2016 Construction Outlook Survey Results
Wisconsin Results
(Results from 39 respondents who listed Wisconsin 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.

<table>
<thead>
<tr>
<th>Market</th>
<th>Higher</th>
<th>Lower</th>
<th>Same</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>All projects</td>
<td>46%</td>
<td>18%</td>
<td>36%</td>
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</tr>
<tr>
<td>Private Office</td>
<td>31%</td>
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<td>Hospital</td>
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</tr>
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<td>Public Building</td>
<td>22%</td>
<td>17%</td>
<td>61%</td>
<td>4%</td>
</tr>
<tr>
<td>Multifamily Residential</td>
<td>14%</td>
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<td>Federal (e.g., VA, GSA, USACE, NAVFAC)</td>
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<td>Higher Education</td>
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<td>Highway</td>
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</table>

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

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>1-49</th>
<th>50-249</th>
<th>250-499</th>
<th>500-999</th>
<th>1,000 or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>50%</td>
<td>34%</td>
<td>6%</td>
<td>3%</td>
<td>6%</td>
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3. Do you employ union workers, or is your firm primarily open shop?

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<th>Type of Union Employment</th>
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<tr>
<td>We employ union workers for all of our projects</td>
<td>48%</td>
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<td>We employ union workers for most of our projects</td>
<td>29%</td>
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<tr>
<td>We are primarily an open shop contractor, but occasionally employ union workers</td>
<td>6%</td>
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<tr>
<td>We are exclusively open shop</td>
<td>16%</td>
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4. Compared to 2015, do you expect the available dollar volume of projects you compete for in 2016 to be:

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

- Increase by more than 25: 4%
- Increase by 16-25: 11%
- Increase by 6-15: 15%
- Increase by 1-5: 44%
- No change: 11%
- Decrease: 15%

6. What percentage change do you expect in your headcount in 2016?

- Increase by more than 50%: 0%
- Increase by 26-50%: 4%
- Increase by 1-25%: 67%
- No change: 15%
- Decrease: 15%

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.)?

- I am having a hard time filling both salaried and craft worker positions: 41%
- I am having a hard time filling some salaried positions, but no trouble filling craft worker positions: 7%
- I am having a hard time filling some craft worker positions, but no trouble filling salaried positions: 33%
- I am having no trouble filling any positions: 7%
- I am not doing any hiring: 11%

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

- It will continue to be easy to find and hire qualified construction professionals: 0%
- It will become easier to find and hire qualified construction professionals: 7%
- It will become harder to find and hire qualified construction professionals: 33%
- It will continue to be hard to find qualified construction professionals: 41%
- Unsure: 19%
9. Has your firm increased pay or benefits to retain or recruit salaried/hourly craft professionals?

- Higher base pay: 52%
- Pay more overtime: 19%
- Provide incentives/bonuses: 26%
- Increase contributions and/or improve employee benefits: 15%
- No, but we are considering increases in pay and/or benefits in the near future: 0%
- No, and we are not considering increases in pay and/or benefits: 19%

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

- Increase: 33%
- Decrease: 0%
- Stay the same: 67%
- Unsure: 0%

11. Which of the following issues are the biggest concerns to you and your business?

- Worker shortages: 68%
- Worker quality: 48%
- Rising direct labor costs: 52%
- Subcontractor defaults: 8%
- Growth in federal regulations: 24%
- Growth in state and local regulations: 28%
- Rising materials costs: 36%
- External process inefficiencies (such as collaboration with owners, subs and/or vendors): 32%
- Rising subcontractor costs: 24%
- Internal company process inefficiencies: 12%
- Increased competition for projects: 44%
- Lack of infrastructure investments: 8%
- Not enough work private sector work: 16%
- Lack of public non-infrastructure work: 4%
12. Have you seen an increase, decrease or level amount of subcontractor defaults from 2014 to 2015?

- **Increase**: 13%
- **Decrease**: 8%
- **No change**: 54%
- **Unsure**: 25%

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

- **Inexperienced skilled labor/workforce shortage**: 65%
  - Major: 25%
  - Minor: 10%
- **Lack of cooperation from federal agencies or regulators**: 50%
  - Major: 40%
  - Minor: 10%
- **Low quality of available safety and health training**: 45%
  - Major: 50%
  - Minor: 5%
  - No challenge: 24%
- **Poor subcontractor safety and health performance**: 38%
  - Major: 38%
  - Minor: 45%

14. How would you describe credit or lending conditions for your company?

- **My firm has had a harder time getting bank loans than a year ago**: 8%
- **My firm has had an easier time getting bank loans than a year ago**: 12%
- **Bank credit has not been an issue for my firm, but has caused my customers' projects to be delayed or canceled**: 4%
- **Easier bank credit has enabled customers to move ahead with previously delayed projects**: 4%
- **There has been no change in bank lending with regard to my firm or customers**: 76%

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

- **Increased**: 88%
- **Decreased**: 8%
- **Stayed the same**: 4%
- **We did not provide health care insurance in 2015**: 0%
16. Do you expect the cost of providing health care insurance for your employees to increase or decrease in 2016?

- Increase: 92%
- Decrease: 0%
- Stay the same: 4%
- 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: 0%
- 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?

- Yes: 39%
- No: 26%
- Unsure: 35%

18. How do you expect your geographic market area will change in 2016?

- We expect to maintain our current geographic area: 57%
- We expect to broaden our geographic area: 39%
- We expect to narrow our geographic area: 0%
- Unsure: 4%

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

- Cloud-based servers/storage: 50%
- Cloud-based applications: 100%
- Mobile devices such as smartphones and tablets: 100%
- Remote technology such as Citrix, Terminal Service or VPN: 75%

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

- Building Information Modeling: 36%
- Email: 100%
- File sharing sites such as Dropbox: 77%
- Home-grown project website: 27%
- Online project collaboration software: 59%
- None or do not collaborate: 0%
21. What information technology (IT), if any, do you use to obtain work?

- Client relationship management software: 14%
- Estimating/bidding software: 86%
- Marketing/business development software: 32%
- Sales software: 9%
- Social media (e.g., Facebook, Twitter): 50%

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

- 1 person: 27%
- 2-5 people: 27%
- 6-10 people: 0%
- 11-25 people: 0%
- More than 25 people: 5%
- No in-house staff: 41%

23. Do you use an outsourced service for IT?

- Yes: 73%
- No: 27%
- 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?

- Less than 1%: 9%
- 1 to 1.9%: 9%
- 2 to 2.9%: 0%
- 3 to 3.9%: 0%
- 4 to 4.9%: 0%
- 5 to 9.9%: 0%
- 10% or more: 0%
- Unsure: 32%

25. Compared to 2015, how will your 2016 investment in IT change?

- Increase: 27%
- Decrease: 5%
- Stay the same: 64%
- Unsure: 5%
26. What software technology do you plan to invest in during 2016?

- Estimating software: 36%
- Scheduling software: 32%
- Accounting software: 27%
- Project management software: 27%
- Document management software: 23%
- Fleet tracking/management software: 23%
- Building Information Modeling: 18%
- Client relationship management software: 18%
- Project collaboration software: 14%
- Subcontractor bid management/ITB software: 14%
- Human resources software: 9%
- Outsource payroll: 5%
- Prequalification software: 5%
- Service management software: 0%
- None: 14%
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: 55%
- Employees use their own mobile devices; no company-supplied devices: 0%
- We do a combination of both: 45%
- Unsure: 0%

30. Do you currently have a mobile security policy in place?

- Yes: 59%
- No: 32%
- Unsure: 9%

31. Do you currently have an overall IT security plan in place to protect against hacking?

- Yes: 91%
- No: 0%
- Unsure: 9%

32. Do you have a formal IT plan that supports your business objectives?

- Yes: 55%
- No: 18%
- No, but plan to do so in 2016: 27%
- Unsure: 0%

33. Do you use or plan to use cloud-based software?

- Yes: 73%
- No: 5%
- Unsure: 23%

34. What is the main reason you use or plan to adopt cloud-based software?

- Ability to access information anytime and from anywhere: 75%
- Built-in security: 6%
- Faster implementation: 0%
- Reduced IT cost: 6%
- Redundancy and disaster recovery: 13%
- Other/unsure: 0%
35. What is the main reason you do not use cloud-based software? Concerns about:

- Concerns about security: 100%
- Less control: 100%
- Other/unsure: 0%

36. What are your biggest IT challenges?

- Connectivity to remote job sites: 41%
- Communication between field and office: 36%
- Time to implement and train on new technology: 36%
- Employee resistance to technology: 32%
- Integration between software used inside of our company: 23%
- Keeping company data secure from hackers: 14%
- Management resistance to technology: 14%
- Integration with software used by business partners outside our company: 9%
- Outdated company software and systems: 9%
- None: 14%