

SUMMARY

Construction executives appear to remain confident about their market prospects for 2019, although they are simultaneously concerned about finding

third of firms

In the Midwest, hospital construction

to hire in the next 12 months and 26 percent expect that it will become harder to hire in the next 12 months.

Worker shortages are the foremost concern of contractors this year. When asked to identify which of 16 issues is the biggest concern to their firm, 30 percent of respondents chose worker shortages. That greatly overshadowed "increased competition for projects," selected by 10 percent of respondents.

Whether they listed safety or something else as their number-one concern, contractors do worry about challenges regarding the safety and health of their workers. The most frequently mentioned challenge—listed by 43 percent of respondents—is inexperienced skilled labor/workforce shortage. In addition, 16 percent of firms report they see poor subcontractor safety and health performance as a challenge. And 14 percent cite a lack of cooperation from government agencies or regulators as a challenge.

One-third of respondents (33 percent) report that staffing challenges drove costs higher than anticipated. In reaction, 37 percent of firms are putting higher prices into new bids

firms are especially likely to do so: 71 percent of the companies with more than \$500 million in revenue say they plan to increase investment in training, compared with 66 percent of midsize firms

INFORMATON TECHNOLOGY INVESTMENT IS INCREASING AND EVOLVING

Yet it is also important to note that the Outlook is based on responses that were provided before the recent partial federal government shutdown highlighted the increasingly partisan nature of federal politics. The responses were also provided at a time when President Trump had announced a halt to pending tariffs on a range of Chinese goods as negotiators seek to address many legitimate trade concerns. If the federal government can't implement additional needed regulatory reforms and enact needed new infrastructure funds, many contractors' more optimistic expectations, especially regarding the volume of public

Our goal is clear, to ensure that the construction industry continues to expand in 2019 amid growing demand for new projects and an infusion of new and qualified workers. If that happens, the entire economy stands to benefit.

ABOUT THE SURVEY

AGC conducted the survey that serves as the basis for the 2019 Construction Hiring and Business Forecast during November, beginning after the elections, and December 2018

West

Alaska,