

Optimism Materializes

AGC MEMBERS EXPECT GROWTH IN 2014

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[Editor's note: Results of the AGC and Computer Guidance 2013 Construction Hiring and Business Outlook survey presented in this article are based upon preliminary results collected as of Dec. 6, 2012 from almost 800 respondents. Final results of the survey, which ended mid-December, as well as detailed analysis of the data, will be available on the AGC of America website in first quarter 2013.]

The prediction for the construction industry is not filled with gloom and doom, but no significant growth is expected in 2013, according to the AGC and Computer Guidance 2013 Construction Hiring and Business Outlook survey of AGC member firms.

Although survey respondents are predicting 2013 to be fairly comparable to 2012 for new business, over 34 percent believe the construction market will begin to grow again in 2014.

When asked to predict if 2013 available-dollar volume of projects in different market segments would vary from 2012 projects, 40 percent or more of respondents answered it would be comparable for most segments. Hospital/higher education is one category for which 34.6 percent of respondents expect higher-dollar volume with only 35.4 percent of respondents expecting comparable levels.

"The information for the hospital and higher education construction segment in expected increases in construction is positive," says Ken Simonson, chief economist, AGC. The news is less positive for the public building and K-12 school segments with only 14.9 percent and 18 percent, respectively, of respondents predicting higher-dollar volumes and slightly more than 41 percent of respondents predicting lower-dollar volume of projects in these two segments.

Overall, survey respondents seem to be more optimistic than they were last year, says Simonson. "Even though 34 percent believe the market will grow in 2014, 29.4 percent report plans to add employees in 2013 and only 10.1 percent plan layoffs."

The number of employees in 2012 for companies participating in the survey did not change for 32.1 percent and increased for 35.5 percent of respondents. Layoffs occurred for 32.4 percent. Companies that added employees did not increase staff size significantly, with 67.3 percent adding 15 or fewer employees.

A static workforce makes sense in a slow economy, points out Simonson. "Companies want to keep good employees throughout the slow times, so they may work longer hours rather than add staff, use the time for training, or assign