

Minnesota Construction Industry Assessment **2021-2022**



Executive Summary

2021-2022 AGC of Minnesota Construction Industry Assessment

The 2021 AGC of Minnesota Construction Industry Assessment is a perception and opinion-based survey tool that provides a snapshot of projected statewide construction market opportunities, challenges and influences that impact the architect, engineering, and construction (AEC) economy. This year, additional prompts were added to elicit deeper responses in some areas and a broader focus was placed on diversity and inclusion. More than 150 responses were tallied statewide from all AEC sectors and construction disciplines.

MARKET OBSERVATIONS:

Overall, respondents are strongly optimistic that market demand for construction services will be positive in 2022, reflecting a return to almost pre-COVID optimism levels. Project cancellations and deferrals have abated slightly but remain at high levels for both building and highway markets. The pandemic remains a drag across all AEC sectors but flagging market opportunity due to COVID impacts has been overtaken by stubborn supply chain disruption and skilled workforce availability as the greatest challenge to business operations.

The strongest market optimism resides in the highway sector. Responses were recorded prior to passage of the new federal infrastructure investment act which will significantly bolster opportunity in this sector going forward. Building markets continue to reflect a decline in retail and commercial office construction while alternative energy has spiked in being cited as the highest growth rate market sector and market expansion opportunity.

LABOR MARKET, HIRING & COVID IMPACT:

Overall, access to skilled labor and workforce remain a top concern across all AEC sectors. 47% of architect, engineer and professional service providers indicate significant challenges with workforce availability in the COVID economy, while remote work utilization strategies registered the highest (87%) with these same groups. Union contractors continue to report a high response of a perceived decline in craft workforce skill levels while employer confidence in worker productivity for hires sourced from joint apprenticeship programs indicate challenges and concerns.

Responses show a large increase in hiring demand for 2022 over last year across all AEC sectors. Firms reporting planned layoffs for 2022 shrank dramatically. Increasing compensation again registers as the most effective strategy (and the greatest increase among strategies) used to retain workforce.

A full 60% of responses overall report managerial and operational costs attributable to COVID have increased. This is an 11% jump above 2020 responses, indicating a continued COVID financial drag on business operations.

DIVERSITY IN WORKFORCE AND SUBCONTRACTING:

A strong majority of firms continue to indicate using deliberate measures to attract and retain a diverse workforce. 56% report these efforts are producing results. Overall, respondents continue to strongly indicate a lack of diverse talent in needed craft positions as their biggest barrier to increasing workforce diversity.

Thirty percent of general contractors awarded over 10% of their subcontracts to minority-owned firms, and a third of this cohort awarded more than 25%. Those numbers decrease slightly for women-owned subcontractors and more significantly for veteran-owned subcontractors. Twenty percent of general contractors awarded contracts to over 15 minority-owned subcontracting firms in the past year. However, very few contracts were awarded to NEW disadvantaged firms in 2021.

General contractors report that the number one barrier limiting more diversity in their subcontracting is the unavailability of disadvantaged firms for the specific work being performed.

CONCLUSION:

Survey readers should come away with a clear impression the AEC sector is optimistic and well-positioned for a strong and productive 2022. Pandemic-influenced challenges have waned, while new challenges with supply chain and materials availability have emerged. Longstanding underlying challenges in workforce availability and workforce skill levels remain a stubborn drag on business operations. All AEC sectors will carry strong hiring demand into the coming year as they look to emerge from the impact of COVID restrictions and leverage a robust market.

Thank you to all who participated in the 2021 AGC of Minnesota Construction Industry Assessment. Your responses help to frame the many challenges and opportunities for AEC firms in the Minnesota marketplace.

We remain **Your Trusted Resource.**

Tim Worke
CEO

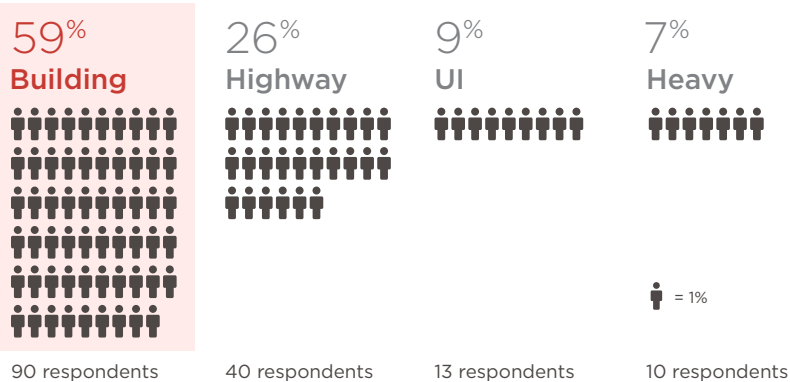


Respondent Snapshot

Industry sectors, volume sales, and geographic areas

Industry Sectors

Primary sector: **Building**



QUESTION

Please indicate your primary industry sector as defined below.

- Building
- Highway
- Utility Infrastructure
- Heavy Industrial
(i.e. refineries, pipelines)

1 person icon = 1%

Types of Firms

Top firm type: **Specialty Contractor**



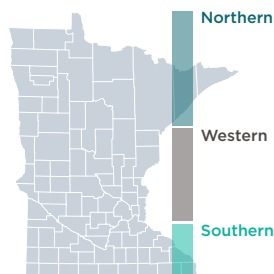
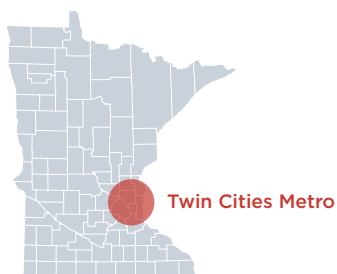
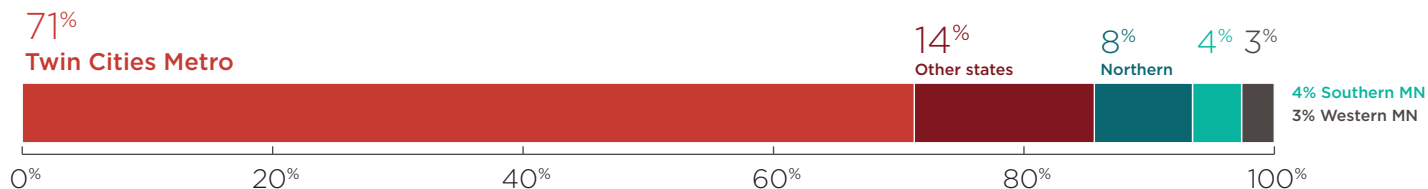
QUESTION

Which of the following best describes your firm?

- General Contractor
- Specialty Contractor
- Engineer
- Architect
- Affiliate
- (material supplier/service provider)

Geographic Area Where Work is Performed

Top area: **Twin Cities Metro**



QUESTION

Please indicate the primary geographic area where you perform work.

- Twin Cities Metro
- Northern Minnesota
- Southern Minnesota
- Western Minnesota
- States other than Minnesota

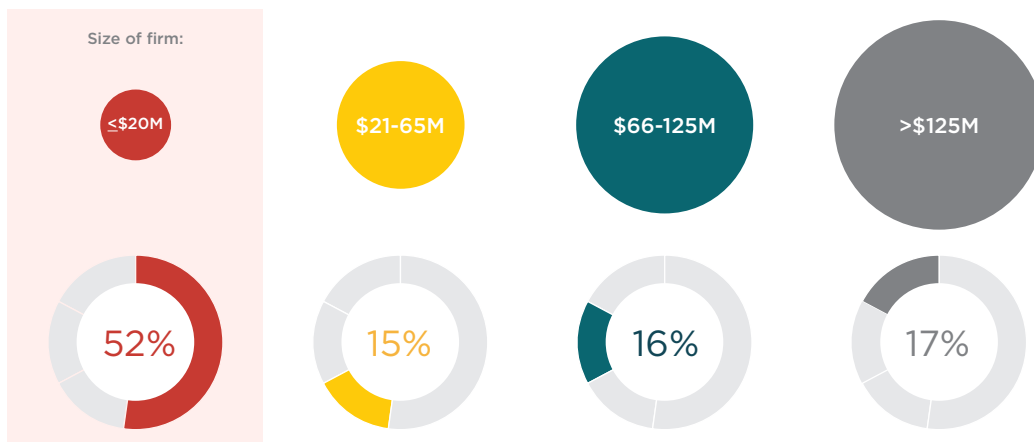
Respondent Snapshot

Size of firm in sales

ALL RESPONDENTS

Size of Firm in Annual Volume Sales

Top size: **\$0-20M**



QUESTION

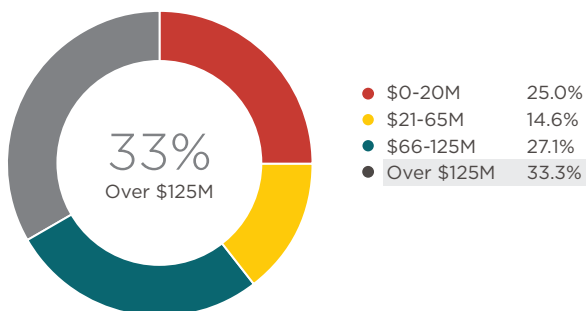
Please indicate the size of your firm in annual volume sales

- \$0-20M
- \$21-65M
- \$66-125M
- Over \$125M

Responses By Firm Type

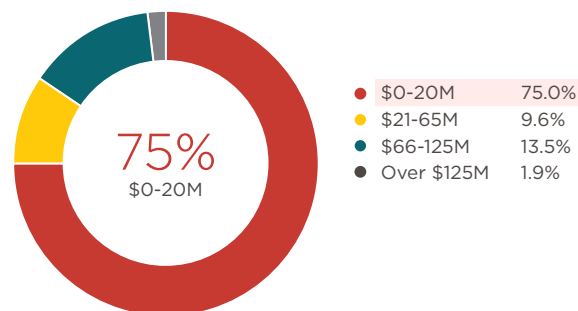
General contractors

Top size: **over \$125M**



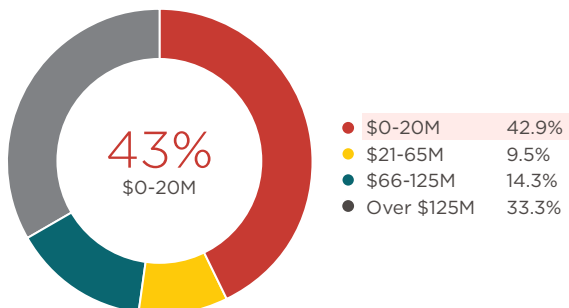
Specialty contractors

Top size: **\$0-20M**



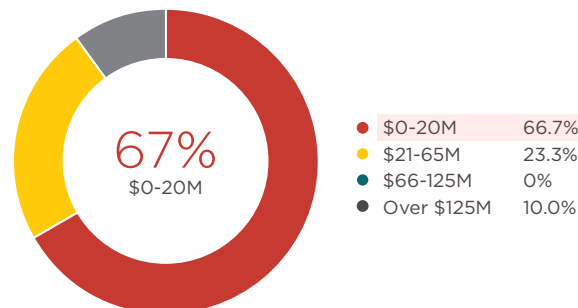
Affiliates (Material Suppliers /Service Providers)

Top size: **\$0-20M**



Architects and Engineers

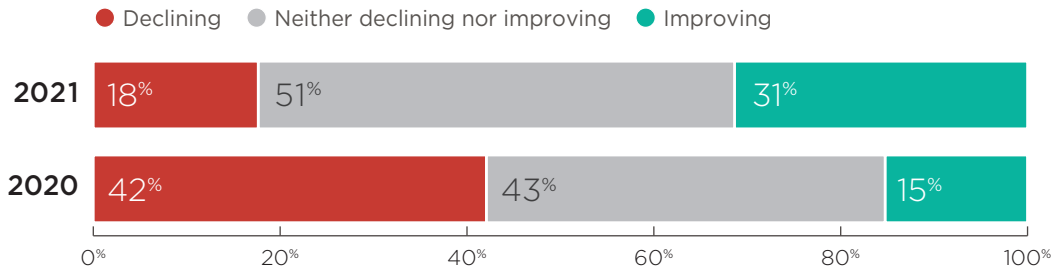
Top size: **\$0-20M**



Looking ahead to 2022

How respondents perceive market conditions affecting their firm

All Respondents



QUESTION

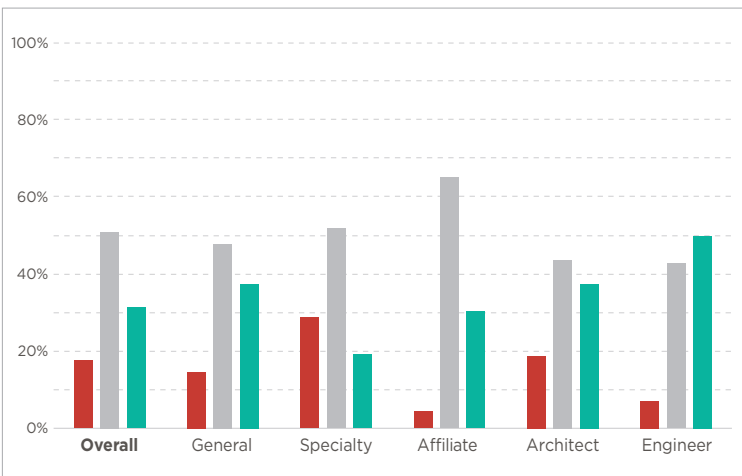
Looking ahead to 2022 in Minnesota, you see market conditions affecting your firm to be:

Improving
Neither improving nor declining
Declining

Responses By Firm Type and Sector

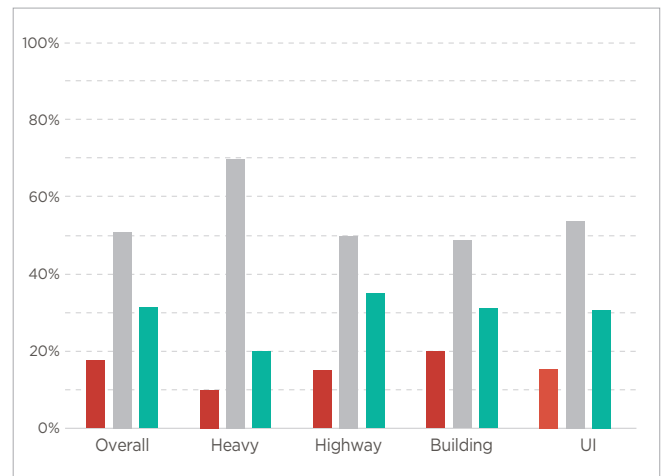
Firm Type

Top by 'improving': Engineer

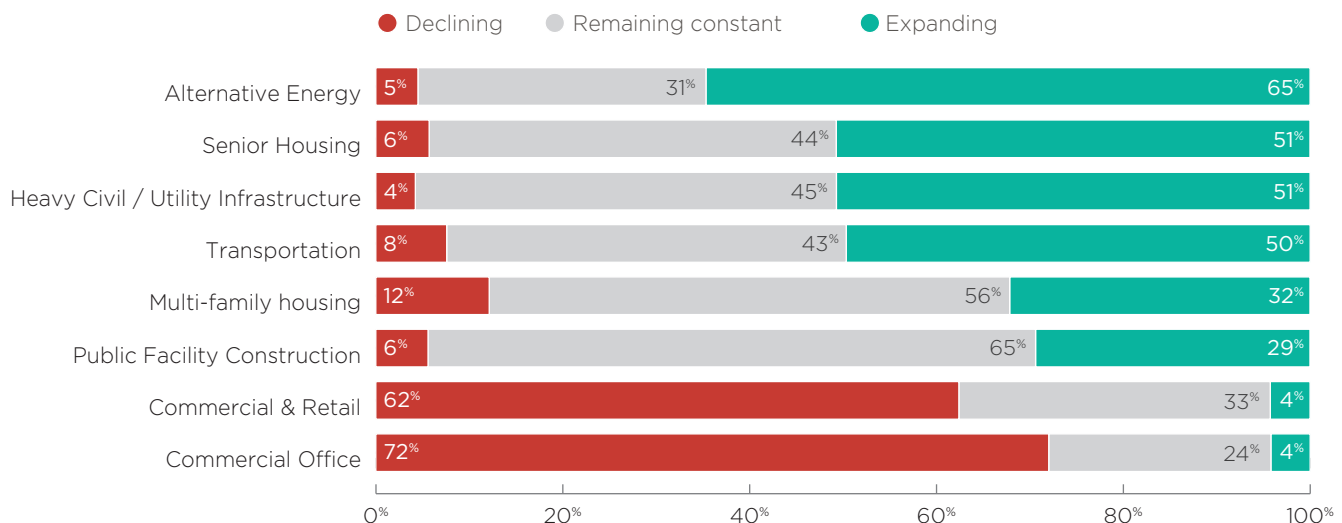


Sector

Top by 'improving': Highway



How do you anticipate the following construction market segments performing?

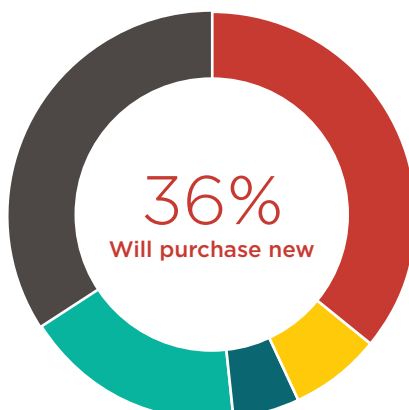


Equipment plans for 2022

The majority of contractors will purchase new equipment

All Responses

- Will purchase **new** equipment
36% | 55 respondents
- Will purchase **used** equipment
7% | 11
- Will lease equipment
5% | 8
- Will depend on tax laws
18% | 27
- Not applicable
34% | 52



QUESTION 7

Your plans for equipment additions or reductions for 2022 can best be described as:

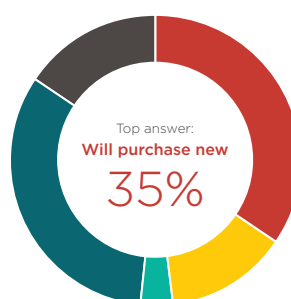
- Will purchase new equipment
- Will purchase used equipment
- Will lease equipment
- Will depend on tax laws
- Not applicable

General Contractors



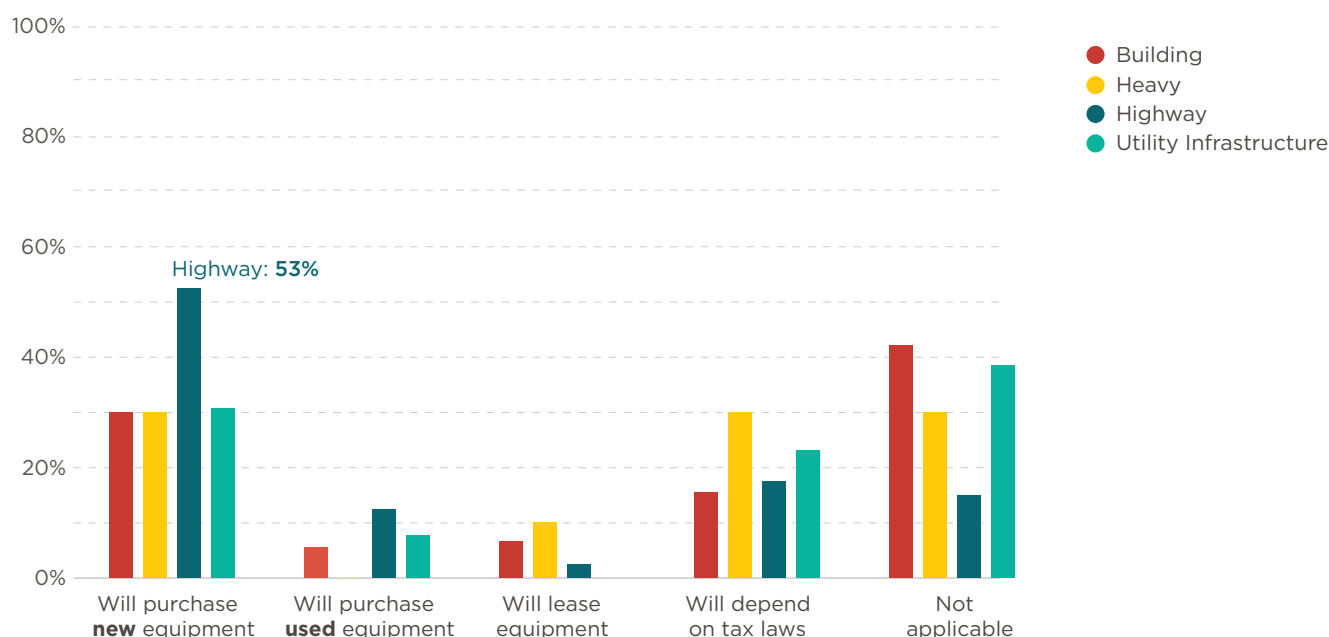
- Will purchase **new** equipment
50% | 24 respondents
- Will purchase **used** equipment
8% | 4
- Will lease equipment
13% | 6
- Will depend on tax laws
13% | 6
- Not applicable
17% | 8

Specialty Contractors



- Will purchase **new** equipment
35% | 18 respondents
- Will purchase **used** equipment
13% | 7
- Will lease equipment
4% | 2
- Will depend on tax laws
33% | 17
- Not applicable
15% | 8

By Sector

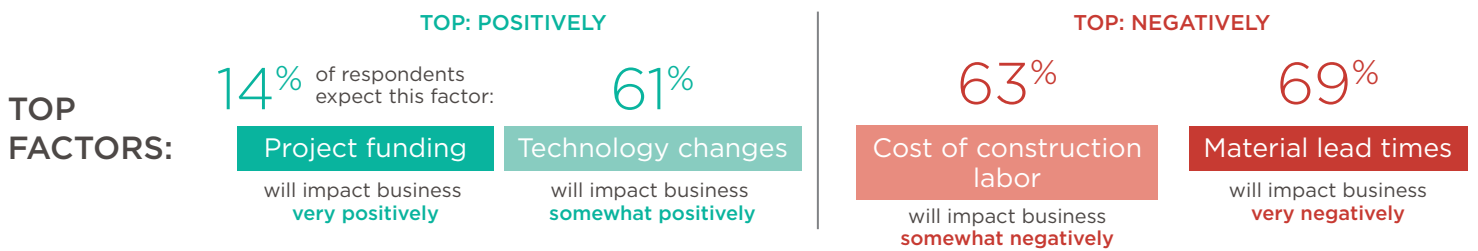


Factors expected to impact respondent business

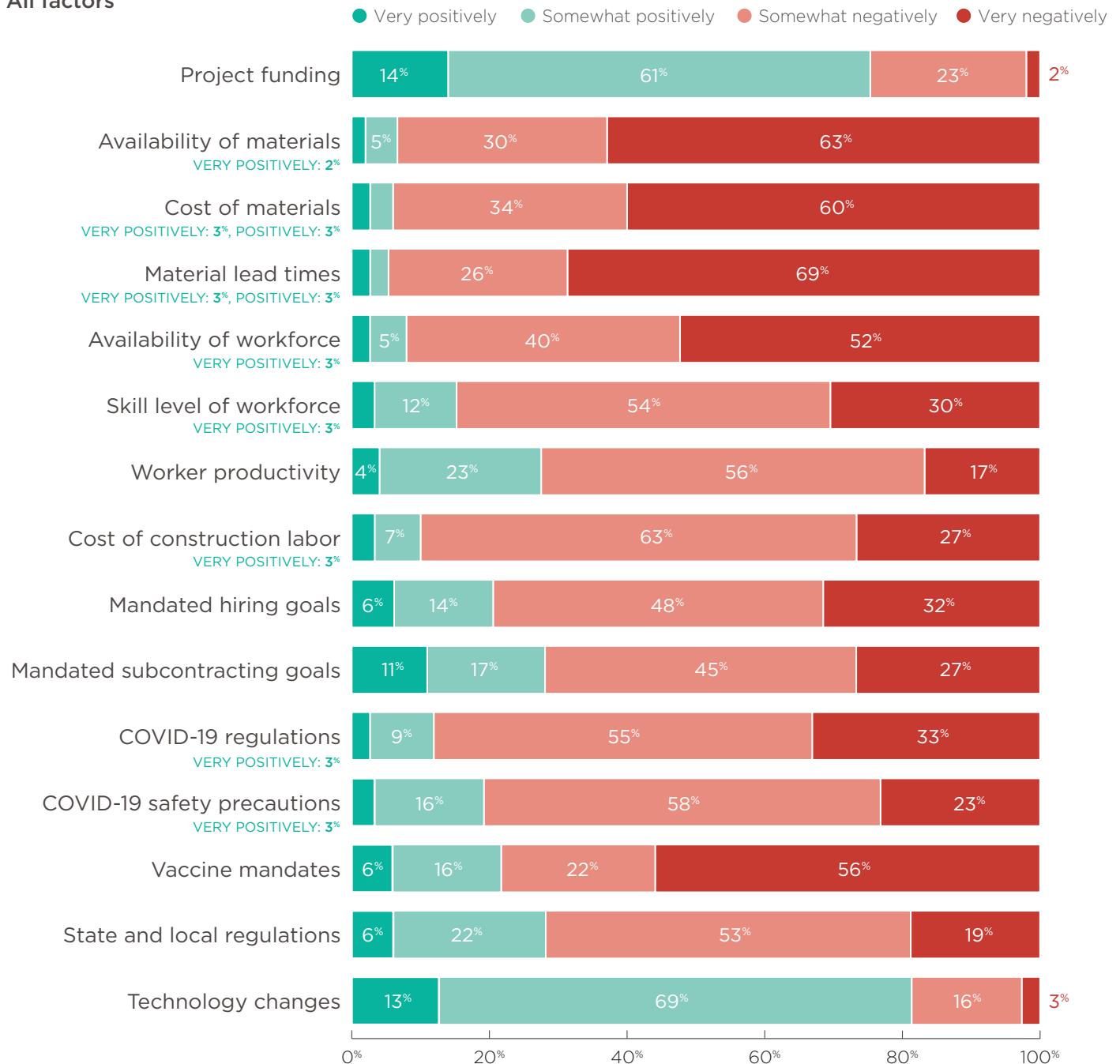
Impacts positively, negatively, or neutrally

QUESTION 8

How do you expect the following factors to impact your business through 2022?



All factors

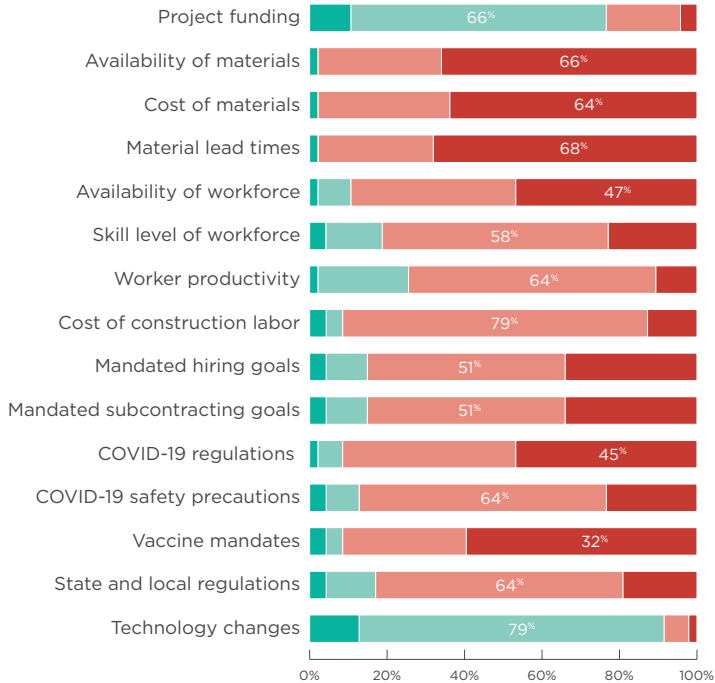


Factors expected to impact business in 2022

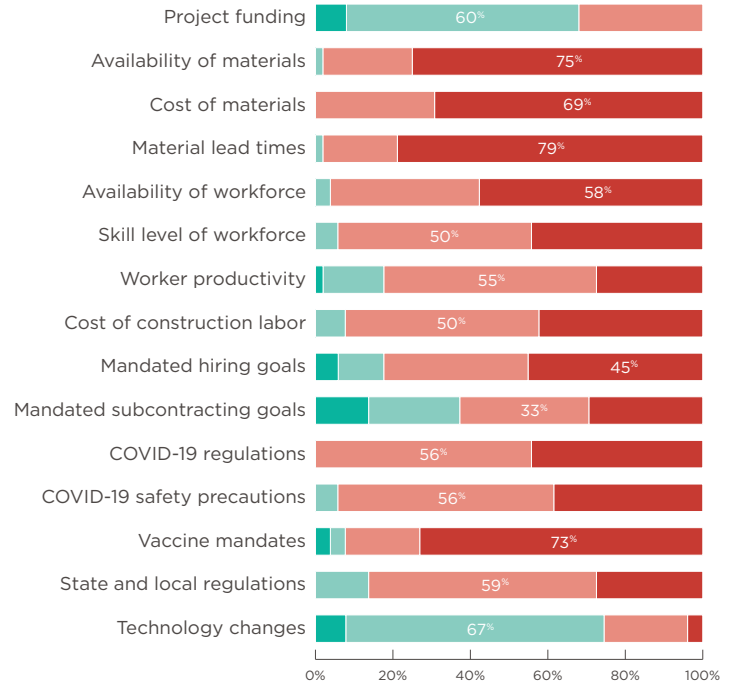
By firm type

Very positively Somewhat positively Somewhat negatively Very negatively

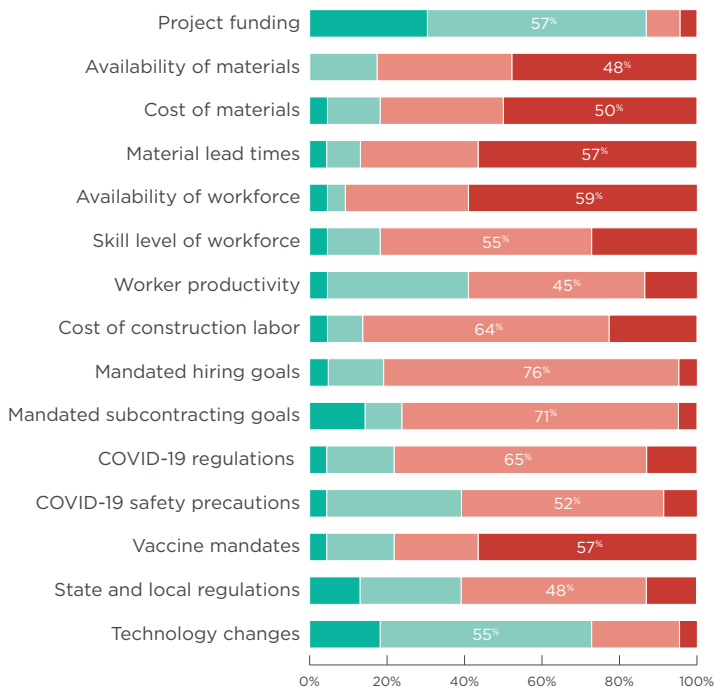
General Contractors



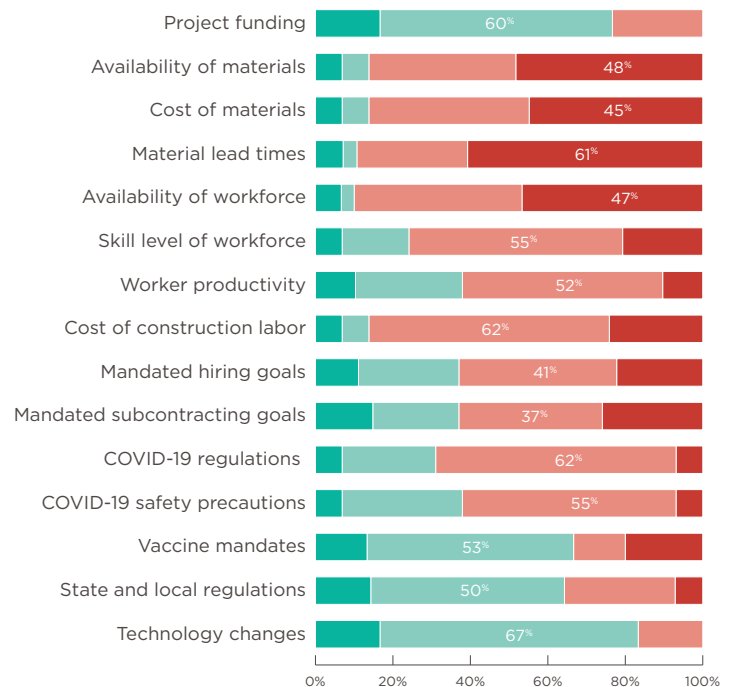
Specialty Contractors



Affiliates



Architects/Engineers



The Effect of COVID-19 on Workforce

How has COVID-19 affected your firm's workforce?

General Contractors, Specialty Contractors, and Affiliates, Architects and Engineers

Select all that apply:

QUESTION 9

How has your workforce been affected by the COVID-19 pandemic?

Select all that apply.



We have **struggled more than usual** to find available workers.

65% General contractors
60% Specialty contractors
47% Affiliates, Architects, Engineers



No change to our workforce or workforce needs.

35% General contractors
31% Specialty contractors
45% Affiliates, Architects, Engineers



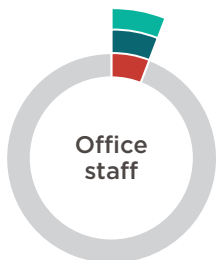
We anticipate **some staffing attrition** once a return to normal is established.

13% General contractors
15% Specialty contractors
19% Affiliates, Architects, Engineers



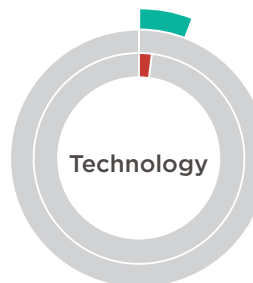
A significant percentage of our workforce has elected to **be on unemployment**.

8% General contractors
21% Specialty contractors
9% Affiliates, Architects, Engineers



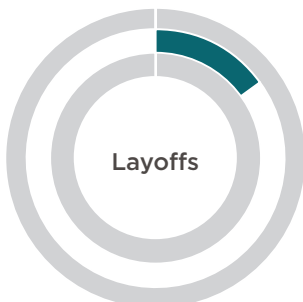
The number of **professional office staff required at our company has decreased** due to new-found efficiencies.

6% General contractors
6% Specialty contractors
6% Affiliates, Architects, Engineers



Applied technology has **reduced our workforce need**.

2% General contractors
0% Specialty contractors
6% Affiliates, Architects, Engineers



We have had to **lay off** a significant percentage of our workforce.

0% General contractors
15% Specialty contractors
0% Affiliates, Architects, Engineers

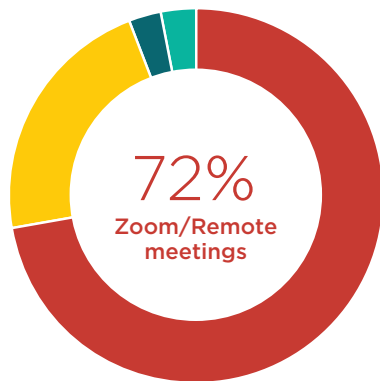
COVID-19

Management Costs and Technology Utilization

Utilizing technology

QUESTION 10

Please describe ways you have utilized technology in 2021 as part of your firm's COVID-19 protocols in the field or office.



Zoom/Remote meetings

72% | 50 respondents

Utilization of new cloud-based software for remote work

22% | 15 respondents

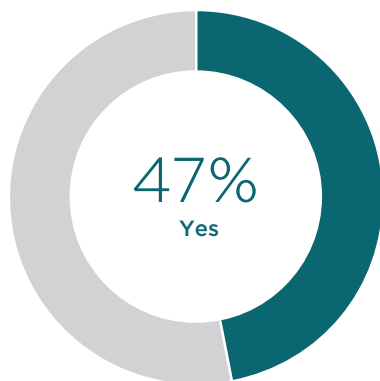
Upgraded e-commerce options for clients

3% | 2 respondents

Use of electronic health assessments

3% | 2 respondents

Significant management or operational costs



QUESTION 11

Has your firm sustained **significant management or operational costs** due to the need to provide additional safety measures (PPE, sanitizing stations, etc.)?

● Yes 47% ● No 53%

COVID-19

Cancelled or deferred projects

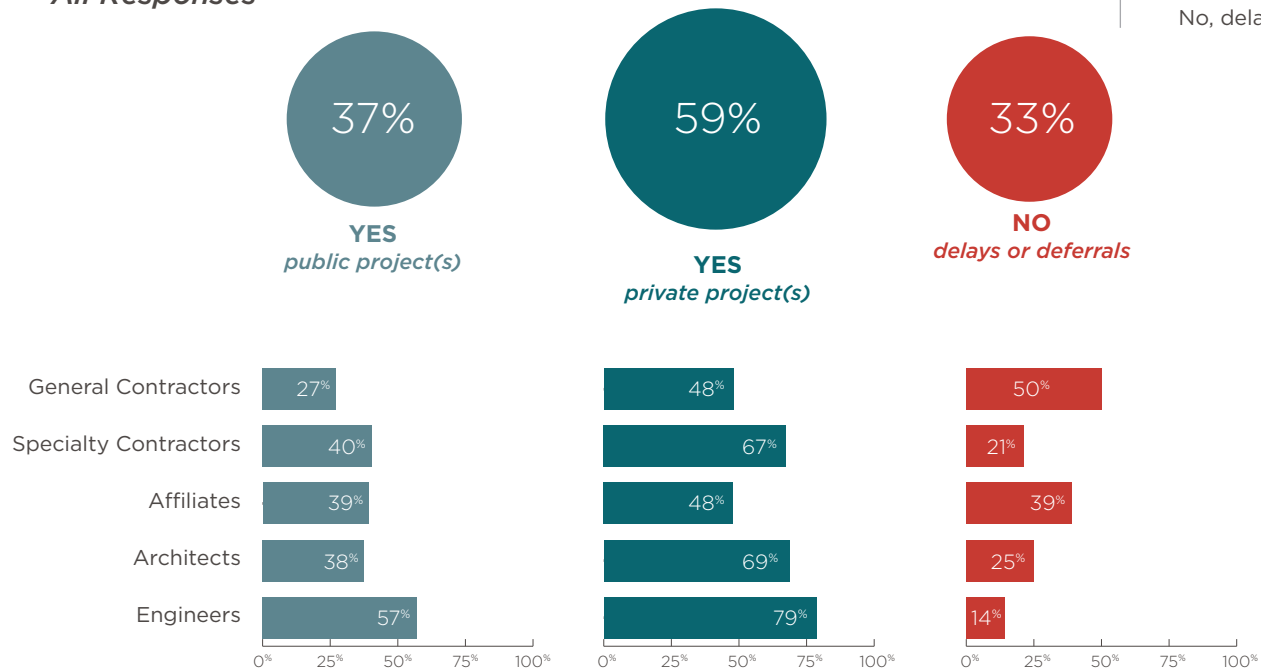
Projects cancelled or deferred due to COVID-19 2021:

QUESTION 12

Have you had Minnesota projects cancelled or deferred due to COVID-19?

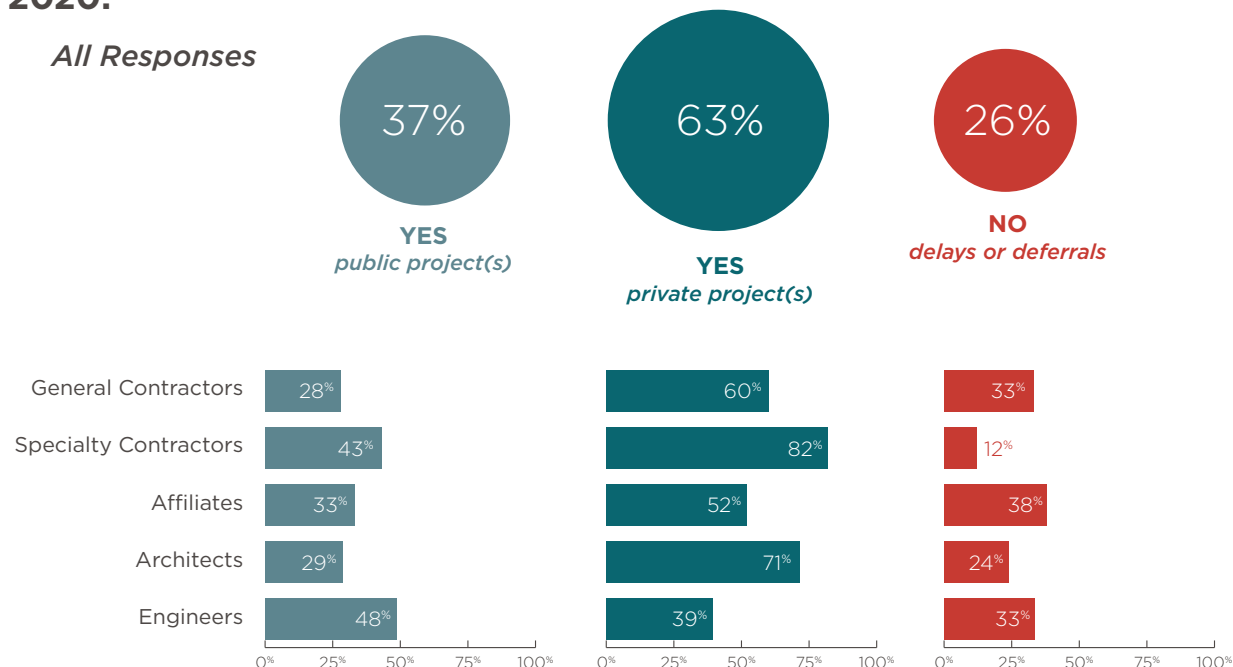
- Yes, public project(s)
- Yes, private project(s)
- No, delays or deferrals

All Responses



2020:

All Responses



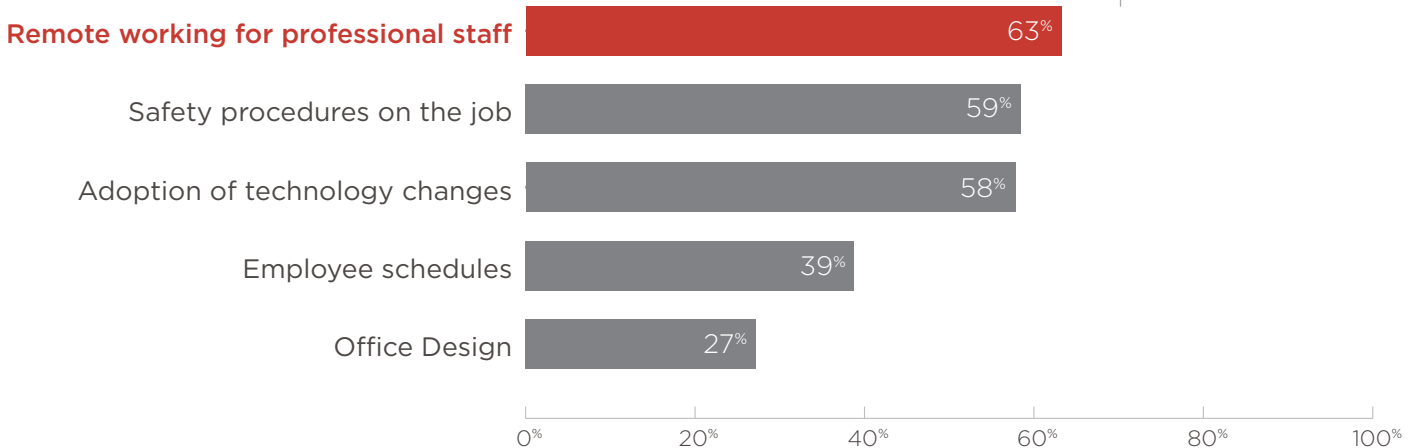
COVID-19 work adjustments

Permanent changes for the future

All Responses

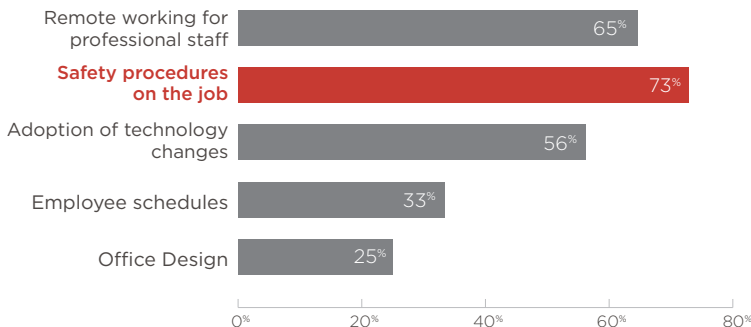
QUESTION 13

Which COVID-19 adjustments to the way your firm works do you think will become permanent or change how work is done in the future?

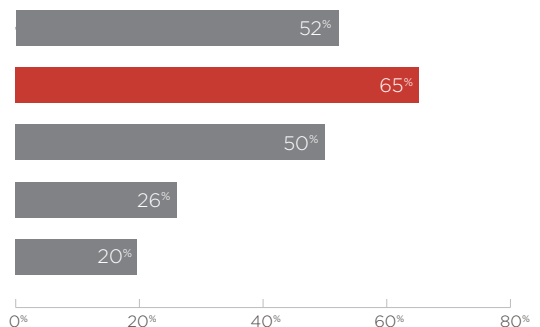


By firm type

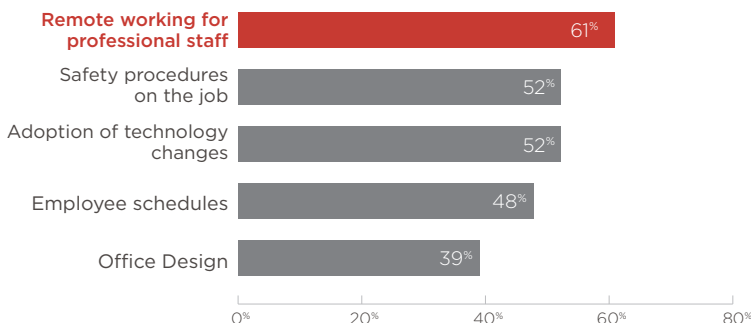
General contractors



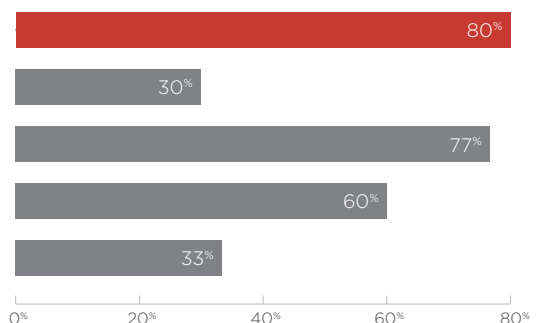
Specialty contractors



Affiliates



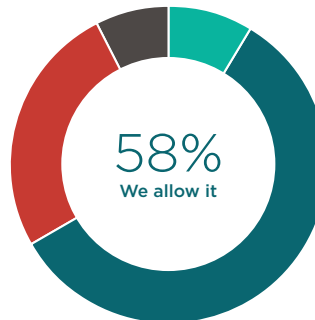
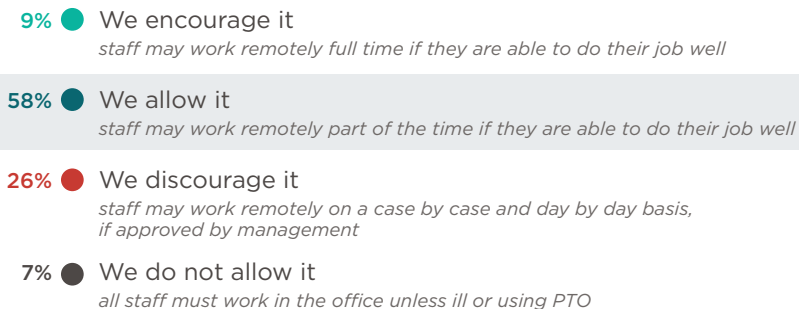
Architects and Engineers



Working Remotely

Policy on professional staff working remotely

All Responses



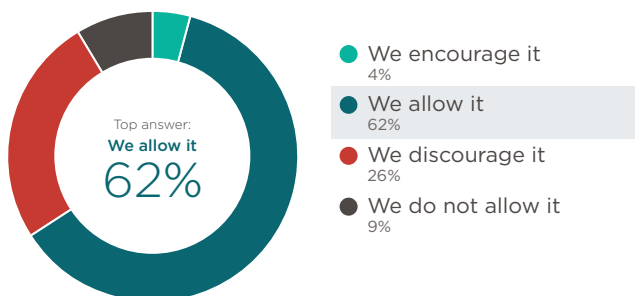
QUESTION 14

What is your firm's policy on professional office staff working remotely?

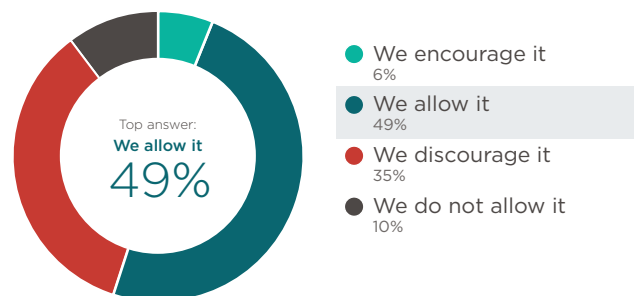
- We encourage it
- We allow it
- We discourage it
- We do not allow it

By firm type

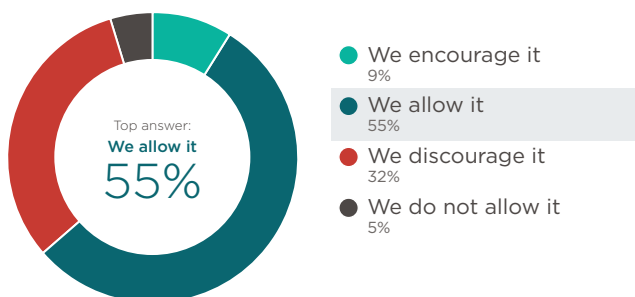
General contractors



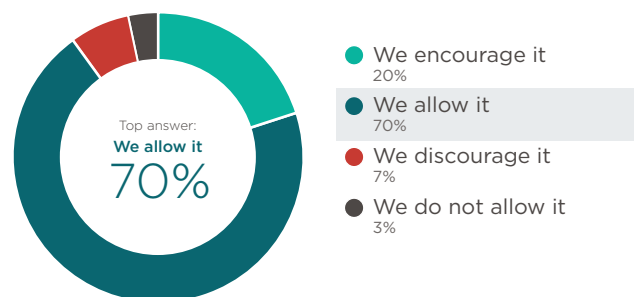
Specialty contractors



Affiliates

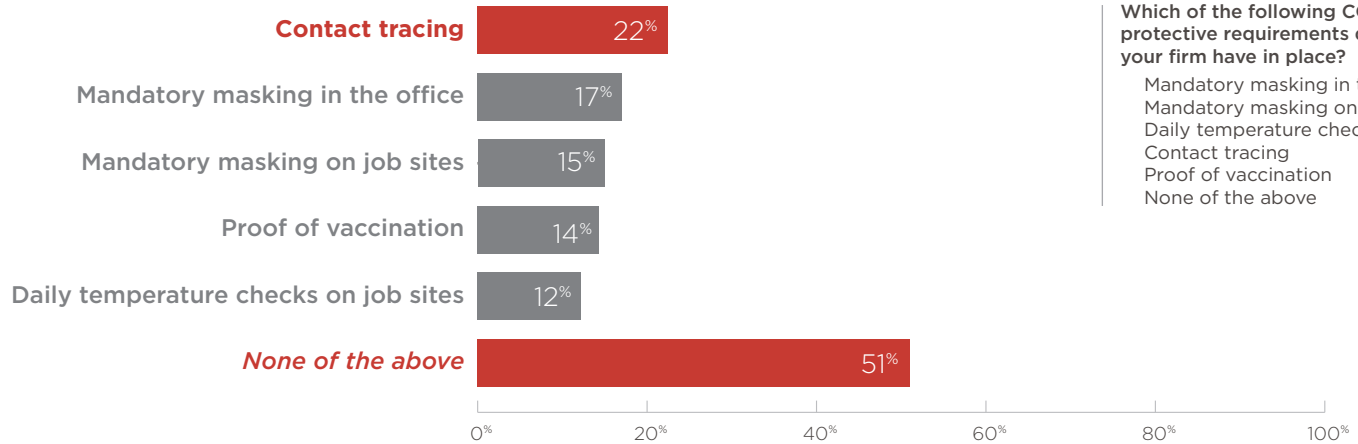


Architects and Engineers



COVID-19 Protective Requirements

Which, if any, of these requirements does your firm have in place?



QUESTION 15

Which of the following COVID-19 protective requirements does your firm have in place?

- Mandatory masking in the office
- Mandatory masking on job sites
- Daily temperature checks on job sites
- Contact tracing
- Proof of vaccination
- None of the above

Other Comments on COVID-19's Effect

A sampling of some of our respondent's remarks

QUESTION 16

Do you have any other comments about ways that COVID-19 has affected your firm in the past year?

LOGISTICS

"The amount of lost time from our guys on the jobsite has been huge for us and very difficult to manage."

"Supply chain has been greatly affected."

"Getting the work done is challenging, communication has suffered."

"Supply chain concerns, material costs and how we coordinate jobs are the biggest ways in which covid 19 has affected us."

VACCINE MANDATES

"We have been able to make it through so far just fine, but the vaccine mandate is going to cripple the construction economy. People deserve to make that choice, they do not deserve to be forced."

"If vaccines are mandated, we will lose at least 40% of our field workforce. They will move out of the state and take their skills somewhere else. It would be devastating to our company and the MN construction industry."

"We are having trouble getting employees to comply with vaccination. If we require it we will lose up to 50% of workforce."

FINANCES

"Working remotely can be difficult, but cash flow problems from customers have presented the biggest challenge."

"If it was not for PPP loans, it would have been hard to make it thru 2020."

"Lost work, lost opportunities."

"Financially. Projects being cancelled and limited new opportunities to bid on."

POLITICS

"The politicization of Covid is causing a lot of societal harm, which spills over into our business."

"Has put a lot of tension and divisiveness among the workforce. Has effected moral and relationship building. Covid 19 has become a political issue rather than a medical issue since the beginning."

"It has created division based on politics and beliefs."

"Total bullshit media is scaring everyone into doing things they would normally not do."

TRANSMISSION

"We believe vaccination rates among our field personnel to be quite low, however we have experience very little delays in construction."

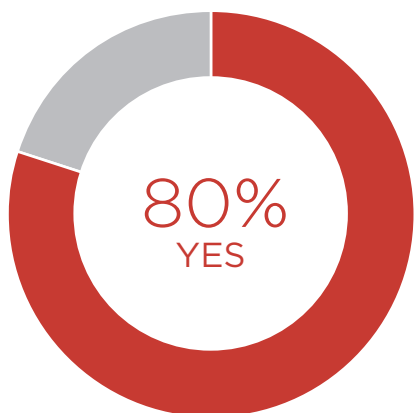
"We have not had a single verifiable COVID transmission at work. Any cases we have tracked have originated at home on weekends."

"We haven't let it scare us into rash decisions or protocols. We manage it, and continued normally with some slight adjustments with use of technology."



Contractor Signatory Status

Overall, by firm, and by sector



Are you signatory with any union?

Yes: 80%

No: 20%

By Firm Type

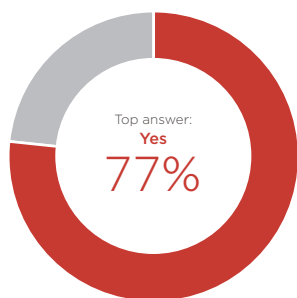
General Contractors



● Yes
83.3% | 40 respondents

● No
16.7% | 8 respondents

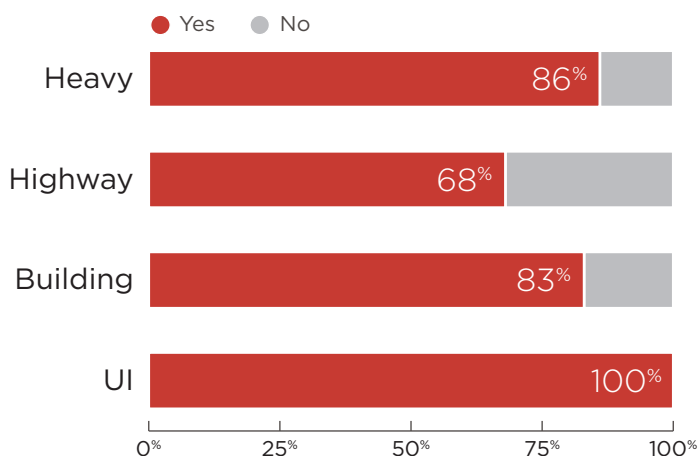
Specialty Contractors



● Yes
76.9% | 40 respondents

● No
23.1% | 12 respondents

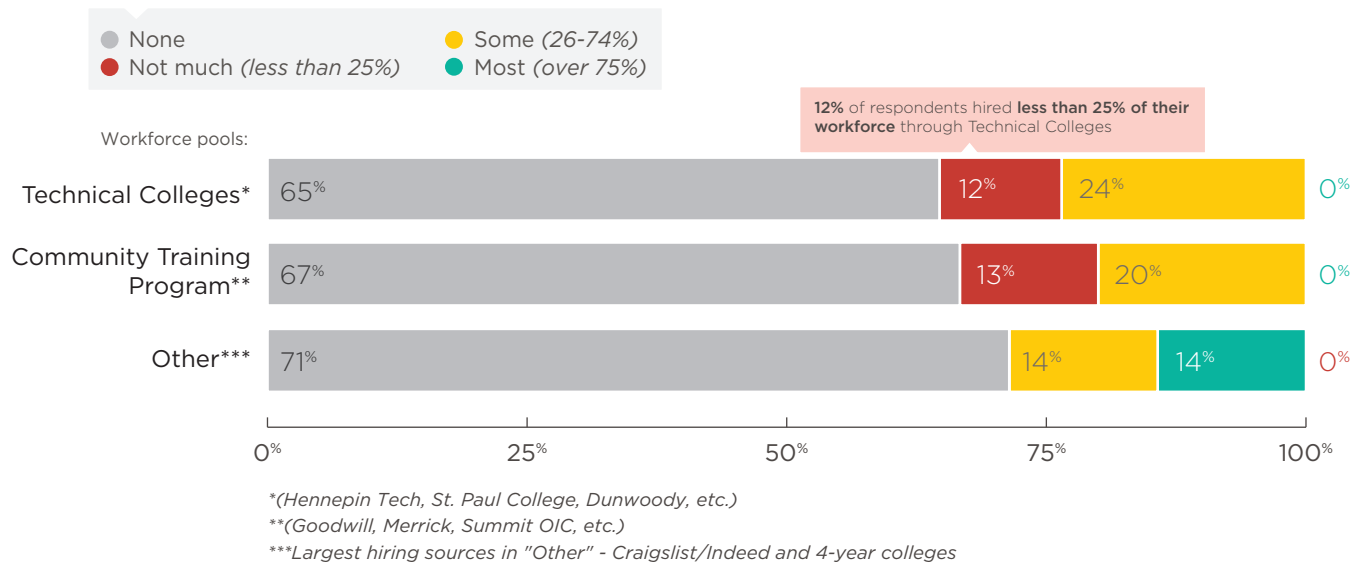
By Sector



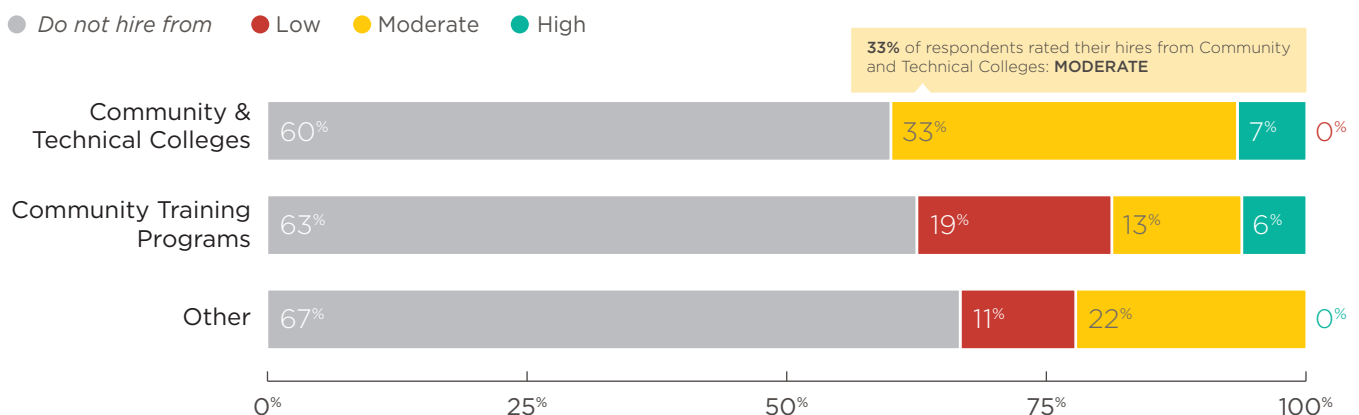
Hiring Sources

Non-Union Contractors

What percentage of hiring have you done through the following workforce pools?



Please rate the performance of the workforce you have hired.



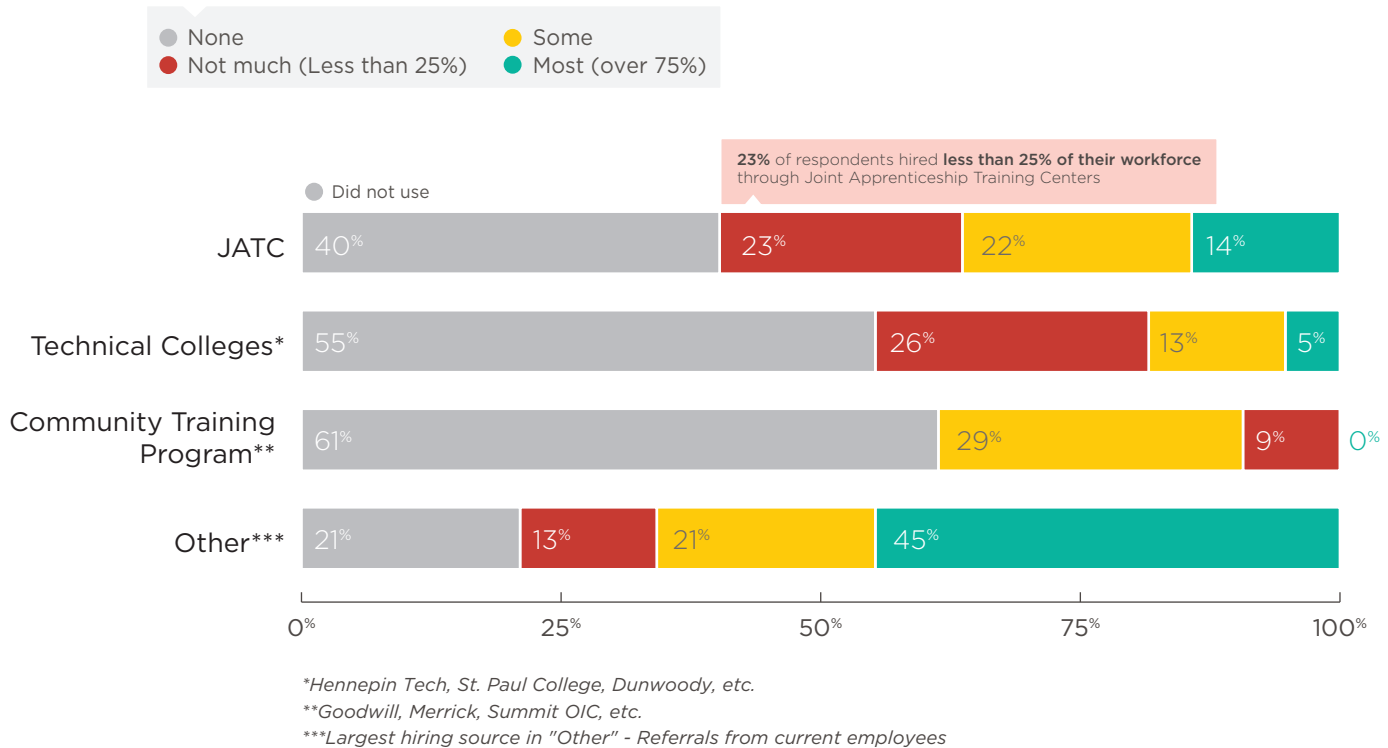
How much do you agree or disagree with the following statements?

		Strongly Agree	Agree	Disagree	Strongly Disagree	Do not use
TECHNICAL COLLEGES	The pool of workers through technical colleges is empty/exhausted	13%	38%	19%	6%	25%
	The pool of workers through technical colleges does not perform at a skill level necessary to do the work	6%	31%	25%	13%	25%
COMMUNITY TRAINING PROGRAMS	The pool of workers through community training programs is empty/exhausted	6%	25%	13%	13%	44%
	The pool of workers through community training programs does not perform at a skill level necessary to do the work	13%	19%	6%	25%	38%

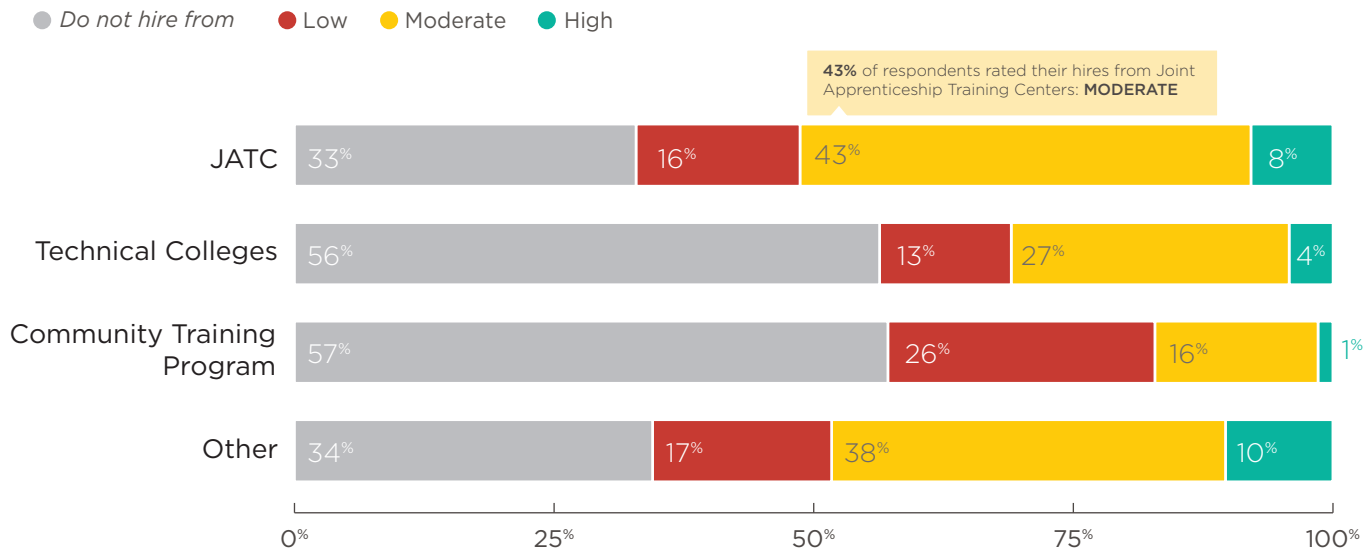
Hiring Sources

Union Contractors

What percentage of hiring have you done through the following workforce pools?



Please rate the performance of the workforce you have hired



Hiring Sources

Union Contractors

Do the Taft Hartley Joint Apprenticeship Training Committees address the priorities of an industry-driven workforce by delivering industry-relevant training?

YES 68% NO 32%

How much do you agree or disagree with the following statements?

2021:		Strongly Agree	Agree	Disagree	Strongly Disagree	N/A
UNION WORKERS	The pool of <i>union workers</i> is empty/exhausted	22%	58%	17%	3%	1%
	The pool of <i>union workers</i> does not perform at a skill level necessary to do the work	9%	41%	44%	5%	1%
TECHNICAL COLLEGES	The pool of <i>workers through technical colleges</i> is empty/exhausted	4%	29%	23%	0%	44%
	The pool of workers through technical colleges does not perform at a skill level necessary to do the work	3%	26%	28%	0%	43%
COMMUNITY TRAINING PROGRAMS	The pool of <i>workers through community training programs</i> is empty/exhausted	4%	31%	19%	1%	45%
	The pool of <i>workers through community training programs</i> does not perform at a skill level necessary to do the work	7%	27%	23%	3%	41%

2020:		Strongly Agree	Agree	Disagree	Strongly Disagree	N/A
UNION WORKERS	The pool of <i>union workers</i> is empty/exhausted	13%	57%	23%	4%	3%
	The pool of <i>union workers</i> does not perform at a skill level necessary to do the work	16%	40%	36%	5%	3%
TECHNICAL COLLEGES	The pool of <i>workers through technical colleges</i> is empty/exhausted	1%	28%	22%	1%	47%
	The pool of workers through technical colleges does not perform at a skill level necessary to do the work	3%	22%	22%	3%	47%
COMMUNITY TRAINING PROGRAMS	The pool of <i>workers through community training programs</i> is empty/exhausted	5%	24%	17%	1%	53%
	The pool of <i>workers through community training programs</i> does not perform at a skill level necessary to do the work	13%	28%	12%	1%	45%

What impacts General Contractors' use of JATCs?

Factors that impact the use of JATC training programs

Select all that apply:

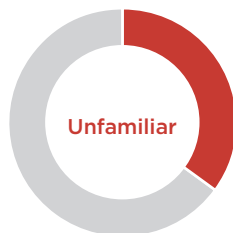
QUESTION 25

Do any of the following factors impact your firm's use of JATC training programs and/or hiring of apprentices? (select all that apply)



52%

Concerns about **workforce productivity**



35%

Unfamiliar with the JATC model



20%

Unable to provide **sufficient mentoring and development** of apprentices



9%

Unsure of how to **access and utilize** apprentices

"Need relaxed journeyman to apprentice ratios. Including on public projects in order to train the number of future workers needed. Too much retirement on the table to expect the old ratios."

"Hard to always have two people together and be productive."

"We can't really be as frustrated with the "workforce productivity" for apprentices. The improvement in productivity truly only comes after the investment by the contractor hiring the employee and getting them on a jobsite for several months. Then, we cultivate a long-term employee for the future from that investment. It is irresponsible to simply wait for competitors to train apprentices and hope to hire them after they become journeymen."

Which other uses of JATCs would benefit general contractors?

Select all that apply:

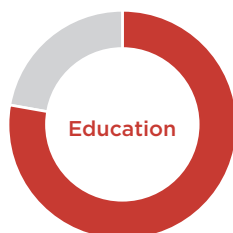
QUESTION 26

In addition to apprenticeship training, would any of the following uses of the training center be a benefit to your firm? (select all that apply)



79%

Foreman training



78%

Continuing education (leadership training, mentoring, etc.)



75%

Journeyman training



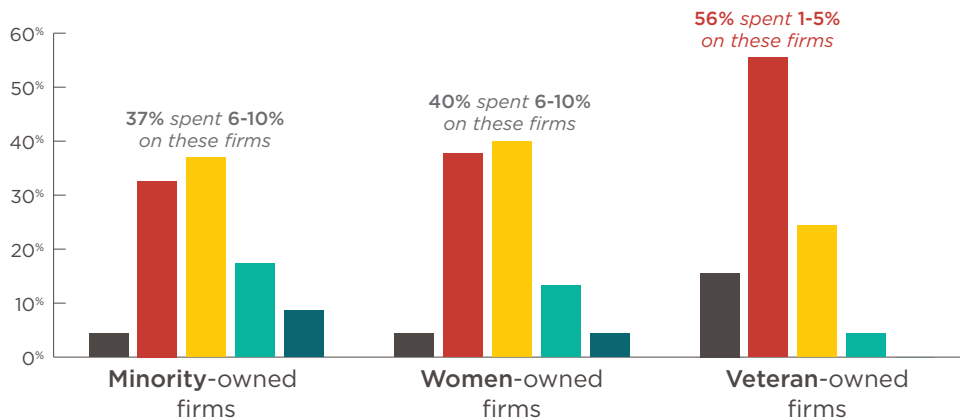
74%

Specialty skills training (confined space, fall protection, etc.)

Diversity in Subcontracting

This page of questions was answered by general contractors.

Subcontracting spend on disadvantaged firms

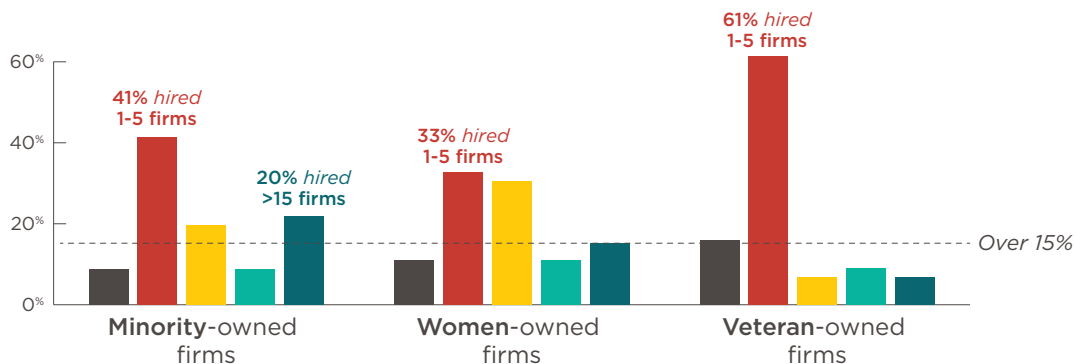


QUESTION 27

In the past year, what percentage of your firm's total subcontracting spend was with minority-owned, women-owned, and veteran-owned firms?

- 0%
- 1-5%
- 6-10%
- 11-25%
- Over 25%

Number of disadvantaged firms awarded contracts

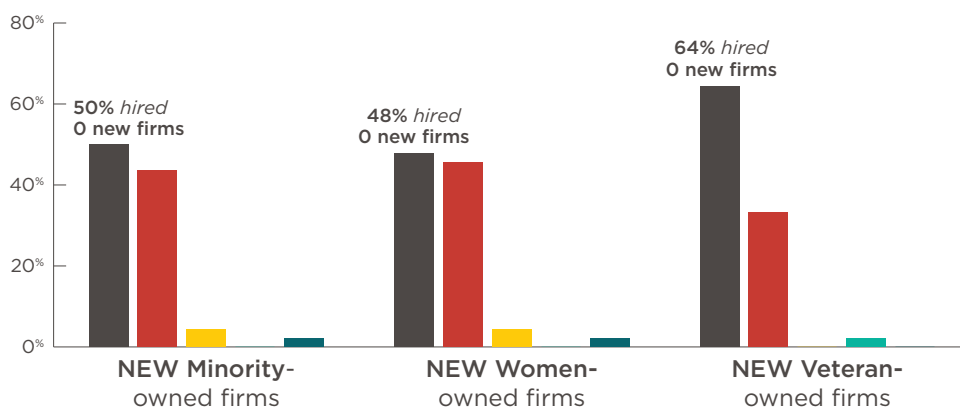


QUESTION 28

In the past year, how many minority-owned, women-owned, and veteran-owned firms were awarded contracts by your firm?

- 0 firms
- 1-5
- 6-10
- 11-15
- Over 15

NEW disadvantaged firms awarded contracts



QUESTION 29

In the past year, how many contracts were awarded by your firm to NEW minority-owned, women-owned, and veteran-owned firms?

- 0 firms
- 1-5
- 6-10
- 11-15
- Over 15

Barriers that prevent more diversity in subcontracting

- 65.0% Minority-owned, women-owned, and veteran-owned firms are not readily available for the specific work that my firm performs.
- 52.5% Minority-owned, women-owned, and veteran-owned firms are not readily available in the primary geographic area where my firm does business.
- 32.5% The process for finding Minority-owned, women-owned, and veteran-owned subcontractors is challenging.
- 25.0% Long-standing relationships with existing subcontractors.

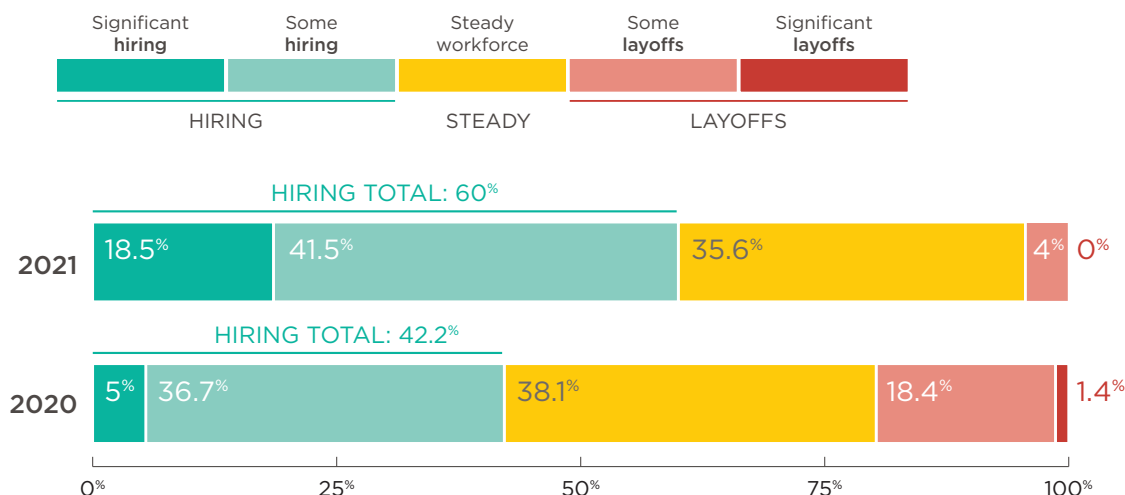
QUESTION 30

What are the top two barriers that prevent your firm from doing more business with minority-owned, women-owned, and veteran-owned firms? (Please choose a maximum of two)



Workforce plans for 2022

Hiring, steady workforce, or layoffs



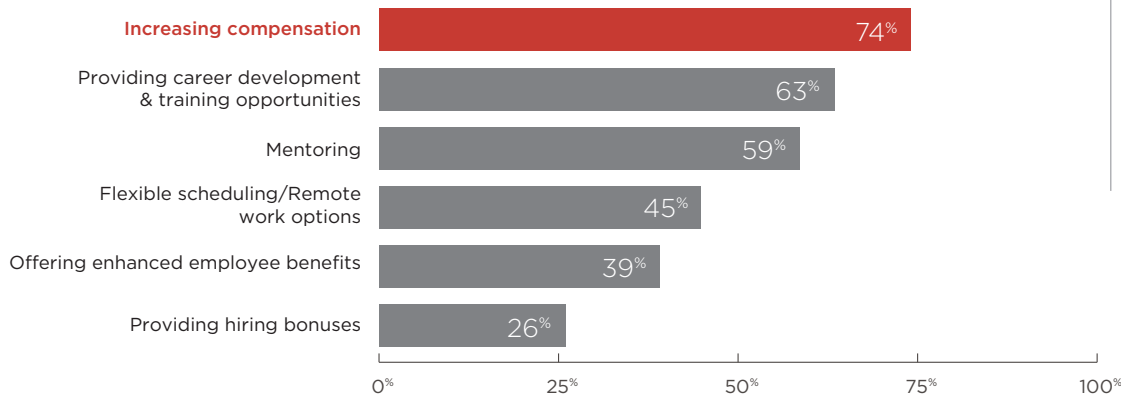
QUESTION

Your workforce plans for 2022 are best described as:

- Significant hiring
- Some hiring
- Steady workforce
- Some layoffs
- Significant layoffs

Workforce hiring strategies

All answers



QUESTION

Which of the following is your company doing to attract and retain workforce?

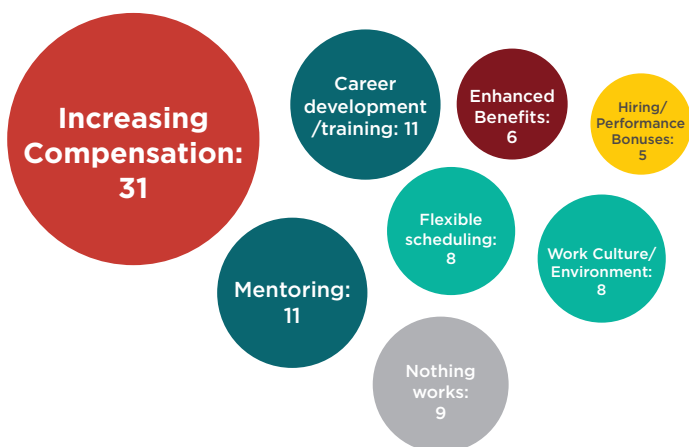
- Increasing compensation
- Providing hiring bonuses
- Providing career development and training opportunities
- Mentoring
- Offering enhanced employee benefits

Most effective strategies

81 survey participants left comments, indicating that the following were the most effective.

QUESTION 33

Of the strategies you selected above, which have you found to be most effective in attracting and retaining workforce?



"Attracting and retaining are very different. Compensation and bonuses get people in the door...career development and mentoring couple with good benefits and flexible schedules (a good culture) keep people."

"None. The work force right now is brutal. We have \$20 starting wage for unskilled labor that requires no driving and are still having trouble hiring and the workers we get are subpar."

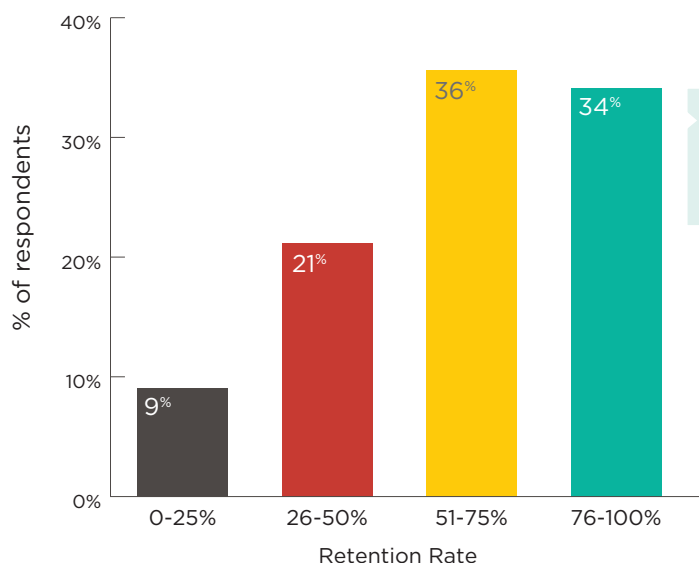
"Having an established culture that people want to be a part of, plus career growth opportunities seem to really attract and retain our workforce."

"Mentoring and compensation not always in the form of take home pay but rather in ways of making them feel like they are part of something more than a paycheck."

Retention rate

With regard to your recent hires,* what is the retention rate of these employees?

Overall



34% of respondents' recent hires had a **76-100%** retention rate

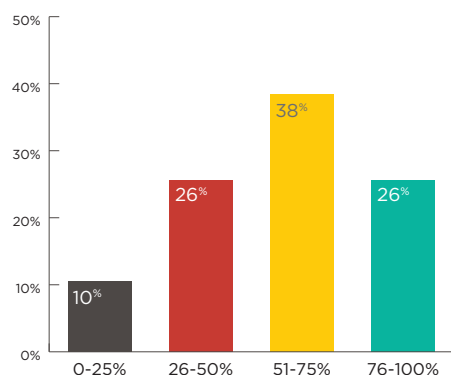
**Recent hires = last 1-3 years*

QUESTION

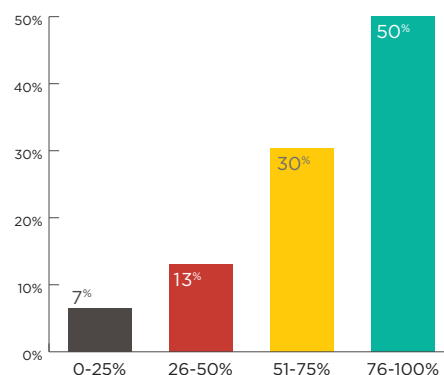
With regard to your recent hires (last 1-3 years), what is the retention rate of these employees?

0-25%
26-50%
51-75%
76-100%

Contractors



Architects, Engineers, and Affiliates



List the #1 factor impacting the engagement or retention of your new hires

TOP POSITIVE FACTORS LISTED:

- Company culture / treating employees as valuable partners / respect and fair treatment / feeling part of the team / inclusiveness
- Career advancement / training opportunities / path for growth
- Mentoring
- Flexibility in work/life balance
- Readily available project stream
- Compensation

TOP NEGATIVE FACTORS LISTED:

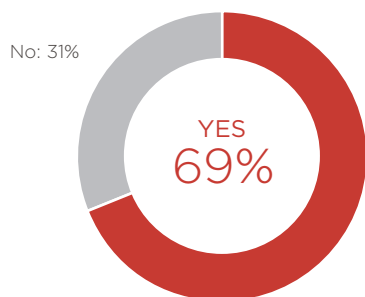
- Competing for the same workers with larger firms that can offer more benefits / Offers of greener grass / Other firms actively recruiting our workforce
- Lack of experience / skill / work ethic
- Lack of work / needing to find more projects
- COVID made employee engagement more difficult
- Direct competition with unemployment, especially in the past year

Efforts to increase workforce diversity

Measures taken to attract and retain people of color and women

Taking deliberate measures?

Yes: **69%**



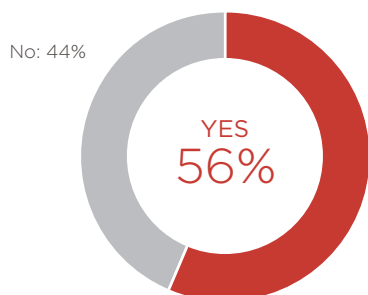
QUESTION 36

In your workforce recruitment efforts, has your firm undertaken deliberate measures to attract and retain minorities, women, and veterans?

Yes
No

Are deliberate measures making a difference?

Yes: **56%**



QUESTION 38

Has your firm increased its percentage of people of color and women in its workforce since employing these strategies?

Yes
No

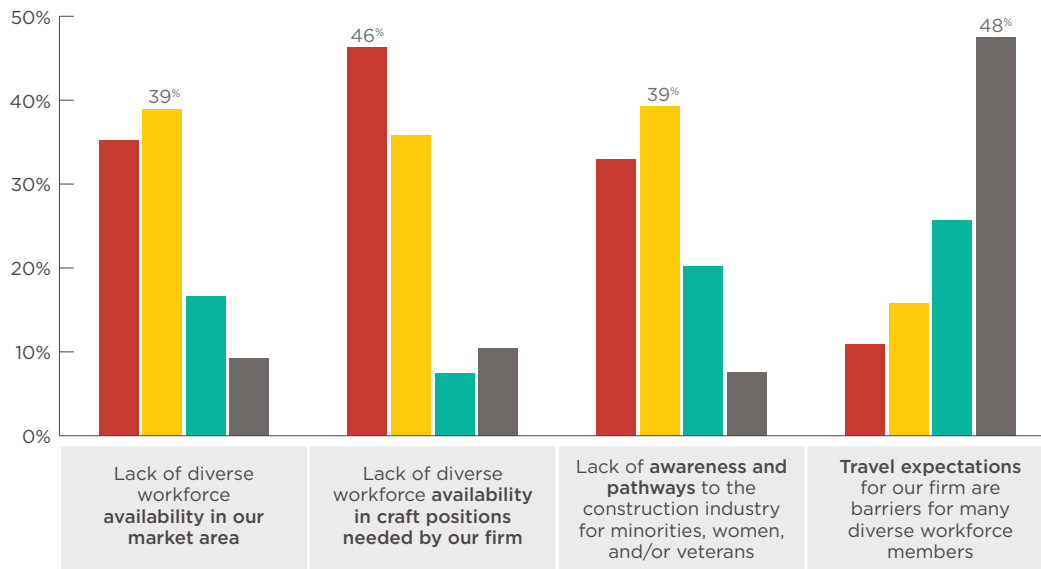
If yes, indicate which measures have been most successful in attracting and retaining people of color and/or women.

- Work environment / discussions regarding culture
- Word of mouth / Referrals from existing employees
- Specific recruiting efforts at career fairs
- Recruitment bonuses for existing minority employees to bring on more recruits
- Word of mouth about our existing diverse team creates more diversity / Critical mass of other minorities
- Equity work relationships with HBCUs
- Working with staffing firms to target these needs
- Continual outreach, advertising, OJT, TERO programs

Challenges in increasing workforce diversity

How significant are the following challenges?

Overall



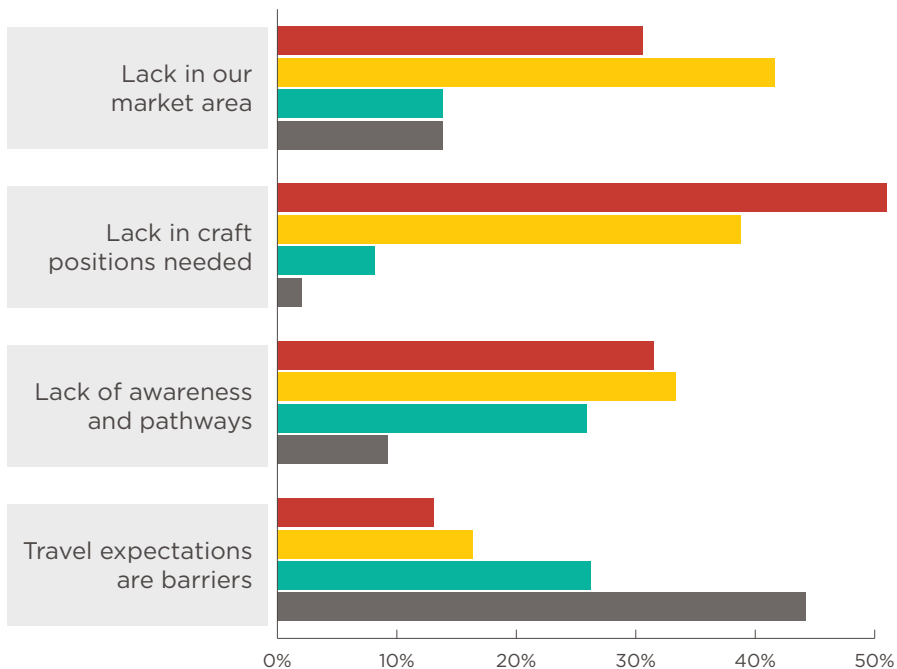
QUESTION 39

Please rate the following challenges for your firm in increasing workforce diversity.

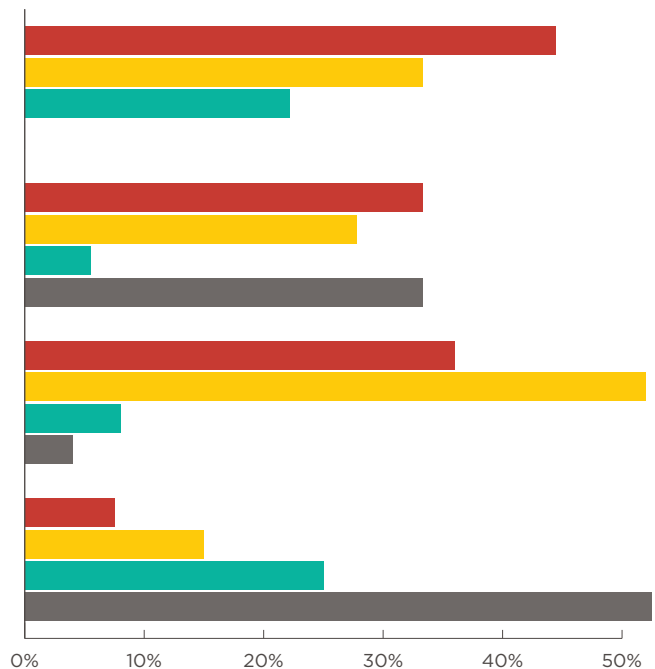
Lack in our market area
Lack in craft positions needed
Lack of awareness and pathways
Travel expectations are barriers

- Very challenging
- Somewhat challenging
- Not challenging
- N/A

Contractors



Architects, Engineers, and Affiliates



- Very challenging
- Somewhat challenging
- Not challenging
- N/A

Diversity in field staff and office staff

Where's the biggest need for growth?

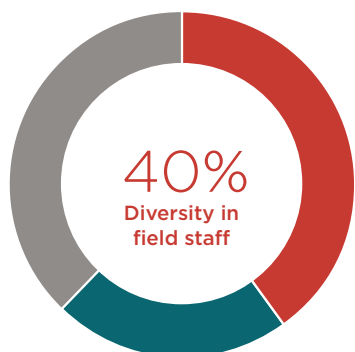
Where do we need to increase diversity the most?

QUESTION 40

Which area does your firm see as the greatest need for growth?

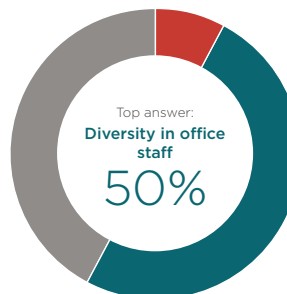
Diversity in office staff
Diversity in field staff
N/A

All Responses



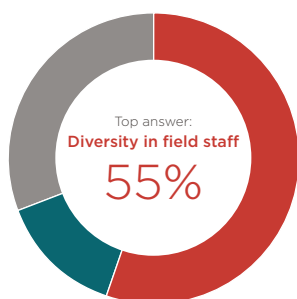
- Diversity in field staff
40% | 52 respondents
- Diversity in office staff
22% | 29
- N/A
38% | 49

Architects & Engineers



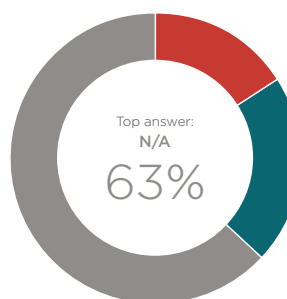
- Diversity in field staff
8% | 2 respondents
- Diversity in office staff
50% | 13
- N/A
42% | 11

Contractors



- Diversity in field staff
55% | 24 respondents
- Diversity in office staff
14% | 4
- N/A
31% | 6

Affiliates



- Diversity in field staff
16% | 3 respondents
- Diversity in office staff
21% | 4
- N/A
63% | 12

Other questions and comments about DEI

A few representative remarks from survey participants

QUESTION 41

What other question(s) about diversity, equity, and inclusion do you wish we had included on this survey?

"My company is 100% woman-owned. You probably should ask our views on whether or not we see ourselves as being diverse, equitable, and inclusive prior to asking if we've increased measures. I have a diverse labor force so we've no need to undertake deliberate measures."

"Do you partner or work with minority firms to increase your access to talent?"

"Are any of your customers/clients requiring a specific DEI plan by your organization to evaluate as a part of the proposal process?"

"Addressing realistic goals for women in construction. It's too high."

"As a WBE certified firm, I love to see these conversations about diversity and equity...but the reality is there is not much support or relief of true small, female or minority owned businesses. The inclusion goals set by public projects focus primarily on construction type services (contractors) and significantly overlooks the professional services firms. Many of the large firms have their "go-to", so these opportunities are limited."

"Do we think the goals are too high? Yes! Subcontractors are being set up to fail and, frankly, it feels terrible!"

Workforce hiring challenges

Professional and craft workforce

Professional workforce

With 1 being **least difficult** and 4 being **most difficult**, indicate your degree of difficulty in hiring for these professional positions.

General Contractors	Least difficult → Most				N/A
	1	2	3	4	
Estimating Professionals	8%	18%	30%	28%	18%
Project Managers/Supervisors	5%	35%	28%	23%	10%
Business Development	3%	28%	10%	5%	55%
Safety Professionals	5%	28%	28%	3%	38%
Engineers	5%	25%	18%	0%	53%
Design Professionals	10%	10%	13%	0%	68%

Architects/Engineers	Least difficult → Most				N/A
	1	2	3	4	
Project Managers/Supervisors	4%	4%	8%	54%	29%
Design professionals	4%	8%	38%	35%	15%
Engineers	7%	4%	30%	30%	30%
Estimating professionals	8%	0%	8%	15%	69%
Business development	8%	27%	23%	8%	35%
Safety professionals	8%	0%	4%	4%	84%

Specialty Contractors	Least difficult → Most				N/A
	1	2	3	4	
Project Managers/Supervisors	5%	22%	20%	44%	11%
Estimating Professionals	2%	20%	16%	43%	16%
Business development	0%	14%	5%	12%	63%
Engineers	7%	12%	2%	5%	81%
Safety professionals	2%	21%	12%	2%	62%
Design professionals	2%	12%	5%	0%	81%

FOR GENERAL & SPECIALTY CONTRACTORS

The **most difficult** positions to fill are:

- #1. Project Managers/Supervisors
- #2. Estimating Professionals

FOR ARCHITECTS AND ENGINEERS

The **most difficult** positions to fill are:

- #1. Project Managers/Supervisors
- #2. Design professionals

Craft workforce

General Contractors	Least difficult → Most				N/A
	1	2	3	4	
Bricklayers	0%	3%	8%	8%	82%
Carpenters	0%	26%	28%	10%	36%
Cement Masons	0%	15%	13%	15%	56%
Drywall Installers	0%	0%	10%	5%	85%
Electricians	0%	5%	5%	3%	87%
Equipment Operators	0%	18%	24%	26%	32%
Ironworkers	0%	8%	8%	5%	79%
Laborers	5%	39%	32%	21%	3%
Millwrights	0%	3%	5%	8%	85%
Painters	3%	3%	3%	5%	87%
Pipefitters/Welders	0%	3%	3%	8%	87%
Plumbers	3%	3%	3%	5%	87%
Roofers	3%	3%	3%	3%	90%
Sheet Metal Workers	0%	0%	3%	3%	95%
Tile Setters	0%	3%	3%	3%	92%
Truck Drivers	3%	10%	21%	23%	44%

Specialty Contractors	Least difficult → Most				N/A
	1	2	3	4	
Bricklayers	5%	0%	2%	12%	80%
Carpenters	0%	3%	18%	18%	62%
Cement Masons	3%	0%	8%	8%	82%
Drywall Installers	3%	0%	0%	5%	92%
Electricians	5%	0%	8%	3%	85%
Equipment Operators	3%	3%	28%	23%	44%
Ironworkers	0%	3%	3%	5%	90%
Laborers	5%	12%	29%	27%	27%
Millwrights	3%	0%	3%	0%	95%
Painters	3%	3%	0%	0%	95%
Pipefitters/Welders	0%	0%	5%	5%	90%
Plumbers	0%	0%	3%	0%	97%
Roofers	0%	3%	5%	3%	89%
Sheet Metal Workers	0%	3%	8%	3%	87%
Tile Setters	0%	3%	0%	5%	92%
Truck Drivers	3%	8%	10%	26%	54%

Overall Business Challenges for 2022

The two biggest challenges your company faces in 2022 & beyond are (select only 2):

TOP 5 CHALLENGES



Business Challenges for 2022 and Beyond

	Overall	General	Specialty	Affiliate	Architect/ Engineer
Finding skilled and trained workers	51%	51%	56%	50%	44%
Finding available workers	24%	16%	22%	55%	19%
Developing new leadership	17%	23%	16%	20%	7%
Reducing costs	15%	16%	13%	35%	0%
Discovering new markets	13%	16%	9%	5%	19%
Managing client expectations	12%	7%	9%	5%	30%
Lack of work due to COVID-19	10%	7%	20%	0%	7%
Succession planning/Business leadership transition	10%	14%	7%	5%	11%
Responding to COVID-19 work and safety issues	9%	7%	13%	0%	11%
Navigating the regulatory environment	8%	12%	4%	5%	11%
Increasing productivity	7%	0%	11%	0%	19%
Managing cash flow	5%	5%	4%	5%	7%
Workforce hiring goals	5%	12%	4%	0%	0%
COVID-19 business and project-related costs	4%	5%	4%	10%	0%

Comments from respondents

Please tell us what we haven't included in this survey that keeps you up at night

Below are unedited comments from respondents

Increases in taxes and government regulation!

There is not enough paper to describe this. The cash flow time of payment from Owner / Architect/ General / to sub contractor / supplier needs to get reduced significantly! The fact that the substantial completion payment process is really undefinable and a waste of time. It has not improved anything. Again the sub is left holding the bag and paying absorbent fees on a line of credit to keep suppliers paid.

Delayed delivery and cost of steel joists and precast

Lack of long term funding program for the transportation industry. The increase regulatory requirements for business. Overall economy for the country and finding a workforce that wants to work. Most important though is an individual safety when traveling and at home.

State and municipal budgets are lacking.

Profit margins are very slim for the effort and risk put into projects

This survey was a little bit too long

Finding the Next Project, and keeping staff busy and productive.

Fear that our checks and balances, safety and quality assurance protocols are inadequate with current challenges of stressed and remote work teams.

The majority of our workforce performs their work outdoors with very little sustained interaction in close proximity to others. The vaccination mandate is a very poor political mandate. 70% of our workforce would likely walk away from their jobs if they are required to vaccinate or subject themselves to weekly COVID tests. This is a horrible mandate and completely unnecessary. There are 3 pools of people: Vaccinated, unvaccinated, and unvaccinated who have fully recovered from COVID and have natural immunity that is 30x more effective than the vaccine (Israeli study results). With recent proof that vaccinated are becoming infected at nearly the same rate as unvaccinated, we need people to talk about the facts, not political, pharma answers.

Large out break of covid on a specific project

Force people to go back to work... no handouts!

The negative impacts of government regulation, taxation, and leadership and how it negatively impacts business. Example - rising crime in Minneapolis

Increasing costs of materials and how to remain competitive in the industry while others are dropping their bidding costs.

Material Escalation that is still continuing and out of control.

Continued cost escalation from material pricing, fuel costs, labor costs (annual union increases keep occurring), etc...vs. the cost expectations from owners...there becomes a breaking point.

Finding adequate field personnel

The current administration has a laissez-faire attitude about inflation and workforce issues. You cannot write things off or address them as simply "pay more" regarding wages (we are) and that the private sector needs to "step up" with the extreme supply chain issues we're facing; especially having a deluge of tankers stuck at port. Our problems are systemic, not easily fixed, and the government lacks any accountability. This is not the time to deny the issues are happening. We need to face them head on. I am the female owner of several small businesses and I'm scared that the

political infighting and coming taxation policies are going to hurt me and my employees. Despite being the "backbone" of America, we get shit on. That keeps me up at night.

Our new president.

As a small business when the large companies are crunched they pay the small guy last. Keeping cash flow consistent is a challenge when you have to fight to get every payment. We are averaging 90-100 days for payment, we pay weekly and pay dues long before we get paid for the work completed.

Democrats are KILLING the industrial construction industry by fighting against virtually everything driven by our mining and energy-based economy. Resulting inflation and fuel costs thanks to morons in DC are going to severely impact construction in 2022.

Horrible construction market outlook for 2022 into 2023 as it relates to material availability, material costs increasing, freight expectations, and owner expectations. Lead times are a serious issue, that will only get worse.

Aging management staff (retiring) and replacing key members of our management team.

Will there be sufficient work next year? Our fall bid calendar has been very empty and prices are in the toilet.

Local, State, and national government is a mess. We build buildings for a living and many of them still seem to be mostly empty. When governors and mayors allow riots in the streets and police stations to be overtaken, and watch them burn for a week before doing something about it, there are consequences. Add to that fear-driven policies and COVID shut-downs (COVID is real but the idea of out-running it is absurd and economically ridiculous) and suddenly deep into 2021 the downtowns of the twin cities are still glaringly a shell of what they were two years ago. Retailers downtown have to convince customers to brave alarmingly high odds of experiencing some sort of crime potential such as car-jackings, robberies, or worse, should they gamble on a night out in the metro. This all impacts our industry. As does the forced and now welcomed choice of working from home rather than in an office building. Obviously, change happens and some of it will be positive. But, I hope AGC, and the powerful employers within the AGC have some diversity of thought and ideas when they have the opportunity to meet with the politicians who have ZERO skin in the game in which they use their power. We appreciate AGC, it's board and directors, and the hard work and volunteering they do for our industry. The challenges are everchanging and never easy.

Transportation funding at state and federal level, Potential business tax law changes, Increasing numbers of Americans who don't believe in hard work and being the best, Our deteriorating infrastructure, Our declining aquifers and the water issues that result from that (especially out west).

Inflation

Supply chain and costs

Lack of work and whether work will be available in the future. Has Covid impacted projects being financed or designed in the pipeline? What will the new normal look like?

1) Commodity/supply chain issues- this is absolutely the largest issue in our industry right now. 2) Federal vaccination mandates and the impact on labor forces 3) Overall workload of our team

