THREE ON THURSDAY

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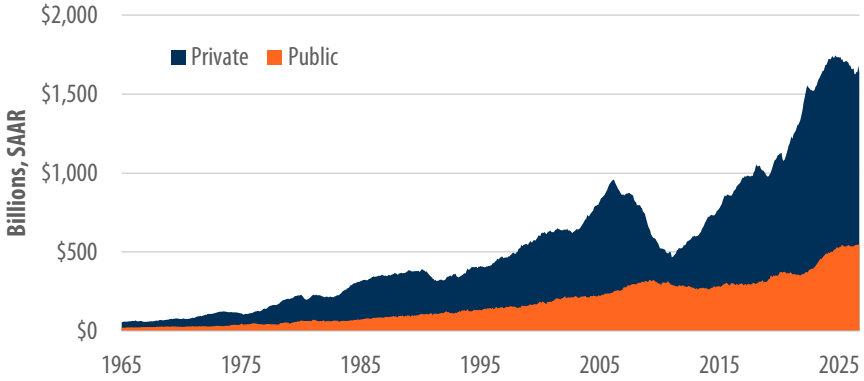
FIRST TRUST ECONOMICS

November 19, 2026

Construction Spending: A Data Center-Driven Surge

Each month, the U.S. Census Bureau releases its Construction Spending report, which tracks how much is being put in place across residential, nonresidential, and public projects. The data, reported in nominal dollars, cover everything from new homes and highways to factories, power plants, and data centers. While often overlooked, this report offers valuable insight into one of the most cyclical sectors of the economy. Construction is more than bricks and mortar—it's a leading indicator of broader investment trends, tied to everything from consumer housing demand to government infrastructure outlays to artificial intelligence ("AI")-driven expansion. In this week's "Three on Thursday," we take a closer look at construction spending in the United States. View the three charts below to dive deeper into the current state of construction.

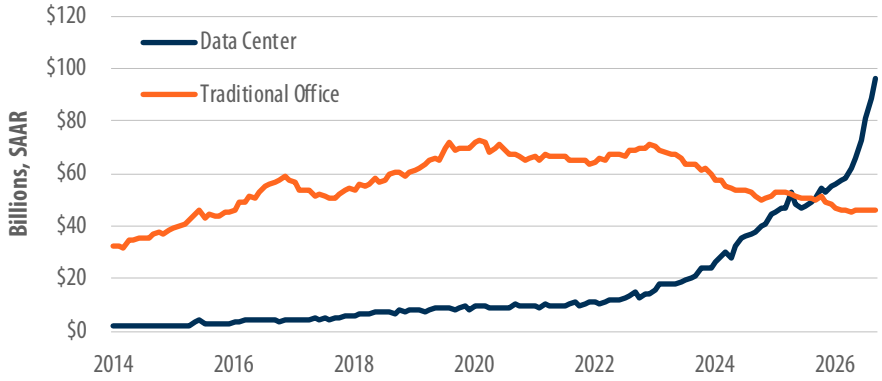
Total Value of Construction Put in Place



Source: Census Bureau, First Trust Advisors. Monthly data Jan 1965 - Sep 2026. SAAR: Seasonally Adjusted Annualized Rate.

Total construction spending falls into two main categories: public and private. About 75% of all construction in the U.S. is carried out through private projects, which have also been the primary driver of growth since the post-financial crisis bottom. Since the start of 2010, private construction outlays have surged 202%, compared to an 82% gain in public construction. In just the past five years, some of the fastest-growing segments of private construction—semiconductor fabrication plants, data centers, and energy facilities—have moved to the forefront, fueled by the twin forces of the AI buildout and the broader reshoring push.

Private Office Construction



Source: Census Bureau, First Trust Advisors. Monthly data Jan 2014 - Sep 2026. SAAR: Seasonally Adjusted Annualized Rate. "Traditional Office" represents the Census Bureau's "General" office construction category.

Within private construction, it's important to distinguish how spending is classified. For data centers, only the spending on the physical structures is recorded, while the servers and other equipment housed inside them, which make up the bulk of AI-related investment, are excluded. Data centers fall under the "office construction" category, and even though these figures capture only a fraction of the total investment going into the facilities, their impact is still significant. Data centers became the largest component of office construction for the first time in 2025 and have shown no signs of slowing. Since the start of 2020, data center construction spending has surged an eye-watering 1,118%, while traditional office construction has fallen 34% over the same period.

Electric Power Construction



Source: Census Bureau, First Trust Advisors. Monthly data Jan 2014 - Sep 2026. SAAR: Seasonally Adjusted Annualized Rate.

Estimates suggest that data centers could account for about 12% of all U.S. electricity consumption by 2030, up from just 4.7% in 2024. To keep pace with the growing demand, firms are investing heavily in energy infrastructure, both on and off the grid. After holding steady for most of the 2010s, electric power construction has started to climb in recent years, up 57% since the start of 2023. Taken together, electric power construction and data centers now account for 30.8% of all private nonresidential construction spending, versus 17.3% a decade ago. The data center boom is now extending beyond the facilities themselves, fueling a broader wave of investment in the infrastructure needed to support them.

This report was prepared by First Trust Advisors L. P., and reflects the current opinion of the authors. It is based upon sources and data believed to be accurate and reliable. Opinions and forward looking statements expressed are subject to change without notice. This information does not constitute a solicitation or an offer to buy or sell any security.