

# Five Things You Must Know About the Economy Right Now

Michael Guckes, Sr. Economist, ConstructConnect

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## Changing Demand Patterns

Demand for goods and services fluctuates in unpredictable ways.

Diversifying product and service offerings and markets served give a company a better chance of surviving an economic downturn.



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## Watching Your Customers' Customers

While the business cycle impacts virtually all businesses, the timing of its impact can vary between industries.

The best companies don't simply monitor their customers but their customers' customers.



3

## Risk of Project Cancellations & Delays

During the last recession, many construction firms saw backlogs of nine to 12 months slowly disappear as projects were put on hold or cancelled because no one could get financing.

Now's the time to start strategizing how you'll keep work coming in should things get tight.

4

## Supplies Relative to Sales

When contractors fail to realize an economic slowdown or contraction, this can result in a sudden surge of canceled or unwanted product orders. This can create a destructive ripple effect through the supply chain that broadly impacts the entire industry.

Leverage construction market insights and inventory-to-sales data when business cycle phases are shifting.

5

## Navigating Inflation & Rising Costs

In mid-2022, overall inflation stood at 9%, a 40-year high following more than a decade of historically low inflation rates. For most business leaders, the current inflation situation is forcing them to use forward-looking data while being mindful of the influence of inflation.

Be sure to give greater attention to inflation-adjusted data or monitor data provided in non-dollar terms.

+9%  
Inflation

40  
year high



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