Architecture Billings Index (ABI)
November 2022

The Architecture Billings Index (ABI) is a diffusion index derived from the monthly Work-on-the-Boards survey conducted by the AIA Economics & Market Research Group. The ABI serves as a leading economic indicator that leads nonresidential construction activity by approximately 9-12 months. The survey panel asks participants whether their billings increased, decreased, or stayed the same in the month that just ended. According to the proportion of respondents choosing each option, a score is generated, which represents an index value for each month. A score of 50 represents no change in firm billings from the previous month, and a score below 50 indicates a decline in billings from the previous month.

*All graphs represent data from November 2021–November 2022.*

### National

Business conditions at architecture firms soften further

Graphs represent data from November 2021–November 2022.

- National
  - Billings: 46.1
  - Inquiries: 40
  - Design: 50
  - Contracts: 60

### Regional

- West: 45.8
- Midwest: 47.6
- South: 50.5
- Northeast: 42.4

Graphs represent data from November 2021–November 2022 across the four regions. 50 represents the diffusion center. A score of 50 equals no change from the previous month. Above 50 shows an increase in firm billings from the previous month; below 50 shows a decrease in firm billings from the previous month.

### Sector

Billings soften further at firms with a multifamily residential specialization

Graphs represent data from November 2021–November 2022 across the three sectors. 50 represents the diffusion center.

### Practice

Volatile material prices, profitability, and hiring issues top list of business-related concerns for 2023 at architecture firms

units: % of firms selecting issue as one of their top three business-related concerns for 2023

- Coping with volatile construction materials costs
- Increasing firm profitability
- Finding new clients and new markets/enhancing firm business planning/marketing
- Maintaining competitive salaries/dealing with staff compensation expectations
- Managing rising costs of running firm (e.g., space rents, healthcare costs, liability insurance)
- Dealing with firm ownership transition issues
- Negotiating appropriate project fees
- Identifying new clients and new markets, expanding firm business planning/marketing
- Retaining current staff
- Filling open staff positions
- Choosing key project locations
- Retaining current staff
- Managing project costs and non-European staff
- Identifying new clients and new markets, expanding firm business planning/marketing
- Negotiating appropriate project fees
- Dealing with firm ownership transition issues
- Retaining current staff
- Filling open staff positions
- Choosing key project locations
- Maintaining competitive salaries/dealing with staff compensation expectations