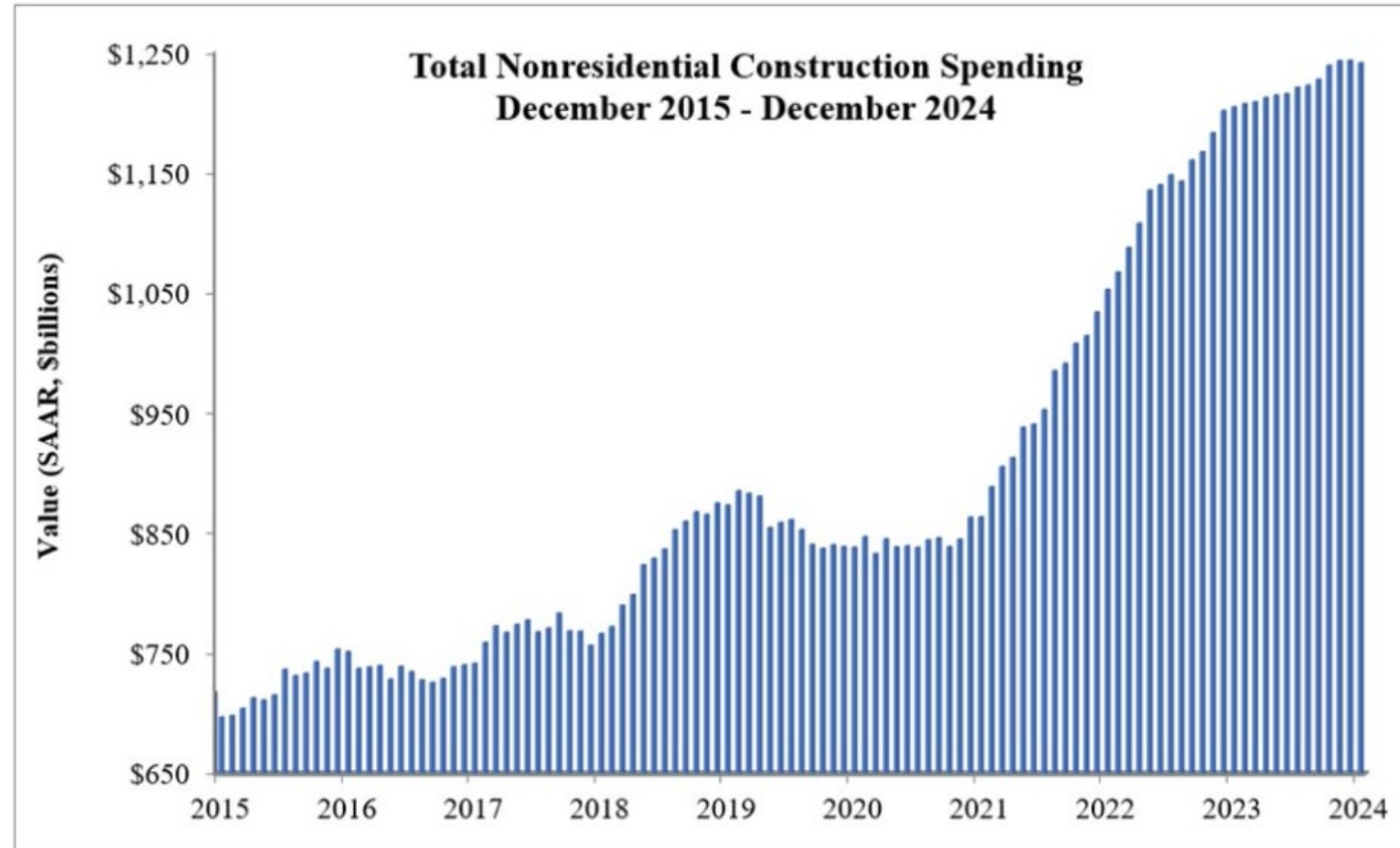
# Construction Spending

- Construction spending in December 2024 was \$2.19 trillion, **0.5%** ( $\pm 0.8$  percent) above the revised November estimate of \$2.18 trillion.
- December is **4.3%** ( $\pm 1.3$  percent) above the December 2023
- The value of construction in 2024 was up **6.5%** y/y



# Construction Spending

- **Total nonresidential construction:** -0.2% m/m, +3.0% y/y
- **Private nonresidential construction:** +0.1% m/m, +2.3% y/y
- **Public nonresidential:** -0.5% m/m, +4.1% y/y



Source: U.S. Census Bureau



# Construction Spending

- **Office:** +0.9% m/m, +3.6% y/y
- **Lodging:** 0.0% m/m, -4.4% y/y
- **Educational:** -0.6% m/m, +4.5% y/y
- **Health care:** -1.3% m/m, -1.8% y/y
- **Residential construction:** +1.5% for the month and +6.1% y/y

*“Data centers, which are part of the office category, and manufacturing accounted for 94% of the increase in total nonresidential construction spending from December 2023 to December 2024. Activity in these segments, and perhaps only these segments, will remain elevated regardless of upward pressure on construction costs.”*

*-Associated Builders and Contractors*

Nonresidential Spending Growth, Millions of Dollars, Seasonally Adjusted Annual Rate

	December 2024	November 2024	December 2023	1-Month % Change	12-Month % Change
Total Construction	\$2,192,173	\$2,180,323	\$2,101,292	0.5%	4.3%
Residential	\$951,525	\$937,633	\$897,183	1.5%	6.1%
Nonresidential	\$1,240,648	\$1,242,691	\$1,204,109	-0.2%	3.0%
Office	\$103,660	\$102,703	\$100,013	0.9%	3.6%
Highway and street	\$144,341	\$143,320	\$152,050	0.7%	-5.1%
Power	\$149,545	\$149,313	\$144,571	0.2%	3.4%
Communication	\$29,044	\$29,010	\$29,497	0.1%	-1.5%
Manufacturing	\$237,160	\$237,012	\$212,883	0.1%	11.4%
Religious	\$4,346	\$4,345	\$4,555	0.0%	-4.6%
Lodging	\$23,261	\$23,264	\$24,330	0.0%	-4.4%
Amusement and recreation	\$41,421	\$41,479	\$38,082	-0.1%	8.8%
Public safety	\$19,203	\$19,230	\$17,015	-0.1%	12.9%
Commercial	\$124,509	\$124,869	\$132,437	-0.3%	-6.0%
Educational	\$134,678	\$135,457	\$128,934	-0.6%	4.5%
Transportation	\$69,089	\$69,716	\$65,605	-0.9%	5.3%
Health care	\$68,068	\$68,969	\$69,310	-1.3%	-1.8%
Sewage and waste disposal	\$46,818	\$47,443	\$42,419	-1.3%	10.4%
Conservation and development	\$11,304	\$11,496	\$12,112	-1.7%	-6.7%
Water supply	\$34,199	\$35,065	\$30,298	-2.5%	12.9%
Private Nonresidential	\$749,046	\$748,595	\$731,975	0.1%	2.3%
Public Nonresidential	\$491,602	\$494,096	\$472,133	-0.5%	4.1%

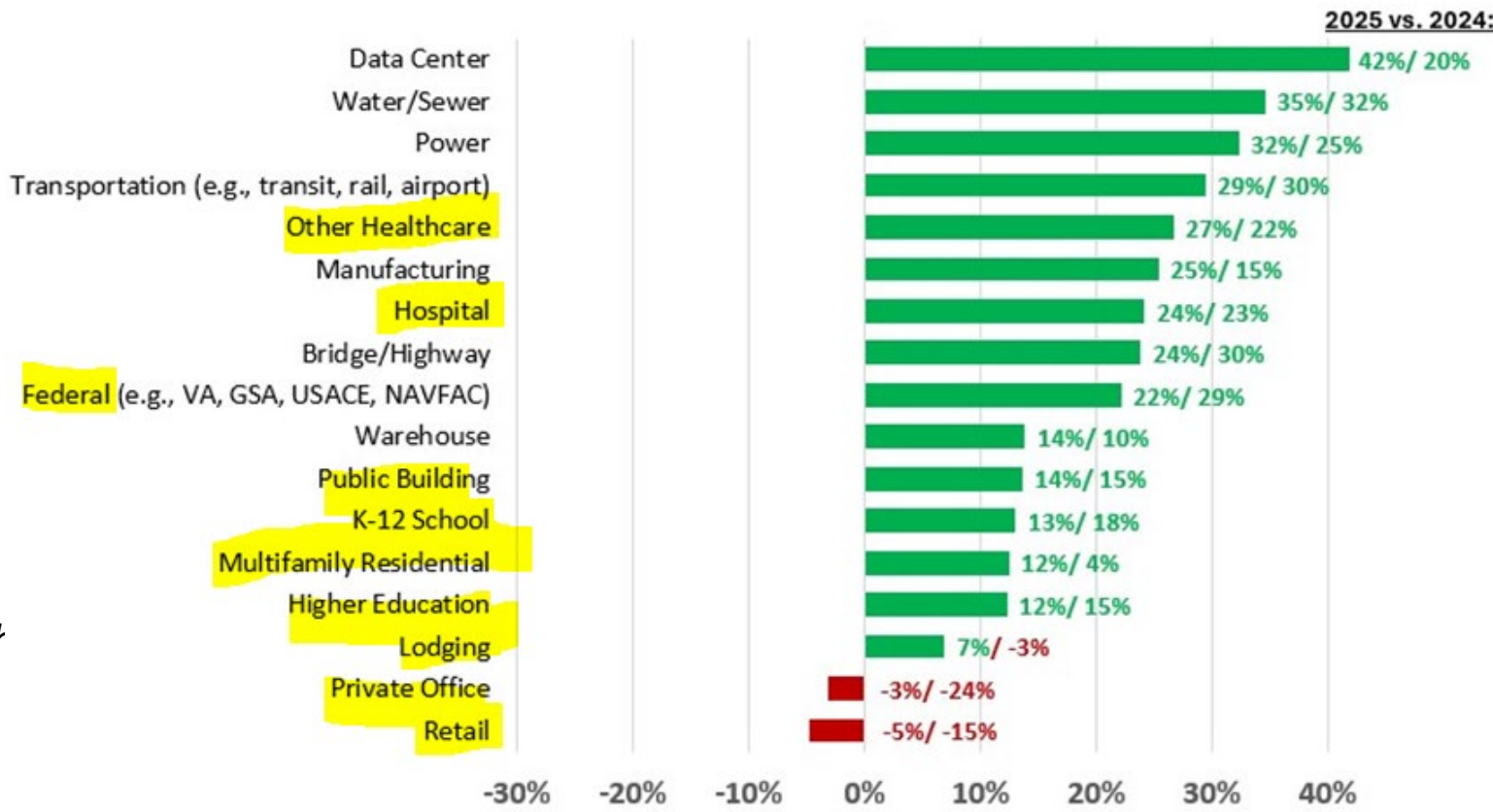
Source: U.S. Census Bureau

# Construction Forecast: AGC

- AGC 2025 Outlook Survey: Respondents were asked whether the dollar value of projects they compete for would be higher or lower in 2025.
- Project gains in all segments, except: **private office and retail**

Net\* % who expect value of projects to be **higher/lower** than in previous year

\* Net = % expecting higher value - % expecting lower value than in previous year



Source: AGC 2025 Outlook Survey; 1,109 total respondents

*“Contractors are generally optimistic about the outlook for nonresidential and multifamily construction in 2025.”—Ken Simonson, Chief Economist for AGC of America, Jan. 10, 2025*

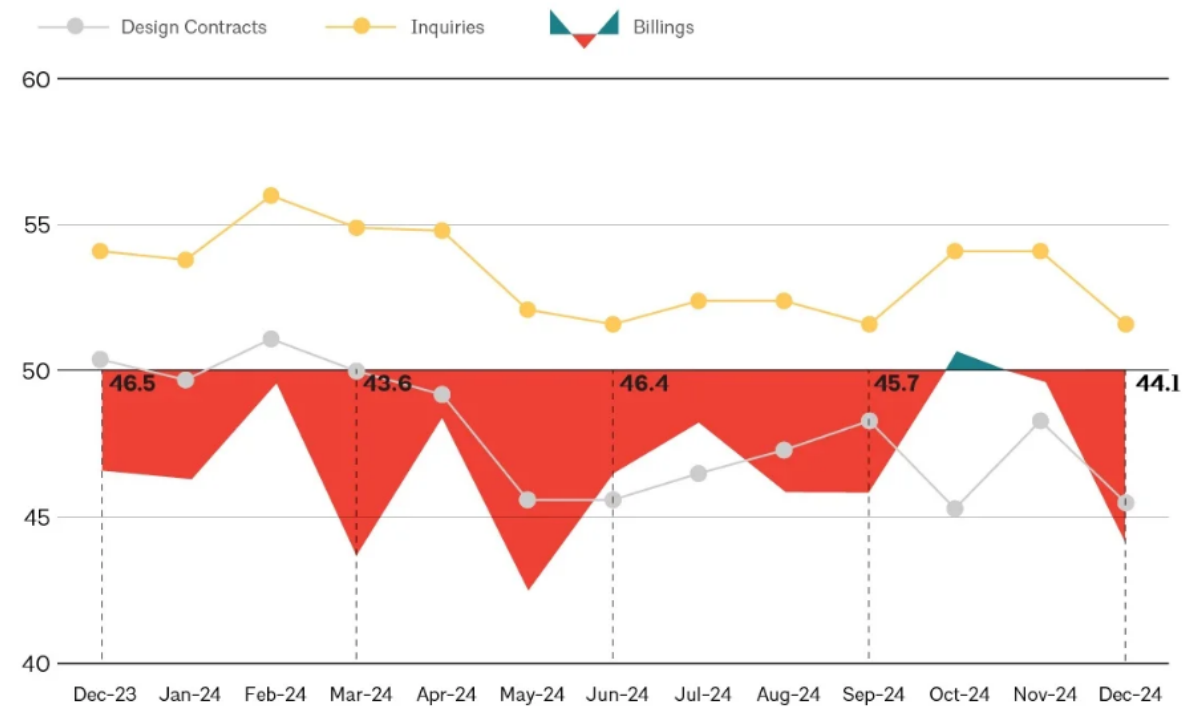
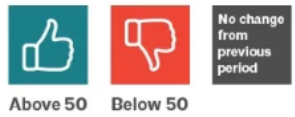
# Construction Forecast: ABI

- Architectural Billings Index: Any score above 50 indicates increase in billings
- Firm billings have now **decreased** for the majority of firms **every month except two since October 2022.**
- Inquiries into new projects continued to increase at a relatively slow rate
- Bright spot: Backlogs at firms remained steady and strong at **6.5 months** in December

## National

Architecture firm billings weaken significantly in December

Graphs represent data from December 2023–December 2024.





# Construction Forecast: DMI

- The Dodge Momentum Index (DMI), **grew 10.2% in December** to 212.0.
- **Commercial** planning increased 14.2%; **Institutional** planning improved 2.5%
- **DMI** up 19% y/y; **commercial** segment up 30% y/y; **institutional** segment flat y/y.

*“The influence of data centers on the DMI this year has been substantial. If we remove all data center projects in 2023 and 2024, commercial planning would be up 8% from year-ago levels, and the entire DMI would be up 5%.”*

*—Dodge Construction Network*

## DODGE MOMENTUM INDEX

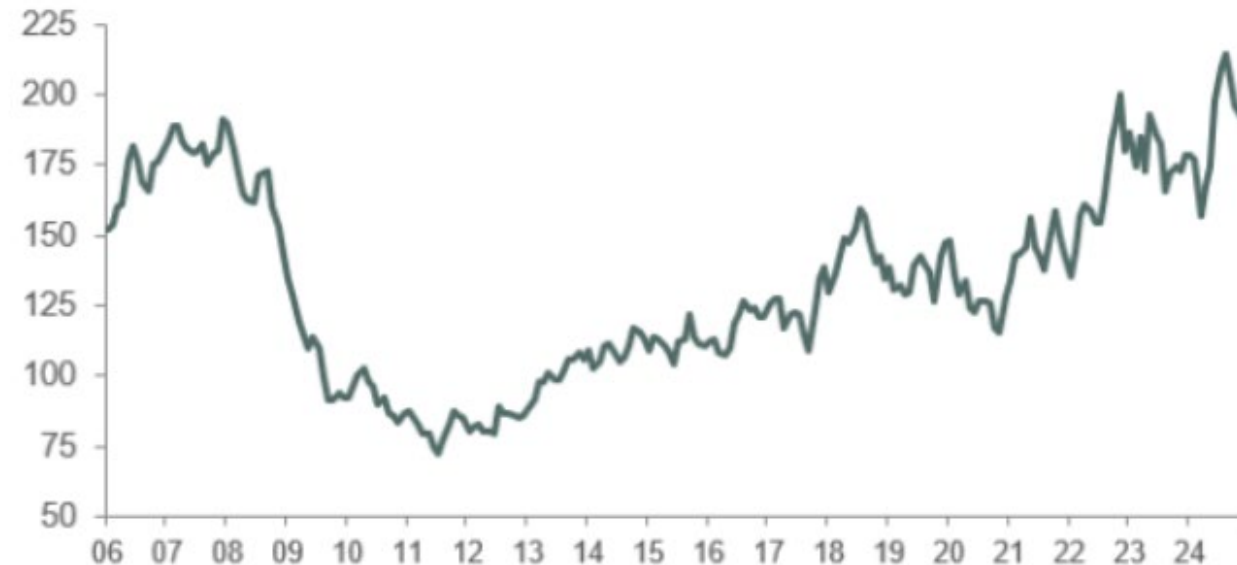
(2000=100, Seasonally Adjusted)

	Dec-24	Nov-24	% Change
Dodge Momentum Index	212.0	192.3	10.2%
Commercial Building	262.7	230.1	14.2%
Institutional Building	149.2	145.6	2.5%

Source: Dodge Construction Network

## DODGE MOMENTUM INDEX

(2000=100, Seasonally Adjusted)

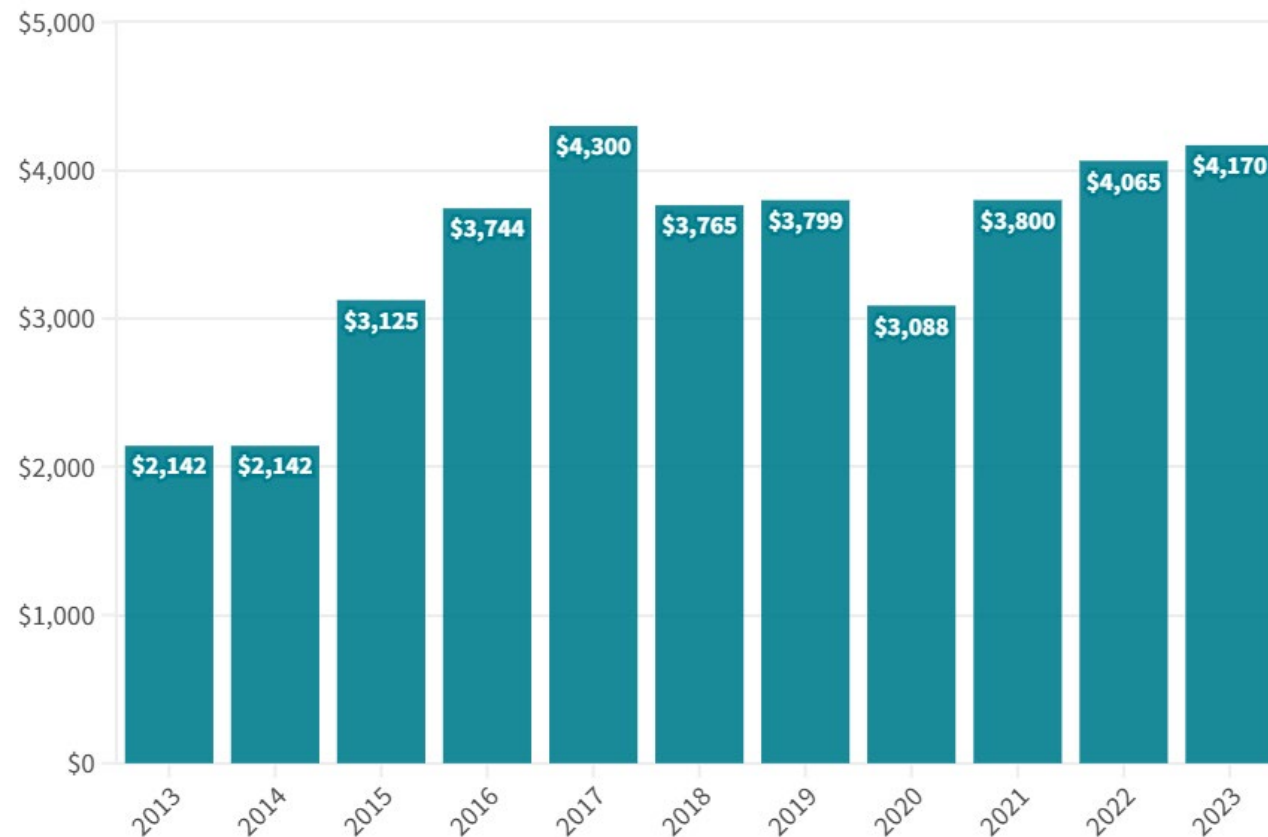


# Glass Industry Data: Top 50 Glaziers

- Glass Magazine's **Top 50 Glaziers**, annual survey, published since 1992
- Gross sales for all respondents reached near peak levels in 2023, coming in at **\$4.2 billion**
- **64%** reported higher y/y sales
- **42%** reported higher **competition** for projects
- **Strong backlogs:** 44% reported a backlog of 12 to 18 months; 24% (18-24 months); 8% (more than 24 months)

## Total Gross Sales, 2013-2023 Sales Continue to Rise

Millions of Dollars



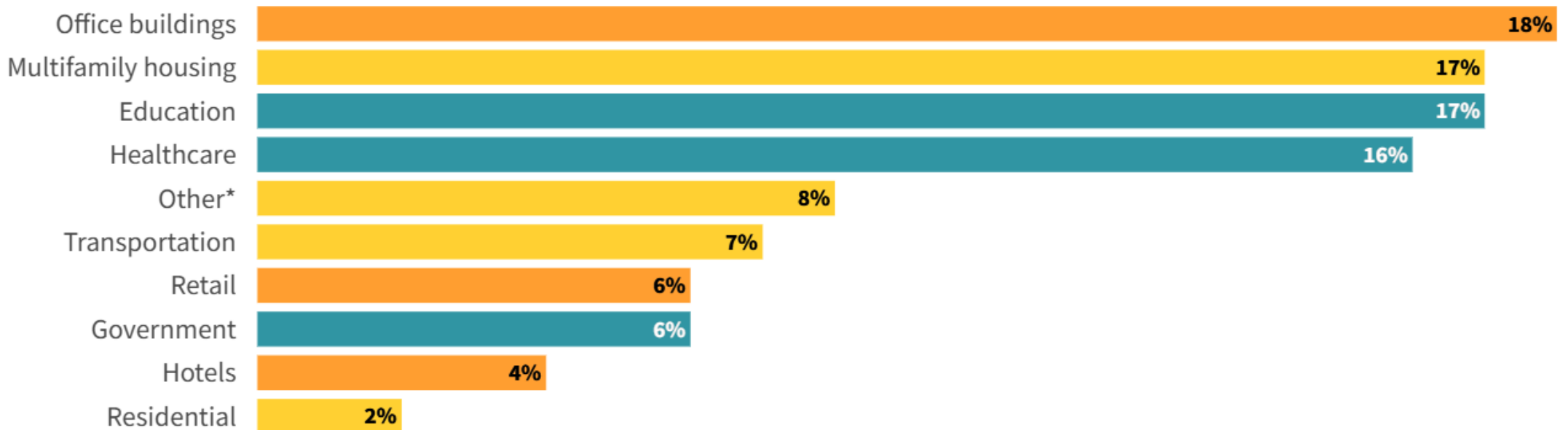
# Glass Industry Data

## Top 50 Glaziers

### Market sectors

Percentage of total work

Commercial Institutional Other



Source: [Glass Magazine](#) • \*Other: Sports facilities, entertainment, convention, laboratories, industrial.

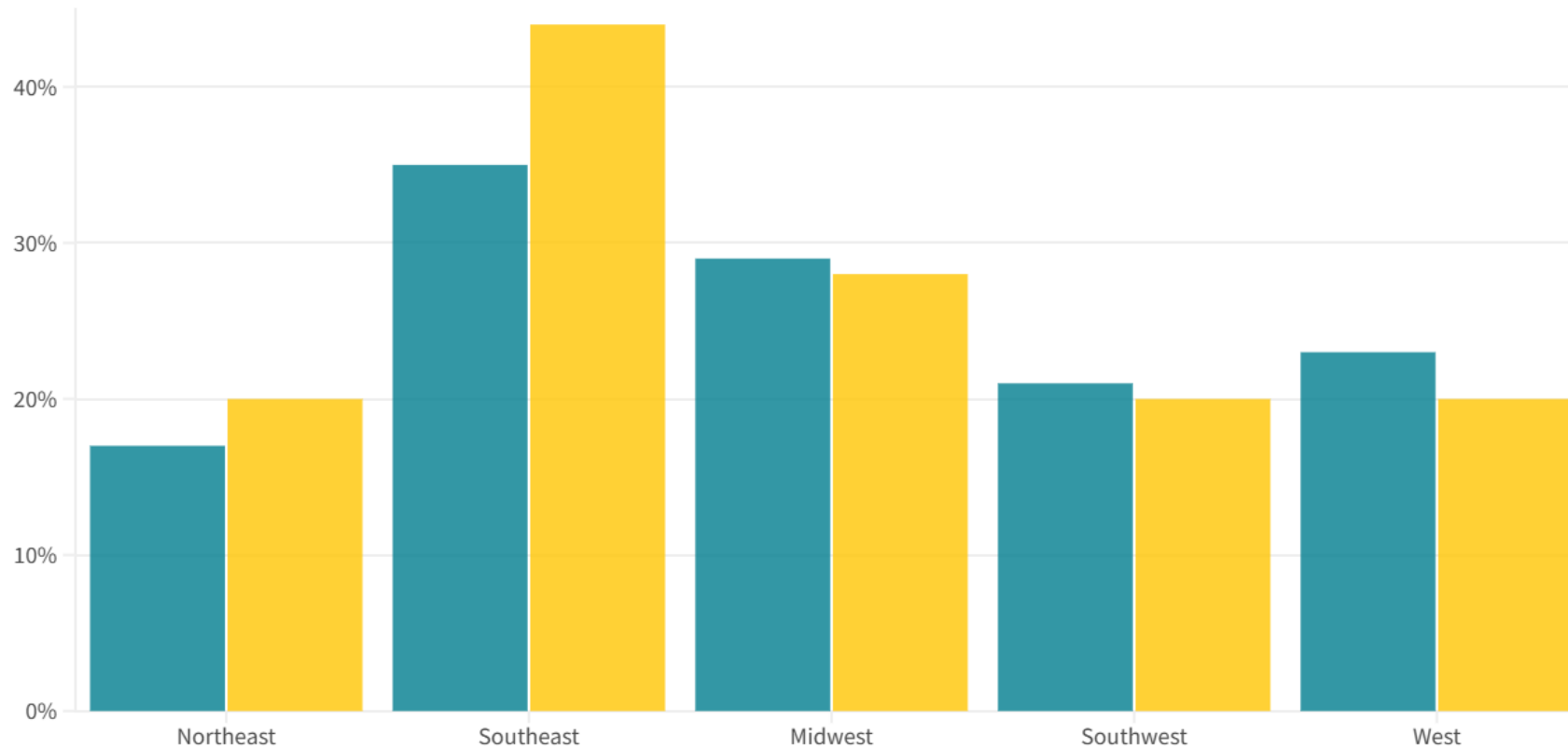


# Glass Industry Data

## Top 50 Glaziers

### Regions that Saw Growth

■ 2023 ■ 2024



# Glass Industry Data

## Top 50 Glaziers

### New construction vs renovation



### Delivery methods



# Glass Industry Data

## Top Glass Fabricators

- Coming in Glass Magazine's **April** edition
- Early data shows **slowing** in the market.
- Product trend leaders: **security** glass, **bird** friendly







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