



READY TO HIRE AGAIN: THE 2015 CONSTRUCTION HIRING AND BUSINESS OUTLOOK

The Associated General Contractors of America (AGC) is the leading association for the construction industry. Over 26,000 firms, including more than 6,000 general contractors, nearly 9,000 specialty-contracting firms and almost 11,000 service providers and suppliers are associated with AGC through a nationwide network of chapters. Visit the AGC Web site at www.agc.org.

Contractors are also optimistic about a number of public-sector construction
Within the public sector, contractors are most optimistic about the outlook for water and

MOST FIRMS PLAN TO EXPAND THEIR PAYROLLS IN 2015

Consistent with their expectation demand will continue to grow for most market segments, most firms plan to expand their headcounts in 2015, while only a handful of firms expect to shrink this year. Eighty percent of firms report plans to expand their payrolls in 201

HEALTH CARE COSTS KEEP GOING UP

Construction firms plan to spend more for health care for their employees in 2015. Indeed, 81 percent of firms expect the cost of providing health care insurance for their employees will increase in this year. This follows a year where health insurance costs increased for 76 percent of

Instead of pushing new regulations and slashing construction budgets, federal officials should be working to solve key problems, contractors report. Seventy-six percent of firms reported that getting Congress to pass measures to make it easier to prepare the next generation of skilled workers is important to the success of their business. Sixty percent of firms want Congress to reform the federal tax code, 59 percent want Congress to repeal all or part of the Affordable Care Act and 58 percent want Congress to renew tax deductions and bonus depreciation for equipment.

**MANY FIRMS ARE USING BUILDING INFORMATION MODELING,
LEAN CONSTRUCTION AND MODULAR CONSTRUCTION**

Western contractors have the highest expectations for the water and sewer market segment, with a net positive reading of 36 percent. In contrast, contractors from the Northeast gave the segment a net positive reading of 17 percent, lower than any other region.

The power market looks brightest in the Northeast, where the net positive reading was 31 percent, whereas Midwestern contractors gave it the lowest net positive reading of 11 percent. Midwestern contractors have the strongest expectations for the manufacturing segment (40 percent net positive) while Western contractors have the lowest expectations (net positive reading of just 13 percent).

The hospital construction segment appears the most promising in the South, where contractors gave it a net positive reading of 25 percent. However, contractors in the Northeast and West were equally less sanguine, with a tied lowest net positive reading of 17 percent.

Higher education construction should do well in the West, where contractors gave the segment a net positive reading of 24 percent, but will be nearly static in the Midwest, where contractors gave it a net positive reading of just 1 percent. Retail, warehouse and lodging construction should be strong in the Midwest, where it received a net positive reading of 38 percent, compared to the Northeast where it had a regional low net positive reading of just 15 percent.

Few contractors are optimistic about the direct federal construction segment. In particular, Midwestern contractors gave the segment a net negative reading of 33 percent. The only region to give the segment a net positive reading was the Northeast (3 percent).

Public building construction is likely to fare better in the West (net positive reading 15 percent) and worst in the Midwest (net negative reading of 1 percent). Private office construction should do the best in the West (net positive reading of 36 percent) while demand is likely to be weakest in the Northeast (net positive reading of 16 percent).

