

2020 WORKFORCE SURVEY RELEASE
Virtual Media Event Talking Points
September 2, 2020

Steve Sandherr Remarks

Hello and thank you for joining us today. My name is Steve Sandherr and I am the chief executive officer of the Associated General Contractors of America. With me today are Ken Simonson, AGC's chief economist; Allison Scott, Autodesk's Director of Construction Thought Leadership and Customer Marketing; Doug Hacker, the Executive Vice President of Lexington, Kentucky-based general contractor Congleton-Hacker, Co. and Art Daniel, the President and Chief Operating Officer of Cedar Hill, Texas-based AR Daniel Construction Services.

Each year, our association partners with Autodesk to conduct an industry survey of the state of the construction labor market. We do this so we can understand whether our member firms are able to find qualified workers to hire, the impacts of any labor shortages on the broader industry and what those shortages mean for the overall economy.

This year things appear to be quite different. Since the start of the pandemic, the construction industry has shed more than four-hundred thousand jobs as demand for projects has stalled in many parts of the country. So, we recrafted our workforce survey to measure the impacts of the coronavirus on the construction workforce and the overall industry. We also wanted to get a sense of how firms were adapting to the new realities and what kinds of relief measures could help the industry.

We are releasing those findings today. What the responses make clear is that the coronavirus is delivering a one-two punch to the construction industry. On one hand, the pandemic is undermining demand for construction, prompting project delays and cancellations, layoffs and furloughs. Yet at the same time, it is contributing to conditions that make it difficult for a majority of firms to find craft workers to hire.

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The coronavirus has also negatively affected many firms' confidence in future demand for projects. Only 42 percent of firms report their volume of business has returned to year-ago levels or is expected to do so in the next six months, compared to 52 percent who held this view in AGC's June survey. Another 37 percent expect returning to normal levels of business will take more than six months, while the remainder don't know.

It is important to note that while the pandemic has led to project delays and cancellations nationwide, contractor expectations of recovery do vary by region. Forty-five percent of respondents in the Northeast expect it will take more than six months for their firm's volume of business to return to normal, compared to only 34 percent of respondents in the West, 35 percent in the South, and 41 percent in the Midwest.

There were also some differences by project type and revenue size. For instance, highway and transportation

Allison Scott Remarks

Thanks Ken.

(Allison remarks)

And now I would like to turn things back to Steve to wrap up our analysis of this year's survey results.

Steve Sandherr Remarks

Thank you, Allison and Ken, for sharing your insights into the survey results. In addition to measuring the impact of the coronavirus on the industry's workforce and business conditions, we also asked construction firms to identify

Now before we open things up for questions, I would like to invite the contractors on the call, Doug Hacker and Art Daniel, to share some observations about the labor market conditions, demand for construction and the impacts of the coronavirus in your respective areas.

Let's start with Doug...

Thanks Doug. Art...

And now let's open things up for questions.

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