

2020 Construction Hiring & Business Outlook Media Call Remarks

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Hello everyone, thank you for dialing in today. My name is Stephen Sandherr and I am the chief executive officer of the Associated General Contractors of Wisconsin. We recently participated in our Outlook survey between

representing a broad range of firms in terms of size, business volume and geographic distribution. Their responses make clear that contractors are very optimistic about demand for construction in 2020 and, as a result, three-quarters of them plan to expand their headcount in 2020.

At the same time, many construction executives are troubled by labor shortages and the impacts those shortages are having on their operations, training & safety programs and bottom lines. That demand for workers is prompting significant changes to the way firms operate their businesses, hire and prepare workers, schedule, price and build projects. Labor shortages are also prompting many firms to boost invest

There was a net positive reading of 17 percent for power projects and construction for federal agencies. Respondents were nearly as optimistic about higher education projects, with a net positive reading of 16 percent. For all of these segments, respondents were more upbeat about market prospects than in last year's survey.

There were net positive readings of 11 percent each for manufacturing and multifamily residential construction and 10 percent each for public buildings and the retail/warehouse building categories. The net positive reading—8 percent—was for private office projects.

Thank you, Ken.

For the past several years the qualified worker shortage has been weighing on contractors' minds. This year's survey results reinforce that it's affecting more than just a firm's ability to fill open positions. Not having enough qualified workers affects how firms operate—and their ability to complete projects on time. It often leads to projects taking longer and costing more in the process. At the same time projects are becoming more complex. As less experienced workers take on increasingly more complex projects it increases the firm's risk. We're going to continue to see firms turning to technology to help bridge the gap.

Technology can be strategically applied to increase productivity of current staff. As Ken mentioned, 32 percent of firms have adopted or increased use of labor-saving equipment such as drones, robots, 3-D printers, or laser/GPS guided equipment. Firms are becoming more strategic about IT as they try to remain competitive in today's environment. According to this year's Outlook, 48 percent of contractors indicate ~~th, Ken~~(on)(us)-1TJ0 Tc 0

solutions on the job site, the numbers are higher. Sixty-eight percent use mobile software for daily field reports, 61 percent use mobile technology for employee time tracking and approval, and 55 percent use mobile technologies for both field access to customer and job information, and for the sharing of drawings, photos, and documents.

Finally, the use of information technology is not without its challenges. Forty-three percent of contractors say it's difficult to find the time to implement and train on new technology. Employee resistance to technology and communication between the field and office are the other top concerns as identified by 38

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borders. Allowing people to unlawfully work in this country sets them up to be exploited by unscrupulous firms who are able to under-bid more responsible firms.