# Electrical Marketing®

THE ELECTRICAL INDUSTRY NEWSLETTER

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## Around the Industry

### Zekelman to expand Arkansas factory to grow utility-scale solar biz

Zekelman Industries, Chicago, will begin construction in December on its new state-of-the-art inline steel tube galvanizing factory in Blytheville, AR. Similar to the company's most recent expansion in Rochelle, IL, this factory will have an annual operating capacity exceeding 200,000 tons. The factory will also support the fence, solar and mechanical markets. Commissioning of the mills is expected to begin in late 2023.

### ABB to build EV charging factory in South Carolina

ABB E-mobility recently announced the continued expansion of its global and US manufacturing footprint with new manufacturing operations in Columbia, SC. According to a release from ABB, the multi-million-dollar investment will increase production of EV chargers, including Buy America Act compliant ones, and create over 100 jobs. The new facility will be capable of producing up to 10,000 chargers per year, ranging from 20kW to 180kW in power, which are used for public charging, school buses and fleets. The operation builds on ABB E-mobility's existing U.S. manufacturing operations which produce transit bus chargers that range from 150kW to 450kW.

### Blazer Electric Supply raises $35,000 for Colorado apprentices

Blazer Electric Supply, Colorado Springs, CO, held its 10th Annual Blazer Benefit Golf Tournament at Bear Dance

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## Inside



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## Employment Growth Helps Five Texas Counties Add $377.9 Million in Contractor Sales Potential

Texas had five of the 10-fastest growing counties in the United States, when measured by year-over-year (YOY) electrical contractor employment changes through Q1 2022. The state's Harris County (Houston); San Patricio County (Corpus Christi); Dallas County (Dallas); Bexar County (San Antonio) and Travis County (Austin) added a combined total of 5,144 electrical contractor employees — representing $376.9 million in additional estimated contractor sales potential, according to *EM* estimates.

California had three counties in *EM*'s top 50 counties for electrical contractor employment growth (see page 2): San Diego County (San Diego); Orange County (Los Angeles) and San Bernardino County in Southern California's Riverside-San Bernardino-Ontario, CA MSA and seven counties in the Top 25. The YOY employment gains were fairly moderate in that only Houston's Harris County and Corpus Christi's San Patricio County gained more than 1,000 electrical contractor employees, and only 15 counties gained 500 or more employees.

According to the U.S. Bureau of Labor Statistics (BLS) employment data, these 50 counties together added 23,906 employees YOY through Q1 2022, representing $18.3 billion in estimated electrical contractor sales potential when you use the $73,268 per employee multiplier from *Electrical Wholesaling's* 2022 Market Planning Guide.

BLS' county-level employment data has some advantages and disadvantages. It can help you zero in on the fastest-growing areas in a metropolitan area, but because the data is usually at least five-to-six months old, you can be late identifying any late-breaking shifts in employment trends. Unfortunately the 2Q 2022 county-level electrical contractor employment won't be released until early December.

*— Jim Lucy*

## Fed Reserve Continues Aggressive Rate Hikes To Bring Inflation Back Down to 2%

*Ken Matheny, executive director, U.S. Economics, S&P Global Market Intelligence, said in this commentary available exclusively to Electrical Marketing subscribers that he expects the Federal Reserve to continue fighting inflation with rate hikes until it's lowered much closer to 2% on a sustained basis.*

*"The Federal Reserve will act as if it's almost single-mindedly focused on inflation," Matheny said in his post. "It sees slaying inflation as the defining challenge of this episode. It will tolerate, even expect, a period of economic softness and higher unemployment as the price to pay to bring inflation down."*

*Following is the rest of his take on the Federal Reserve's strategy to bring down inflation.*

The Federal Reserve's move to raise interest rates by 75 basis points to a range of 3% to 3¼% this week, was the third consecutive increase of that magnitude. The Fed's decision for another large rate hike is based on the still very worrisome data on actual inflation. S&P Global Market Intelligence believes expectations for sluggish GDP growth and hints of moderation in the pace of employment gains did not deter the Federal Open Market Committee (FOMC) from announcing another large rate hike. Indeed, there was some speculation that policymakers would hike interest rates by an unprecedented 100 basis points this time in attempt to signal in the most forceful manner its determination to see inflation brought down quickly.

**Inflation declines expected.** We anticipate that several factors will give rise to a sustained and substantial decline of inflation over the next few years, which underpins our expectation that the Fed will continue hiking interest rates through the end of this year, then pause for about one year before beginning to reverse course and lower interest rates. On a four-quarter basis, we expect core PCE inflation to end this year at 4.5%, down

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## 50 COUNTIES ADDING THE MOST ELECTRICAL CONTRACTOR EMPLOYEES (1Q 2022 YOY)

| Rank | County | State | Metropolitan Statistical Area (MSA) | Electrical Contractor Employees | Employ-ment Change % YOY | Employment Change # YOY | Estimated Sales Potential ($ millions) |
|---|---|---|---|---|---|---|---|
| | **United States** | **US** | | **981,499** | **4.5** | **42,539** | **71,912.4** |
| 1 | Harris County | TX | Houston-Sugar Land-Baytown, TX | 16,506 | 10.8 | 1,608 | 1,209.3 |
| 2 | San Patricio County | TX | Corpus Christi, TX | 1,366 | 511.8 | 1,143 | 100.1 |
| 3 | San Diego County | CA | San Diego-Carlsbad-San Marcos, CA | 11,441 | 9.1 | 959 | 838.2 |
| 4 | Dallas County | TX | Dallas-Fort Worth-Arlington, TX | 13,487 | 7.5 | 947 | 988.2 |
| 5 | Maricopa County | AZ | Phoenix-Mesa-Glendale, AZ | 20,551 | 4.7 | 922 | 1,505.7 |
| 6 | Orange County | CA | Los Angeles-Long Beach-Santa Ana, CA | 14,218 | 6.5 | 874 | 1,041.7 |
| 7 | Bexar County | TX | San Antonio-New Braunfels, TX | 6,903 | 14.4 | 870 | 505.7 |
| 8 | San Bernardino County | CA | Riverside-San Bernardino-Ontario, CA | 6,598 | 14.0 | 812 | 483.4 |
| 9 | Salt Lake County | UT | Salt Lake City, UT | 7,644 | 9.9 | 686 | 560.0 |
| 10 | Travis County | TX | Austin-Round Rock-San Marcos, TX | 6,507 | 9.7 | 576 | 476.7 |
| 11 | Los Angeles County | CA | Los Angeles-Long Beach-Santa Ana, CA | 19,489 | 2.9 | 554 | 1,427.9 |
| 12 | Galveston County | TX | Houston-Sugar Land-Baytown, TX | 1,246 | 72.9 | 525 | 91.3 |
| 13 | Monmouth County | NY-NJ-PA | New York-Northern New Jersey-Long Island, NY-NJ-PA | 2,575 | 25.4 | 522 | 188.7 |
| 14 | San Joaquin County | CA | Stockton, CA | 2,347 | 28.1 | 514 | 172.0 |
| 15 | Fresno County | CA | Fresno, CA | 2,921 | 20.7 | 501 | 214.0 |
| 16 | Duval County | FL | Jacksonville, FL | 5,677 | 9.3 | 484 | 416.0 |
| 17 | Bernalillo County | NM | Albuquerque, NM | 3,826 | 14.2 | 475 | 280.3 |
| 18 | Clark County | OR-WA | Portland-Vancouver-Hillsboro, OR-WA | 2,756 | 20.1 | 460 | 201.9 |
| 19 | Cook County | IL-IN-WI | Chicago-Joliet-Naperville, IL-IN-WI | 10,147 | 4.6 | 443 | 743.5 |
| 20 | Polk County | IA | Des Moines-West Des Moines, IA | 2,666 | 19.4 | 433 | 195.3 |
| 21 | St. Louis County | MO-IL | St. Louis, MO-IL | 4,357 | 10.7 | 420 | 319.3 |
| 22 | Franklin County | OH | Columbus, OH | 5,406 | 8.0 | 402 | 396.1 |
| 23 | Kern County | CA | Bakersfield-Delano, CA | 2,056 | 24.0 | 398 | 150.6 |
| 24 | Orange County | FL | Orlando-Kissimmee-Sanford, FL | 4,834 | 8.7 | 388 | 354.2 |
| 25 | Fulton County | GA | Atlanta-Sandy Springs-Marietta, GA | 3,027 | 14.7 | 387 | 221.8 |
| 26 | Wake County | NC | Raleigh-Cary, NC | 4,898 | 8.5 | 383 | 358.9 |
| 27 | Fairfax County | DC-VA-MD-WV | Washington-Arlington-Alexandria, DC-VA-MD-WV | 3,142 | 13.8 | 382 | 230.2 |
| 28 | Jackson County | MO-KS | Kansas City, MO-KS | 2,793 | 15.4 | 372 | 204.6 |
| 29 | Plymouth County | MA-NH | Boston-Cambridge-Quincy, MA-NH | 2,829 | 14.2 | 351 | 207.3 |
| 30 | Morris County | NY-NJ-PA | New York-Northern New Jersey-Long Island, NY-NJ-PA | 2,591 | 15.3 | 345 | 189.8 |
| 31 | Palm Beach County | FL | Miami-Fort Lauderdale-Pompano Beach, FL | 4,886 | 7.2 | 330 | 358.0 |
| 32 | Pueblo County | CO | Pueblo, CO | 840 | 64.2 | 329 | 61.6 |
| 33 | El Paso County | TX | El Paso, TX | 2,441 | 15.4 | 326 | 178.8 |
| 34 | Wayne County | MI | Detroit-Warren-Livonia, MI | 2,813 | 13.0 | 324 | 206.1 |
| 35 | Greenville County | SC | Greenville-Mauldin-Easley, SC | 2,532 | 14.1 | 313 | 185.5 |
| 36 | Cobb County | GA | Atlanta-Sandy Springs-Marietta, GA | 4,829 | 6.8 | 306 | 353.8 |
| 37 | El Dorado County | CA | Sacramento-Arden-Arcade-Roseville, CA | 2,200 | 15.7 | 298 | 161.2 |
| 38 | Midland County | TX | Midland, TX | 1,312 | 28.8 | 293 | 96.1 |
| 39 | Monroe County | NY | Rochester, NY | 2,046 | 16.2 | 285 | 149.9 |
| 40 | Santa Clara County | CA | San Jose-Sunnyvale-Santa Clara, CA | 8,658 | 3.4 | 285 | 634.4 |
| 41 | Jackson County | OR | Medford, OR | 830 | 51.4 | 282 | 60.8 |
| 42 | Scott County | IA-IL | Davenport-Moline-Rock Island, IA-IL | 1,376 | 25.6 | 280 | 100.8 |
| 43 | Utah County | UT | Provo-Orem, UT | 6,887 | 4.2 | 280 | 504.6 |
| 44 | Suffolk County | MA-NH | Boston-Cambridge-Quincy, MA-NH | 1,730 | 18.7 | 272 | 126.8 |
| 45 | Fort Bend County | TX | Houston-Sugar Land-Baytown, TX | 1,683 | 19.3 | 272 | 123.3 |
| 46 | Sumner County | TN | Nashville-Davidson-Murfreesboro-Franklin, TN | 792 | 49.5 | 262 | 58.1 |
| 47 | Norfolk County | MA-NH | Boston-Cambridge-Quincy, MA-NH | 4,022 | 7.0 | 262 | 294.7 |
| 48 | Ada County | ID | Boise City-Nampa, ID | 2,086 | 14.2 | 260 | 152.9 |
| 49 | Tulare County | CA | Visalia-Porterville, CA | 979 | 35.8 | 258 | 71.7 |
| 50 | Essex County | MA-NH | Boston-Cambridge-Quincy, MA-NH | 2,064 | 14.2 | 257 | 151.2 |

*Notes*: Electrical contractor employment data from U.S. Bureau of Labor Statistics for 1Q 2022. Estimated electrical contractor sales potential uses $73,268 per employee multiplier from *Electrical Wholesaling.* Data for more than 1,000 counties available as part of a $99 annual subscription to *Electrical Marketing.*

*Continued from page 1*

Golf Club in Larkspur, CO on July 28. A total of $35,000 was raised to support the local training initiatives of the Independent Electrical Contractors (IEC) and the Joint Apprenticeship and Training Committee (JATC). A total of $244,250 has now been raised to support scholarships, tools, training materials and equipment.

Last year donations and fundraisers from the benefit were able to help provide scholarships for more than 30 southern Colorado Students to finish out the 2020/2021 school year.

## A-D's What's Next Theme Resonates with Distributors at 2022 National Meeting

The "What's Next" theme for Affiliated Distributors' 2022 annual meeting in Aurora, CO, was particularly appropriate for an event where more than 1,000 independent A-D distributors and electrical manufacturers from the United States, Canada and Mexico learned about plans for some new value-added services the marketing group will be offering members in the near future.

One particularly interesting venture is the investment A-D is making in a leadership training program. To help members train the next generation of industry leaders, A-D will be launching a Center for Independent Leadership that will offer tracks for developing new leaders in sales, operations and executive management that will be taught be university professors and distribution industry leaders.

Attendees also got the chance to meet several new executives joining A-D's staff, including Marisol Fernandez, who rejoined the group as president of the Electrical & Industrial business units; Karen Baker, president of the Electrical business unit; Neil Cohen, senior VP of human resources; Marty McLaughlin, chief marketing officer; and Kristen Abbas,VP, A-D Network Community.

The mood at the meeting was quite positive. Attendees loved seeing old industry friends face-to-face and making new acquaintances after the pandemic lockdown. Attendees said business remain solid despite inflation, some lingering supply issues, the war in Ukraine and uncertain short-term economic picture. In his keynote address, A-D CEO Bill Weisberg said electrical members' combined sales hit $30 billion and are up +33% over last year. A-D members' combined total sales across all A-D divisions are up +23% over last year to $72 billion.

Attendees also enjoyed a presentation from Dirk Beveridge, who recently completed his second "We Supply America" tour across the country visiting with dozens of distributors and logging 31,000 miles over the past two summers. *— Jim Lucy*

## S&P Global Market Intelligence Expects Inflation to Cool

*Continued from page 1*

from a peak earlier this year of 5.2%. It will continue to ease, falling to 2.7% in 2023 and 2.2% in 2024, and even lower in subsequent years. Mostly well-anchored long-term inflation expectations, improvements in supply chains, some easing in prices for commodities and moderation of demand to bring it in better alignment with improving supply contributes to the reduction of core inflation. Headline inflation will fall faster and from a higher peak, largely due to continued declines in energy prices in coming quarters.

**Looking beyond September.** The Fed will continue to push the brakes hard and with both feet until there is a string of low inflation reports. The rate hike of 75 basis points this week could put the Fed on track to lift the upper end of the target range for the federal funds rate to about 4% by December. S&P Global Market Intelligence assumes that 4% will prove to be the peak for the funds rate target. We expect the FOMC to hold the funds rate target at 4% for one year and anticipate it will begin to consider lowering interest rates in late 2023, at which point we project that annual core inflation will have declined to less than 2¾% and monthly readings will point to further declines to near 2%.

However, there is a risk for an even higher trajectory for the Fed's policy rate. The most salient risk is that inflation might not moderate as quickly anticipated. The FOMC will not pause with rate hikes until it sees compelling evidence that inflation is moderating substantially and sustainably, and it will not begin to lower interest rates until it is convinced that inflation is firmly headed to 2%. Any delay in meeting those criteria would cause policymakers to consider raising the target funds rate above 4% and could push back the start of rate cuts until after 2023.

*— Ken Matheny, executive Director, US Economics, S&P Global Market Intelligence*

### NEMA supports U.S. production of rare earth magnets

The National Electrical Manufacturers Association (NEMA) said it supports President Biden's decision this week to forego the imposition of new tariffs on rare earth neodymium-iron-boron magnets vital to U.S. manufacturing.

"NEMA has been a consistent advocate against misguided tariff policies, and it is heartening to see the Biden Administration responding to the concerns of American manufacturers. NEMA wholeheartedly supports the development of a strong and healthy domestic production capacity for rare earth magnets, and new tariffs would have inflicted devastating short-term damage on U.S. competitiveness with little long-term gain," NEMA president and CEO Debra Phillips said in the press release.

NEMA previously provided comments to the U.S. Department of Commerce during its investigation into U.S. reliance on imported magnets outlining the critical role that these magnets play in technologies across the healthcare, electronics, energy and aerospace industries. The association's comments also noted the current inability of the domestic rare-earth industry to meet more than a small part of the current demand for these magnets across dozens of vital industries.

"These magnets are essential to cutting-edge technologies — from electric cars and wind turbines to medical imaging and consumer electronics — and tariffs would drive prices for these goods higher just as the Biden Administration looks to build a cleaner energy system while combating high inflation," Phillips said.

"We support the Commerce Department's recommendations to invest in domestic rare-earth magnet production, secure strong supply chains with allies and incentivize domestic research, development, mining and production, and we hope that these kinds of proactive approaches will continue to be the tool of choice to address supply chain challenges rather than levying new tariffs," Phillips said.

## Industry Events

*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*

*October 26-27 2022*
**NAED Data Analytics Conference**
Dallas; *www.naed.org*

*Oct. 26-27, 2022*
**Electric Expo 2022**
King of Prussia, PA, Electrical Association of Philadelphia
*www.electricexpo.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 (NEMA)
*www.nema.org*

*January 16-18, 2023*
**NAED Western Conference**
Palm Desert, CA; *www.naed.org*

*January 30 - February 2, 2023*
**NEMRA Conference**
Las Vegas, NV; National Electrical Manufacturers Representatives Association;
*www.nemra.org*

*February 27 - March 1, 2023*
**NAED South Central Conference**
Orlando, FL; *www.naed.org*

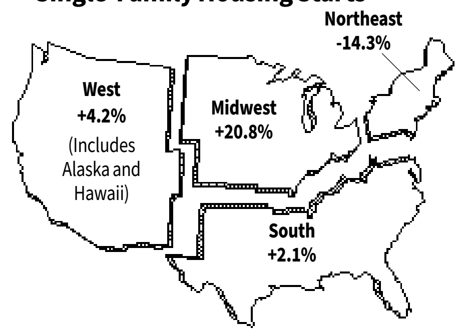
*May 23-25, 2023*
**NAED Annual Conference**
Marco Island, FL; *www.naed.org*

# Single-Family Housing Starts Rise +3.5% in August to 935,000, But Low Level is a Concern

Privately-owned housing starts in August were at a seasonally adjusted annual rate of 1,575,000, +12.2% above the revised July estimate of 1,404,000, but - 0.1% percent below the August 2021 rate of 1,576,000. According to the U.S. Census Bureau, single-family housing starts in August were at a rate of 935,000, + 3.4% above the revised July figure of 904,000.

Jing Fu, director of forecasting and analysis for the National Association of Home Builders (NAHB), said in the press release that although multi-family construction remains strong, the housing recession is deepening for the single-family market, with the pace below 1 million for the last two months. Building permits saw a big drop in August (see page 5).

**Single-Family Housing Starts**




**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 |
|---|---|---|---|---|---|---|---|
| Aug. 2022[1] | 1,575 | 935 | 621 | 60 | 122 | 530 | 223 |
| July 2022[2] | 1,404 | 904 | 483 | 70 | 101 | 519 | 214 |
| June 2022[2] | 1,575 | 1,013 | 554 | 47 | 140 | 617 | 209 |
| May 22 | 1,562 | 1,073 | 459 | 55 | 141 | 625 | 252 |
| Apr. 22 | 1,805 | 1,173 | 619 | 52 | 154 | 679 | 288 |
| Mar. 22 | 1,716 | 1,191 | 511 | 64 | 161 | 674 | 292 |
| Aug. 2021 | 1,576 | 1,095 | 474 | 68 | 130 | 679 | 218 |

*1-Preliminary; 2-Revised; Note: Detail may not add to total because of rounding.*
*Source: U.S. Bureau of the Census*

# August EPI Registers Smaller Monthly Increase

While *EM's* Electrical Price Index (EPI) only increased +0.3% to 198.1 points, several product areas registered large month-to-month increases in August — Switchgear (+5.3%); Power Wire & Cable (+2.2%); Fuses (+2.1%); and Panelboards & Switches (+2%). Several other product areas increased more than +1%. The year-over-year change of +11.6% was a significant drop over recent months and the lowest YOY drop since Aug. 2021.

*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 — August 2022**

| 2012=100 | Aug. 2022 | Jul. 2022 | Aug. 2021 | % Change 1 Mo. | 1 Yr. |
|---|---|---|---|---|---|
| Building Wire & Cable | 260.9 | 260.7 | 245.9 | 0.1 | 6.1 |
| Power Wire & Cable | 371.5 | 363.4 | 298.0 | 2.2 | 24.7 |
| Telephone | 224.2 | 227.9 | 223.5 | -1.6 | 0.3 |
| Hand & Power Tools | 164.3 | 164.0 | 149.0 | 0.1 | 10.2 |
| Elec. Heating Equip. | 177.1 | 176.6 | 157.1 | 0.3 | 12.8 |
| Residential Lighting | 179.3 | 179.3 | 161.8 | 0.0 | 10.8 |
| Industrial Fixtures | 164.9 | 164.9 | 153.7 | 0.0 | 7.3 |
| Fans & Blowers | 200.4 | 200.7 | 180.6 | -0.1 | 11.0 |
| Wiring Devices & Connectors | 159.8 | 157.4 | 146.5 | 1.6 | 9.1 |
| Pole Line Hardware | 282.2 | 284.5 | 225.1 | -0.8 | 25.4 |
| Boxes | 298.9 | 296.0 | 239.8 | 1.0 | 24.7 |
| Conduit Fittings | 251.5 | 251.5 | 227.1 | 0.0 | 10.7 |
| Metal Conduit | 239.4 | 237.3 | 212.0 | 0.9 | 12.9 |
| Nonmetallic Conduit | 258.3 | 254.1 | 223.3 | 1.7 | 15.7 |
| Motors | 202.7 | 202.3 | 169.7 | 0.2 | 19.5 |
| Generators | 188.0 | 187.4 | 158.6 | 0.3 | 18.6 |
| Ballasts | 226.7 | 227.2 | 192.5 | -0.2 | 17.7 |
| Elect. Meas. & Integ. Inst. | 134.8 | 134.8 | 128.4 | 0.0 | 5.0 |
| Transformers | 158.7 | 156.1 | 147.8 | 1.7 | 7.4 |
| Panelboards & Switches | 217.8 | 213.5 | 179.4 | 2.0 | 21.4 |
| Circuit Breakers | 220.5 | 219.5 | 186.7 | 0.5 | 18.1 |
| Switchgear | 238.4 | 226.4 | 185.4 | 5.3 | 28.6 |
| Fuses | 208.6 | 204.4 | 170.6 | 2.1 | 22.2 |
| Industrial Controls | 201.0 | 200.5 | 169.8 | 0.2 | 18.3 |
| Lamps | 191.4 | 191.4 | 167.3 | 0.0 | 14.4 |
| Appliances | 138.3 | 137.1 | 120.4 | 0.8 | 14.8 |
| Air Conditioners | 198.3 | 197.2 | 167.6 | 0.6 | 18.3 |
| Fasteners | 209.5 | 210.7 | 176.5 | -0.6 | 18.7 |
| **Total Index** | **198.1** | **197.5** | **177.5** | **0.3** | **11.6** |

# *Electrical Marketing's* Leading Economic Indicators

**Total building permits plummet in August.** Privately-owned housing units authorized by building permits in August were at a seasonally adjusted annual rate of 1,517,000, -10% below the revised July rate of 1,685,000 and is -14.4% below the August 2021 rate of 1,772,000. According to the U.S. Census Bureau, single-family authorizations in August were at a rate of 899,000, -3.5% below the revised July figure of 932,000.

**Architects still bullish on construction.** AIA's Architecture Billings Index (ABI) score for August rose to 53.3 points compared to 51 points in July (any score above 50 indicates an increase in billings). During August, the score for new project inquiries rose to 57.9 points from 56.1 points the previous month, while the design contracts score softened slightly with a score of 52.3 points, down from 52.9 points in July.

"While a strengthening billings score is encouraging, the flat scoring across regions and sectors is indicative of a nationwide deceleration over the next several months," said AIA Chief Economist, Kermit Baker in the press release. "A variety of economic storm clouds continue to gather, but since design activity continues to increase, we can expect at least another 9–12-month runway before building construction activity is negatively affected."

**Home builders singing the blues in NAHB survey.** In yet sign of the continuing slowdown in the housing market, builder sentiment fell for the ninth straight month in September, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI).

Builder confidence in the market for newly built single-family homes fell three points in September to 46 points, the lowest level since May 2014 with the exception of the spring of 2020, according to the HMI survey.

"Builder sentiment has declined every month in 2022, and the housing recession shows no signs of abating as builders continue to grapple with elevated construction costs and an aggressive monetary policy from the Federal Reserve that helped pushed mortgage rates above 6% last week, the highest level since 2008," said NAHB Chief Economist Robert Dietz in the press release.

## The Marketplace : Key Figures

| | Month | Latest month | Previous month | Month-over-month % change | Year ago | Year-over-year % change | 2021 annual |
|---|---|---|---|---|---|---|---|
| **CONSTRUCTION** | | | | | | | |
| New Construction Put in Place (billions of dollars, SAAR)[2] | | | | | | | |
| Total | JUL | 1777.30 | 1784.30 | -0.4 | 1627.99 | 9.2 | 1626.21 |
| Offices | JUL | 73.49 | 73.39 | 0.1 | 74.98 | -2.0 | 74.89 |
| Industrial | JUL | 94.05 | 93.48 | 0.6 | 76.78 | 22.5 | 78.32 |
| Housing Starts (Thousands of units, SAAR)[2] | | | | | | | |
| Total | AUG | 1575 | 1404 | 12.2 | 1664 | -5.3 | 1605 |
| Single-unit | AUG | 935 | 904 | 3.4 | 1165 | -19.7 | 1131 |
| Mobile Home Shipments[3] (thousands of units, SAAR) | JUL | 118 | 121 | -2.5 | 105 | 12.4 | 106 |
| Employment, Construction Workers (thousands)[4] | AUG | 7920 | 7911 | 0.1 | 7557 | 4.8 | 7413 |
| Employment, Electrical Contractors (thousands)[4] | JUL | 1002.0 | 991.5 | 1.1 | 962.2 | 4.1 | 961.1 |
| Hourly Wage, Electrical Contractors[4] | JUL | 33.77 | 33.72 | 0.1 | 32.09 | 5.2 | 31.91 |
| **PRODUCTION** | | | | | | | |
| Industrial Production Index (1967=100)[5] | AUG | 104.5 | 104.7 | -0.2 | 100.2 | 4.3 | 100.0 |
| Construction Supplies Production Index[5] (1977=100-SA) | AUG | 104.3 | 104.9 | -0.6 | 99.1 | 5.2 | 101.0 |
| Employment in Electrical Equipment & Supplies Mfg. Production workers (Thousands)[4] | JUL | 144.7 | 143.7 | 0.7 | 139.5 | 3.7 | 138.5 |
| Weekly hours | JUL | 42.2 | 42.7 | -1.2 | 41.7 | 1.2 | 42.0 |
| Hourly wage | JUL | 25.15 | 24.87 | 1.1 | 22.68 | 10.9 | 23.21 |
| Electric Power Output Index (1967=100)[5] | AUG | 102.2 | 105.2 | -2.9 | 104.9 | -2.5 | 102.1 |
| Machine Tool Orders* (millions of dollars)[6] | JUL | 381.82 | 407.50 | -6.3 | 476.95 | -19.9 | 480.63 |
| Industrial Capacity Utilization (percent, SA)[1] | AUG | 79.58 | 79.58 | 0.0 | 76.98 | 3.4 | 77.13 |
| **TRADE** | | | | | | | |
| Electrical Mfrs' Shipments | JUL | 3,742 | 3,745 | -0.1 | 3,452 | 8.4 | 3,505 |
| Electrical Mfrs' Inventories (millions of dollars, SA)[2] | JUL | 7,629 | 7,614 | 0.2 | 6,646 | 14.8 | 6,724 |
| Electrical Mfrs' Inventory-to-Shipments Ratio | JUL | 2.039 | 2.033 | 0.3 | 1.925 | 5.9 | 1.919 |
| Electrical Mfrs' New Orders (millions of dollars, SA)[2] | JUL | 3,956 | 4,012 | -1.4 | 3,405 | 16.2 | 3,526 |
| Electrical Mfrs' Unfilled Orders (millions of dollars, SA)[2] | JUL | 16,508 | 16,027 | 3.0 | 14,144 | 16.7 | 14,296 |
| Exports, Electrical Machinery (f.a.s. value in millions of dollars)[2] | JUL | 6,961 | 7,224 | -3.6 | 7,026 | -0.9 | 83,120 |
| U.S. Dollar vs. Other Major Currencies (1973=100)[5] | AUG | 117.38 | 117.54 | -0.1 | 105.22 | 11.6 | 106.31 |
| **PRICES & INTEREST RATES** | | | | | | | |
| Industrial Commodities Wholesale Price Index (Bureau of Labor Statistics, 1967=100) | AUG | 270.8 | 274.1 | -1.2 | 228.9 | 18.3 | 228.4 |
| Electrical Price Index (Electrical Marketing, 1997=100) | AUG | 198.1 | 197.5 | 0.3 | 172.9 | 14.6 | 173.1 |
| Construction Materials Wholesale Price Index (Bureau of Labor Statistics, 1982=100) | AUG | 352.9 | 351.3 | 0.5 | 306.0 | 15.3 | 299.0 |
| Copper Prices (Metals Week, cents per pound) | AUG | 361.44 | 339.62 | 6.4 | 439.80 | -17.8 | 424.28 |
| Prime Rate[5] | AUG | 5.50 | 4.85 | 13.4 | 3.25 | 69.2 | 3.25 |
| Federal Funds Rate[5] | AUG | 2.33 | 1.68 | 38.7 | 0.08 | 2812.5 | 0.08 |
| Mortgage Rate[7] | AUG | 5.22 | 5.47 | -4.5 | 2.98 | 75.5 | 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: [1]McGraw-Hill Construction/Dodge; [2]Dept. of Commerce; [3]Manufactured Housing Institute; [4]Dept. of Labor; [5]Federal Reserve Board; [6]The Association for Manufacturing Technology; [7]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*

# People

*Centauri Martin (Albuquerque, NM):* **John Templeton** has joined the rep firm as a lighting specifications salesperson. In this role, he will provide lighting solutions to electrical contractors and distributors and support lighting and lighting controls specifications to design professionals in the market. Over the past 27-plus years, Templeton has held multiple sales leadership roles in the lighting industry. Most recently, he served as a specification sales representative for Resource Lighting. Prior to that role, Templeton was an agency principal for Acuity Brands.

*Fromm Electric Supply (Reading, PA):* **Jennifer Donnell** was named director of human capital. Donnell will be responsible for recruitment, benefits and compensation administration, training and talent development. She has more than 15 years of human resources experience at companies like Amazon, Comcast and Ingersoll Rand. Donnell holds a bachelor's degree from John Hopkins University, a master of science degree in business management & human resources from Purdue University, and a doctorate in education from Liberty University.

*Universal Douglas (Nashville, TN):* **Paul Tudor** was appointed president and CEO, succeeding Ty Anderson who is retiring from the position this month. Tudor is working closely with Anderson, who is retiring after 14 years with Universal Douglas. Tudor brings more than 16 years of experience leading transformations for private-equity, listed and government-owned companies across retail, distribution, manufacturing, mining and utilities. A native Australian, Tudor earned a bachelor's degree from Curtin University and an MBA from the University of Western Australia.

*Service Wire Co. (Culloden, WV):* **Ron Spozio** and **Jerry Bestler** have joined the Service Wire team as regional sales managers, with Spozio in the Houston sales office, and Bestler in the Phoenix sales office. Spozio is a graduate of the University of Texas and has over 18 years of sales experience within the metal industry. He will be serving the territories of Oklahoma, Kansas, Arkansas, Mississippi, northern Louisiana, northeast Texas, western Missouri and western Tennessee. Bestler has a combined 46 years of sales and management experience at the regional and national level. He will be serving the territories of Alaska, Washington, Oregon, Idaho, Montana, Utah, New Mexico, Hawaii, northern Nevada and southwest Wyoming.

*WAGO (Germantown, WI):* **Jesse Cox** is the company's new director of automation sales engineering and development. He has been with WAGO for 10 years, most recently as the senior sales and application engineer for Linux and IIoT.

In other news at WAGO, **Joseph Kain** was named regional sales manager for the Atlanta metro and northern Georgia territory. He has nearly 20 years of automation sales experience, Kain was most recently a regional sales manager for Aignep USA.

*EarthTronics (Norton Shores, MI):* **William Liberto** joined the company as a regional sales manager. Prior to joining EarthTronics, Liberto gained more than 25-years' experience working in the construction industry, which includes over 10 years of electrical experience. In fact, Liberto has three years of experience in electrical distribution, another 6.5 years of experience with a rep agency, and a year of experience working in wholesale manufacturing. Liberto earned a bachelor's of science degree from Slippery Rock University.

# Obituary

**Jack Borkey,** co-founder of PEPCO, Eastlake Village, OH, passed away on Sept. 11. *Electrical Marketing's* editors received this note from his son, Joe, on his dad's passing.

"It's with heavy hearts that we share with all of you the passing of our co-founder and former CEO Jack Borkey, Sr. on Sept. 11. "Mr. B" as he was known to most of the PEPCO family, had a brief yet brave battle with pancreatic cancer and a blood clot that ultimately placed him into God's hands.

"Mr. B. and Mrs. B. founded PEPCO back in 1968 and enjoyed early success with the help of many family and friends. Their passion and values drove the family-like culture here at PEPCO for many generations. Ultimately his legacy will live on and we can all be thankful for their early sacrifices that afforded us the opportunity to grow PEPCO into great company that it is.

"He was a great role model, mentor and friend to many. His unique character drew the admiration of all and was simply a guy you wanted to hang with."

According to his obituary at *www.legacy.com* and in Cleveland's *The Plain Dealer*, Jack was the beloved husband of Janice (nee Consolo); father of Jack (Judy), Jeffrey (Kelly), Joseph and Jerrod (Wendi); devoted grandfather of Jenna (Trevor), Jessica (Tommy), Johnny, Jeff (Emma), Nick, Brendon (Alex), Joseph Jr., Christian, Ryan, Jerrod Jr. (Paige), Ian, Samuel and Sarah; and great grandfather of Gianna, Gavin, Ben, Cole and Austin; dear brother of Rose (Horvath), Helen, Ruthie (Bak) Charlotte (Smith), Bob, Ron (all deceased) and Fred.

# Rep News

**JD Martin,** Houston, will represent L.H. Dottie in three new markets – north, east and west Texas, as of Oct. 1. Founded in 1954, the company now covers Texas to Oklahoma, Arkansas, New Mexico, Louisiana, Mississippi, Florida and the Carolinas.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