The problem with getting a census for the 1976 construction year is this: there aren’t enough forecasters who agree on anything.

The Joint Economic Committee of Congress feels that a real Gross National Product—with construction pegged around the $100 billion mark—of between $890-$900 billion would have to be reached by the end of the fourth quarter in 1976 to keep unemployment at or below 7 percent.

But U. S. Trust said the GNP output would more likely be around $833 billion in fiscal 1976 with unemployment hovering at 9 percent.

IBM predicted real GNP at $857 billion with 7.7 percent of the U. S. workforce unemployed.

George A. Christie, vice president and chief economist of McGraw-Hill, feels that construction contracts in 1976 will total, $108.8 billion, up 15 percent over last year’s expected level of $94.6. And, Christie said, most of the increase will come from residential building contracts, which are expected to total $43 billion, a 37 percent gain over last year.

Slight Gains

The other two construction sectors, nonresidential and nonbuilding, are expected to show only slight gains.

When Engineering News Record polled 282 leading construction and design firms on the outlook for construction they reported that they expect 1976 to be no better than 1975.

The firms said they anticipate a 7-percent increase in the dollar value of new construction starts—with inflation running between 6 and 10 percent. Of these companies, 49 percent see an increase in construction over 1975’s volume; 40 percent are looking for fewer starts, and 11 percent don’t see any change.

Many industry forecasters look for a 3-percent increase in the total volume of construction contracts with most of the activity coming in sewerage, powerplants and multi-unit residential housing.

They base this on the feeling that private sector demand for new construction will be slim as many decisions to build will be postponed because of financing. And there is expected to be little federal stimulus for construction next year in view of President Ford’s tax cut and reduced federal spending proposals.

The most reasonable forecasts call for the nonresidential building sector to hit about $31 billion in 1976, and multi-unit residential to come in around $10.5 billion.

Welcome Change

In delivering his annual Dodge/Sweet’s Construction Outlook recently, Christie commented, “If we can manage to keep inflation within the bounds of 7 to 8 percent in 1976—and that’s a pretty fat target—it means there is a potential for a 7- to 8-percent increase in physical volume of construction . . . a welcome change after two years of back-to-back declines.”

While expectations for a continued gradual recovery from the recession remain high, Christie warned against looking for a duplication of the recovery from the 1970 recession.

“This recovery begins with the handicap of digging out of a recession that was twice as long and twice as deep as past ones,” he said, “and it’s a long way back to 1973’s peak. This recovery will also struggle under the handicap of tight money and tight budgeting, with only temporary relief during the pre-election period.

“Anybody who knows the construction business knows that in order to move construction projects off the drawing board it takes plenty of private lending or public spending, or both. Unless there is some relaxation of present monetary tightness much of the potential for expansion of the construction industry in the year or two ahead will never be realized.”

Conceding that in an election year such as 1976 will be, there will be some relaxation, Christie noted that construction volume in the industrial sector is largely in petroleum refineries and petrochemical plants, in new power plant construction, and in the Alaska pipeline construction.