

CCI Methodology

Informed from the same <u>Associated Builders and Contractors</u> member survey as the <u>Construction Backlog Indicator</u>, a monthly survey that measures the amount of work already under contract but not yet performed by commercial, industrial and heavy highway/infrastructure contractors, the <u>Construction Confidence Index</u> is a forward-looking national indicator reflecting contractors' expectations over the coming six-month period along three dimensions: sales, profits, and staffing. Survey respondents indicate whether they expect activity/levels in each category to:

- a) increase significantly,
- b) increase slightly,
- c) remain unchanged,
- d) decrease slightly,
- e) decrease significantly.

Survey results are then transformed into scaled readings ranging from 0 to 100, with 100 signifying that every respondent expects significant increases over the next six months. CCI readings above 50 indicate an expectation of generally improving conditions in the U.S. nonresidential construction industry, while readings below 50 indicate expectations of deteriorating conditions.