

## Around the Industry

### Border States to acquire Chicago's Advance Electrical Supply Co.

Border States, Fargo, ND, reached an agreement to purchase Advance Electrical Supply Co., Chicago. Advance has more than 100 employees serving the Chicago market and will join Border States on Saturday, April 30. Advance Electrical Supply Co. is owned by Mike Mayworm, executive VP, and Aaron Hughes, president.

"It's been awesome to see the success Advance has achieved. We have an incredible group of people and being able to continue to grow at an even faster pace is thrilling," said Mike Mayworm, in the press release. "I couldn't think of doing it with anyone else than Border States."

"Mike and I are extremely excited to join Border States. We talk a lot about 'acting like owners' and to be able to give our team members the ability to be true owners is an incredible opportunity for them," said Aaron Hughes in the release. "Border States embodies what we wanted to become in the future. We are aligned on our values and the way we treat people. Joining Border States is going to accelerate our growth in the Chicago area and assist us in providing an even better customer experience."

"We are excited to welcome Advance Electrical Supply Co. to our employee-owned company. They are a very successful and well-respected electrical distributor with an outstanding reputation," said Jason Seger, president, Border States, in the press release. "Their proven track record, Chicago presence and potential for growth makes them a perfect geographic

*Continued on page 3*

## Inside

Lead times by product group .... p. 2

Price Index increases in March .... p. 4

Building permits look solid ..... p. 5

Rep news ..... p. 6

An Endeavor Business Media publication.  
Publishers of *Electrical Wholesaling* and  
*EC&M* magazines.

## EW Top 150 Distributors Struggle with Long Lead Times & Dramatic Price Increases

Electrical manufacturers continue to scramble to source key production components for many of the products that electrical distributors stock, and the supply chain snafus probably won't end anytime soon. These product shortages and inflation are driving up prices to historic levels.

Several dozen early responders to *Electrical Wholesaling* magazine's annual Top 150 Electrical Distributors survey reported shipment delays ranging from 30 to 60 days for many core electrical products and six months or more for switchgear. There were also many reports of shipment delays of up to two months for load centers, transformers, industrial controls and wall boxes. Shortages of semiconductors for LED lighting or industrial controls, resins for the manufacture of nonmetallic boxes and steel for conduit and other steel-based products appear to be most pressing, but supply chain issues for electrical products extend past these core

components and materials. See the chart on page 2 for lead time estimates for 15 key electrical product groups.

Switchgear lead times also surfaced as a major issue in the Q1 2022 survey by Vertical Research Partners (VRP) and *EW* (see article on bottom of this page). Respondents said lead times for some large switchgear projects are already extending into 2023, and that while standard switchgear lead times can be eight weeks, some delivery quotes are up to 84 weeks. Respondents also reported lead times for certain transformers have tripled to up to 54 weeks, and that lead times for larger enclosures can extend out to three or four months.

Electrical distributors were brutally realistic in their evaluation of when the supply chain issues will loosen up. In the *EW* Top 150 survey, 66% of the early respondents said it would take until 2023 for lead times

*Continued on page 2*

## Q1 2022 Sales Increases Fueled by Inflation According to VRP Distributor Survey

*Results from the Vertical Research Partners (VRP) Q1 2022 Survey reflect the turmoil in the electrical market because of the post-pandemic hangover, inflation, outrageous lead times and the war in Ukraine.*

*Vertical Research Partners is an independent equity research firm based in Stamford, CT, that publishes this quarterly survey with the help of Electrical Wholesaling magazine. This article offers insight into some top-line findings of the Q1 2022. To participate in the annual survey and to get a copy of the related in-depth report that can be used to benchmark your operations against other electrical companies, contact VRP's Nick Lipinski at [nl@verticalresearchpartners.com](mailto:nl@verticalresearchpartners.com).*

**Distributor sales solid.** Q1 2022 distributor revenue grew 10.2% with a continued strong contribution from pricing. Sales growth included +5.8% volume growth and +4.4% of price.

Electrical equipment sales were strongest (+15.1%), reflecting generally greater availability compared to other categories. Sales of utility equipment remained solid, +10% with roughly equal contributions from volume and price. Automation product sales continue to relatively lag on availability issues, with distributors reporting volumes slightly down and a +4.1% benefit from pricing. The Automation two-year growth stack improved to +7.9% from +5.1% in Q4.

**Sales strong even as frustration mounts & caution creeps in.** Supply chain disruptions have been detailed in broad strokes in news reports, but they are truly an under-appreciated daily challenge for in-the-trench operators such as distributor branch managers. Despite record sales figures in many cases, the general tone was one of continued frustration, even bewilderment, as manufacturers continue to push price while

*Continued on page 3*

## What Are the Average Lead Times Now When Ordering These Electrical Products?

Product Group	Normal lead times	30 days or less	1 month to 2 months	3 months to 6 months	6 months or more	Don't stock this product
Wire & cable	26%	46%	9%	17%	0%	3%
Commercial lighting fixtures	17%	19%	36%	14%	0%	14%
LED lamps	31%	42%	14%	0%	0%	14%
Lighting controls	17%	31%	34%	3%	0%	14%
Receptacles & wiring devices	21%	32%	29%	6%	0%	12%
Wall boxes	6%	37%	14%	26%	3%	14%
Enclosures	23%	31%	29%	6%	0%	11%
Conduit fittings	18%	50%	18%	0%	0%	15%
Steel conduit	23%	49%	14%	3%	0%	11%
Nonmetallic conduit	14%	29%	37%	6%	3%	11%
Load centers	0%	18%	35%	24%	9%	15%
Switchgear	0%	3%	3%	26%	62%	6%
Transformers	0%	23%	26%	20%	20%	11%
Industrial automation controls (Drives, PLCs, etc.)	6%	3%	18%	21%	3%	50%
Pole-line hardware	3%	9%	12%	6%	0%	71%

## How Many Price Increases Have You Seen Recently for These Electrical Products?

Product Groups	No increases in last year	One or two increases in the past 12 months	An increase almost every quarter over the past year	Monthly increases	More than monthly increases	Do not stock this product
Wire & cable	0%	6%	21%	29%	41%	3%
Commercial lighting fixtures	0%	21%	58%	12%	0%	9%
LED lamps	0%	39%	42%	6%	0%	12%
Lighting controls	0%	48%	39%	3%	0%	9%
Receptacles & wiring devices	0%	42%	45%	3%	0%	9%
Wall boxes	0%	30%	55%	6%	0%	9%
Enclosures	0%	42%	45%	3%	0%	9%
Conduit fittings	0%	30%	55%	3%	3%	9%
Steel conduit	0%	3%	53%	25%	9%	9%
Nonmetallic conduit	3%	18%	27%	33%	9%	9%
Load centers	0%	19%	66%	6%	0%	9%
Switchgear	0%	16%	66%	9%	3%	6%
Transformers	0%	31%	47%	6%	6%	9%
Industrial automation controls (Drives, PLCs, etc.)	0%	13%	39%	0%	0%	48%
Pole-line hardware	0%	3%	19%	9%	0%	69%

Source: Early respondents to Electrical Wholesaling magazine's 2022 Top 150 Distributors survey. More than 30 electrical distributors answered these questions.

## Historic Increases in Lead Times & Product Pricing Hit Industry with Double Whammy

Continued from page 1

to return to normal in the electrical market; 17% said it would take until the end of the year; and 12% said there was no end in sight. "Lead times will affect sales," said one distributor in the VRP/EW survey. "It's hard to sell if you can't get the equipment."

Pricing issues also surfaced in the EW Top 150 and VRP surveys, as well as *Electrical Marketing's* monthly Electrical Price Index (see chart on page 4). Because of the sky-high copper prices, 42% of Top 150 distributors

said they are seeing new price increases for wire and cable more than once-a-month. Some respondents said prices for steel and nonmetallic conduit were also increasing this fast, with 12% of respondents mentioning steel conduit and 14% calling out nonmetallic conduit for price increases at this pace.

More than 40% of respondents were seeing price increases on a quarterly basis for 11 other core electrical product groups (See chart on this page).

More than half of the EW Top 150 survey

respondents (52%) believe it will take until next year for electrical product pricing to return to some sort of normal. Some distributors were even more pessimistic, as 24% said no end was in sight for the industry's pricing issues.

These issues are having a dramatic impact on business for distributors. Said one respondent to the VRP/EW survey, "We used to spend time selling now, we spend time making excuses."

— Jim Lucy

## March's Dodge Momentum Index Points Toward Growth in Construction Market

The Dodge Momentum Index reflects an optimistic view on health of construction market. The Dodge Momentum Index moved +4% higher in March to 166.9 points (2000=100), up from the revised February reading of 160.3 points.

The Dodge Construction Network's Momentum Index is a monthly measure of the initial report for nonresidential building projects in planning, which have

been shown to lead construction spending for nonresidential buildings by a full year. In March, the commercial component of the Momentum Index rose +7%, while the institutional component fell by less than one percent.

The Dodge Momentum Index continued to trend higher in March, largely due to gains in planning for commercial proj-

*Continued on page 6*

## Distributors Report Double-Digit Sales Increase in Vertical Research Partners/EW Survey

*Continued from page 1*

being unable to meet delivery commitments. Many are reporting multiple price increases in a year now (four-to-five in some cases) where historically there was perhaps one annual increase. Transportation remains a challenge, with several respondents pointing to missed delivery dates even when paying for expedited freight.

Distributors acknowledged that at some point the electrical market will see demand destruction with continued price increases and now interest rates on the rise, but there are still few indications the industry is there yet. Some respondents suggested that with interest rates now rising and expected to trend higher, the industry is now seeing a release of previously delayed projects, after which the outlook is cloudy. Several pointed to the Russia/Ukraine conflict and the Shanghai lockdown as likely to exacerbate conditions in the near-term.

**Adapting to the new normal.** While lead times from suppliers and inventory levels remain divergent from pre-COVID norms, several distributors suggesting normalization. These responses mainly reflect adjustments made to the current operating environment and were generally concentrated on the electrical equipment side. Overall, the VRP lead time index remains near an all-time high and branch inventory levels continue to show a wide range as managers grapple with ongoing availability issues, most notably on the automation side, given higher electronic inputs.

**Q2 2022 outlook.** Looking forward, distributors are expecting +6.1% growth on average for Q2 2022. Expectations are most robust for the electrical equipment and power sectors at +6.5%, with Automation expected up +5%.

Specific end-market dynamics remain less in focus given ongoing widespread supply chain constraints. Supply, not demand, remains the key issue and most markets sound like they are continuing to improve off the COVID lows. Respondents mentioned a pickup in automation orders across a broad range of industries in the Midwest including food & beverage, auto (including tire) and steel. Oil & gas activity in the Gulf of Mexico has picked up nicely in tandem with oil prices as producers look to ramp up production. Petrochemical production is also up.

General construction activity (both residential and commercial) continues to appear robust across the board, though we heard of some residential projects unable to close due to lack of basic product like windows and meter cans. Infrastructure projects in the NY metropolitan area continue, and would benefit further if government spending manifests. Several distributors spoke of the need for greater reshoring of industrial manufacturing, but as yet have seen little action or indications of intent from their OEM suppliers. The infrastructure bill sounds like an obvious tailwind, but likely will take years to manifest.

Demand remains strong across product categories, and we got the sense results could have been stronger if not for some availability issues given the pace of the recovery. More basic products, including anything with a PVC resin input, continue to be challenging. VRP has previously heard some concern that lighting might be the next crunch point in the supply chain, as manufacturers had pre-purchased chip components which are now running out. This quarter, we picked up on a relatively aggressive push for price on the part of lighting manufacturers.

— Nick Lipinski, Vertical Research Partners

## Around the Industry

*Continued from page 1*  
addition.”

Advance has achieved double-digit revenue growth, on average, over the past five years with sales generated primarily in the construction market. They will join the East Region of Border States, forming the East North Central Area. Don Masters, executive VP of the East Region, and James Sipe, executive VP of Supply Chain of Border States will lead the integration team.

“In acquisitions, we focus on the people, the leadership team and the culture. Advance has great talent throughout the organization and is managed by a progressive leadership team that has created high engagement and a winning culture — our two companies share similar values and approaches to success,” said David White, CEO, Border States, in the press release. “We believe if you take care of each other, customers and vendors, the rest will take care of itself. This is a tremendous fit; we look forward to growing together.”

Border States is ranked the sixth largest electrical distributor in the U.S. by *Electrical Wholesaling*. Border States will have more than 2,600 employee-owners and more than 100 branches in 24 states after they join forces with Advance.

### Gerrie Electric Wholesale expands in Ontario with FM Supply purchase

Gerrie Electric Wholesale Ltd. has acquired FM Supply, Waterloo, Ontario, according to a post by Canada's *Electrical Business* magazine. FM Supply was founded in 2009. Gerrie Electric has 22 branches, two distribution centers and more than 400 employees. FM Supply has two Ontario branches.

### Construction material prices surge

Prices of materials and services used in new nonresidential construction jumped more than +21% from March 2021 to March 2022, according to an analysis by the Associated General Contractors of America of government data.

“Construction firms have been burdened with cost increases of +20% per year or more since early 2021,” said Ken Simonson, the association's chief economist in the press release. “Since contractors can seldom pass along increases on projects that are underway, these extreme price hikes threaten the viability of many firms. Unfortunately, the

*Continued on page 6*

## Industry Events

May 17-22, 2022

### NAED Annual Conference

Scottsdale, AZ; National Association of Electrical Distributors (NAED)  
www.naed.org

June 19-23, 2022

### LightFair 2022 Trade Show & Conference

Las Vegas; www.lightfair.com

June 25-27, 2022

### EASA Convention

St. Louis, MO; www.easa.org

September 13-15, 2022

### NAED LEAD Conference

Milwaukee, WI; www.naed.org

September 21-22, 2022

### LightSpec West

Los Angeles; www.lightspecwest.com

October 4-5, 2022

### LightSpec Midwest

Chicago; www.lightspecmidwest.com

Oct. 16-18, 2022

### NECA Show & Conference

Austin, TX; National Electrical Contractors Association  
www.necashow.org

Oct. 16-19, 2022

### NALMCO Convention & Trade Show

Glendale, AZ; National Association of Lighting Maintenance Companies  
www.nalmco.org

Oct. 26-27, 2022

### Electric Expo 2022

King of Prussia, PA, Electrical Association of Philadelphia  
www.electricepo.org

November 14-16, 2022

### NAED Eastern Conference

Tampa, FL; www.naed.org

November 16-17, 2022

### NEMA Annual Meeting

Amelia Island, FL; National Electrical Manufacturers Association (MEMA)  
www.nema.org

## Housing Starts Post Gains in March

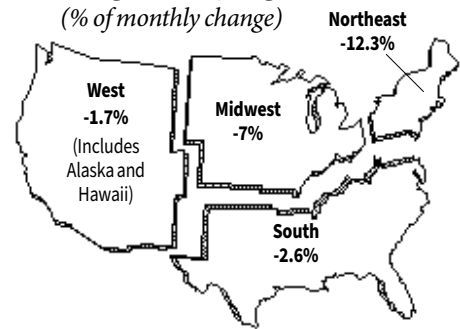
Privately-owned housing starts in March were at a seasonally adjusted annual rate of 1,793,000, +0.3% above the revised February estimate of 1,788,000 and +3.9% above the March 2021 rate of 1,725,000. According to the latest U.S. Census Bureau, single-family housing starts in March were at a rate of 1,200,000, -1.7% below the revised February figure of 1,221,000.

“The shift in affordability can be seen in the March data with strength for multi-family construction and some weakness for single-family permits,” said NAHB Chief Economist Robert Dietz in the press release. “Our builder surveys show that confidence levels in the single-family market have

declined for four straight months as affordability conditions continue to worsen, and this is a sign that single-family production will face challenges moving forward.”

### Housing Starts by Region

(% of monthly change)



## New Privately Owned Housing Units Started

(Thousands of units, seasonally adjusted annual rate)

Period	Total	1 Unit	5 Units or more	Northeast	Midwest	South	West
March 2022 <sup>1</sup>	1,793	1,200	574	64	168	672	296
Feb. 2022 <sup>2</sup>	1,788	1,221	534	73	157	690	301
Jan. 2022 <sup>2</sup>	1,679	1,167	502	48	144	664	311
Dec. 2021	1,754	1,203	548	69	202	671	261
Nov. 2021	1,703	1,222	464	63	138	727	294
Oct. 2021	1,552	1,074	468	54	130	623	267
Mar-21	1,725	1,255	448	95	217	676	267

1-Preliminary; 2-Revised; Note: Detail may not add to total because of rounding.

Source: U.S. Bureau of the Census

## Electrical Price Index Rises +1.9% in March

EM's Electrical Price Index (EPI) soared again in March, with the Total Index up +1.9% to 196 points. The EPI also increased +19.7% year-over-year, which was down a fraction of a percent from Feb. 2022 but was still at an extraordinarily high level. Circuit breakers were up the most month-to-month with +11.7% increase followed by air conditioning equipment (+6.9%) and industrial controls (+6%).

Note: All EPI series represent IHS Markit aggregates of Bureau of Labor Statistics' (BLS) producer price indices (PPIs). The revised data partly reflect redefinitions of specific PPIs by the BLS, but mostly reflect the rebenchmarking of all EPI price series to a 2012 base year. The four following EPI series have been affected by BLS redefinitions: boxes, conduit (fittings), nonmetallic conduit, and generators. Sources: U.S. Bureau of Labor Statistics; IHS Markit

### Electrical Price Index — March 2022

2012=100	Mar. 2022	Feb. 2022	Mar. 2021	% Change	
				1 Mo.	1 Yr.
Building Wire & Cable	269.6	258.1	213.4	4.4	26.3
Power Wire & Cable	349.8	337.3	239.1	3.7	46.3
Telephone	236.1	227.4	203.2	3.8	16.2
Hand & Power Tools	160.2	158.4	147.2	1.2	8.8
Elec. Heating Equip.	166.2	164.8	149.7	0.8	11.0
Residential Lighting	169.1	169.3	151.1	-0.1	11.9
Industrial Fixtures	161.1	159.2	146.3	1.2	10.1
Fans & Blowers	197.2	191.9	169.7	2.7	16.2
Wiring Devices & Connectors	153.8	153.2	140.3	0.4	9.6
Pole Line Hardware	265.8	262.8	194.6	1.1	36.6
Boxes	275.8	276.9	197.6	-0.4	39.5
Conduit Fittings	259.2	262.9	185.8	-1.4	39.5
Metal Conduit	228.3	228.0	195.3	0.1	16.9
Nonmetallic Conduit	256.1	257.9	185.2	-0.7	38.3
Motors	200.2	199.6	168.2	0.3	19.0
Generators	180.4	179.6	157.1	0.4	14.8
Ballasts	218.2	214.6	161.8	1.7	34.9
Elect. Meas. & Integ. Inst.	134.8	134.8	127.9	0.0	5.4
Transformers	153.5	153.5	143.7	0.0	6.8
Panelboards & Switches	207.8	205.5	174.3	1.1	19.2
Circuit Breakers	228.7	204.8	182.1	11.7	25.6
Switchgear	207.4	216.0	174.9	-4.0	18.6
Fuses	194.2	188.6	164.3	3.0	18.2
Industrial Controls	197.1	186.0	166.2	6.0	18.6
Lamps	181.0	181.0	163.3	0.0	10.9
Appliances	129.4	127.5	116.8	1.5	10.8
Air Conditioners	192.2	179.7	162.8	6.9	18.1
Fasteners	190.1	190.0	166.3	0.1	14.3
<b>Total Index</b>	<b>196.0</b>	<b>192.3</b>	<b>163.7</b>	<b>1.9</b>	<b>19.7</b>

# Electrical Marketing's Leading Economic Indicators

## Total building permits enjoy solid YOY boost in March.

Privately-owned housing units authorized by building permits in March were at a seasonally adjusted annual rate of 1,873,000, +0.4% above the revised February rate of 1,865,000 and +6.7% above the March 2021 rate of 1,755,000. According to the latest U.S. Census Bureau, single-family authorizations in March were at a rate of 1,147,000, -4.8% below the revised February figure of 1,205,000.

## Freight rail traffic sees slight decline.

The Association of American Railroads (AAR) reported that for the week ending April 9, total U.S. weekly rail traffic was 508,343 carloads and intermodal units, down -1% compared with the same week last year.

Total combined U.S. traffic for the first 14 weeks of 2022 was 6,865,381 carloads and intermodal units, a decrease of -2.5% compared to last year.

## Design demand surges in March according to AIA's Architecture Billings Index.

Demand for design services in March expanded sharply from February, according to the latest AIA's Architecture Billings Index (ABI) from the American Institute of Architects (AIA). AIA's ABI score for March was 58 points, up from a score of 51.3 points in February. Any score above 50 points indicates an increase in billings. During March, scoring for both new project inquiries and design contracts expanded, posting scores of 63.9 points and 60.5 points, respectively.

"The spike in firm billings in March may reflect a desire to beat the continued interest rate hikes expected in the coming months," said AIA Chief Economist, Kermit Baker, in the press release. "However, since project backlogs at architecture firms have reached seven months, a new all-time high, it appears that firms are having a difficult time

keeping up with this uptick in demand for design services."

**Texas adds four drilling rigs.** Three new rigs operating in the Eagle Ford basin and two new

rigs are now operational in the Permian Basin, according to Baker-Hughes data through the week ending April 14. The state currently has 346 rigs operating, an increase of 132 rigs (+62%).

## The Marketplace : Key Figures

	Month	Latest month	Previous month	Month-over-month % change	Year ago	Year-over-year % change	2021 annual
<b>CONSTRUCTION</b>							
Total	FEB	1704.38	1695.53	0.5	1533.25	11.2	1588.08
Offices	FEB	72.73	72.80	-0.1	68.24	6.6	70.58
Industrial	FEB	96.12	95.57	0.6	71.17	35.0	77.72
Housing Starts (Thousands of units, SAAR) <sup>2</sup>							
Total	MAR	1793	1788	0.3	1725	3.9	1605
Single-unit	MAR	1200	1221	-1.7	1255	-4.4	1131
Mobile Home Shipments <sup>3</sup> (thousands of units, SAAR)	FEB	115	114	0.9	102	12.7	106
Employment, Construction Workers (thousands) <sup>4</sup>	MAR	7392	7284	1.5	7162	3.2	7413
Employment, Electrical Contractors (thousands) <sup>4</sup>	FEB	970.6	965.4	0.5	940.4	3.2	961.1
Hourly Wage, Electrical Contractors <sup>4</sup>	MAR	32.41	32.41	0.0	31.10	4.2	31.91
<b>PRODUCTION</b>							
Industrial Production Index (1967=100) <sup>5</sup>	MAR	104.6	103.6	0.9	99.2	5.5	100.1
Construction Supplies Production Index <sup>5</sup> (1977=100-SA)	MAR	106.0	106.2	-0.2	101.7	4.2	100.7
Employment in Electrical Equipment & Supplies Mfg.							
Production workers (Thousands) <sup>4</sup>	FEB	141.4	140.5	0.6	135.5	4.4	138.5
Weekly hours	FEB	42.9	41.7	2.9	42.7	0.5	42.0
Hourly wage	FEB	24.94	25.06	-0.5	22.06	13.1	23.21
Electric Power Output Index (1967=100) <sup>5</sup>	MAR	107.7	106.7	0.9	99.9	7.8	102.2
Machine Tool Orders* (millions of dollars) <sup>6</sup>	FEB	463.21	434.49	6.6	362.64	27.7	481.30
Industrial Capacity Utilization (percent, SA) <sup>1</sup>	MAR	78.70	78.06	0.8	75.25	4.6	75.77
<b>TRADE</b>							
Electrical Mfrs' Shipments	FEB	3,387	3,383	0.1	3,216	5.3	3,307
Electrical Mfrs' Inventories (millions of dollars, SA) <sup>2</sup>	FEB	6,909	6,797	1.6	6,212	11.2	6,344
Electrical Mfrs' Inventory-to-Shipments Ratio	FEB	2.040	2.009	1.5	1.932	5.6	1.918
Electrical Mfrs' New Orders (millions of dollars, SA) <sup>2</sup>	FEB	3,572	3,690	-3.2	3,345	6.8	3,325
Electrical Mfrs' Unfilled Orders (millions of dollars, SA) <sup>2</sup>	FEB	13,011	12,519	3.9	12,489	4.2	12,348
Exports, Electrical Machinery (f.a.s. value in millions of dollars) <sup>2</sup>							
	FEB	6,484	6,468	0.2	5,987	8.3	82,865
U.S. Dollar vs. Other Major Currencies (1973=100) <sup>5</sup>	MAR	111.39	109.97	1.3	105.46	5.6	106.31
<b>PRICES &amp; INTEREST RATES</b>							
Industrial Commodities Wholesale Price Index (Bureau of Labor Statistics, 1967=100)							
	MAR	260.5	255.1	2.1	216.0	20.6	228.4
Electrical Price Index (Electrical Marketing, 1997=100)							
	MAR	196.0	192.3	1.9	163.7	19.7	173.1
Construction Materials Wholesale Price Index (Bureau of Labor Statistics, 1982=100)							
	MAR	345.6	340.3	1.6	280.4	23.2	299.0
Copper Prices (Metals Week, cents per pound)	MAR	468.25	450.22	4.0	408.82	14.5	424.28
Prime Rate <sup>5</sup>	MAR	3.37	3.25	3.7	3.25	3.7	3.25
Federal Funds Rate <sup>5</sup>	MAR	0.20	0.08	150.0	0.07	185.7	0.08
Mortgage Rate <sup>7</sup>	MAR	4.05	3.76	7.6	3.08	31.3	2.95

\*Several series related to employment are now being reported on a NAICS basis. Because of this change, some numbers are not directly comparable to previously reported data, but are consistent in year-over-year comparisons and comparisons shown in the table.

Sources: <sup>1</sup>McGraw-Hill Construction/Dodge; <sup>2</sup>Dept. of Commerce; <sup>3</sup>Manufactured Housing Institute; <sup>4</sup>Dept. of Labor; <sup>5</sup>Federal Reserve Board; <sup>6</sup>The Association for Manufacturing Technology; <sup>7</sup>Federal Home Loan Bank Board.  
Note: Some figures shown—prime rate, for example—are averaged for month. NYA—not yet available  
SA—seasonally adjusted. SAAR—seasonally adjusted annual rate. Source for chart: Global Insight.  
For further information about construction starts, please contact Dodge Analytics at 1-800-591-4462

## Around the Industry

*Continued from page 3*

continuing war in Ukraine is likely to keep input costs elevated for many more months, if not longer.”

The producer price index for inputs to new nonresidential construction — the prices charged by goods producers and service providers such as distributors and transportation firms — rose +2.7% from February to March and +21.5% over the past 12 months. The price index for diesel fuel leaped +63.8% over 12 months, and the index for aluminum mill shapes jumped +43.7%. The index for steel mill products climbed +42.9%, and the index for plastic construction products rose +35.2% YOY.

## Dodge Momentum Index Rises in March

*Continued from page 3*

ects. Planning for commercial construction projects in March was just slightly lower than the all-time high set in October 2021. However, commercial planning has been much more volatile than institutional planning due to the presence, or absence, of large projects month-to-month. The institutional component has also been trending upward but remains -25% below the record set in Dec. 2007. When compared to March 2021, the overall Momentum Index was +17% higher in March 2022. The institutional component was up +23% over the year, while the commercial component was +14% higher.

A total of 21 projects with a value of \$100 million or more entered planning in March. The leading commercial projects were the \$923-million third phase of the Atlas Power data center in Williston, ND, and the \$325-million Seaport San Diego Block F in San Diego. The leading institutional projects were the \$500-million Kaiser Yesler Terrace medical building in Seattle, and the \$500-million Strong Memorial Hospital inpatient tower in Rochester, NY.

Nonresidential construction projects entering planning continue to be robust despite rising energy prices, higher material costs, and significant shortages of labor. While construction projects in the Dodge database should continue to enter the project pipeline, the lag from planning to groundbreaking has been growing and will likely result in a delayed impact on construction starts.

## Rep News

**CSA Electrical Sales**, Lake Mary, FL, now represents NSI Industries' Bridgeport Fittings brand in the Florida territory, effective April 1. CSA calls on OEMs, industrial MRO facilities, municipalities, and the residential, commercial and industrial construction markets in the Florida excluding the Panhandle.

**Lester Sales** will represent Chalfant Manufacturing Co., Avon, OH, and its cable management solutions in western Pennsylvania and West Virginia. Lester Sales, now a nine-state agency, recently entered western Pennsylvania and West Virginia via acquisitions of Cardel-Criste and specified assets of Onesource Paolicelli. Prior to the sale, Cardel-Criste represented Chalfant.

**DeFazio Industries** expanded its Atkore relationship in the Maryland/Washington DC territory and opened a new office in Gaithersburg, MD. Its Atkore product portfolio will include these four Atkore brands and product groups starting on these dates:

April 11: Atkore Calconduit — EMT, GRC, IMC, ARC, Colors and Kwik-Fit/Couple

April 11: Atkore Kaf-Tech — MC Cable, Flexible Conduit and Liquidtight

May 5: Atkore Heritage Plastics — PVC Conduit, Elbows, Sweeps and Accessories

May 5: Atkore Unistrut — Channel, Supports, Brackets & Fittings

Legrand, North and Central America has expanded their partnership with **SESCO Lighting** in North Carolina as the manufacturers' representative for Wattstopper products. SESCO Lighting has been the agency of record for Wattstopper products in Alabama, Florida, Georgia, Mississippi and Tennessee for 10-plus years, and recently added South Carolina with the acquisition of The Schneider Co. in South Carolina in Dec. 2021. The change in North Carolina is effective May 2.

“I'm excited to announce our expanded relationship with SESCO Lighting across the North Carolina market,” said Jeff Jervah, Legrand's regional VP, in the press release. “The level of experience and focus on comprehensive lighting controls design and project management will continue our growth in the market. SESCO has a proven track record of growing Wattstopper, and we're eager to work with

their sales team at contractors, specifiers and distribution partners throughout North Carolina.”

According to information on SESCO's website, the company has more than 290 employees and annual sales approaching \$300 million. It's an ESOP where employees own 100% of the company's stock. SESCO promotes itself as the largest lighting rep agency in the United States.

## People

*Hossley Lighting & Power Solutions (HLPS) (Dallas):* **Shannon Hill** was promoted to COO. She will continue to improve HLPS's internal processes in alignment with manufacturer and client needs, build out the inside group, and sit on the leadership team to support key decisions for HLPS moving forward. HLPS represents many well-known lighting, commercial and industrial brands in Arkansas, Louisiana, Mississippi, Oklahoma, Tennessee and Texas.

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*Electrical Marketing* is published twice a month by Endeavor Business Media, LLC, 1233 Janesville Ave., Fort Atkinson, WI. For subscriber services, write to Electrical Marketing, P.O. Box 3257, Northbrook, IL 60065-3257 USA; call (847) 559-7598; Toll-free: (877) 382-9187; Fax: 847-291-4816

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