

# 2024 FACILITIES & CONSTRUCTION BRIEF

## AN OVERVIEW OF THE EDUCATION CONSTRUCTION SCENE

### 2023 MARKED A MAJOR COMEBACK FOR CONSTRUCTION ON EDUCATION FACILITIES IN BOTH K–12 AND HIGHER EDUCATION.

Whereas 2021 saw the first decline in construction spending since 2013 and 2022 rebounded slightly, 2023 brought increased spending well beyond pre-pandemic levels. Still, challenges abound in the sector: Spaces4Learning 2024 Construction Brief survey respondents across PreK–12 and higher education complained of high construction costs (for both materials and labor), aging buildings with deferred maintenance, and long lead times for equipment, among other issues.

Private construction spending on education totaled \$23.26 billion in 2023, according to United States Census Bureau data,

up more than \$3.26 billion from 2022. Public construction spending on education increased as well, from \$84.04 billion in 2022 to \$96.97 billion in 2023.

How was the money spent? Nearly half of preK–12 survey respondents (48.84%) reported completing new or replacement buildings in 2023, while in the higher education side, major renovations/modernizations were the most commonly completed construction projects of the year, cited by 42.5% of respondents.

Funding continues to be a hurdle for education institutions across the board. Roughly 63% of preK–12 respondents and 75% of higher education respondents expect fewer funds or no change in available funds this year.

## CHANGES IN POPULATION AFFECT ENROLLMENT

### POPULATION CHANGE

Between 2021 and 2022, the population of the United States grew 0.4%. Between 2022 and 2023, the rate of growth increased slightly to 0.5%. That amounted to an increase of 1.643 million people to the U.S. population, bringing the total to 334,914,895, according to the United States Census Bureau.

For the third year in a row, the natural increase in population (births minus deaths) fell below increases in population owing to international migration. In other words, there were more net international migrants adding to the U.S. population (1.139 million) than net gains through childbirth minus deaths (504,495).

“U.S. migration returning to pre-pandemic levels and a drop in deaths are driving the nation’s growth,” said Kristie Wilder, a demographer in the Population Division at the Census Bureau. “Although births declined, this was tempered by the near 9% decrease in deaths. Ultimately, fewer deaths paired with rebounding immigration resulted in the nation experiencing its largest population gain since 2018.” (See [census.gov/newsroom/press-releases/2023/population-trends-return-to-pre-pandemic-norms.html](https://www.census.gov/newsroom/press-releases/2023/population-trends-return-to-pre-pandemic-norms.html).)

Some stats for the year based on current estimates (as of July 2023, the most recent census data available) include:

- The total population of the United States in 2023 was 334.91 million, according to the U.S. Census Bureau. The total population in 2022 was 333.29 million. The total population in 2021 was 331.9 million. The total population in 2020 was 330.03 million. The population in 2019 was 329.16 million.
- There was roughly one death every 10 seconds and one birth every nine seconds, with one net gain from immigration every 28 seconds.
- Nineteen states, as well as Puerto Rico, saw more deaths than births (natural declines).
- Thirty-one states and the District of Columbia saw more births than deaths.

## ENROLLMENT ESTIMATES

### PREK-12

While final data are not yet available for enrollment in 2023, the National Center for Education Statistics (NCES) projected that 49.012 million students would attend public PreK–12 schools in fall 2023. That is down by about 722,000 from the previous

HIGHEST GROWTH AND DECLINE BY NUMBER (2022 to 2023)		
State	2023 Population	Growth
Texas	30,503,301	473,453
Florida	22,610,726	365,205
North Carolina	10,835,491	139,526
Georgia	11,029,227	116,077
South Carolina	5,373,555	90,600
Pennsylvania	12,961,683	–10,408
Louisiana	4,573,749	–14,274
Illinois	12,549,689	–32,826
California	38,965,193	–75,423
New York	19,571,216	–101,984

Source: U.S. Census Bureau, Annual Estimates of the Resident Population for the United States, Regions, States, District of Columbia, and Puerto Rico: April 1, 2020 to July 1, 2023. See [census.gov/newsroom/press-releases/2023/population-trends-return-to-pre-pandemic-norms.html](https://www.census.gov/newsroom/press-releases/2023/population-trends-return-to-pre-pandemic-norms.html).

Just eight states saw population declines from 2022 to 2023 (compared to 18 the previous year)—including the most populous state in the nation, California, which declined by 75,423 this year, following a decline of 113,649 last year. Collectively, states with population declines (California, Hawaii, Illinois, Louisiana, New York, Oregon, Pennsylvania, and West Virginia) had a population loss of 249,161 in 2023, compared to 509,789 in 2022. “While many of these states have lost population annually since 2020, their population declines have slowed,” the U.S. Census Bureau noted.

Eleven states that experienced population declines in 2022 saw gains in 2023: New Jersey (+30,024), Ohio (+26,238), Minnesota (+23,615), Massachusetts (+18,659), Maryland (+16,272), Michigan (+3,980), Kansas (+3,830), Rhode Island (+2,120), New Mexico (+895), Mississippi (+762), and Alaska (+130).

Texas saw the highest population growth (+473,453), followed by Florida (+365,205). The fastest-growing states in the nation were South Carolina, with a 1.7% growth rate, and Florida, with a 1.6% growth rate.

projection for 2023. About 1.354 million of those are pre-kindergarten level; 3.403 million kindergarten; 33.484 million PreK–8; 15.528 million grades 9–12. 2023’s projected public school enrollment was down slightly from 2022, with enrollment declines projected every year through 2031. (See [nces.ed.gov/](https://nces.ed.gov/)

programs/digest/d23/tables/dt23\_203.10.asp.)

NCES projections on private PreK–12 school enrollment have recently been updated to reflect the expected impacts of the coronavirus pandemic. While NCES projected small boosts in enrollment for private schools during the pandemic, long-term projections now mirror the declines expected on the public side.

Overall, projections for enrollments in PreK–12 education have been revised downward—where revisions have been made to previous data—through 2031.

### DEGREE-GRANTING POST-SECONDARY

In higher education, 18.94 million students were projected to attend colleges and universities in 2023. Of those:

- 11.51 million were full-time.
- 7.43 million were part-time.
- 13.86 million were enrolled in public institutions.
- 5.08 million were enrolled in private institutions.

Overall, projections for enrollments in higher education have been revised downward through 2031.

ENROLLMENT PROJECTIONS (IN THOUSANDS)											
Year	All	PK-12	PK-12 Public			PK-12 Private			Degree-Granting Postsecondary		
			Total	PK-8	9-12	Total	PK-8	9-12	Total	Public	Private
2010	75,886	54,867	49,484	34,625	14,860	5,382	4,084	1,299	21,019	15,142**	5,877**
2021	74,153**	55,493**	49,433**	33,998**	15,436**	6,060**	4,544**	1,516**	18,659**	13,546**	5,113**
2022*	74,162**	55,201**	49,618**	34,071**	15,547**	5,939**	4,399**	1,540**	18,580**	13,494**	5,086**
2023*	73,774	54,834	49,012	33,484	15,528	5,822	4,278	1,544	18,940	13,861	5,079
2031*	72,026**	51,792**	46,890**	32,225**	14,664**	4,902**	3,545**	1,357**	20,234**	14,785**	5,449**

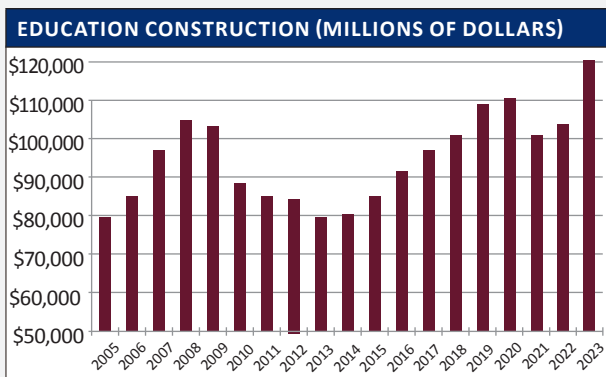
\*Projected. Note that data are taken from three sources from NCES. Where data disagree, we have used the most recent source. Source for all data prior to 2022 and private PreK–12 data for 2021, 2022, 2023, and 2031: National Center for Education Statistics, Enrollment in elementary, secondary, and degree-granting postsecondary institutions, by level and control of institution, enrollment level, and attendance status and sex of student: Selected years, fall 1990 through 2031. Source for 2021, 2022, 2023, and 2031 public PreK–12 data: nces.ed.gov/programs/digest/d23/tables/dt23\_203.10.asp. Source for 2021, 2022, 2023, and 2031 higher education data: nces.ed.gov/programs/digest/d23/tables/dt23\_303.10.asp.

\*\*Data or projections revised since our previous report.

## EDUCATIONAL CONSTRUCTION SPENDING

The total dollar value of education construction work done in the U.S. (including all 50 states and the District of Columbia) is estimated to have been \$120.23 billion in 2023—the strongest year on record for construction spending in the education sector, up \$16.19 billion from 2022. Spending has steadily increased each year since the steep decline of about \$9.7 billion between 2020 to 2021, when supply chain and staffing issues during the pandemic likely had a major effect on construction.

Educational construction spending includes expenditures for new buildings and structures; additions; renovations; rehabilitations; major replacements (such as the complete replacement of a roof or heating system); mechanical and electrical installations; site preparation; and outside construction of fixed structures or facilities, such as sidewalks, parking lots, and utility connections. Educational facilities include preschools, primary/secondary schools, higher education facilities, trade schools, training facilities, and other educational spaces, including museums and libraries.



Source: U.S. Census Bureau

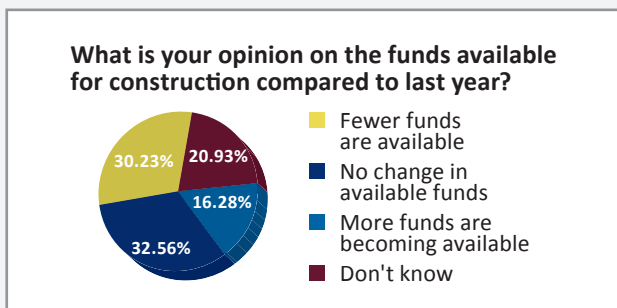
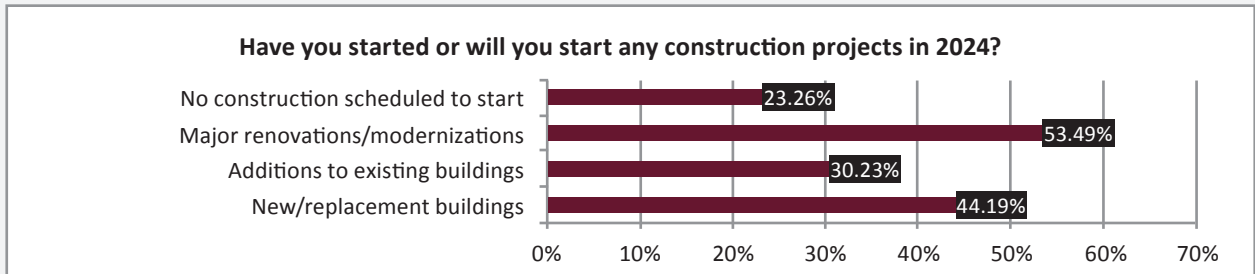
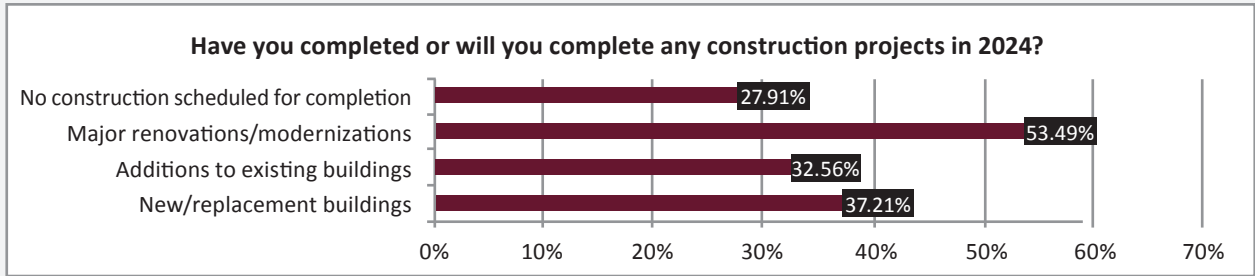
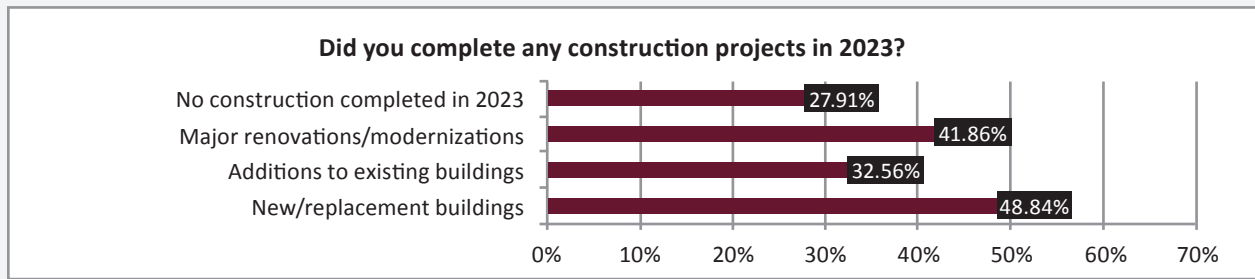
YEAR	TOTAL (Millions of Dollars)
2005	\$79,687
2006	\$84,928
2007	\$96,758
2008	\$104,890
2009	\$103,202
2010	\$88,405
2011	\$84,985
2012	\$84,672
2013	\$79,060
2014	\$79,681
2015	\$85,346
2016	\$91,629
2017	\$96,685
2018	\$101,210
2019	\$108,952
2020	\$110,692
2021	\$100,988*
2022	\$104,035**
2023	\$120,226

Source: U.S. Census Bureau, Annual Value of Construction Put in Place (Annual Totals).

\* Revised using the most recent statistics available, as of May 2024. Previously reported at \$98,426 billion.

\*\* Revised using the most recent statistics available, as of May 2024. Previously reported at \$99,191 billion.

## SURVEY ON PREK-12 SCHOOL CONSTRUCTION



**Top 5 space(s) that will undergo construction or renovation in the coming year:**

Classroom	67.44%
Gymnasium/sports facility	51.16%
Cafeteria/food services/dining	46.19%
Administrative and office	44.19%
Theater/auditorium	41.86%

Survey Respondents: 43 PreK-12 school districts responded to this survey among 24 states.

### KEY TAKEAWAYS

- In the previous PreK-12 survey at this time last year, 67.275% of respondents said they completed construction projects during the survey period (2022). This year, that increased to 72.09% completing constructions in 2023.
- For this year's survey, 41.86% indicated they had completed major renovations or modernizations in 2023. That's down from 52.73% the previous year.
- Nearly three in four respondents (72.09%) indicated they have completed or will complete construction projects in 2024, down from last year's 80%.
- 76.74% said they have started or will start new construction projects in 2024, down about three percentage points from the previous year's survey.
- New/replacement buildings were the biggest focus of projects completed in 2023; while renovations/modernization dominate plans for 2024.

### HOPES AND CHALLENGES FOR PREK-12 INSTITUTIONS

The top five facilities and construction challenges for survey respondents at the PreK-12 level this year were:

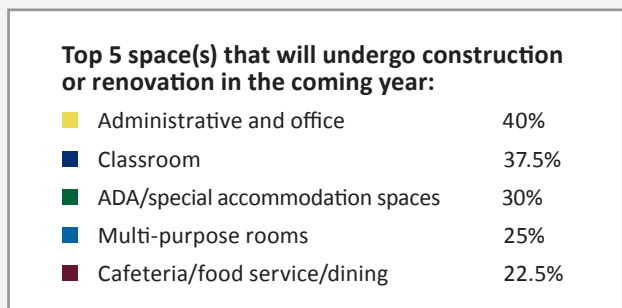
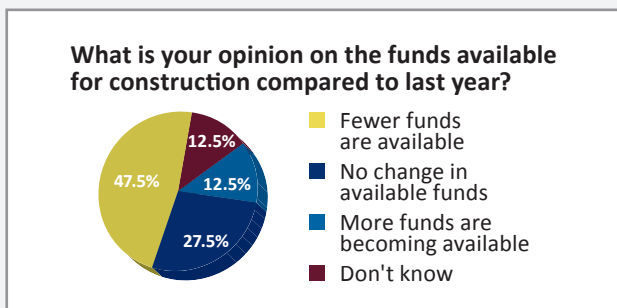
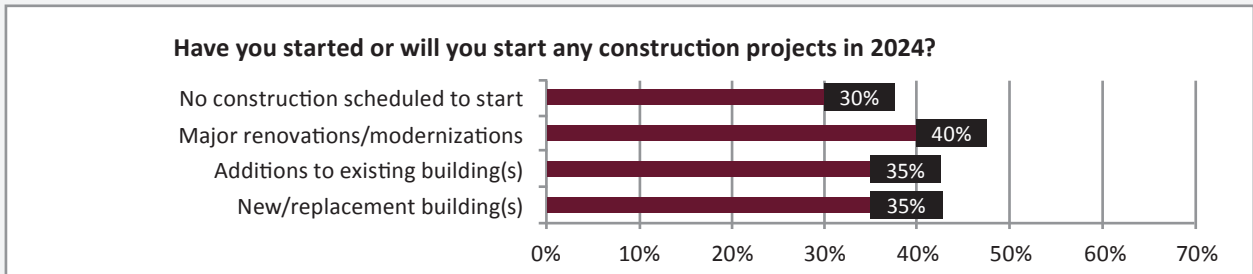
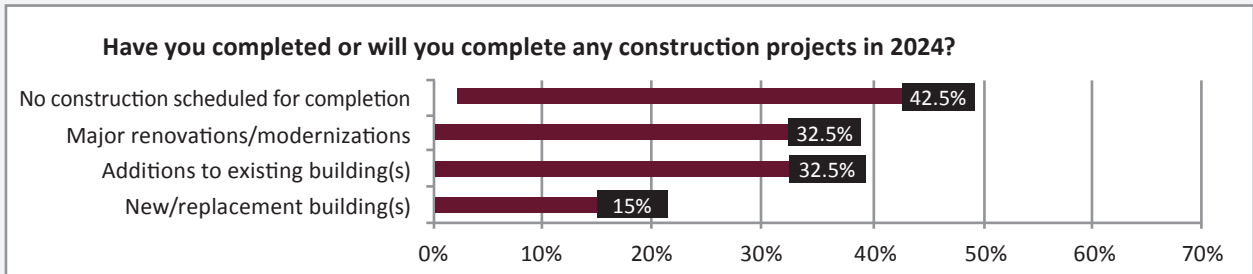
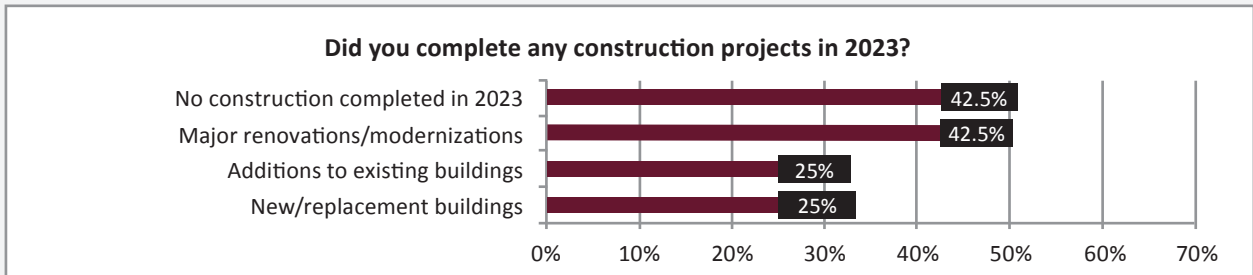
- Construction costs (materials and labor)—53.49%
- Aging buildings—30.23%
- Long lead times for equipment—27.91%
- Volatility causing issues with planning and cost estimates—25.58%
- Shortage of qualified staff and labor—18.6%

When asked what is on their facilities and construction wish list this year,

the majority of PreK-12 respondents focused on their renovation needs, such as classroom remodels, HVAC upgrades, flooring and window replacements, updated wiring, and more. Many wished for decreased costs and successful project completion:

- "Ease of connectivity, smoother operations, construction costs decrease."
- "To complete all the ongoing projects."
- "That prices decline and skilled labor becomes more abundant!"
- "To finish in a timely manner and come in under budget."

## SURVEY ON COLLEGE AND UNIVERSITY CONSTRUCTION



Survey Respondents: 40 colleges and universities responded to this survey among 21 states.

### KEY TAKEAWAYS

- 57.5% of higher education respondents indicated their institution had completed construction in 2023, down from 70% in last year's survey.
- 57.5% of higher education respondents indicated they have completed or will complete construction projects in 2024, a significant drop from 72.5% in last year's survey.
- 70% of higher education respondents reported they have started or will start new construction projects in 2024, down slightly from 72.5% in last year's survey.
- Major renovations/modernizations were the major focus of projects completed in 2023; that will carry through in 2024.
- Administrative and office spaces top the list of facilities that will undergo construction or renovation in the coming year, cited by 40% of respondents.
- Institutions that reported that fewer funds for construction were available increased to 47.5% from 32.5% in 2023. Just 12.5% of respondents expected an increase in funding.

### HOPES AND CHALLENGES FOR COLLEGES/UNIVERSITIES

The top five facilities and construction challenges for survey respondents at the college and university level this year were: As on the PreK–12 side, three themes dominated the list of challenges for survey respondents at the college and university level this year:

- Construction costs (materials and labor)—50%
- Deferred maintenance—32.5%
- Decision-making process—22.5%
- Aging buildings—20%
- Supply chain/material shortages; project management problems; timeliness of project completion;

and long lead times for equipment—four-way tie at 15%

When asked what is on their facilities and construction wish list this year, college and university respondents focused largely on renovation needs. Budget woes were also a common theme:

- "More funding! We're already \$5 million over budget, halfway through the year."
- "Complete all projects on CIP. Get all state funding."
- "Just making sure everything is working properly until next year."