Regional Focus

- East North Central
- Middle Atlantic
- New England
IHME Mean Daily Infection Rates - Per Capita

Daily COVID-19 Infections per Million of Population (May 24, 2021 Update)

Source: IHME, Census, Economy.com
Total Cement Consumption

Index, 2000=100

Source: USGS, PCA
Economic Outlook
Employment Recovery

Percent Change in Employment (February through April 2020)

Percent of Employment Losses Recovered

Source: BLS, PCA
Employment Recovery (000’s of jobs)

Covid Losses (Blue) vs. Year-to-Date Recovery (Orange)

NE Avg: 62.2%
ENC Avg: 64.0%
MATL Avg: 55.1%

US Avg: 63.2%

Source: BLS, PCA
Manufacturing Exposure
10% or Greater Manufacturing Share of Total Employment

US Manufacturing Employment (000s)

ENC+ PA Manufacturing Employment (000s)
Residential Outlook
Housing Permits – Northeastern U.S.

Index (base year = 2010)

Source: Census Bureau, PCA

Note: The US series shows housing starts.
Favorable Regional Home Affordability Could Provide Support

Home Price-to-Household Income, SA

Source: NAR, BEA, BOC, Moody’s
Residential Cement Consumption – Northeastern U.S.

Index, 2000=100

Source: USGS, PCA

Annual % Change

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>NE</td>
<td>-2.0%</td>
<td>-0.2%</td>
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<tr>
<td>MATL</td>
<td>6.6%</td>
<td>1.1%</td>
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<tr>
<td>ENC</td>
<td>7.2%</td>
<td>1.3%</td>
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</tbody>
</table>
Permit Activity

Year-to-Date % Growth Permits (Through April 2021)

Comparison Months: Year-to-Date (SAAR) % of Annual for 2020

Source: BLS, PCA
Potential Shift in Homebuyer Preferences?

Metric Tons of Cement Per Housing Unit

• 21% of agents reported buyers seeking the benefits of new homes, such as office space or backyards. (Source: NAR Research Group Survey)

• For those under age 65, the primary reason for purchasing was the desire to own their own home. Second to this was the desire for a larger home. (Source: NAR Home Buyer and Seller Generational Trends)

• A 10% compositional shift from multi to single family would amount to roughly 70k MTs annually in NE, 150k in MATL, and 250k MTs in the ENC.

Source: PCA, NAR
Over the past five years, the millennial homeownership rate has increased faster than that of other generations.
Nonresidential Outlook
U.S. Net Farm Income

Real 2019 $s, billions

Share of U.S. Gross Farm Receipts
Illinois: 4.5%
Indiana: 2.8%

Source: U.S. Department of Agriculture (USDA): Farm Income and Wealth Statistics
Non-Residential Cement Consumption Share Northeastern U.S.

% Share Cement 2015-2020

- Farm: 85%
- Oil/Gas: 11%
- Mfng & Other Nonres: 3%
- Other: 1%

% Share Cement 2021-2025

- Farm: 87%
- Oil/Gas: 9%
- Mfng & Other Nonres: 3%
- Other: 1%

Source: PCA
Consumers Showing Return in Mobility

Percentage change from baseline visits—Retail & Recreation

Retail & Recreation:
Mobility trends for places like restaurants, cafes, shopping centers, theme parks, museums, libraries and movie theaters

Source: Google Mobility Report, PCA
Nonresidential Cement Consumption – Northeastern U.S.

Index, 2000=100

Annual % Change

<table>
<thead>
<tr>
<th>Region</th>
<th>2021</th>
<th>2022</th>
</tr>
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<tbody>
<tr>
<td>NE</td>
<td>-9.3%</td>
<td>-1.4%</td>
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<tr>
<td>MATL</td>
<td>-6.8%</td>
<td>0.3%</td>
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<tr>
<td>ENC</td>
<td>-3.8%</td>
<td>0.2%</td>
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</table>

Source: USGS, PCA
Public Outlook
State Funding – FY2021

Percent Declines in General Fund Tax Revenues from Pre-COVID Levels

On a state weighted basis, 2021 general fund revenues are expected to decline 3.3% as reported by state agencies.

Source: Center on Budget and Policy Priorities: Data compiled from various state agencies
Net Migration

Index, 2000=100

New England

U.S.

East North Central

Mid Atlantic

Source: Census Bureau, Moody’s Analytics, U.S. National Center for Health Statistics
Employees returning to Work...

Source: Google Mobility Report, PCA
States Have Been Increasingly Less Reliant on Federal Funds

Source: Federal Tax Administrators, FHWA, PCA
Laws enacted between 2013 and 2019

More Recent Increases

Earlier Increases Circa 2013-2014

NJ increased its gas tax in 2020, putting just it behind CA, PA, IL – Was one of the lowest taxed state before 2016

Source: Institute on Taxation and Economic Policy
Public Cement Consumption – Northeastern U.S.

Index, 2000=100

Source: USGS, PCA
Regional Briefing: Northeastern U.S.

Joe Chiappe, Sr. Regional Economist

June 2021