AGC of America
THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA
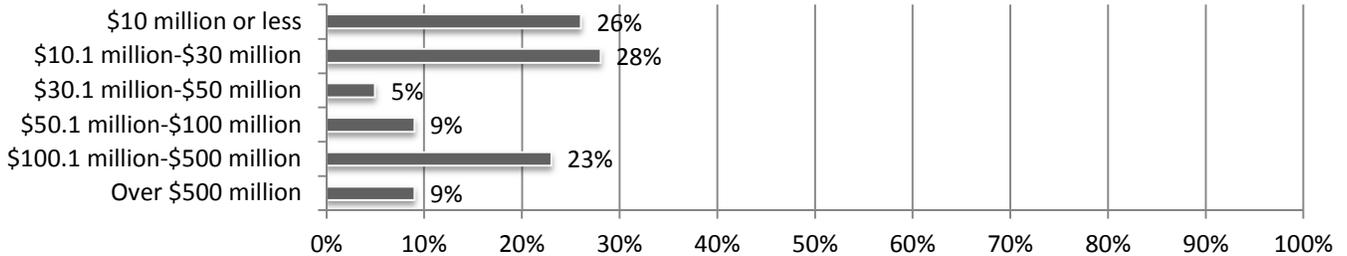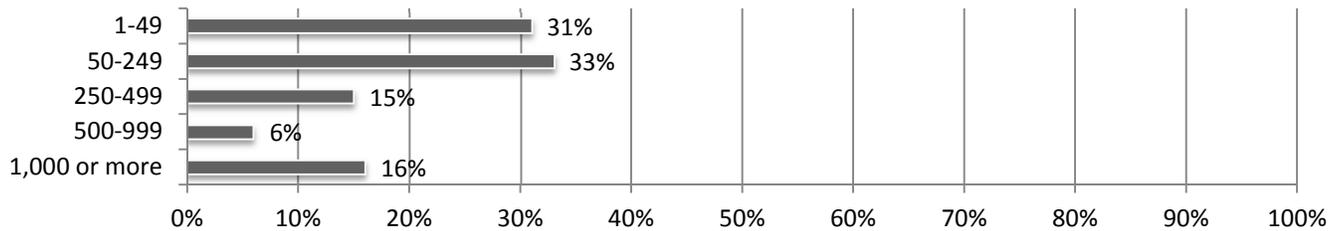### Quality People. Quality Projects.

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2016 Construction Outlook Survey Results
Texas Results

(Results from 175 respondents who listed Texas as the state where their firm performs the largest amount of its work; total differs for some questions)
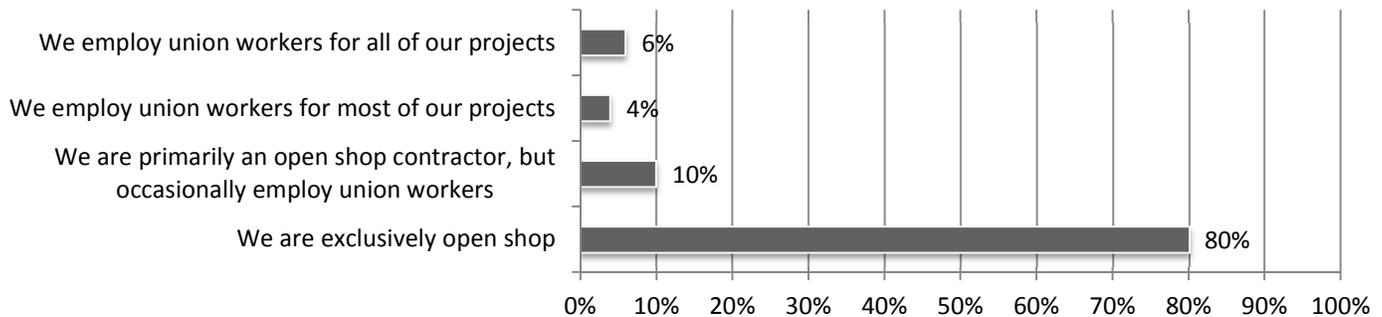
1. Estimate the total dollar amount of work your firm performed in 2015.

Category	Percentage
$10 million or less	26%
$10.1 million-$30 million	28%
$30.1 million-$50 million	5%
$50.1 million-$100 million	9%
$100.1 million-$500 million	23%
Over $500 million	9%

2. How many total employees does your organization employ at all of its locations?

Category	Percentage
1-49	31%
50-249	33%
250-499	15%
500-999	6%
1,000 or more	16%

3. Do you employ union workers, or is your firm primarily open shop?

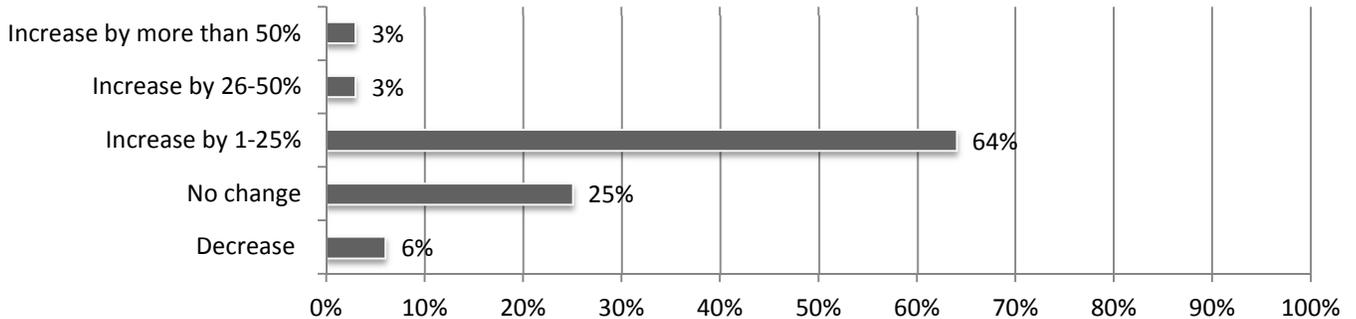| Category	Percentage
We employ union workers for all of our projects	6%
We employ union workers for most of our projects	4%
We are primarily an open shop contractor, but occasionally employ union workers	10%
We are exclusively open shop	80%

4. Compared to 2015, do you expect the available dollar volume of projects you compete for in 2016 to be:

Market	Higher	Lower	Same	Net
All projects	53%	9%	39%	44%
Hospital	48%	14%	38%	34%
Higher Education	37%	7%	56%	30%
K-12 School	42%	13%	45%	30%
Retail, Warehouse, Lodging	40%	17%	43%	23%
Other Transportation (e.g., transit, rail, airport)	37%	17%	46%	20%
Highway	39%	20%	41%	20%
Public Building	34%	17%	49%	17%
Water/Sewer	28%	15%	57%	13%
Private Office	35%	23%	42%	13%
Manufacturing	19%	15%	66%	3%
Multifamily Residential	26%	24%	50%	2%
Power	23%	23%	53%	0%
Federal (e.g., VA, GSA, USACE, NAVFAC)	14%	26%	60%	-12%

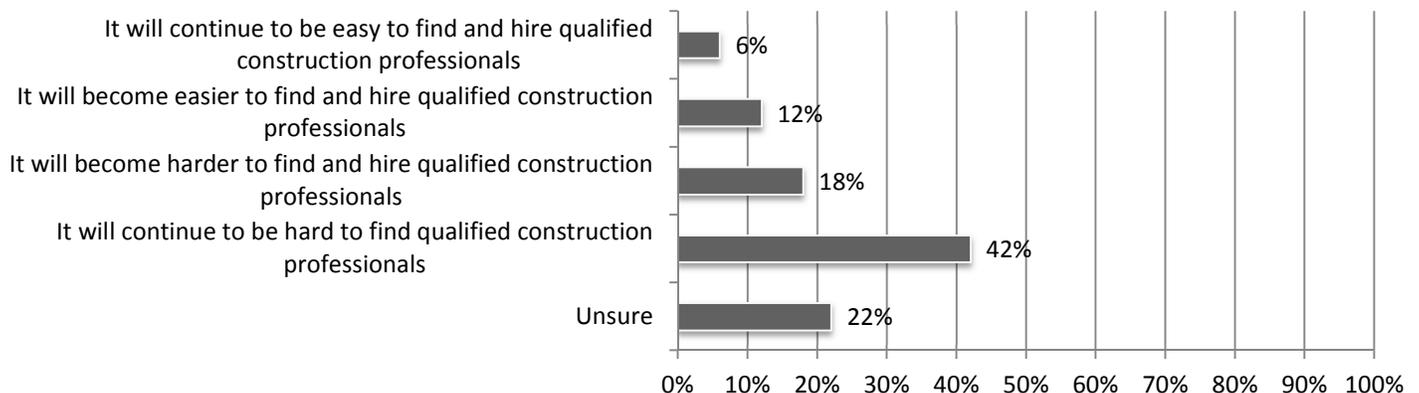**5. What numerical change do you expect in your headcount in 2016?**

Category	Percentage
Increase by more than 25	17%
Increase by 16-25	13%
Increase by 6-15	14%
Increase by 1-5	25%
No change	24%
Decrease	8%
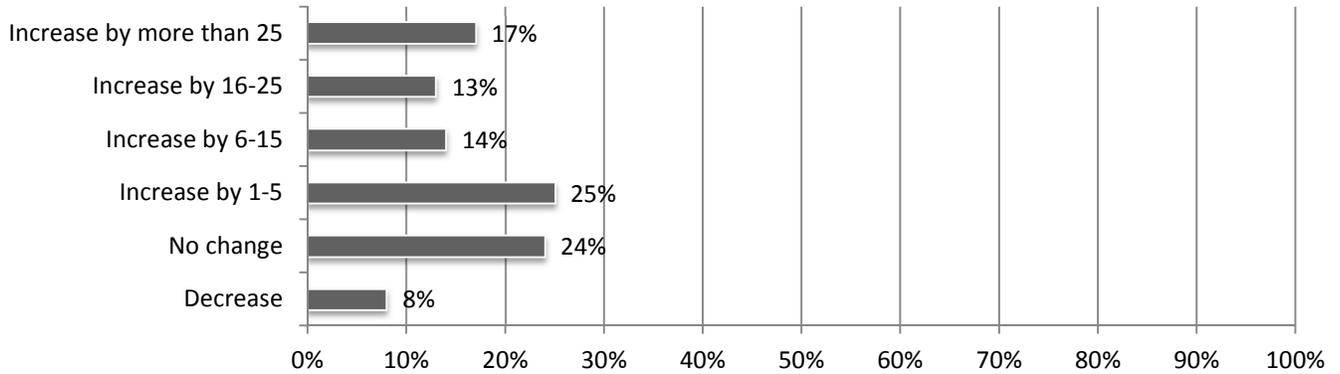
6. What percentage change do you expect in your headcount in 2016?

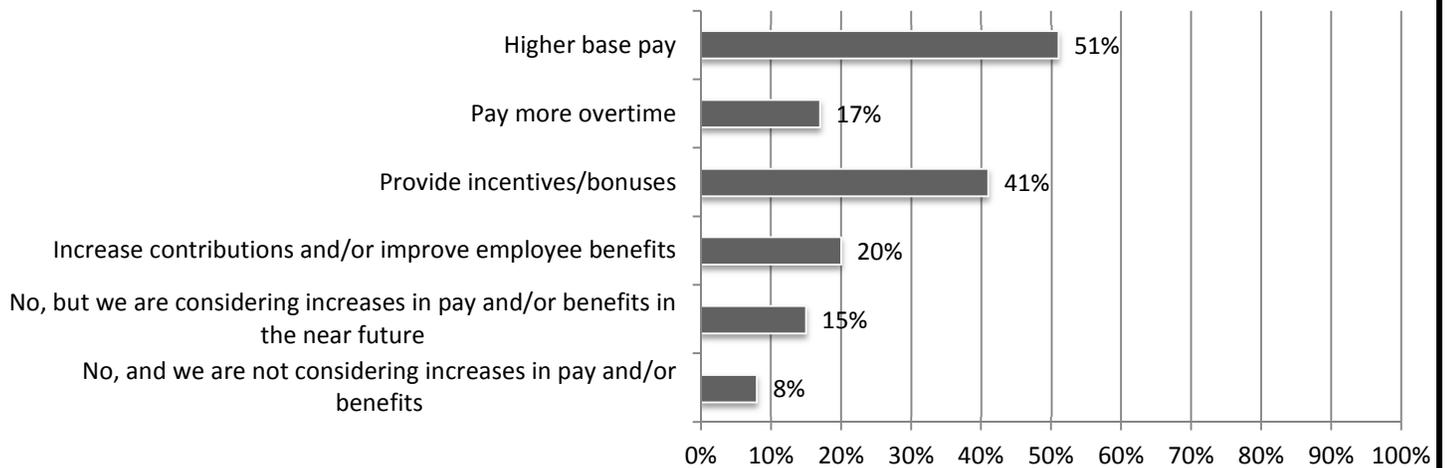| Category	Percentage
Increase by more than 50%	3%
Increase by 26-50%	3%
Increase by 1-25%	64%
No change	25%
Decrease	6%

7. How would you describe your current conditions for filling key salaried positions (project manager/supervisor, estimator, etc.) and hourly craft positions (carpenter, laborer, equipment operator, etc.)?

Category	Percentage
I am having a hard time filling both salaried and craft worker positions	35%
I am having a hard time filling some salaried positions, but no trouble filling craft worker positions	5%
I am having a hard time filling some craft worker positions, but no trouble filling salaried positions	28%
I am having no trouble filling any positions	14%
I am not doing any hiring	19%

8. Do you expect any changes in the availability of salaried/hourly craft construction professionals over the coming 12 months?

Category	Percentage
It will continue to be easy to find and hire qualified construction professionals	6%
It will become easier to find and hire qualified construction professionals	12%
It will become harder to find and hire qualified construction professionals	18%
It will continue to be hard to find qualified construction professionals	42%
Unsure	22%

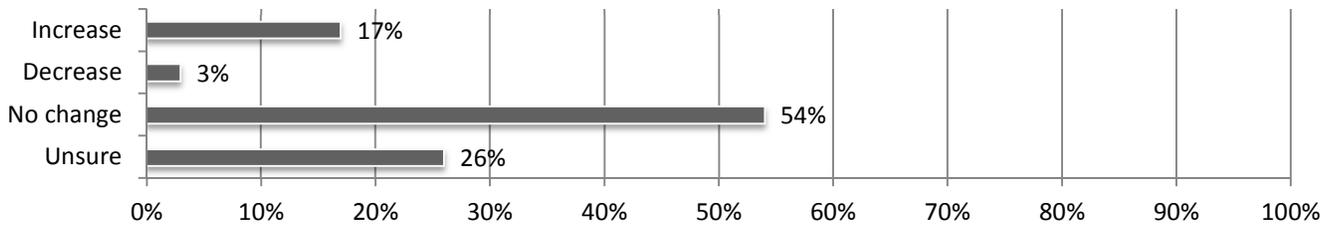**9. Has your firm increased pay or benefits to retain or recruit salaried/hourly craft professionals?**

Response	Percentage
Higher base pay	51%
Pay more overtime	17%
Provide incentives/bonuses	41%
Increase contributions and/or improve employee benefits	20%
No, but we are considering increases in pay and/or benefits in the near future	15%
No, and we are not considering increases in pay and/or benefits	8%

10. Compared to 2015, how will your 2016 investment in training and development change?

Response	Percentage
Increase	64%
Decrease	1%
Stay the same	30%
Unsure	6%
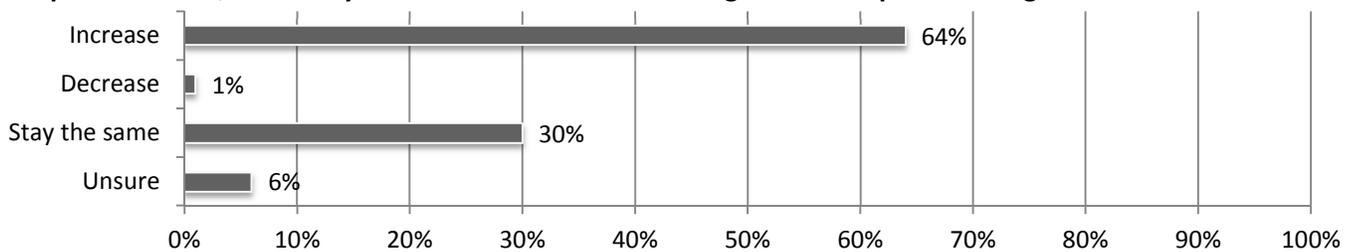
11. Which of the following issues are the biggest concerns to you and your business?

Issue	Percentage
Worker shortages	55%
Worker quality	55%
Rising direct labor costs	43%
Subcontractor defaults	7%
Growth in federal regulations	34%
Growth in state and local regulations	26%
Rising materials costs	22%
External process inefficiencies (such as collaboration with owners, subs and/or vendors)	32%
Rising subcontractor costs	27%
Internal company process inefficiencies	27%
Increased competition for projects	48%
Lack of infrastructure investments	8%
Not enough work private sector work	14%
Lack of public non-infrastructure work	2%

12. Have you seen an increase, decrease or level amount of subcontractor defaults from 2014 to 2015?

Response	Percentage
Increase	17%
Decrease	3%
No change	54%
Unsure	26%

13. What challenges, if any, do you see regarding the safety and health of your workers?

Legend: Major, Minor, No challenge

Challenge	Major	Minor	No challenge
Inexperienced skilled labor/workforce shortage	49%	34%	16%
Lack of cooperation from federal agencies or regulators	15%	45%	39%
Low quality of available safety and health training	6%	43%	51%
Poor subcontractor safety and health performance	23%	49%	27%
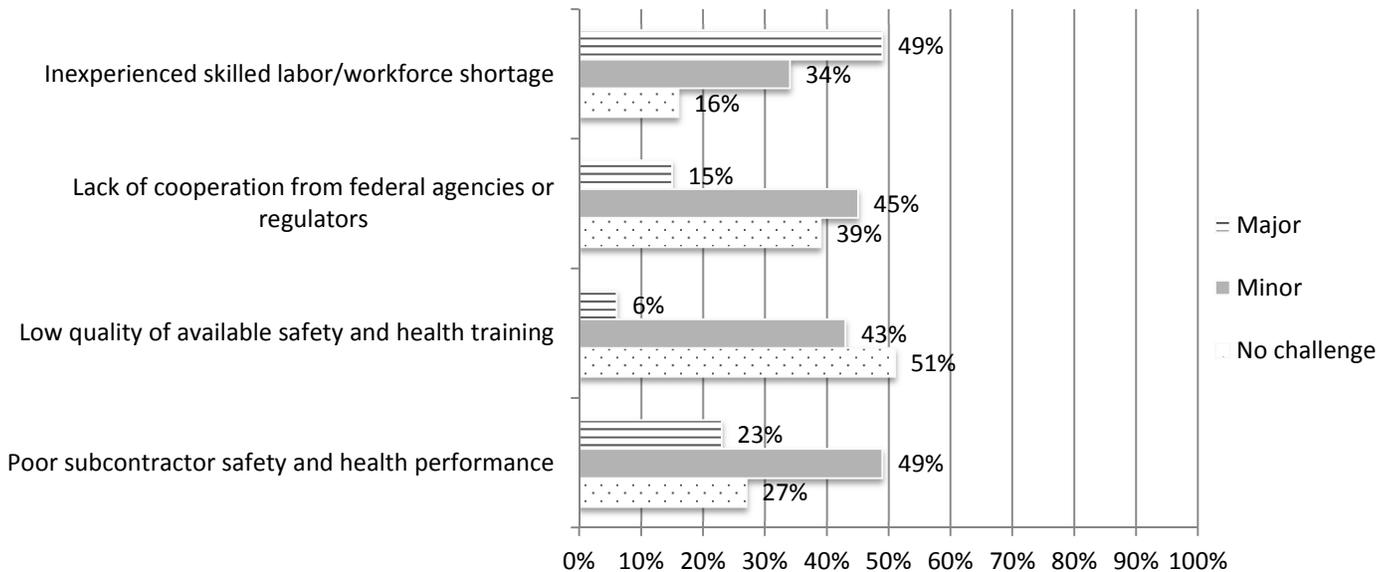
14. How would you describe credit or lending conditions for your company?

Response	Percentage
My firm has had a harder time getting bank loans than a year ago	1%
My firm has had an easier time getting bank loans than a year ago	7%
Bank credit has not been an issue for my firm, but has caused my customers' projects to be delayed or canceled	31%
Easier bank credit has enabled customers to move ahead with previously delayed projects	1%
There has been no change in bank lending with regard to my firm or customers	60%

15. Did the cost of providing health care insurance for your employees increase or decrease in 2015?

Response	Percentage
Increased	81%
Decreased	0%
Stayed the same	13%
We did not provide health care insurance in 2015	6%

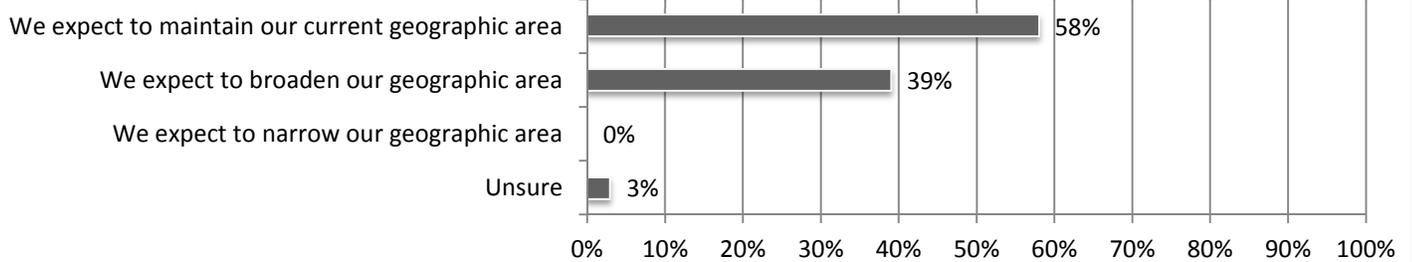**16. Do you expect the cost of providing health care insurance for your employees to increase or decrease in 2016?**

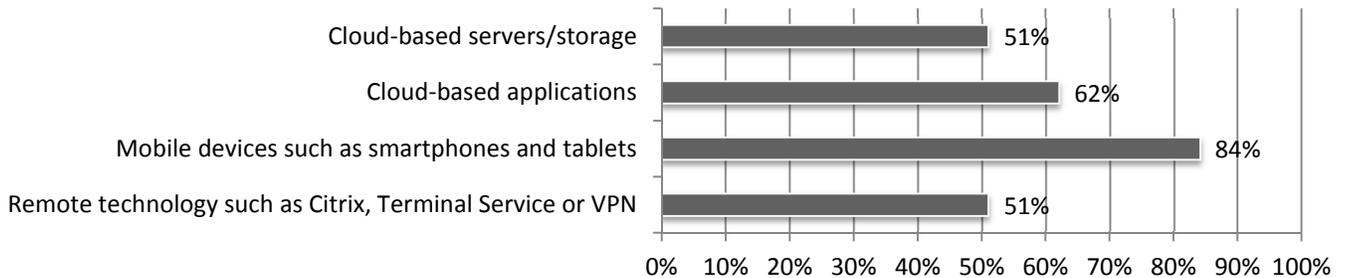| Response	Percentage
Increase	78%
Decrease	3%
Stay the same	13%
We did not provide health insurance in 2015 and do not plan to do so in 2016	4%
We did not provide health insurance in 2015, but plan to do so in 2016	2%
We provided health insurance in 2015, but do not plan to do so in 2016	0%
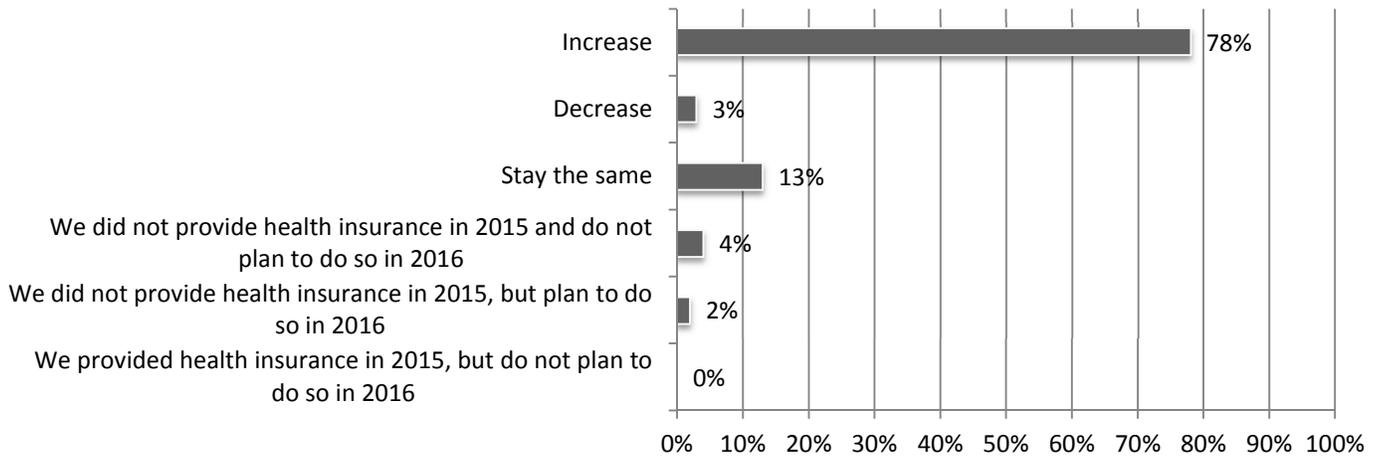
17. Do you expect your firm will work on a project using modular construction and/or off-site construction/prefabrication in 2016?
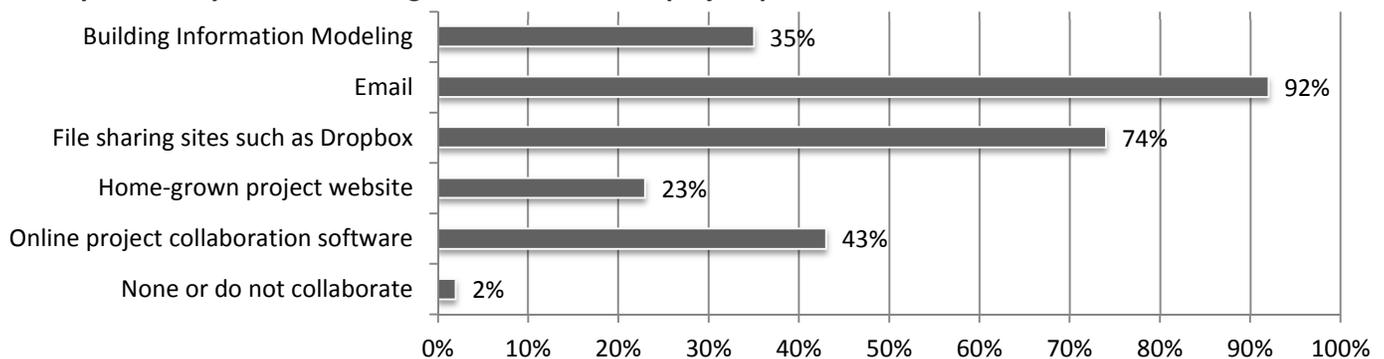
Response	Percentage
Yes	37%
No	40%
Unsure	22%
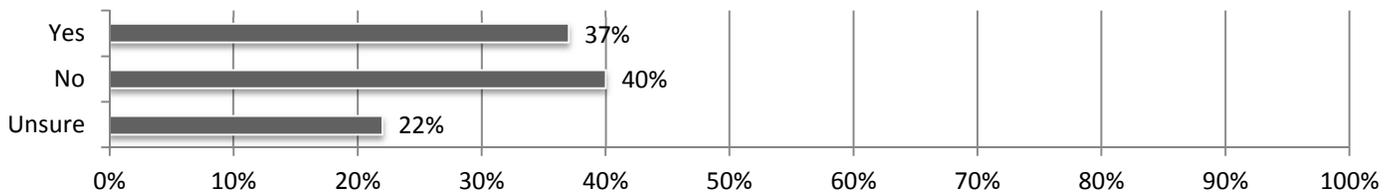
18. How do you expect your geographic market area will change in 2016?

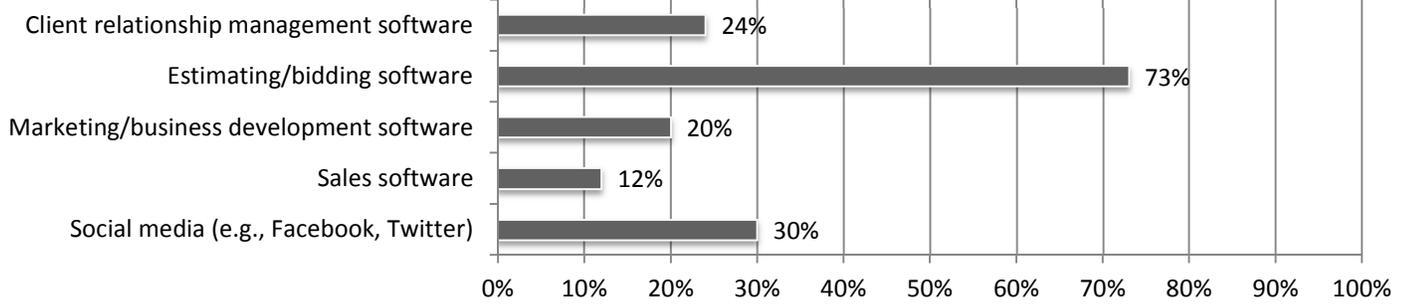| Response	Percentage
We expect to maintain our current geographic area	58%
We expect to broaden our geographic area	39%
We expect to narrow our geographic area	0%
Unsure	3%

19. What technology do you use or will you implement to see or manage projects outside your traditional market area?

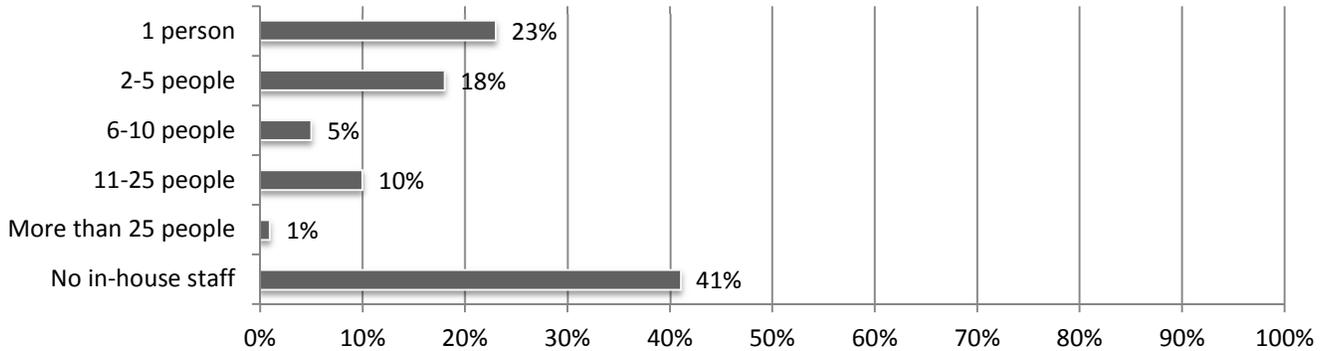| Response	Percentage
Cloud-based servers/storage	51%
Cloud-based applications	62%
Mobile devices such as smartphones and tablets	84%
Remote technology such as Citrix, Terminal Service or VPN	51%

20. Do you use any of the following to collaborate with project partners?

Response	Percentage
Building Information Modeling	35%
Email	92%
File sharing sites such as Dropbox	74%
Home-grown project website	23%
Online project collaboration software	43%
None or do not collaborate	2%

21. What information technology (IT), if any, do you use to obtain work?

Category	Percentage
Client relationship management software	24%
Estimating/bidding software	73%
Marketing/business development software	20%
Sales software	12%
Social media (e.g., Facebook, Twitter)	30%

22. What is the size of your in-house IT staff?

Category	Percentage
1 person	23%
2-5 people	18%
6-10 people	5%
11-25 people	10%
More than 25 people	1%
No in-house staff	41%

23. Do you use an outsourced service for IT?

Category	Percentage
Yes	59%
No	41%
No, but plan to do so in 2016	0%
Unsure	0%
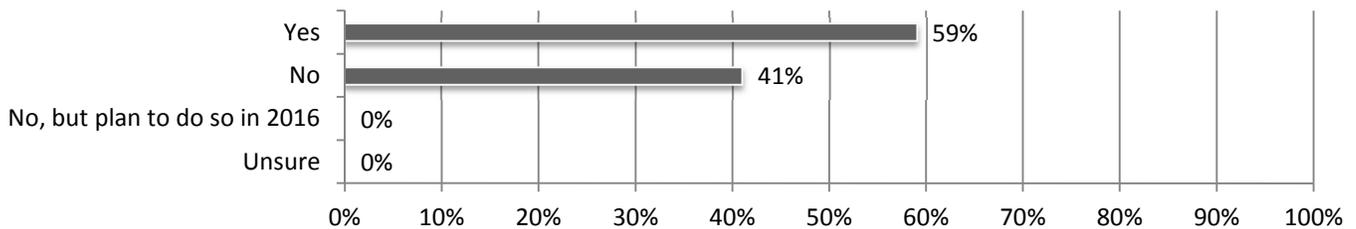
24. Approximately what percent of your gross annual revenue do you spend on IT?

Category	Percentage
Less than 1%	40%
1 to 1.9%	20%
2 to 2.9%	10%
3 to 3.9%	3%
4 to 4.9%	1%
5 to 9.9%	2%
10% or more	1%
Unsure	23%
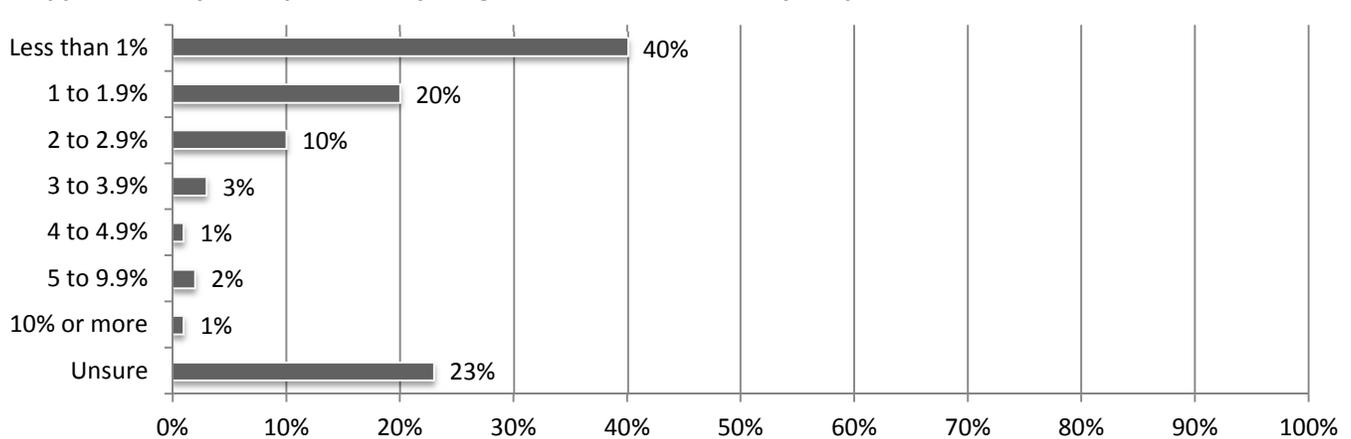
25. Compared to 2015, how will your 2016 investment in IT change?

Category	Percentage
Increase	43%
Decrease	4%
Stay the same	42%
Unsure	11%
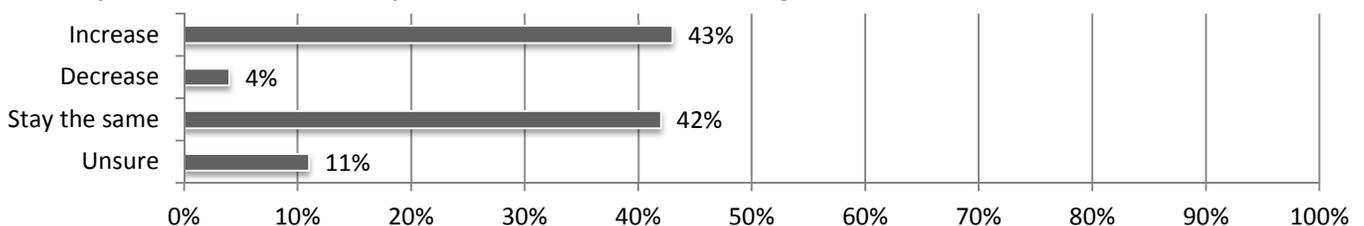
26. What software technology do you plan to invest in during 2016?

Category	%
Accounting software	30%
Project management software	27%
Document management software	26%
Estimating software	23%
Scheduling software	22%
Project collaboration software	12%
Human resources software	11%
Fleet tracking/management software	10%
Building Information Modeling	9%
Subcontractor bid management/ITB software	9%
Client relationship management software	8%
Outsource payroll	8%
Service management software	3%
Prequalification software	0%
None	20%

27. Does your company plan to use mobile software technology in 2016?

Answer	%
Yes	58%
No	20%
Unsure	22%
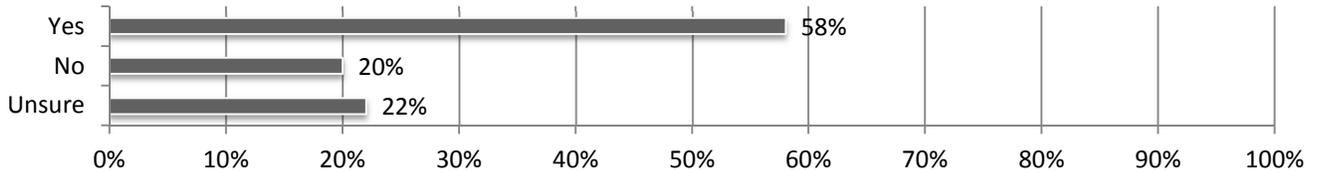
28. How do you plan to use mobile software technology?

Category	%
Daily field reports	83%
Access to customer and job information from the field	74%
Sharing of drawings, photos, and documents	74%
Access to job cost and project reports from the field	67%
Scheduling	52%
Punch lists	50%
Time capture and approval	50%
Equipment tracking	41%
Processing service work orders in the field	37%
Building Information Modeling	33%
GPS tracking (e.g., fleet tracking)	31%
Material acceptance at the job site	30%
Inventory tracking	24%
Processing payments in the field	15%

29. How do you handle the use of mobile devices (e.g., tablets, smartphones) in your company?

Company supplies mobile devices to staff; no staff-supplied devices	58%
Employees use their own mobile devices; no company-supplied devices	8%
We do a combination of both	32%
Unsure	2%
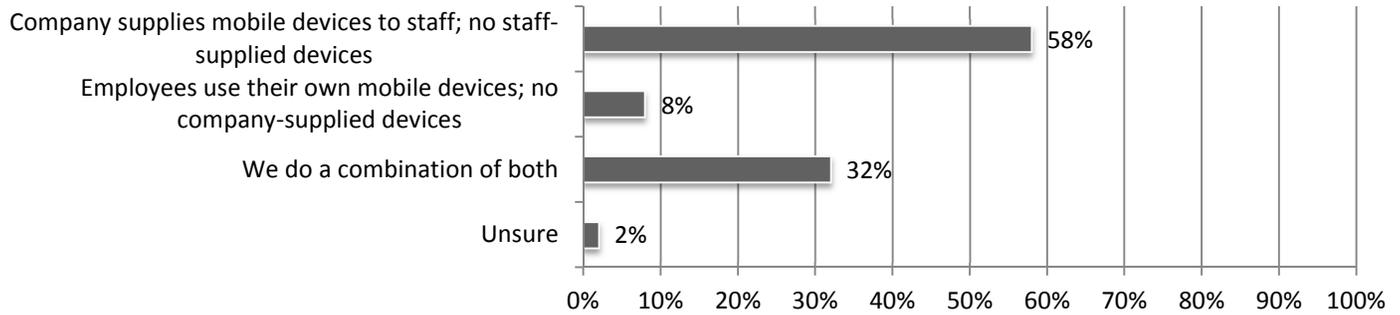
30. Do you currently have a mobile security policy in place?

Yes	53%
No	38%
Unsure	10%
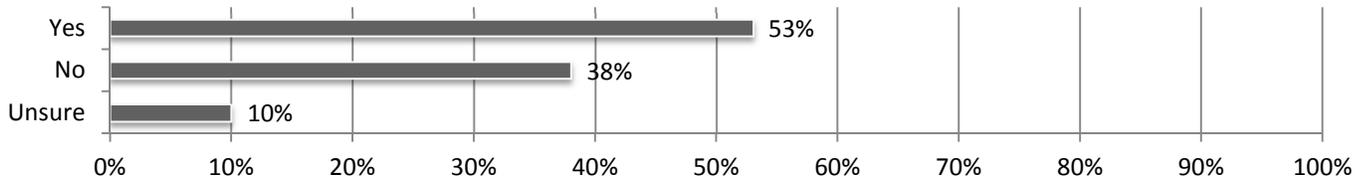
31. Do you currently have an overall IT security plan in place to protect against hacking?

Yes	82%
No	12%
Unsure	6%
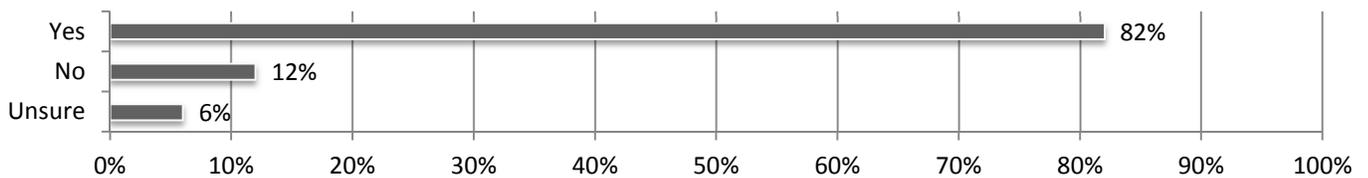
32. Do you have a formal IT plan that supports your business objectives?

Yes	49%
No	30%
No, but plan to do so in 2016	12%
Unsure	9%
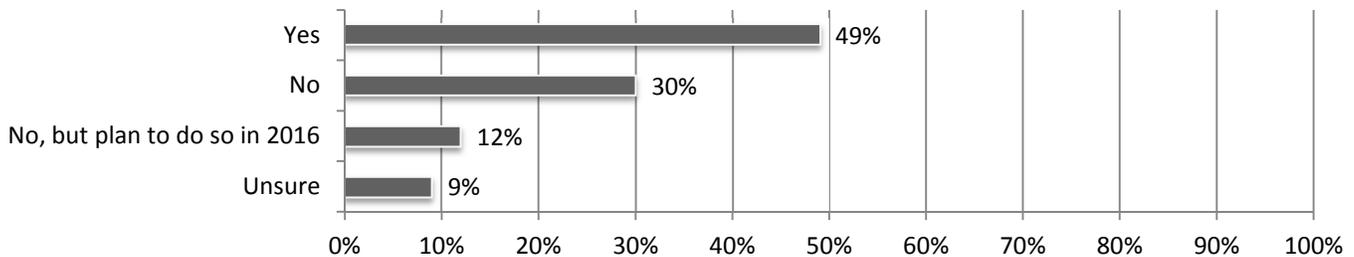
33. Do you use or plan to use cloud-based software?

Yes	57%
No	25%
Unsure	18%
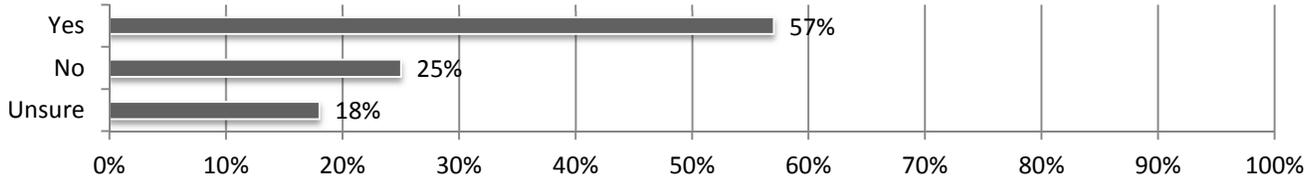
34. What is the main reason you use or plan to adopt cloud-based software?

Ability to access information anytime and from anywhere	61%
Built-in security	6%
Faster implementation	6%
Reduced IT cost	0%
Redundancy and disaster recovery	13%
Other/unsure	15%
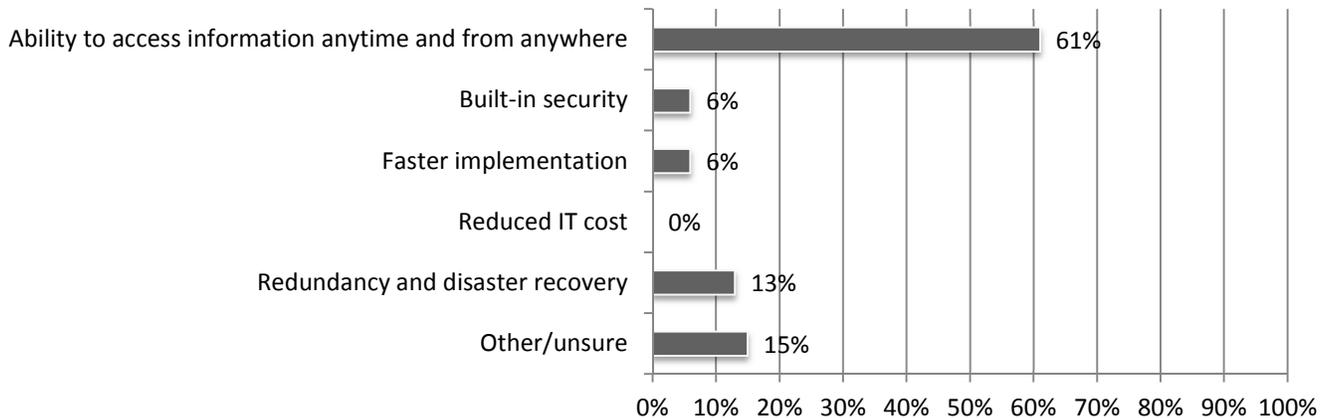
35. What is the main reason you do not use cloud-based software? Concerns about:

Category	Percentage
Concerns about security	39%
Less control	26%
Other/unsure	35%
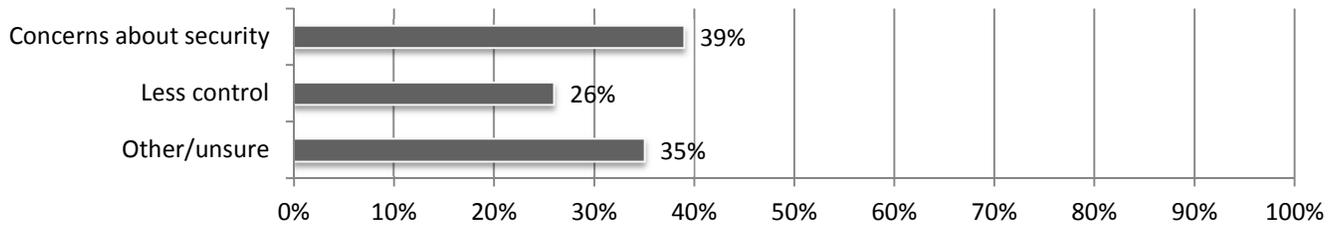
36. What are your biggest IT challenges?

Category	Percentage
Time to implement and train on new technology	42%
Connectivity to remote job sites	38%
Employee resistance to technology	35%
Communication between field and office	30%
Integration between software used inside of our company	30%
Keeping company data secure from hackers	25%
Outdated company software and systems	17%
Integration with software used by business partners outside our company	16%
Management resistance to technology	10%
None	6%