

## Architecture Billings Index Remains at Historically Low Levels

*Commercial sector continues to be hardest hit by economic downturn*

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*For immediate release:*

**Washington, D.C. – January 21, 2009** – Following consecutive months with record low scores, with the Architecture Billings Index (ABI) moved up only very modestly, signifying that the design industry remains mired in a steep downturn. As a leading economic indicator of construction activity, the ABI reflects the approximate nine to twelve month lag time between architecture billings and construction spending. The American Institute of Architects (AIA) reported the December ABI rating was 36.4, up from the 34.7 mark in November (any score above 50 indicates an increase in billings). The inquiries for new projects score was 37.7.

“The inability to get financing for construction projects is a key reason that business conditions continue to be so poor at design firms,” said AIA Chief Economist Kermit Baker, PhD, Hon. AIA. “It will be important to see what the proposed economic stimulus package includes that is geared towards the construction industry, and how quickly developers who have had to put projects on hold can get them moving again.”

### **Key December ABI highlights:**

- Regional averages: West (36.8), South (35.5), Midwest (35.5), Northeast (34.4)
- Sector index breakdown: mixed practice (45.1), institutional (39.3), multi-family residential (30.0), commercial / industrial (28.1)
- Project inquiries index: 37.7

### **About the AIA Architecture Billings Index**

The Architecture Billings Index is derived from a monthly “Work-on-the-Boards” survey and produced by the AIA Economics & Market Research Group. Based on a comparison of data compiled since the survey’s inception in 1995 with figures from the Department of Commerce on Construction Put in Place, the findings amount to a leading economic indicator that provides an approximately nine to twelve month glimpse into the future of nonresidential construction activity. The diffusion indexes contained in the full report are derived from a monthly survey sent to a panel of AIA member-owned firms. Participants are asked 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.

### **About The American Institute of Architects**

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