# 2024 Construction Outlook
California Survey Results

Total Responses: 65. Responses varied for some questions. Percentages are based on responses to each question and may not sum to 100 due to rounding.

1. **Compared to 2023, do you expect the available dollar value of projects you compete for in 2024 to be higher/lower/about the same (answer for all market areas in which your business operates) Responses: 65**
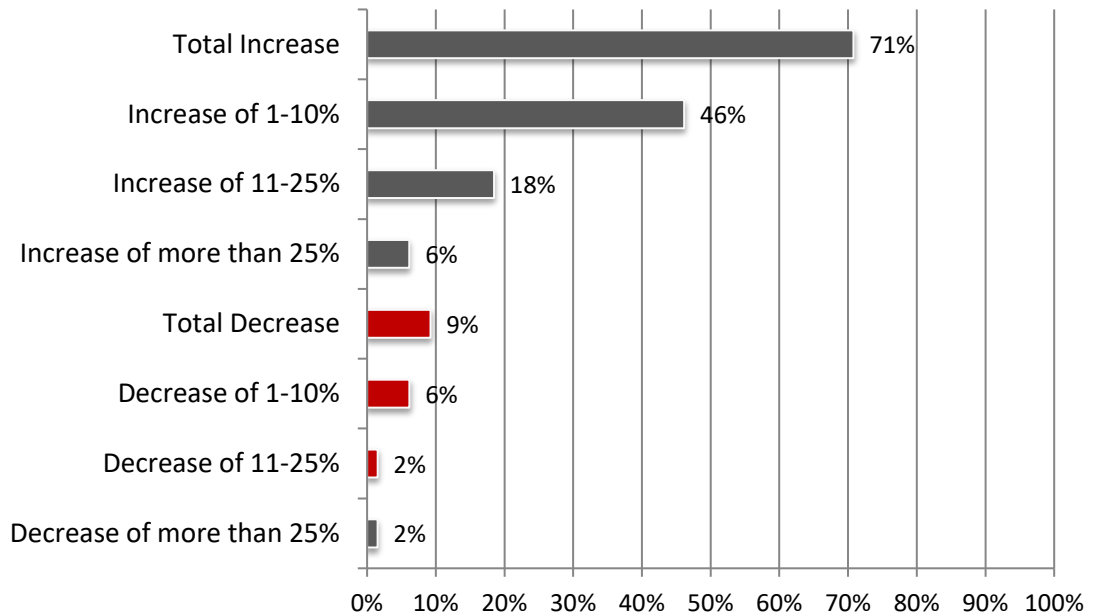
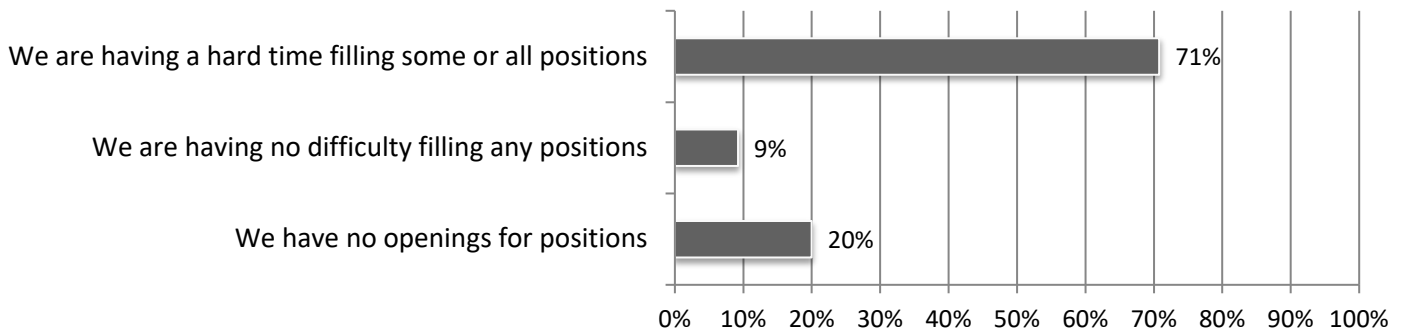Net % expecting 2024 value of projects to be Higher or Lower than 2023
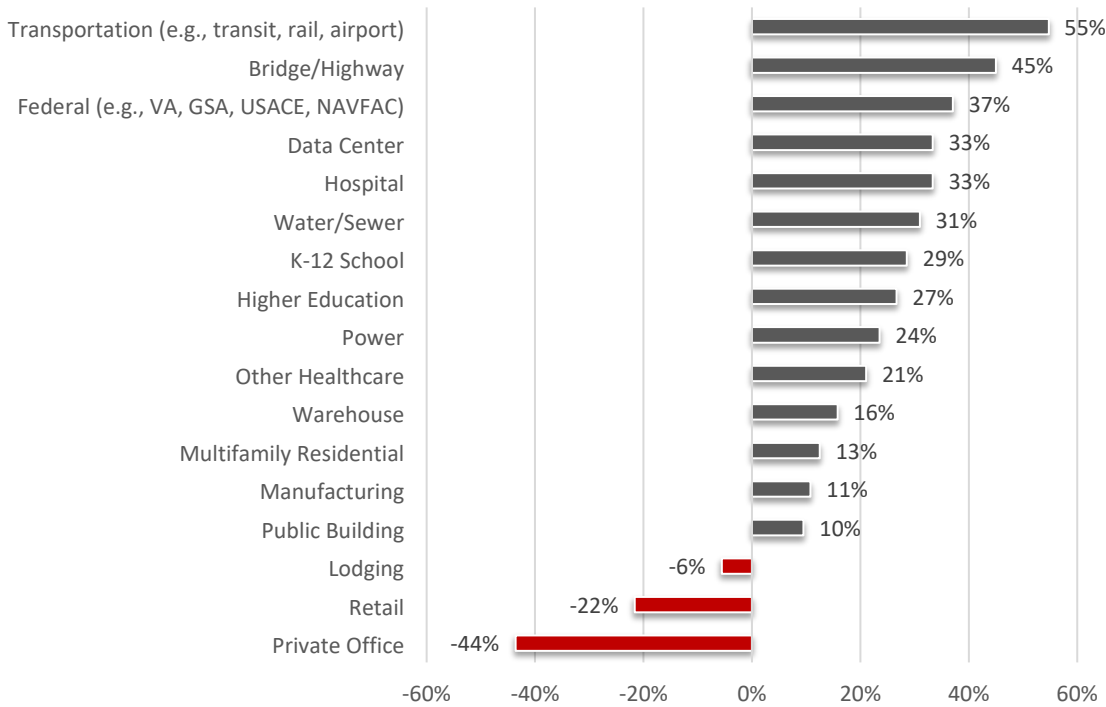
Market Area	Net %	Higher	Lower	Same
Transportation (e.g., transit, rail, airport)	55%	62%	7%	31%
Bridge/Highway	45%	58%	13%	30%
Federal (e.g., VA, GSA, USACE, NAVFAC)	37%	52%	15%	33%
Data Center	33%	49%	15%	36%
Hospital	33%	49%	15%	36%
Water/Sewer	31%	45%	14%	40%
K-12 School	29%	36%	7%	57%
Higher Education	27%	38%	11%	51%
Power	24%	44%	21%	35%
Other Healthcare	21%	42%	21%	37%
Warehouse	16%	45%	29%	26%
Multifamily Residential	13%	40%	28%	33%
Manufacturing	11%	38%	27%	35%
Public Building	10%	31%	21%	48%
Lodging	-6%	25%	31%	44%
Retail	-22%	19%	41%	41%
Private Office	-44%	15%	59%	26%

Net equals difference between number of "Higher" and "Lower" responses as percent of total.

2. What percentage change do you expect in your headcount in 2024? Responses: 65

Category	Percentage
Total Increase	71%
Increase of 1-10%	46%
Increase of 11-25%	18%
Increase of more than 25%	6%
Total Decrease	9%
Decrease of 1-10%	6%
Decrease of 11-25%	2%
Decrease of more than 25%	2%

3. How would you describe your current situation in filling salaried and hourly craft positions? Responses: 65

Category	Percentage
We are having a hard time filling some or all positions	71%
We are having no difficulty filling any positions	9%
We have no openings for positions	20%

4. Do you expect any changes in the availability of hourly craft or salaried personnel over the coming 12 months? Responses: 65

Category	Percentage
It will continue to be hard to hire	37%
It will become harder to hire	20%
No change	25%
It will become easier to hire	15%
It will continue to be easy to hire	3%
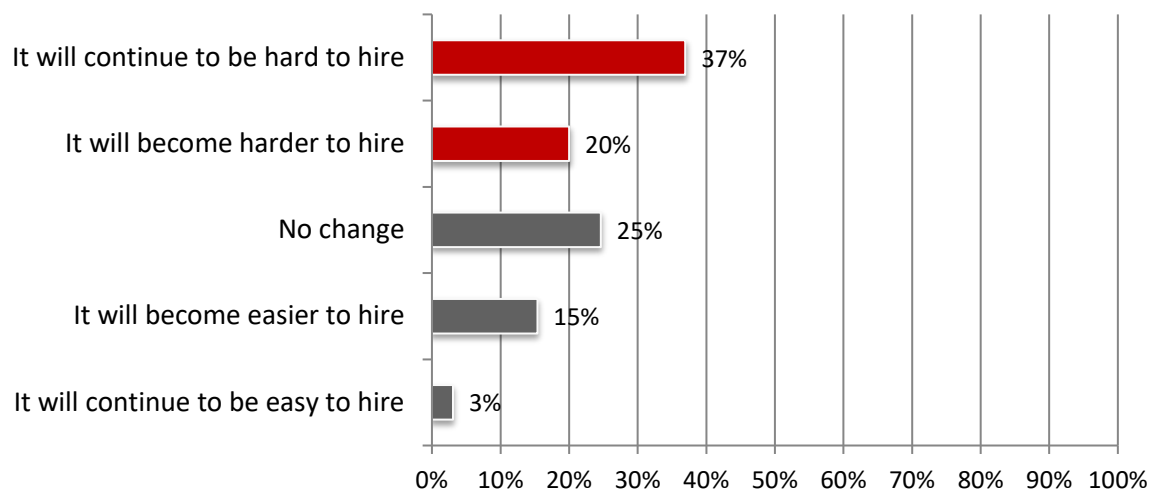
5. What changes did your firm make in pay or benefits in 2023? (mark all that apply) Responses: 65

Category	Percent
Increased base pay rates more in 2023 than in 2022	46%
Provided similar or smaller increases in 2023 than 2022	34%
Introduced or increased incentives/bonuses	18%
Increased our portion of benefit contributions and/or improved employee benefits	15%
No increases in pay, incentives, or benefits in 2023	18%
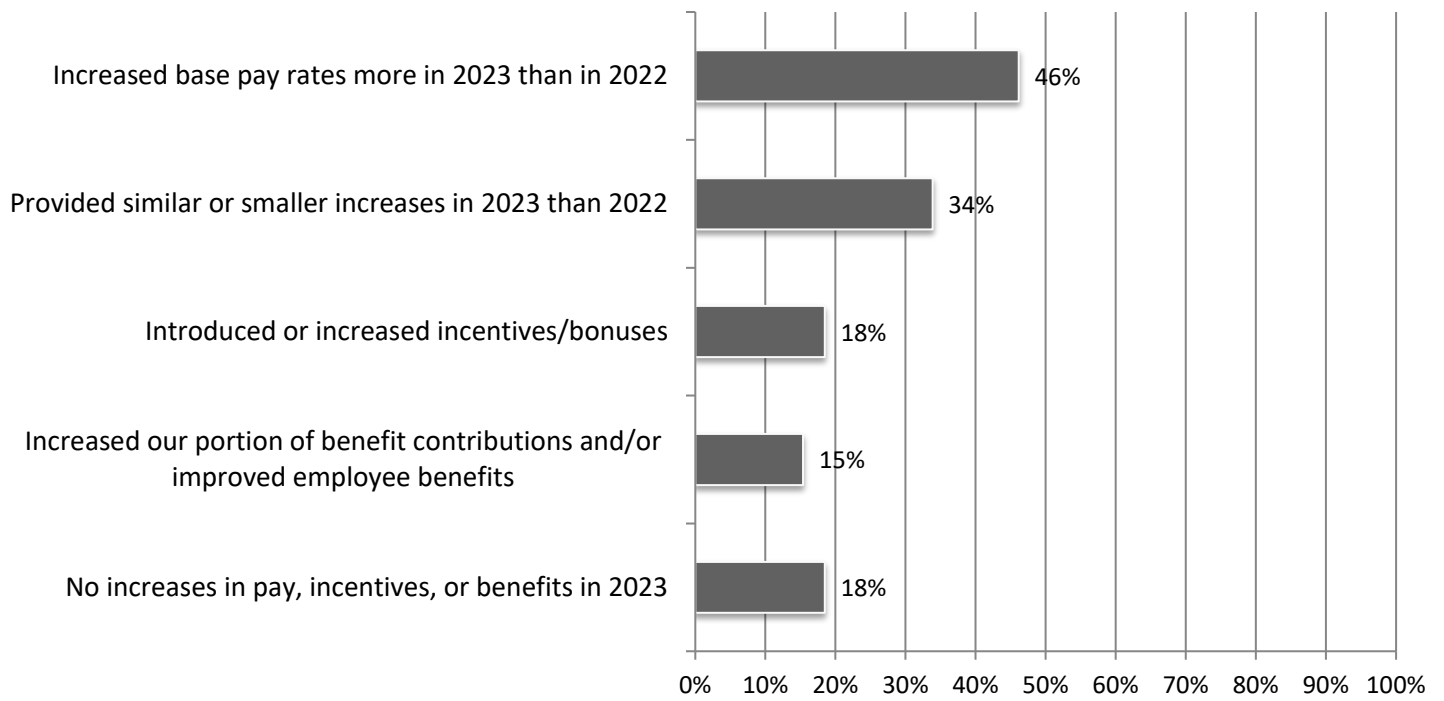
6. How has your firm responded to supply-chain issues, if any? (mark all that apply) Responses: 59

Category	Percent
We have not had any significant supply chain problems	25%
We have turned to alternative suppliers	42%
We have specified alternative materials or products	29%
We have stockpiled items before winning contracts	10%
We have accelerated purchases after winning contracts	42%
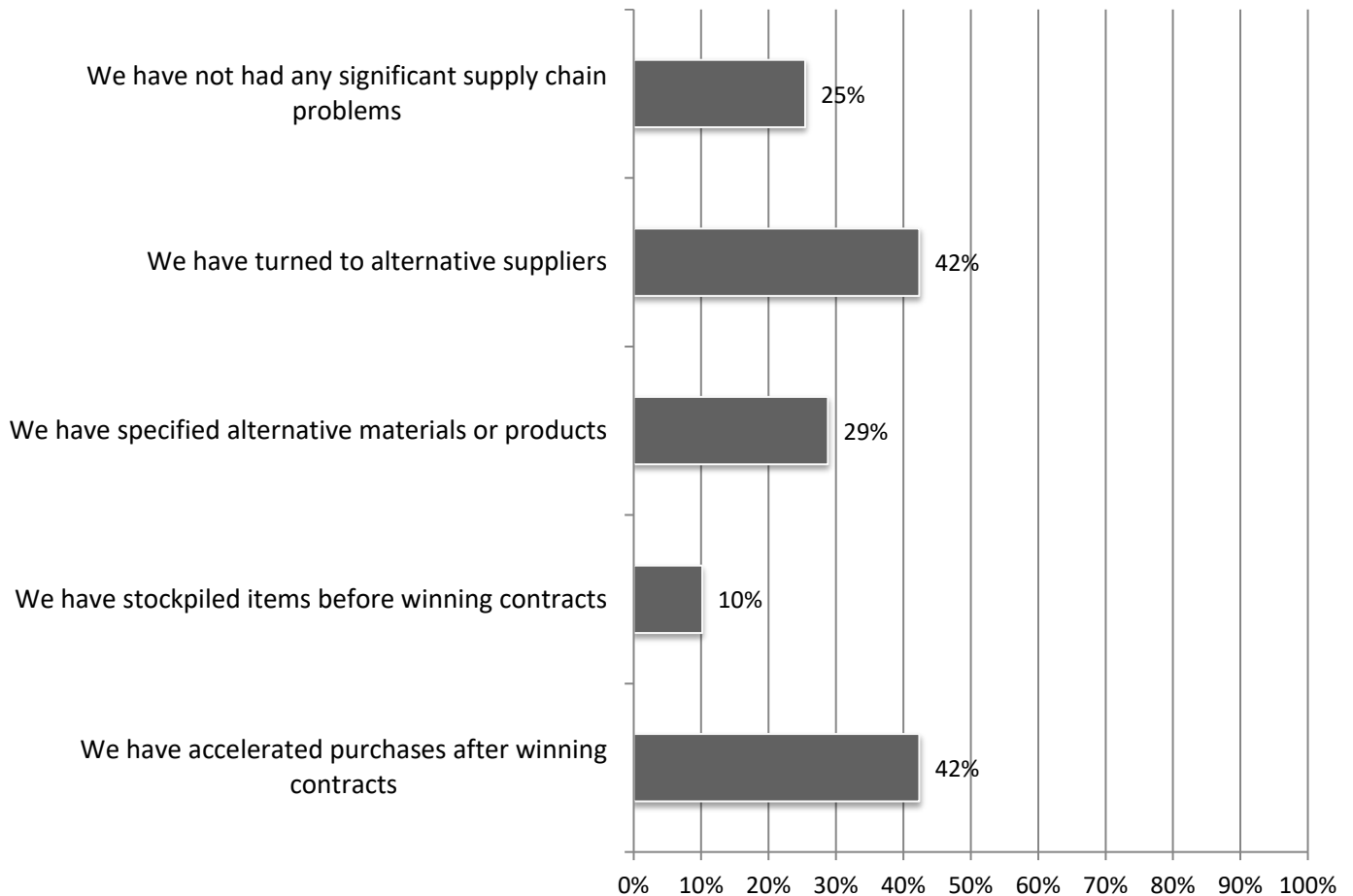
7. What difference, if any, has the Infrastructure Investment and Jobs Act (also known as the Bipartisan Infrastructure Law), made to your business? Responses: 65

Category	Percentage
We have worked on new projects funded by the law	6%
We have won bids but have not started work	12%
We have bid on projects but not won any awards yet	11%
We plan to bid on projects but nothing suitable has been offered yet	11%
We do not expect any change in our business as a result of the law	26%
Don't know	31%

8. Did an owner postpone or cancel any projects that were scheduled to start in 2023 or 2024? (mark all that apply) Responses: 65

Category	Percentage
No projects have been postponed or canceled	31%
Postponed in 2023 but rescheduled	38%
Postponed or canceled in 2023; not rescheduled	32%
Scheduled in January-June 2024 but postponed or canceled	14%
Scheduled to start in July 2024 or later but postponed or canceled	6%
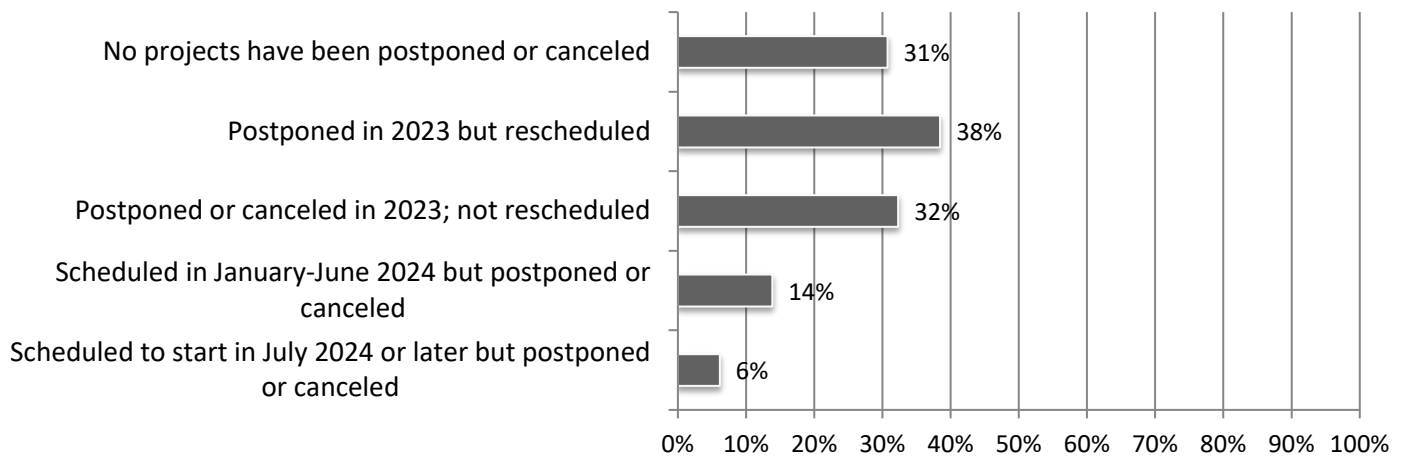
9. If projects were postponed or canceled, what was the main reason? Responses: 59

Category	Percentage
Rising costs (for construction, insurance, etc.)	39%
Rising interest rates	34%
Delay in likely completion date	10%
Reduced funding available	27%
Reduced demand for completed projects	10%
Don't know	34%
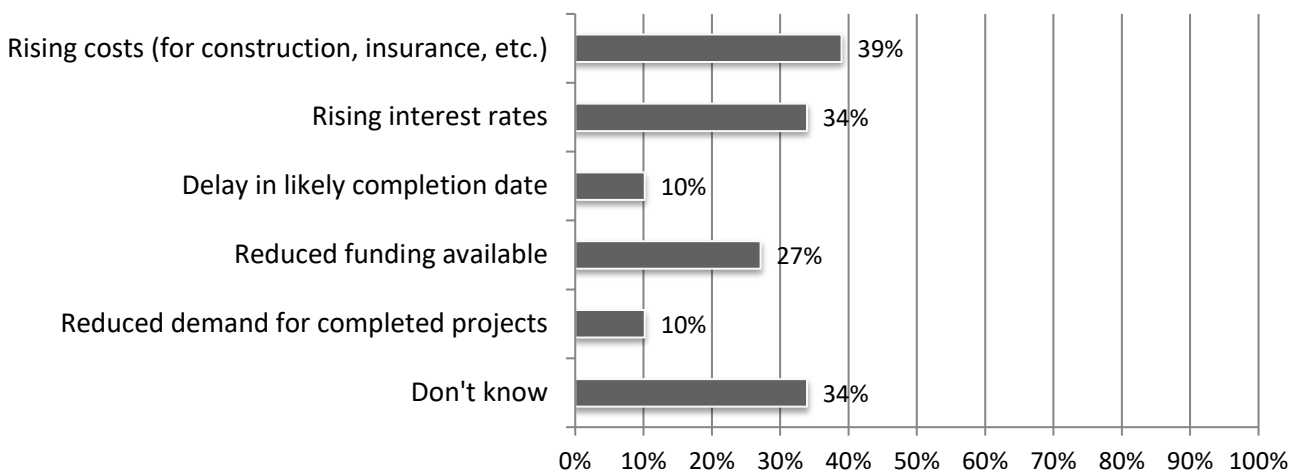
10. What are your biggest concerns for 2024? (mark all that apply) Responses: 65

Concern	Percentage
Economic slowdown/recession	57%
Rising interest rates/financing costs	55%
Material costs	58%
Project delays due to availability/supply chain issues	37%
Rising direct labor costs (pay, benefits, employer taxes)	52%
Other costs (e.g., trucking, insurance, design or other services)	26%
Insufficient supply of workers or subcontractors	49%
Worker quality	43%
Inadequate construction career education and training	22%
Impact of immigration policy on labor supply	11%
Safety	20%
Project delays due to government review/permitting/inspection delays	32%
Federal regulations	15%
State and local regulations	28%
Not enough private sector work	22%
Inadequate funding for public building projects	9%
Increased competition for projects	25%
Covid or other disease-related disruptions	8%
Wars/international disruptions	28%

11. What challenges, if any, do you see regarding the safety and health of your firm's workers? (mark all that apply) Responses: 55

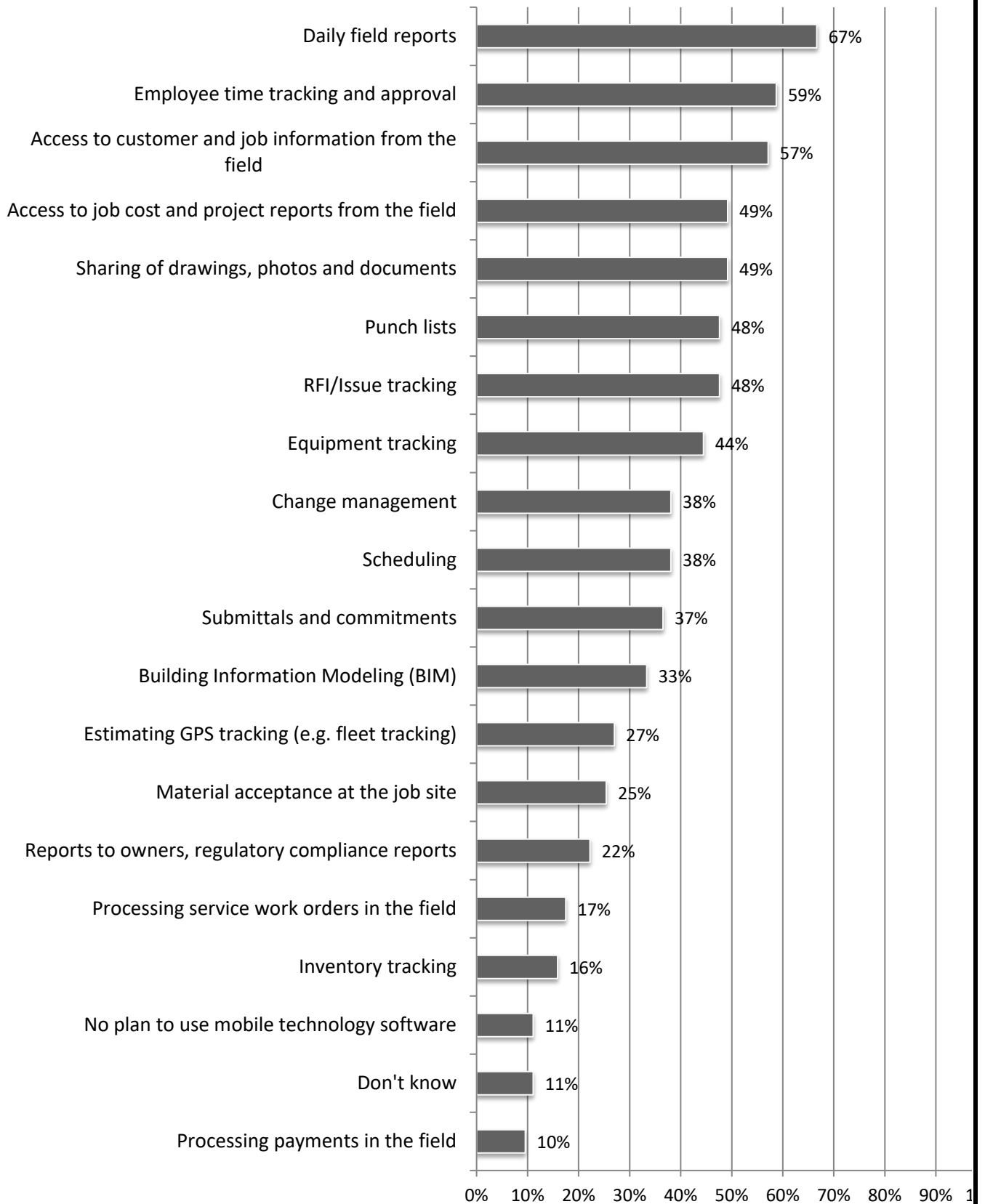| Challenge	Percentage
Inexperienced skilled labor/workforce shortage	78%
Mental health challenges for workers	42%
Unclear or unworkable government regulations or requirements	22%
Unreasonable inspection or enforcement of government rules	20%
Low quality of available safety and health training	5%
Poor subcontractor safety and health performance	16%
Safety hazards created by 3rd parties (e.g., motorist crashes into work zones)	29%

12. Does your company invest in: Responses: 63

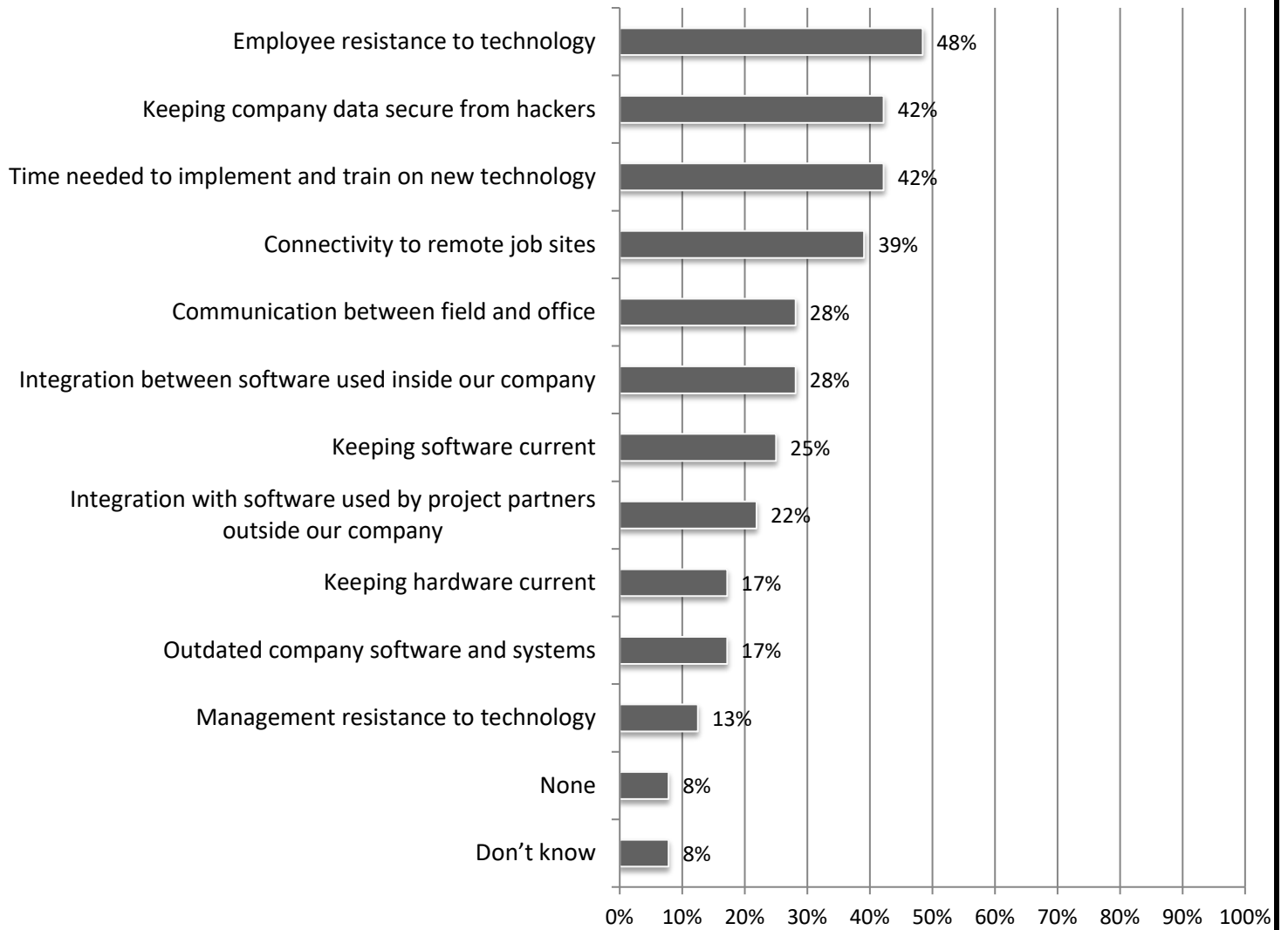|	Initial Investment	Increased Investment	Decreased Investment	No Investment
Artificial intelligence	36%	14%	2%	48%
Robotics	9%	15%	0%	76%
Drones	9%	24%	2%	65%
Autonomous equipment or vehicles	21%	5%	0%	74%
3-D printing	12%	6%	0%	83%
Offsite production	4%	25%	2%	69%

13. Compared to 2024, will your firm's 2023 investment in the following technologies change? (mark all that apply) Responses: 64

	Increase	Decrease	No change
Document management software	49%	0%	51%
Project management software	39%	0%	61%
Project collaboration software	37%	2%	61%
Accounting software	35%	0%	65%
Building Information Modeling (BIM)	34%	0%	66%
Fleet tracking/management software	34%	2%	64%
Tool/asset management/tracking	32%	4%	65%
Scheduling software	30%	2%	68%
Human resources (HR) software	27%	2%	71%
Client relationship management (CRM) software	23%	4%	73%
Payroll software	20%	2%	79%
Estimating software	17%	2%	81%
Service management software	15%	4%	81%
Subcontractor bid management/ITB software	14%	2%	84%
Prequalification software	13%	0%	87%

14. How does your company plan to use mobile software technology? (mark all that apply) Responses: 63

Category	Percentage
Daily field reports	67%
Employee time tracking and approval	59%
Access to customer and job information from the field	57%
Access to job cost and project reports from the field	49%
Sharing of drawings, photos and documents	49%
Punch lists	48%
RFI/Issue tracking	48%
Equipment tracking	44%
Change management	38%
Scheduling	38%
Submittals and commitments	37%
Building Information Modeling (BIM)	33%
Estimating GPS tracking (e.g. fleet tracking)	27%
Material acceptance at the job site	25%
Reports to owners, regulatory compliance reports	22%
Processing service work orders in the field	17%
Inventory tracking	16%
No plan to use mobile technology software	11%
Don't know	11%
Processing payments in the field	10%

15. What are your biggest IT challenges (mark all that apply)? Responses: 64

Challenge	Percentage
Employee resistance to technology	48%
Keeping company data secure from hackers	42%
Time needed to implement and train on new technology	42%
Connectivity to remote job sites	39%
Communication between field and office	28%
Integration between software used inside our company	28%
Keeping software current	25%
Integration with software used by project partners outside our company	22%
Keeping hardware current	17%
Outdated company software and systems	17%
Management resistance to technology	13%
None	8%
Don't know	8%

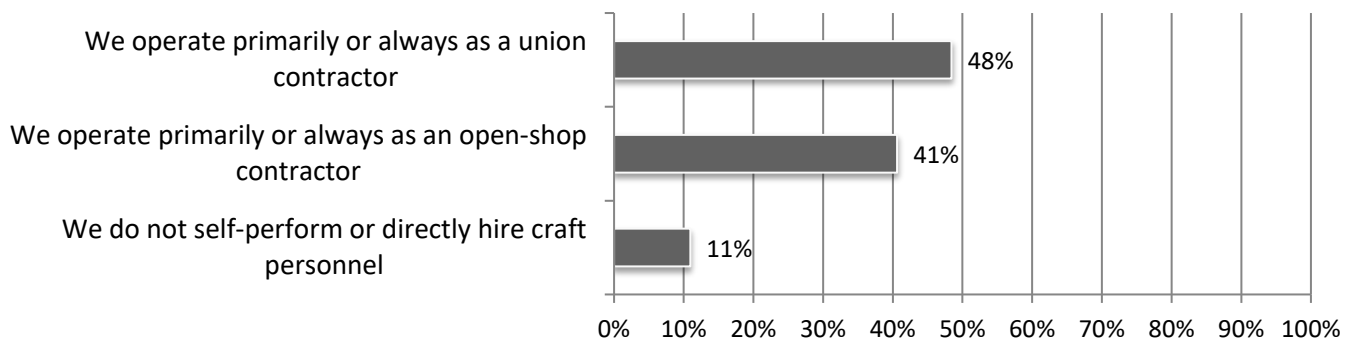**16. Does your firm use cloud-hosted technology in any of the following ways (mark all that apply)? Responses: 63**

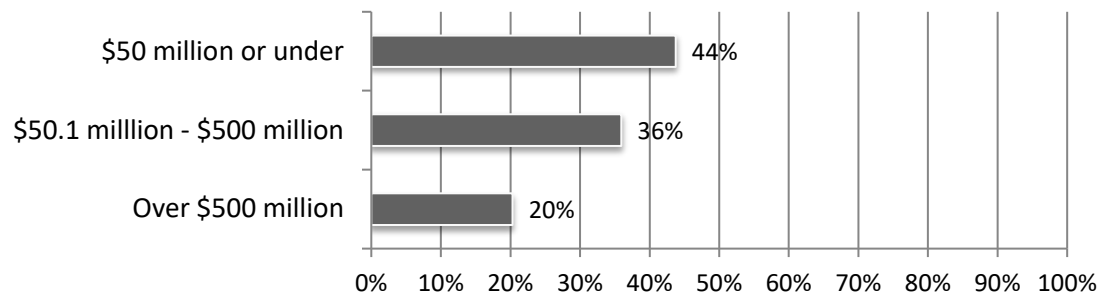| Use	Percentage
Accounting	52%
Field operations	49%
Project management	52%
Time tracking	54%
Tool management	21%
We do not use the cloud	17%
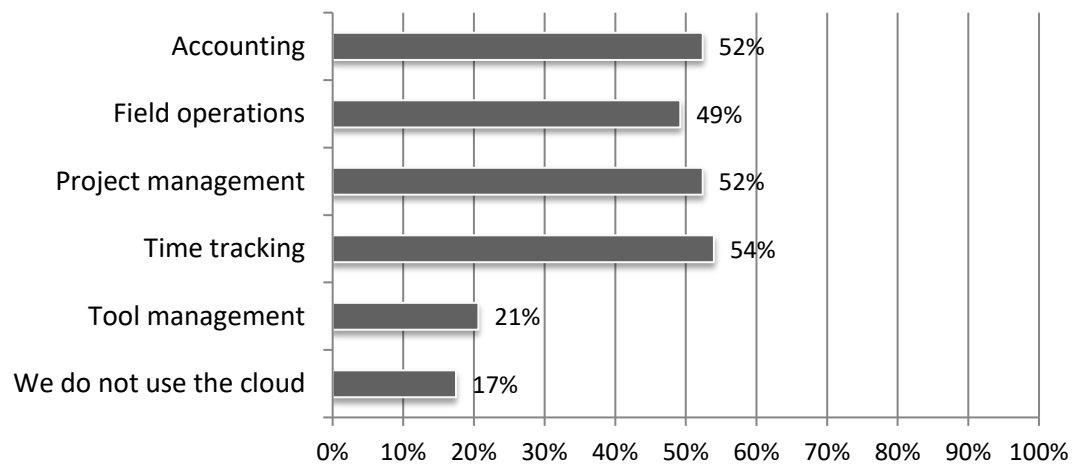
17. What best describes your firm? Responses: 63

Category	Percentage
General contractor/construction manager	52%
Specialty or sub-contractor	25%
Supplier/service provider	13%
Architect/engineer/designer	3%
Owner/developer	5%
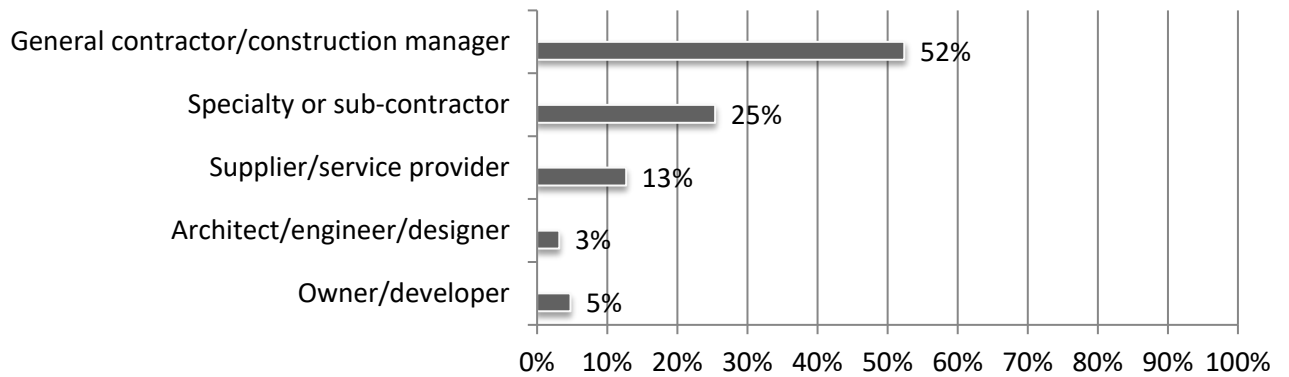
18. When you self-perform construction work, do you operate as a union contractor or an open-shop contractor? Responses: 64

Category	Percentage
We operate primarily or always as a union contractor	48%
We operate primarily or always as an open-shop contractor	41%
We do not self-perform or directly hire craft personnel	11%

19. Estimate the total dollar amount of work your firm performed in 2023. Responses: 64

Category	Percentage
$50 million or under	44%
$50.1 milllion - $500 million	36%
Over $500 million	20%

20. How many total employees does your firm employ at all of its locations? Responses: 64

Category	Percentage
1-19	16%
20-99	23%
100-499	36%
500 or more	25%