

SUMMARY & OVERVIEW

This note takes a look at the state of the U.S. public company backlogs as of the third quarter of 2025. The purpose of doing this is to gain insights into the potential future growth of the US economy, since backlogs are an indicator of future work that’s been booked but not yet performed. Backlogs are not guaranteed work of course, as they can be canceled (though usually with penalties), but should that start to happen to a greater degree, that would of course tell us something too. One way or the other, backlog data gives us good insights into the interest and appetite for companies to make future commitments. If backlogs are growing, that should indicate companies feel optimistic about the future and therefore are willing to commit to future projects. If they are shrinking, that could very well mean the opposite. Second derivative elements of these dynamics (e.g. accelerating or decelerating growth) should indicate even more pronounced sentiment one way or the other.

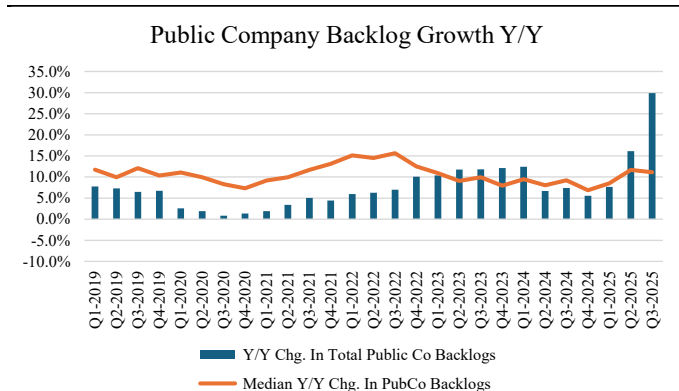
Our sample size for our backlog analysis amounts to around 250 companies, with just over 200 of them reporting data so far this quarter. In aggregate, the total backlog (which we define as the GAAP metric “Remaining Performance Obligation” disclosed in 10-Qs and 10-Ks) for just the companies that have reported has almost reached \$4 trillion this quarter. This compares to last quarter’s total of \$3.6 trillion (which we should note includes 20% more companies as of now). As a reminder, similar to what we do with our [Gross National Income](#) (GNI) model, however, *we only count company data when we have it for both this year’s quarter, and last year’s*. This helps ensure we’re looking at things on an apples-to-apples basis (though it doesn’t entirely absolve us of potential mix issues).

The conclusion from our latest data suggests that backlogs grew at a very healthy clip in 3Q, with total backlog growth of almost 30% year-over-

year. This bodes well for future growth in coming quarters. Importantly, while tech and AI almost assuredly drove a significant chunk of this growth, it by no means drove it all. Backlog growth from our sample *excluding* tech grew 13.1% this quarter, which was the fastest growth that we’ve seen since at least 1Q19.

WHAT DOES PUBLIC COMPANY BACKLOG DATA SAY FOR 3Q25?

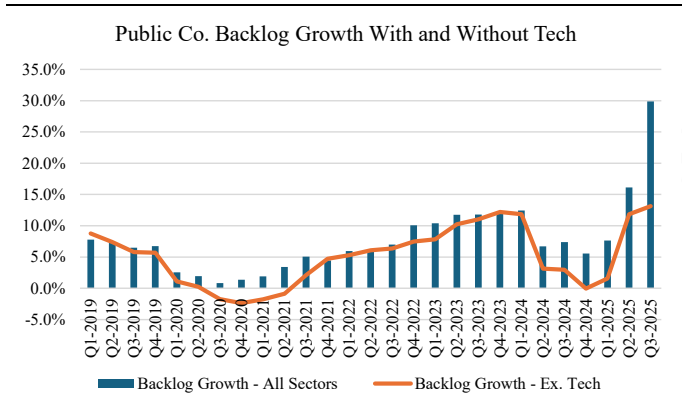
As noted above, as of this writing, about 200 of our 250 companies from our backlog model have filed their 10-Q’s or 10-K’s, which has allowed us to pull their backlog data. **While the aggregate figures showed huge growth of almost 30%, these were somewhat “distorted” by huge gains from companies related to AI (see for example ORCL, who saw its backlog grow \$317.5B, or 230%, quarter-over-quarter alone in 3Q because of its large arrangement with OpenAI). More importantly, however, the median backlog still grew a very solid 11.3% year-on-year, which while slightly lower than last quarter’s 11.7%, is the second highest since 4Q22.** The below chart shows aggregate backlog growth (blue bars) and then median backlog growth (orange line).



Source: SEC Filings, *The Curb Economist*

The next chart shows our sample’s backlog growth with and without tech. We’re showing this because it seems clear the economy is getting a jolt from AI and everything that comes with it (particularly the

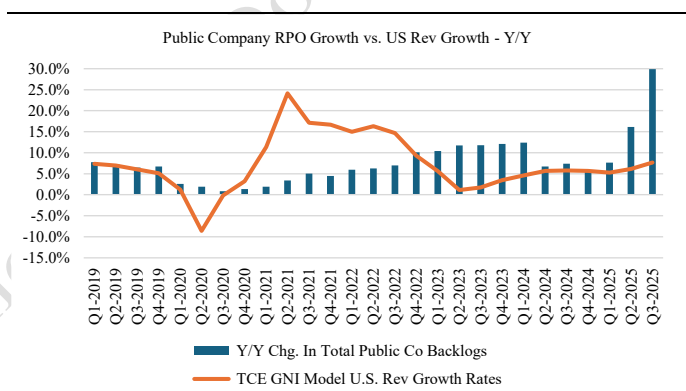
accompanying infrastructure spending). That said, the jolt is not just affecting tech companies, as they are not the ones actually building out the infrastructure to support AI. Many subsectors in the industrial vertical are clearly also benefitting: equipment rental companies, construction firms, electricity suppliers and providers, etc. Backing out the impact from AI becomes even more difficult when you account for the fact that many sectors are not “backlog based” businesses at all. Many of the longer-cycle businesses that are in sectors that do disclose backlogs are therefore likely to be the same ones benefiting from AI infrastructure spend. Our simplistic with / without tech backlog breakdown then is certainly not going to be able to give us a clean “with / without AI” backlog growth estimate, but it’s still probably at least directionally informative.



Source: SEC Filings, *The Curb Economist*

How should we think about backlog growth relative to the revenue growth our GNI model ultimately spits out? As a reminder, TCE’s GNI model tracks public company revenue growth in the *United States*. As the below chart shows, even though reported public company backlogs are not U.S. specific, they do seem to lead either inflections or accelerations in U.S. revenue growth, though we wouldn’t say this is our most predictive dataset. [Our GNI notes highlight our view that the U.S. had a recession in 2023](#), and the steady march upward in backlog growth in 2022 and 2023 does not exactly

fit with that view (especially considering backlog growth was accelerating both including and excluding tech). That said, that upward march during those years may have very well be driven by the return to normalization after COVID than anything else. As the chart below shows though, we may be returning to a phase where there isn’t as much of a lag in the revenue to backlog growth correlation, which was generally what we saw in 2019 prior to COVID. Over the last 5-6 quarters too, revenue growth has matched backlog growth to a much greater degree than we saw in 2020-22. Time will tell on how this relationship evolves.



Source: SEC Filings, *The Curb Economist*

CONCLUSION

The main takeaways from 3Q25 public company backlog data are positive:

- Aggregate backlog growth exploded in 3Q to roughly 30% year-on-year, by far the largest in the history of our sample
- While tech was clearly the driving force behind this sharp inflection, it was by no means the only driving force, as cumulative backlog growth in our sample away from tech posted the best growth in the history of our sample too (13.1%)
- This is further evidenced by the fact that median backlog growth was the second strongest since 4Q22 (11.3%)