



Dr. Phillips Institute for the Study of American Business Activity
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NEWS NEWS NEWS NEWS NEWS

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Subject: Phillips Institute Index of Private Construction Intensity—The States

2004 – The First Three Months **Phillips Institute Index of Private Construction Intensity Florida – First Among Largest 15 States**

Florida's *index of private construction intensity* landed it in **1st** place among the largest (most populated) 15 states in the nation based on performance covering the first three months of 2004. The largest 15 states are often used as a bellwether for the entire U.S. by both government agencies and private business economists. These 15 states typically account for some 65 percent of total nonfarm payroll jobs in any given month. For the entire year of 2003, Florida likewise occupied the **1st** place position from this set of 15 states.

For the three-month period ended March 2004, Florida generated 7.68 authorized building permits for single and multifamily dwellings when scaled per 1000 nonfarm jobs within the state. For this same time-period, Georgia placed **2nd** with 6.65 permits turned per 1000 payroll jobs and North Carolina held **3rd** place with 5.81 permits generated per 1000 jobs among these 15 large states. Please see Exhibit 1 for the *intensity index* rankings for all of the 15 largest states.

When all 50 states and the District of Columbia are analyzed, Nevada ranked **1st** based on the *intensity index* with 9.54 permits generated per 1000 nonfarm payroll jobs. Arizona followed in **2nd** place among this larger group of 51 entries by turning 7.83 permits per 1000 jobs, just ahead of Florida at the aforementioned 7.68 permits per 1000 jobs. Please see Exhibit 2 for the **TOP 20** *index* rankings from among the full set of 50 states plus the District of Columbia.

The *index of private construction intensity* relates the sheer number of authorized permits to the payroll jobs base in each state. This procedure provides both a statewide measure of construction vigor and serves as a leading indicator of confidence of building contractors in the economic strength of the state. A higher *index* suggests greater vigor and confidence.

Exhibit 3 provides a chart that indicates the *index* for the seven most-vigorous states from among the full set of 51 entries. The *index* was devised by and is maintained by the Dr. Phillips Institute for the Study of American Business Activity at the University of Central Florida's College of Business Administration. The Dr. Phillips Institute also publishes this index for the largest U.S. metro areas.

The complete index listing for all states and for the entire year of 2003 can be obtained by contacting the Dr. Phillips Institute.

Note: For more information contact Dr. David F. Scott, Jr., Executive Director, Dr. Phillips Institute for the Study of American Business Activity, and Phillips-Schenck Chairholder, University of Central Florida, Orlando, FL 32816-1400. Phone: 407-823-5903. Also, see www.bus.ucf.edu/dpi.

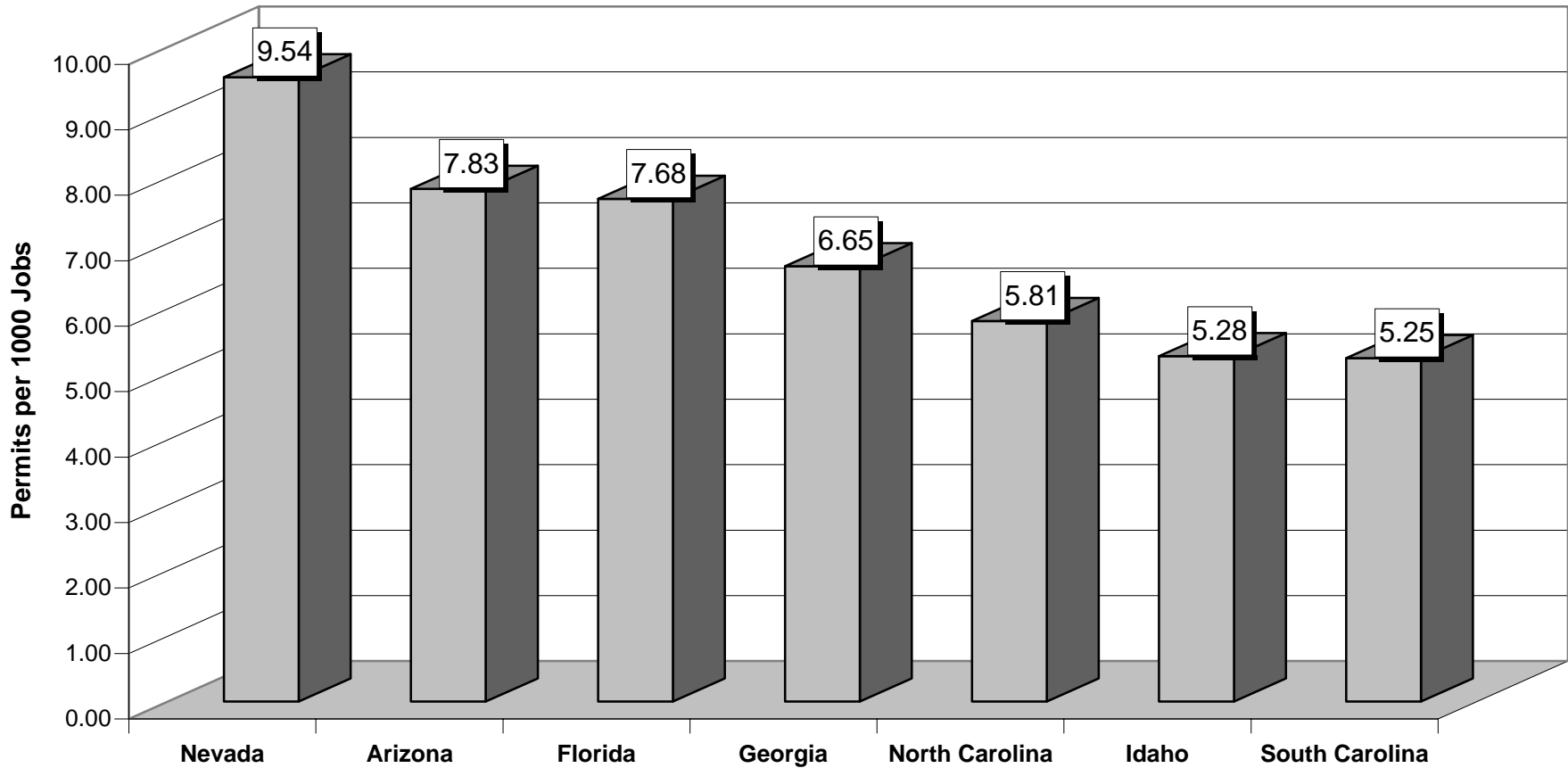
PRIVATE CONSTRUCTION INTENSITY INDEX		
Rankings for		
The Largest 15 States		
THREE MONTHS		
March 2004		
	<u>State</u>	<u>Permits Per 1,000 Nonag. Jobs</u>
1	Florida	7.68
2	Georgia	6.65
3	North Carolina	5.81
4	Texas	4.49
5	Virginia	4.19
6	Washington	3.60
7	California	3.29
8	Indiana	2.78
9	Michigan	2.19
10	Illinois	2.06
11	Pennsylvania	2.04
12	New Jersey	1.96
13	Ohio	1.88
14	Massachusetts	1.20
15	New York	1.11

U.S States (including District of Columbia) - March 2004

PRIVATE CONSTRUCTION INTENSITY INDEX		
Rankings for Top 20 States		
Ranked by Intensity THREE MONTHS 2004		
	<u>State</u>	<u>Permits Per 1,000 Nonag. Jobs</u>
1	Nevada	9.54
2	Arizona	7.83
3	Florida	7.68
4	Georgia	6.65
5	North Carolina	5.81
6	Idaho	5.28
7	South Carolina	5.25
8	Delaware	4.64
9	Colorado	4.64
10	Texas	4.49
11	New Mexico	4.47
12	Utah	4.44
13	Alabama	4.42
14	Tennessee	4.29
15	Virginia	4.19
16	Hawaii	4.19
17	Washington	3.60
18	Oregon	3.39
19	California	3.29
20	South Dakota	3.05

U.S States (Including District of Columbia) - March 2004

PRIVATE CONSTRUCTION INTENSITY INDEX
March 2004
PERMITS PER 1,000 NONAGRICULTURAL JOBS
(from all 50 states, plus D.C.)



Source: Raw data from the U.S. Department of Labor and the U.S. Bureau of the Census. Analysis and presentation by the Dr. Phillips Institute for the Study of American Business Activity, University of Central Florida, Orlando, (8/24/2004).