Construction Spending Rises Slightly in August

*Total outlays rose 0.1% during August. A solid 0.9% gain in residential was partially offset by a 0.4% decline in the nonresidential category. Overall, construction remains soft with total spending down 2.3% year-to-date.*

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<th>Residential Gains Lift Overall Spending</th>
<th>Public Outlays Continue to Climb</th>
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<td>- Total construction expenditures rose during August, posting a 0.1% gain. Overall, spending is down 2.3% year-to-date. The weakness lately has been in nonresidential, with spending down 0.4% during the month, the 4th consecutive decline. By contrast, lower mortgage rates likely spurred the 1.4% rise in single-family spending, which lifted residential outlays 0.9%—a welcome turnaround from the declines posted for much of the past year.</td>
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<td>- Total private spending mirrored the overall outcome, with a 1.0% nonresidential dip wiping out a 0.9% residential gain. The decline in nonresidential occurred with monthly drops in commercial (-2.8%), healthcare (-2.0%) and power (-1.7%) spending.</td>
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<td>- Public outlays continue to be an area of strength and are up 5.7% year-to-date. The trend continued with a 0.4% gain in August, which was led by office (1.5%) and educational (1.4%) outlays.</td>
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**Residential Gains Lift Overall Spending**

**Public Outlays Continue to Climb**

Source: U.S. Department of Commerce and Wells Fargo Securities
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