2010 CONSTRUCTION INDUSTRY EMPLOYMENT AND BUSINESS FORECAST
MEDIA CONFERENCE CALL REMARKS
for Stephen E. Sandherr
January 20, 2010

Hello everyone, and thank you for making the time to dial in today. While 2009 was a difficult year for much of the U.S. economy, it was simply devastating for the construction industry.

Construction spending declined last year by 137 billion dollars, and is now at the lowest level in six years. And while only five percent of the U.S. workforce, construction workers shouldered twenty percent of non-farm layoffs last year. As the latest federal employment figures make clear, the depression

Meanwhile, there is a great deal of uncertainty in the employment picture for this year. While 73 percent of firms reported laying off employees last year – an average of 39 layoffs per firm – almost 60 percent of firms say they are unsure whether they will add or lay off employees this year. Perhaps they can't imagine who else to let go.

There are some relative bright spots in our outlook, however, most of which are related to the federal stimulus package. The approximately 135 billion dollars in construction funds included in last year's package are now beginning to have a measurable, but limited, impact on the construction industry. Unfortunately, the full impact of those investments has been tempered by the inability of Congress to put multiyear infrastructure funding plans in place.

For example, 31 percent of respondents said they were awarded stimulus-funded contracts in 2009. Of these, 46 percent say the stimulus helped them to retain employees – an average of 24 employees each. Another 15 percent say stimulus-funded work helped them to add an average of 10 new employees each. Twelve percent cite the stimulus as driving new equipment purchases total an average of 550,000 dollars last year.

You can see the impact of the stimulus in contractors' expectations for this year. Sixty-six percent of contractors feel highway construction will improve or stay stable this year. Sixty-one percent say water and sewer construction will improve or stay stable. Fifty-five percent say work on public buildings will [illegible]

Just as county governments appreciate the benefits of investing in construction now, so too should the federal government. That is why today we are sending a letter urging leaders in Congress and key administration officials to take advantage of the “limited-time sale” for construction services. If they act now, they can save tax payers millions on construction costs while immediately boosting employment and economic activity. Our chief economist, Ken Simonson, will explain.

Before I turn things over to Ken, however, I’d like to introduce the other people we have with us on the line today.

Kristine Young is President of Des Moines, Iowa-based Miller the Driller. Don Weaver, senior vice president of El Paso, Arkansas-based Weaver Bailey Contractors, a road construction firm, is on the line.

Jack Parker is the President and CEO of Woolwich, Maine-based Reed and Reed, a long time road and maritime contractor who lately has been doing quite a lot of work constructing wind turbine facilities.

Maryanne Guido is the CEO of