

Electrical Marketing®

THE ELECTRICAL INDUSTRY NEWSLETTER

FEBRUARY 14, 2025 • Volume 50, Number 3

Around the Industry

NEMRA meeting attendance tops 2,000

In its 56th year championing the key role that independent sales reps play in the electrical market, the National Electrical Manufacturers Representatives Association (NEMRA) attracted 2,015 attendees to its meeting in Orlando, Feb. 2-4.

In the winners' circle for this year's NEMMY Awards were: Rep's Choice — Alan Wire; Sikeston, MO; Manufacturer's Choice — Apex Electrical Sales, Phoenix, AZ; Demand Generation — The Agency: Sales Thru Solutions, Wood Dale, IL; and Partnership of the Year — Lester Sales Co., Indianapolis, IN., and Legrand.

Wesco sees steady growth in 2025

WESCO's president, Chairman and CEO John Engel offered a bullish summary of the company's 4Q 2204 results and 2025 forecast. He said in the press release, "We are pleased with our return to sales growth in the fourth quarter sparked by more than +70% growth year-over-year in our global Data Center business, +20% growth in Broadband Solutions, and renewed positive sales momentum in Electrical and Electronic Solutions.

"This was partially offset by a slowdown with industrial customers and the expected continued weakness in our utility business in the fourth quarter. With that said, our positive momentum has carried into January with preliminary sales per workday, adjusted for M&A, up +5% versus prior year. Our opportunity pipeline remains at a record level, backlog remains healthy and bid activity levels remain very strong.

Continued on page 5

Inside

Latest metro sales potential data.....p. 2-4

Decent Dodge data for 2024 p. 5

NEMA execs remain bullish p. 6

Southwire's new ATL DC p. 7

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

Houston, Dallas & Miami Lead All Other Metropolitan Areas in 2024 YOY Sales Growth

Sales at electrical distributors grew at a rather pedestrian +1.6% to roughly \$149 billion in 2024, according to *Electrical Marketing's* latest electrical sales potential estimates. If you factor in the 2024 inflation rate of 1.9%, that means 2024 industry sales were roughly even with 2023.

As always, some local markets led or lagged the national growth rate. Anchorage, AK (+16.1%) was one of four markets that enjoyed double-digit YOY sales increases. The other Metropolitan Statistical Areas (MSAs) were Fairbanks, AK (+13.7%); Kahului-Wailuku-Lahaina (+13.6%) and Urban Honolulu (+11.1%).

When ranked by YOY estimated dollar increases, the Houston-The Woodlands-Sugar Land, TX, MSA (+\$218.8 million); and Miami-Fort Lauderdale-West Palm Beach FL, MSA (+\$116 million) were the only two markets that topped \$100 million in sales. But nine other markets saw YOY

increases of more than \$50 million. They are Dallas-Fort Worth-Arlington, TX, MSA (+\$96.7 million); Las Vegas-Henderson-Paradise NV, MSA (+\$78.3 million); Washington-Arlington-Alexandria, DC-VA-MD-WV, MSA (+\$75.8 million); Detroit-Warren-Dearborn, MI, MSA (+\$73.8 million); Salt Lake City UT, MSA (+\$60.9 million); Orlando-Kissimmee-Sanford FL, MSA (+\$57.1 million); and Austin-Round Rock TX, MSA (+\$56 million).

As you will learn in *Electrical Marketing's* Estimated Sales Potential tables on pages 2-4, many of these local market areas relied on big increases in electrical contractor sales for their surges in total electrical sales volume. For example, the Houston (+\$166.6 million) and Miami (\$101.7 million) metros both saw YOY changes of contractor sales volume topping \$100 million.

— Jim Lucy

Trump's Tariffs: Electrical Industry Execs Prepare for Potentially Massive Impact

As the electrical market prepares itself for the potential impact of President Trump's 25% tariffs on imported steel and aluminum and potentially smaller copper tariffs, one thing is clear: any related price increases would rock the industry's supply chain.

Electrical manufacturers, distributors, reps, electrical contractors and other end users would all be forced to charge more for their products and services if these tariffs on metals become a reality on March 4. Trump has given no date or exact percentage for copper tariffs, but metals experts believe they could be at least 10% and might align with the 25% tariffs on steel and aluminum.

While no one debates the importance of reshoring production steel-, aluminum- and copper-based products in the United States, it's too early to tell if tariffs would be an effective tool to nudge more manufacturers of these products to build or expand state-side facilities. One also must consider the distinct

possibility that companies could use tariffs to engineer price hikes that might go above and beyond the tariff-induced price increases for materials to pump up gross margins and cover other costs. That has happened in the past when tariffs hit the market, and it's a reasonable expectation to think it could happen again.

Over the past two weeks, electrical trade association officials have spoken out on their willingness to work with the Trump Administration on its trade policies. NEMA President and CEO Debra Phillips issued a statement in response to the Trump Administration's announcement for 25% tariffs on U.S. imports from Canada and Mexico (currently paused until March 4), and an additional 10% tariff on U.S. imports from China now in effect.

"Over the past seven years, the electroindustry has invested tens of billions of dollars

Continued on page 8

2024 Estimated Electrical Sales Potential

Metropolitan Statistical Area (MSA)	State Postal	2024 Total \$ Estimate	2023 Total \$ Estimate	Total Estimate YOY # Change	Total Estimate YOY % Change	2024 EC \$ Estimate	2024 Industrial \$ Estimate
UNITED STATES	US	148,993.1	146,601.9	2,391.2	1.6	85,080.2	34,114.3
ALASKA	AK	294.7	252.4	42.3	16.8	211.3	24.5
Anchorage	AK	174.3	150.0	24.2	16.1	133.1	6.3
Fairbanks	AK	42.5	37.4	5.1	13.7	32.4	1.6
ALABAMA	AL	2,347.8	2,271.7	76.2	3.4	1,111.8	766.5
Birmingham-Hoover	AL	541.8	528.4	13.4	2.5	325.0	108.5
Huntsville	AL	258.1	253.6	4.5	1.8	112.3	94.2
Mobile	AL	226.9	221.3	5.6	2.5	136.9	44.6
Montgomery	AL	170.6	163.0	7.6	4.7	83.6	52.8
Tuscaloosa	AL	157.7	154.0	3.7	2.4	74.1	52.1
ARKANSAS	AR	1,400.7	1,375.0	25.7	1.9	686.8	433.7
Little Rock-North Little Rock-Conway	AR	358.7	343.4	15.3	4.5	231.8	55.2
Fayetteville-Springdale-Rogers	AR-MO	332.9	319.9	13.0	4.1	183.0	83.4
Fort Smith	AR-OK	144.9	140.3	4.6	3.3	64.2	51.8
ARIZONA	AZ	3,426.6	3,429.9	(3.2)	-0.1	2,229.1	512.2
Phoenix-Mesa-Scottsdale	AZ	2,676.3	2,722.6	(46.3)	-1.7	1,752.5	388.5
Tucson	AZ	361.6	362.5	(0.9)	-0.3	212.7	76.6
Prescott	AZ	102.7	103.3	(0.6)	-0.6	72.4	9.8
CALIFORNIA	CA	16,159.0	16,381.7	(222.7)	-1.4	9,499.0	3428.2
Los Angeles-Long Beach-Anaheim	CA	4,819.0	4,903.7	(84.7)	-1.7	2,630.2	1225.0
San Francisco-Oakland-Hayward	CA	2,049.7	2,105.7	(55.9)	-2.7	1,252.4	387.3
Riverside-San Bernardino-Ontario	CA	1,803.9	1,853.6	(49.7)	-2.7	1,192.4	250.8
San Diego-Carlsbad	CA	1,558.7	1,548.6	10.1	0.7	954.8	292.2
San Jose-Sunnyvale-Santa Clara	CA	1,229.0	1,282.3	(53.3)	-4.2	524.7	458.5
Sacramento-Roseville-Arden-Arcade	CA	1,078.0	1,126.9	(48.9)	-4.3	757.5	104.9
Fresno	CA	388.4	386.4	2.0	0.5	240.0	70.8
COLORADO	CO	2,899.3	2,826.2	73.1	2.6	1,923.2	396.3
Denver-Aurora-Lakewood	CO	1,648.5	1,627.9	20.6	1.3	1,135.7	183.1
Greeley	CO	284.1	284.7	(0.6)	-0.2	188.8	38.5
Colorado Springs	CO	274.3	276.7	(2.4)	-0.9	187.4	32.1
Fort Collins	CO	197.0	202.1	(5.1)	-2.5	116.1	41.5
Boulder	CO	141.9	144.5	(2.6)	-1.8	60.1	53.4
CONNECTICUT	CT	1,341.2	1,336.8	4.4	0.3	653.7	419.2
Hartford-West Hartford-East Hartford	CT	486.4	468.1	18.3	3.9	242.4	146.7
Bridgeport-Stamford-Norwalk	CT	271.3	275.6	(4.3)	-1.6	140.3	76.8
New Haven-Milford	CT	235.0	227.0	8.0	3.5	125.3	62.7
Norwich-New London	CT	122.4	120.3	2.1	1.7	42.0	55.9
DELAWARE	DE	412.4	398.1	14.3	3.6	256.4	73.6
Wilmington	DE-MD-NJ	302.6	285.6	17.1	6.0	194.2	47.9
Dover	DE	54.6	52.3	2.3	4.5	30.4	13.3
WASHINGTON-ARLINGTON-ALEXANDRIA	DC-VA-MD-WV	2,366.8	2,290.9	75.8	3.3	1,733.1	160.3

2024 Estimated Electrical Sales Potential

Metropolitan Statistical Area (MSA)	State Postal	2024 Total \$ Estimate	2023 Total \$ Estimate	Total Estimate YOY # Change	Total Estimate YOY % Change	2024 EC \$ Estimate	2024 Industrial \$ Estimate
FLORIDA	FL	10,002.9	9,643.9	359.0	3.7	6,881.8	1,120.5
Miami-Fort Lauderdale-West Palm Beach	FL	2,462.9	2,346.9	116.0	4.9	1,713.6	256.7
Tampa-St. Petersburg-Clearwater	FL	1,489.8	1,451.3	38.5	2.7	988.9	202.9
Orlando-Kissimmee-Sanford	FL	1,397.7	1,340.6	57.1	4.3	981.4	136.7
Jacksonville	FL	810.2	777.6	32.6	4.2	552.3	95.8
Cape Coral-Fort Myers	FL	587.6	572.6	15.0	2.6	448.9	21.2
North Port-Sarasota-Bradenton	FL	493.7	472.1	21.6	4.6	346.1	48.8
Palm Bay-Melbourne-Titusville	FL	361.6	362.7	(1.2)	-0.3	197.6	91.6
Naples-Immokalee-Marco Island	FL	298.4	291.8	6.6	2.3	223.2	15.5
Lakeland-Winter Haven	FL	278.3	272.7	5.6	2.1	170.3	52.3
GEORGIA	GA	4,271.5	4,287.4	(15.9)	-0.4	2,278.9	1,138.3
Atlanta-Sandy Springs-Roswell	GA	2,515.0	2,479.8	35.2	1.4	1,538.2	473.8
Augusta-Richmond County	GA-SC	262.9	267.8	(4.9)	-1.8	145.1	65.3
Savannah	GA	207.0	207.8	(0.7)	-0.4	106.2	59.4
Columbus	GA-AL	103.3	102.8	0.4	0.4	52.2	30.4
HAWAII	HI	578.4	533.3	45.1	8.5	427.7	35.0
Urban Honolulu	HI	429.5	386.7	42.8	11.1	318.1	25.4
Kahului-Wailuku-Lahaina	HI	71.4	62.9	8.5	13.6	53.9	3.2
IOWA	IA	1,831.5	1,848.4	(16.9)	-0.9	880.4	584.9
Des Moines-West Des Moines	IA	390.6	394.1	(3.4)	-0.9	255.3	57.2
Davenport-Moline-Rock Island	IA-IL	211.3	212.2	(0.9)	-0.4	104.8	64.2
Cedar Rapids	IA	181.3	181.9	(0.6)	-0.3	92.5	52.6
IDAHO	ID	1,206.0	1,149.3	56.7	4.9	750.6	214.1
Boise City	ID	597.1	553.3	43.7	7.9	389.5	88.2
Coeur d'Alene	ID	117.5	115.0	2.6	2.2	79.2	14.8
Idaho Falls	ID	103.4	95.6	7.7	8.1	67.9	14.8
ILLINOIS	IL	4,953.3	4,985.1	(31.7)	-0.6	2,437.0	1,525.7
Chicago-Naperville-Elgin	IL-IN-WI	3,751.7	3,771.0	(19.3)	-0.5	1,889.1	1112.3
Elgin	IL	309.4	309.4	-	0.0	150.2	97.3
Peoria	IL	185.4	186.3	(0.8)	-0.4	87.0	61.3
Rockford	IL	164.5	160.7	3.8	2.4	66.6	65.0
Champaign-Urbana	IL	85.0	83.9	1.1	1.3	46.1	21.9
Bloomington	IL	79.6	83.4	(3.8)	-4.5	34.8	28.9
Decatur	IL	78.4	75.9	2.5	3.4	34.1	28.6
Springfield	IL	60.6	60.9	(0.3)	-0.5	38.9	9.5
INDIANA	IN	3,923.3	3,885.3	38.1	1.0	1,752.2	1,386.5
Indianapolis-Carmel-Anderson	IN	1,170.5	1,138.3	32.2	2.8	671.5	264.9
Gary	IN	332.9	338.7	(5.8)	-1.7	174.4	91.9
Fort Wayne	IN	295.5	287.1	8.4	2.9	136.2	100.2
Evansville	IN -KY	214.3	209.4	4.9	2.3	110.9	60.5
South Bend-Mishawaka	IN-MI	136.5	129.8	6.7	5.2	69.0	40.3
Elkhart-Goshen	IN	265.9	267.4	(1.5)	-0.6	48.1	164.6
Lafayette-West Lafayette	IN	132.5	127.5	5.0	3.9	49.8	56.2

2024 Estimated Electrical Sales Potential

Metropolitan Statistical Area (MSA)	State Postal	2024 Total \$ Estimate	2023 Total \$ Estimate	Total Estimate YOY # Change	Total Estimate YOY % Change	2024 EC \$ Estimate	2024 Industrial \$ Estimate
KANSAS	KS	1,474.8	1,455.5	19.3	1.3	726.4	453.4
Wichita	KS	403.9	405.0	(1.1)	-0.3	188.4	134.7
Topeka	KS	107.8	107.6	0.2	0.2	61.4	24.8
KENTUCKY	KY	2,073.9	2,031.1	42.9	2.1	977.3	681.8
Louisville/Jefferson County	KY-IN	720.5	694.7	25.8	3.7	357.4	219.0
Lexington-Fayette	KY	309.3	298.4	10.9	3.7	164.5	82.9
Bowling Green	KY	107.1	100.6	6.4	6.4	45.7	39.9
LOUISIANA	LA	2,218.8	2,148.7	70.0	3.3	1,411.5	363.5
Baton Rouge	LA	780.4	739.1	41.3	5.6	546.5	77.8
New Orleans-Metairie	LA	461.7	454.7	7.0	1.5	290.5	78.9
Lafayette	LA	196.9	190.5	6.4	3.4	112.3	45.2
Lake Charles	LA	171.4	172.0	(0.5)	-0.3	107.2	29.9
Shreveport-Bossier City	LA	153.9	147.3	6.6	4.5	95.6	27.6
MASSACHUSETTS	MA	3,063.9	3,044.5	19.4	0.6	1,836.2	615.0
Boston-Cambridge-Nashua	MA-NH	2,289.3	2,291.4	(2.1)	-0.1	1,357.2	474.2
Springfield	MA-CT	248.6	251.4	(2.7)	-1.1	126.6	72.3
Worcester	MA-CT	247.4	247.3	0.1	0.0	125.3	72.6
Barnstable Town	MA	121.7	117.8	3.9	3.3	89.4	8.0
MARYLAND	MD	2,372.6	2,421.1	(48.5)	-2.0	1,604.4	293.7
Baltimore-Columbia-Towson	MD	1,196.0	1,210.1	(14.2)	-1.2	796.7	160.1
Silver Spring-Frederick-Rockville MD	MD	452.3	471.7	(19.3)	-4.1	305.9	56.0
Salisbury	MD-DE	187.3	177.0	10.4	5.9	108.9	41.0
Hagerstown-Martinsburg	MD-WV	88.4	88.3	0.1	0.1	45.4	25.4
MAINE	ME	607.8	610.3	(2.5)	-0.4	344.1	142.1
Portland-South Portland	ME	187.1	192.0	(4.9)	-2.6	109.9	39.8
Lewiston-Auburn	ME	58.6	57.8	0.9	1.5	32.8	14.1
Bangor	ME	55.2	56.9	(1.7)	-3.0	37.5	6.6
MICHIGAN	MI	4,613.3	4,463.5	149.8	3.4	2,091.2	1599.5
Detroit-Warren-Dearborn	MI	2,008.4	1,934.9	73.5	3.8	938.4	668.3
Warren-Troy-Farmington Hills	MI	1,318.1	1,298.7	19.4	1.5	638.3	416.1
Grand Rapids-Wyoming	MI	761.3	745.0	16.2	2.2	315.4	293.6
Detroit-Dearborn-Livonia	MI	690.3	636.2	54.1	8.5	300.1	252.2
Lansing-East Lansing	MI	210.3	198.1	12.2	6.2	109.2	59.0
Kalamazoo-Portage	MI	184.5	178.9	5.6	3.1	79.9	67.8
Flint	MI	131.3	128.2	3.1	2.4	70.0	35.1
Ann Arbor	MI	108.7	105.5	3.2	3.0	54.3	32.7
MINNESOTA	MN	2,792.6	2,802.9	(10.3)	-0.4	1,385.2	848.9
Minneapolis-St. Paul-Bloomington	MN-WI	1,802.5	1,812.0	(9.5)	-0.5	904.9	537.1
St. Cloud	MN	150.0	150.6	(0.6)	-0.4	81.6	38.4
Duluth	MN-WI	142.1	152.2	(10.1)	-6.7	91.5	22.2
MISSOURI	MO	2,892.4	2,807.6	84.9	3.0	1,544.3	769.6
Springfield	MO	206.9	209.0	(2.1)	-1.0	113.7	51.9
St. Louis	MO-IL	1,371.0	1,372.2	(1.1)	-0.1	780.7	316.1
Kansas City	MO-KS	1,061.1	1,050.0	11.1	1.1	614.8	234.1

Notes: All sales in millions of dollars. Sales estimates using *Electrical Wholesaling's* sales-per-employee multipliers from the 2025 Market Planning Guide (\$78,775 per electrical contractor employee and \$2,650 per industrial employee). Employee data from the U.S. Bureau of Labor Statistics (www.bls.gov) is 2024 preliminary annual data and 2023 annual data. Because BLS does not offer electrical contractor employment data at the Metropolitan Statistical Area (MSA) or state level, *EM* uses an estimate developed from construction employment where electrical contractors historically account for 13% of national construction employment. The tables in this *EM* issue highlight half the larger MSAs because of space considerations. The Feb. 28 issue will have the other large MSAs. All 300-plus metros and states are available to *EM* subscribers in a downloadable format at www.electricalmarketing.com.

Dodge Momentum Index Starts Year Strong with +5.6% Increase in January

The Dodge Momentum Index (DMI), published monthly by Dodge Construction Network, grew +5.6% in January to 225.7 (2000=100) from the revised December reading of 213.6 points. Over the month, commercial planning increased +4.2% while institutional planning improved +8.7%.

DMI is a monthly measure of the value of nonresidential building projects going into planning, shown to lead construction spending for nonresidential buildings by a full year.

“Nonresidential planning activity saw diversified growth in January, with every vertical experiencing positive momentum,” said Sarah Martin, associate director of forecasting at Dodge Construction Network, in the press release. “Uncertainty over fiscal policies, ongoing labor shortages and elevated construction costs will continue to be headwinds to the construction sector. However, further monetary easing and the sizable number of projects in planning should support construction spending in the back half of the year.”

Total Construction Slips in December But Ends 2024 with +6% Gain to \$1.2 Trillion

Total construction starts decreased -2% in December to a seasonally adjusted annual rate of \$1.2 trillion, according to Dodge Construction Network. Non-residential building starts grew +2% and nonbuilding starts moved -14% lower, while residential building starts grew +4%. On a year-to-date basis through December, total construction starts were up +6% from 2023. Non-residential starts were up +4%; residential starts were up +7%; and nonbuilding starts were up by +7%. For the 12 months ending Dec. 2024, total construction starts were up +6% from the 12 months ending Dec. 2023. Residential starts were up +7%, nonresidential starts were up +4% and nonbuilding starts rose +7% over the same period.

“Rate cuts prior to December supported some momentum in multi-family and commercial starts over the month,” said Sarah Martin, associate director of forecasting at Dodge Construction Network, in the press release. “Sustained labor shortages and elevated materials prices will continue to add risk to the sector, in

On the commercial side, data center, traditional office building, and warehouse planning led this month’s gains. Education and healthcare planning supported the institutional portion, especially on the hospital side. In January, the DMI was up +26% when compared to year-ago levels. The commercial segment was up +37% from Jan. 2024, while the institutional segment was up +9% over the same period. The influence of data centers on the DMI this year remains substantial. If Dodge removed all data center projects between 2023 and 2025, commercial planning would be up +13% from year-ago levels, and the entire DMI would be up +11%.

A total of 33 projects valued at \$100 million or more entered planning throughout January. The largest commercial projects included the \$500-million Amazon Data Center in Jeffersonville, OH, and Phase 1 of the Hunter’s Ridge Data Center in Mclean, VA.

The largest institutional projects to enter planning were the \$407-million Memorial Hospital expansion in Colorado Springs, CO, and the \$300-million AdventHealth Hospital expansion in Parker, CO.

addition to the concern over tariffs and more strict immigration enforcement. Overall, the strength in the value of projects in planning and further Fed rate cuts should encourage growth in construction in 2025.”

Nonresidential. Nonresidential building starts rose +2% in December to a seasonally adjusted annual rate of \$482 billion. Commercial starts were +6% higher during the month thanks to an increase in data center, hotel and retail starts, while institutional starts fell -3%. Manufacturing starts rose +19% over the month. In 2024, total nonresidential starts were up +4%. Institutional starts were +16% higher, while commercial starts were up +8%, and manufacturing starts were -35% lower on a year-to-date basis through December.

The largest non-residential building projects to break ground in December were the \$1.6-billion Lyndon B. Johnson Hospital Replacement in Houston, TX; the \$1.2-billion San Antonio International Airport Terminal C Development in San

Continued on page 6

Around the Industry

Continued from page 1

“We also significantly strengthened our portfolio through the divestiture of our integrated supply business and the acquisitions of three services-based businesses, including Ascent. As we look to 2025, our pipeline of strategic acquisitions remains strong and is aligned with our goal to increase service offerings to our customers.

“We also made excellent progress on our enterprise-wide digitalization efforts and overall business transformation in 2024. We’re more than halfway complete on our technology and capabilities build, which once completed, will accelerate our earnings growth through greater cross-sell, expand our margins through improved pricing and operating cost leverage and dramatically increase our speed to value on the integration of future acquisitions.

“In 2025, we expect organic sales to grow +2.5% to +6.5% and operating margin to expand, as all three business units are expected to deliver profitable growth. We expect to generate \$600 to \$800 million of free cash flow.”

IES division to buy Arrow Energy Co.

IES Holdings (IESC), Houston, TX, one of the nation’s largest electrical contractors, acquired Arrow Engine Co., Tulsa, OK, a provider of engines, generator sets, compressors and replacement parts for the natural gas production market, from TriMas Corp. (TRS).

The acquisition includes Arrow’s manufacturing facility in Tulsa, which consists of 130,000 sq ft of manufacturing space. Arrow has estimated 2024 revenue of \$20 million. It will become part of IES’ Infrastructure Solutions segment and continue to operate under the Arrow name.

Emerson offers to buy rest of Aspen Technology for \$265 per share

Emerson acknowledged the public statement released by Elliott Investment Management LP on Feb. 7, regarding the tender offer under which it will acquire all outstanding shares of common stock of Aspen Technology Inc. (AspenTech) that it does not already own for \$265 per share. AspenTech is an industrial software provider.

Continued on page 7

Industry Events

February 17-19, 2025

NAED Eastern Conference
Tampa, FL; NAED;
www.naed.org

March 18-19, 2025

LEducation 2025
New York; www.leducation.org

March 17-20, 2025

AD Electrical Spring Network Meeting
Colorado Springs, CO; Affiliated Distributors; www.adhq.org

April 16-17, 2025

Upper Midwest Electrical Expo
Minneapolis, MN;
[#NCELEXPO](http://www.ncel.org)

May 4-8, 2025

Lightfair 2025 Conference
Las Vegas; lightfair.us.messefrankfurt.com/us/en.html

June 2-4, 2025

Women in Industry Forum
Orlando, FL; NAED;
www.naed.org

June 19-22, 2025

Lake Michigan Club
Lake Geneva, WI; NAED;
www.naed.org

July 19-22, 2025

EASA Convention & Solutions Expo
Nashville, TN;
www.easa.com/convention

Sept. 12-15, 2025

NECA Convention & Trade Show
Chicago, IL;
www.necanet.org

Oct. 19-22, 2025

NALMCO 2025 Annual Convention & Trade Show
Des Moines, IA;
www.nalmco.org

Oct. 27-30, 2025

AD Electrical North American Meeting
Chicago, IL; Affiliated Distributors;
www.adhq.org

2024 Nonresidential Construction Shows a Solid +4% Gain to Seasonally Adjusted Annual Rate of \$482 Billion

Continued from page 5

Antonio, TX; and the \$1.1-billion Hard Rock Hotel in Las Vegas, NV.

Residential. Residential building starts grew +4% in December to a seasonally adjusted annual rate of \$397 billion. Single-family starts fell -3%, while multi-family starts were up +24%. In 2024, total residential starts were +7% higher. Single-family starts increased +15%, and multi-family starts were down -7% on a year-to-date basis through December.

The largest multi-family structures to break ground in December were the \$510-

million St. Regis Residences development in Miami, FL; the \$350-million Reflections Lakeside Resort in Orlando, FL; and the \$210-million Ritz-Carlton Residences in The Woodlands, TX

Nonbuilding. The largest nonbuilding projects to break ground in December were the \$740-million Donald C. Tillman Advanced Water Purification Facility in Los Angeles, CA; the \$650-million Pulaski Solar Farm (405 MW) in Karnak, IL; and the \$483-million Kelso Solar Farm (349 MW) in Blodgett, MO.

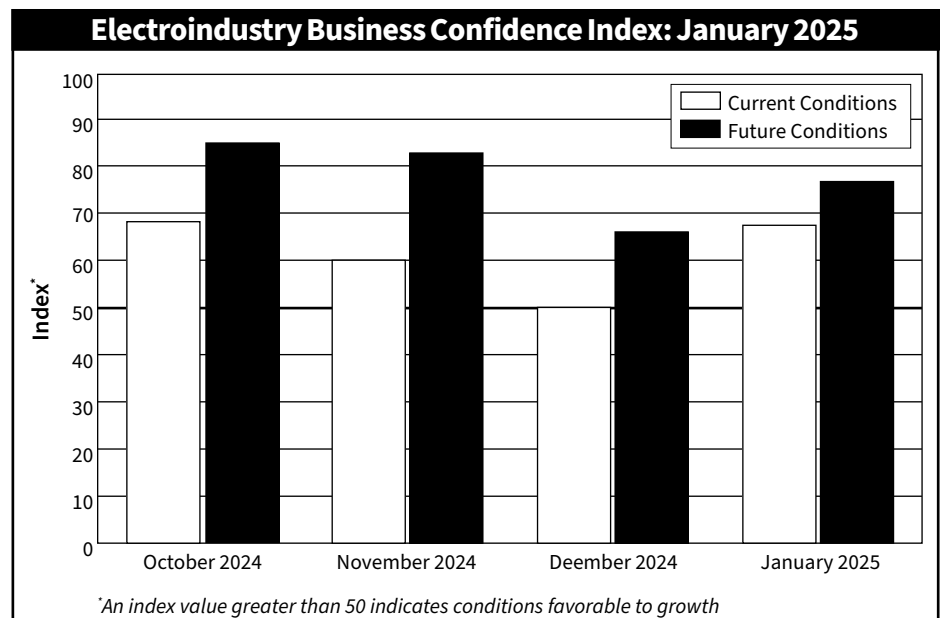
NEMA's January EBCI Indexes Reflect Increasing Confidence in U.S. Business Conditions

After declining to 50 points in December, the electroindustry business confidence index current conditions component rebounded to 68.8 points in January. Overall, panel members shared a positive outlook, with 44% reporting that current conditions were "better" compared to last month, 50% indicating "unchanged" conditions, and 6% noting that current conditions were "worse." Panelists' comments were generally positive with many citing strong orders, but with caution due to market uncertainty about the new administration's economic and tariff policies.

The ElectroIndustry Business Conditions Index (EBCI) is a monthly survey of senior executives at electrical manufacturers published by the National Electrical Manufacturers Association (NEMA),

Rosslyn, VA. Any score over the 50-point level indicates a greater number of panelists see conditions improving than see them deteriorating.

The future conditions component continued to indicate positive expectations. After slipping to 67.9 points in December, the index rose to 78.1 in points January, approaching the 80-point range seen over the previous six months. Nearly two-thirds, 63%, of panel members anticipated "better" conditions in the next six months and 31% anticipated "unchanged" conditions. The remaining six percent predicted "worse" conditions six months from now. Comments on future business conditions were generally optimistic, with panelists forecasting a strong year ahead, though some expressed uncertainty due to potential tariffs.



Total Construction Spending Ends 2024 with +6.5% Year-Over-Year Gain

Construction spending during Dec. 2024 was estimated at a seasonally adjusted annual rate of \$2,192.2 billion, +0.5% above the revised November estimate of \$2,180.3 billion. According to the U.S. Census Dept., the Dec. 2024 figure is +4.3% above the Dec. 2023 estimate of \$2,101.3 billion. Total construction in 2024 was \$2,154.4 billion, +6.5% above the \$2,023.7 billion spent in 2023.

Private construction. Spending on private construction was at a seasonally adjusted annual rate of \$1,688.5 billion, +0.9% above the revised November estimate of \$1,674.1 billion. Residential construction was at a seasonally adjusted annual rate of \$939.5 billion in December, +1.5% above the revised November estimate of \$925.5 billion. Nonresidential construction was at a seasonally adjusted annual rate of \$749 billion in December, +0.1% above the revised

November estimate of \$748.6 billion.

The value of private construction in 2024 was \$1,661.7 billion, +5.6% above the \$1,573 billion spent in 2023. Residential construction in 2024 was \$917.9 billion, +5.9% above the 2023 figure of \$866.9 billion and non-residential construction was \$743.8 billion, +5.3% above the \$706.1 billion in 2023.

Public construction. In December, the estimated annual rate of public construction spending was \$503.6 billion, -0.5% below the revised November estimate of \$506.2 billion. Educational construction was at an annual rate of \$109.5 billion, 0.6% below the revised November estimate of \$110.2 billion.

The value of public construction in 2024 was \$492.7 billion, +9.3% above the \$450.7 billion spent in 2023. Educational construction in 2024 was \$105.2 billion, +8.5% above the 2023 figure of \$97 billion.

Around the Industry

Continued from page 5

Southwire to build distribution center west of Atlanta

Southwire, Carrollton, GA, plans to build a new 1.2-million-sq-ft distribution center in Bremen, Ga. It will create a centralized hub for Southwire's distribution and shipping activities in the western Georgia region. Southwire's Atlanta distribution center will combine the operations within its three existing distribution sites in Villa Rica, GA., under one roof and will serve as a distribution center for internal and external customers across the organization.

Last year, Southwire opened its newest distribution center in Dallas-Fort Worth, TX. The facility is expected to be completed by the third quarter of 2026.

Project backlog increases according to ABC trade group

Associated Builders and Contractors (ABC) reported that its Construction Backlog Indicator increased to 8.4 months in January, according to an ABC member survey conducted Jan. 21 to Feb. 3. The reading is unchanged from Jan. 2024.

The monthly increase in backlog was concentrated in the Western region, which also exhibited the largest growth in backlog over the past year. The South has the longest backlog of any region despite exhibiting the largest year-over-year decrease.

ABC's Construction Confidence Index readings for sales and profit margins improved in January, while the reading for staffing levels declined. The readings for all three components remain above the threshold of 50 points, indicating builder and contractor expectations for growth over the next six months.

"While backlog has remained within a narrow range over the past year, contractors broadly expect construction activity to pick up over the next six months," said ABC Chief Economist Anirban Basu, in the press release. "Contractor confidence regarding sales has improved significantly over the past year, with much of that improvement occurring since November's election. The fact that staffing level expectations remain elevated suggests that job openings, which fell sharply during the final months of 2024, should rebound during the first half of 2025."

Value Of New Construction Put In Place — December 2024

Value of Construction Put-in-Place (\$ billions, seasonally adjusted annual rate)					
	Dec. '24 ¹	Nov. '24 ²	Mo. % Change	Dec. '23	YTY % Change
Total Construction	2,192.2	2,180.3	2,101.3	0.5	4.3
Total Private Construction:	1,688.5	1,674.1	1,618.4	0.9	4.3
Residential ²	939.5	925.5	886.4	1.5	6
New single family	428.5	424.3	431.8	1	-0.8
New multifamily	119.4	119.7	133.4	-0.3	-10.5
Nonresidential	749.0	748.6	732.0	0.1	2.3
Lodging	22.6	22.7	23.8	-0.2	-5.1
Office	86.5	85.6	84.4	1.1	2.5
Commercial	118.1	118.5	127.7	-0.3	-7.5
Health care	53.3	53.7	55.5	-0.8	-3.9
Educational	25.2	25.3	25.4	-0.5	-0.9
Religious	4.3	4.3	4.6	0	-4.6
Amusement and recreation	18.6	18.6	18.9	-0.2	-1.7
Transportation	22.6	22.7	20.5	-0.1	10.5
Communication	28.3	28.1	29.0	0.6	-2.4
Power	129.5	129.1	124.9	0.3	3.6
Electric	111.4	111.0	104.8	0.4	6.3
Manufacturing	236.1	236.0	212.5	0	11.1
Total Public Construction:	503.6	506.2	482.9	-0.5	4.3
Residential	12.0	12.1	10.8	-0.5	12
Nonresidential	491.6	494.1	472.1	-0.5	4.1
Office	17.1	17.1	15.6	0.1	9.7
Commercial	6.4	6.4	4.8	0.1	34.5
Health care	14.8	15.2	13.8	-3	6.8
Educational	109.5	110.2	103.6	-0.6	5.8
Public safety	19.0	18.9	16.8	0.1	13
Amusement and recreation	22.8	22.9	19.2	-0.1	19.1
Transportation	46.5	47.1	45.1	-1.3	3
Power	20.1	20.2	19.7	-0.5	2.2
Highway and street	143.3	142.3	150.8	0.7	-5
Sewage and waste disposal	45.7	46.3	40.4	-1.2	13.3
Water supply	32.7	33.6	29.0	-2.7	13
Conservation and development	11.2	11.4	12.1	-1.2	-7.1

1—Preliminary; 2—Revised

Note: The U.S. Census department changed its construction categories beginning with its May 2003 statistics.

With the changes in the project classifications, data now presented are not directly comparable with those data previously published in the regular-format press releases and tables. Direct comparisons can only be made at the total, total private, total state and local, total federal, and total public levels for annual and not seasonally adjusted monthly data. For more information, check out <http://www.census.gov/const/www/c30index.html>.

Uncertainly Over Tariffs on Steel, Aluminum & Copper May Push Some Manufacturers to Delay Capital Investments

Continued from page 1

in new and expanded U.S. manufacturing and created thousands of new jobs, she said. “The U.S. electroindustry is the third largest U.S. exporter and second largest U.S. importer of manufactured goods, and relies on one of the most complex global supply chains of any U.S. industry. The industry has taken major steps to reduce reliance on Chinese imports since 2018, decreasing China’s share of U.S. imports of electroindustry goods from 28.2% to 17.9%, while significantly growing electroindustry trade across North America by 36%, spurred by the United States-Mexico-Canada Agreement (USMCA).

“We look forward to working with the Trump Administration to further strengthen USMCA, including its enforcement and ensuring it incentivizes new investments and jobs in the United States. Introduction of tariffs should carefully consider their unique impact on critical manufacturing sectors that support our shared goals of increasing American energy production, growing domestic manufacturing and delivering a secure and reliable electric grid. NEMA looks forward to actively engaging with the Trump Administration and Congress on trade and tariff policies that support our shared objectives while promoting the electroindustry’s growth and competitiveness.”

The NEMA statement also said Trump’s decision to impose 25% tariffs on most goods imported from Canada and Mexico would assess annual duties of approximately \$2.7 billion on U.S. imports of electroindustry goods from Canada and \$14.7 billion on U.S. imports of electroindustry goods from Mexico, and that an additional 10% tariff on most goods imported from China would assess annual duties of approximately \$4.4 billion on U.S. imports of electroindustry goods from China.

Wes Smith, president and CEO of the National Association of Electrical Distributors (NAED), issued the following statement on www.naed.org following President Trump’s initial tariffs statement:

“The electrical distribution industry is a vital conduit between electrical equipment manufacturers and electrical contractors. Our network of more than 5,500 distributor locations and warehouses across every state and Congressional district employs more than 500,000 Americans with great careers that are essential to building and powering

America’s homes, businesses, industrial facilities and data centers.

“We recognize that the President has used tariffs as a tool to rebalance trade practices, encourage domestic manufacturing and achieve other policy objectives. Regardless of this, we stand ready to work with the Trump Administration and Congress to find the right balance on trade and tariff policies that expand domestic energy production, promotes a resilient supply chain, and helps ensure our grid is strong enough to reliably support our growing economy.”

Tariffs are not a done deal. In the past, President Trump has used a “Big Stick” negotiating policy to get the attention of other parties, and to then start negotiations on more favorable terms. We saw that with the recent negotiations with Mexico and Canada that extended the tariff deadline until next month.

One major negative with the uncertainly over tariffs is that some manufacturers are hesitant to make capital investments until they know if tariffs are a go or not.

Make no mistake about it — the electrical industry could get hit harder by tariffs than many other industries because so many electrical products have high such high steel, aluminum and copper content. Wire and cable, conduit, enclosures, switchgear, panelboards, circuit protection devices, wiring devices, motors and fittings are just a few of the products that come to mind. To get a sense of the potential impact of tariffs on some of these product areas, take a look below at *EM*’s electrical product sales potential data for 2024 for some of these products:

- Wire & cable: 13.3% of 2024 total distributor sales & \$19.8 billion in estimated sales potential
- Switchgear: 8% of 2024 total distributor sales & \$11.9 billion in estimated sales potential
- Conduit & raceways: 3.4% of 2024 total distributors sales and \$7.7 billion in estimated sales potential
- Enclosures: 2.4% of 2024 total distributors’ sales and \$3.5 billion in estimated sales potential

Tariffs were a key element of President’s Trump’s stump speeches and America First MAGA rhetoric at campaign rallies during his election campaign. Will they actually entice more manufacturers to reshore factories? That’s the multi-billion-dollar question.

— Jim Lucy

People

Ewing Foley Inc. (Cupertino, CA): **Glenda Nalle** is now West Texas outside sales rep, according to a company LinkedIn post.

EMS Partners (Minneapolis, MN): **Eric Lampert** joined the company as OEM sales manager, according to a LinkedIn post. *Specified Technologies/ STI Firestop (Somerville, NJ):* **Bernadette Smith** was promoted to director of sales operations, according to a LinkedIn post. She has worked for STI for more than 25 years.

IDEA (Arlington, VA): **Rachel Slade** joined IDEA as director of business development, according to a LinkedIn post.

Southwire (Carrollton, GA): **Bill Fowler**, Southwire’s manager of Business Development and eMobility Infrastructure Solutions, was recently elected to serve on the Independent Electrical Contractors (IEC) board of directors.

Electrical Marketing

Subscriptions: 877-382-9187

(8 a.m. - 4 p.m. Central Time)

or ElectricalMarketing@omeda.com

Subscription rates: \$99 per year. Group subscription discount rates are also available.

Electrical Marketing is published semi-monthly by Endeavor Business Media, LLC, 201 N. Main St. 5th Floor, Fort Atkinson, WI 53538. POSTMASTER: Send address changes to Electrical Marketing, PO Box 3257, Northbrook, IL 60065-3257. Subscription prices: U.S. (\$99.00); Canada/Mexico (\$99.00/year); All other countries (\$99.00). All subscriptions are payable in U.S. funds. Send subscription inquiries to Electrical Marketing, PO Box 3257, Northbrook, IL 60065-3257. Customer service can be reached toll-free at 877-382-9187 or at ElectricalMarketing@omeda.com for newsletter subscription assistance or questions.

Printed in the USA. Copyright 2025 Endeavor Business Media, LLC. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopies, recordings, or any information storage or retrieval system without permission from the publisher. Endeavor Business Media, LLC does not assume and hereby disclaims any liability to any person or company for any loss or damage caused by errors or omissions in the material herein, regardless of whether such errors result from negligence, accident, or any other cause whatsoever. The views and opinions in the articles herein are not to be taken as official expressions of the publishers, unless so stated. The publishers do not warrant either expressly or by implication, the factual accuracy of the articles herein, nor do they so warrant any views or opinions by the authors of said articles.

Editorial questions: Jim Lucy, Editor-in-Chief — (913) 461-7679; or Michael Morris - mmorris@endeavorb2b.com; **Questions on online access to Electrical Marketing:** James Marinaccio, Audience Marketing Manager — jmarinaccio@endeavorb2b.com; **Inquiries about advertising in Electrical Wholesaling, EC&M or Electrical Marketing:** Mike Hellmann, VP - mhellmann@endeavorb2b.com