

ISSUES AFFECTING THE CONSTRUCTION INDUSTRY

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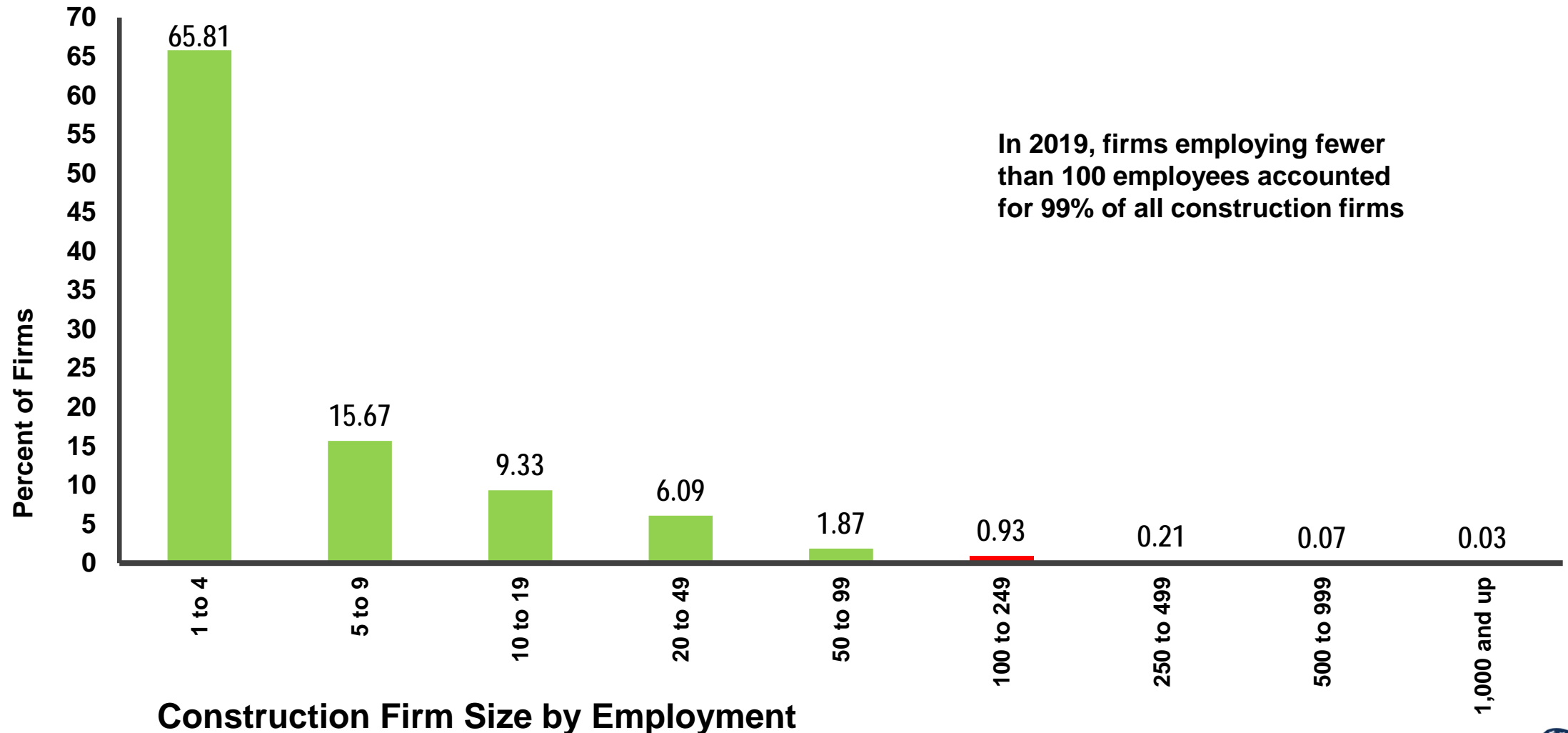
LOOKING AHEAD: **10 Things E&C Leaders Must Consider** **in a Post-Pandemic World**

1. The Impact of Minimum Wage Increase
2. The Skilled Labor Shortage
3. Vaccination of Employees and Subcontractors
4. Succession Planning
5. Contractual Risk Shifting by Owners
6. Cryptocurrency and Blockchain
7. Autonomous Vehicles
8. Distributed Energy Resources
9. Stimulus and Other Infrastructure Spending
10. Diversity, Equity and Inclusion

CONSTRUCTION INDUSTRY CONTEXT AND CONDITIONS

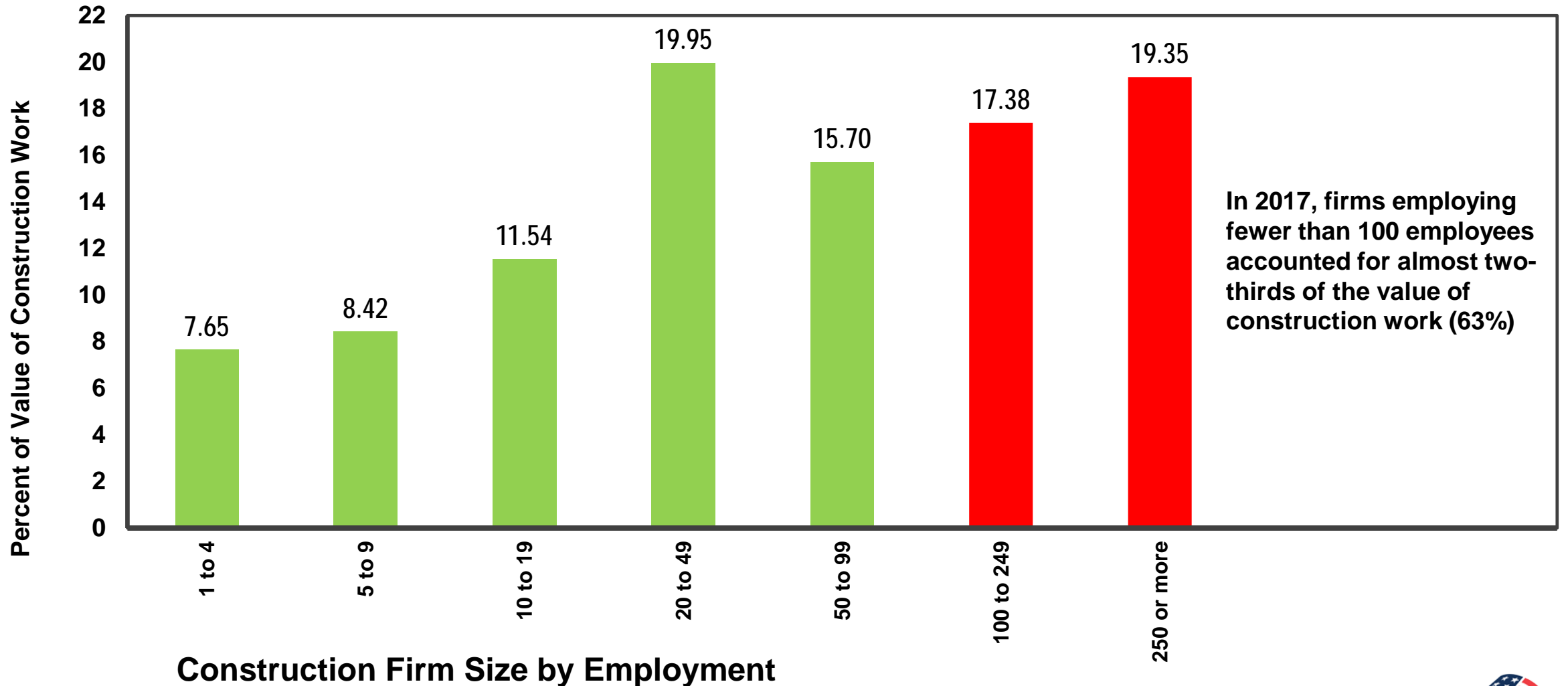
- 98% of the 700,000+ contractors in the USA employ fewer than 100 people
- Construction companies guarantee project performance
- Supply chain and material prices
- Construction Confidence Index and Backlog Indicator

CONSTRUCTION COMPANIES WHO EMPLOY <100 CONSTRUCTION PROFESSIONALS ACCOUNT FOR 99% OF CONSTRUCTION FIRMS IN USA

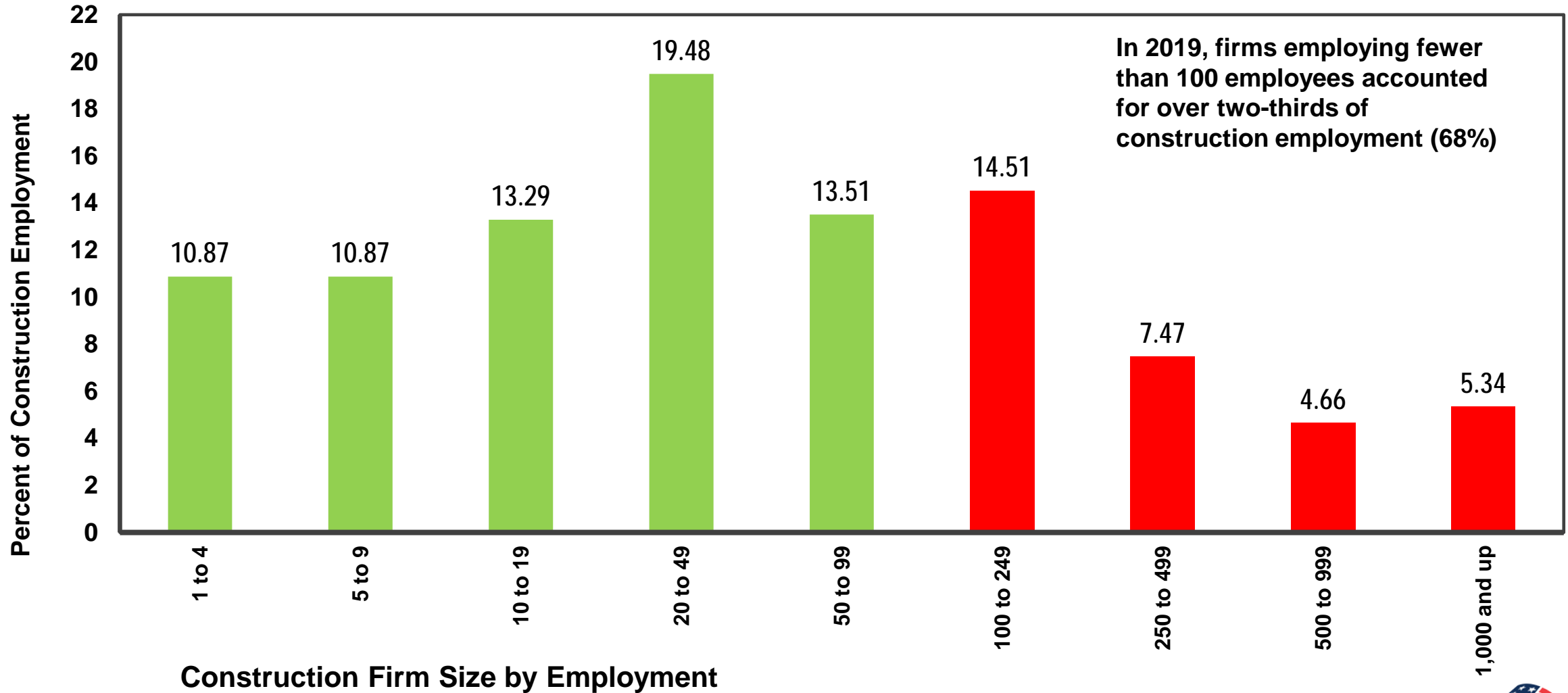


Construction Firm Size by Employment

CONSTRUCTION COMPANIES WHO EMPLOY <100 CONSTRUCTION PROFESSIONALS BUILD 63% OF CONSTRUCTION IN US BY VALUE



CONSTRUCTION COMPANIES WHO EMPLOY <100 CONSTRUCTION PROFESSIONALS ACCOUNT FOR 68% OF CONSTRUCTION EMPLOYMENT



COMPANIES GUARANTEE PROJECT PERFORMANCE

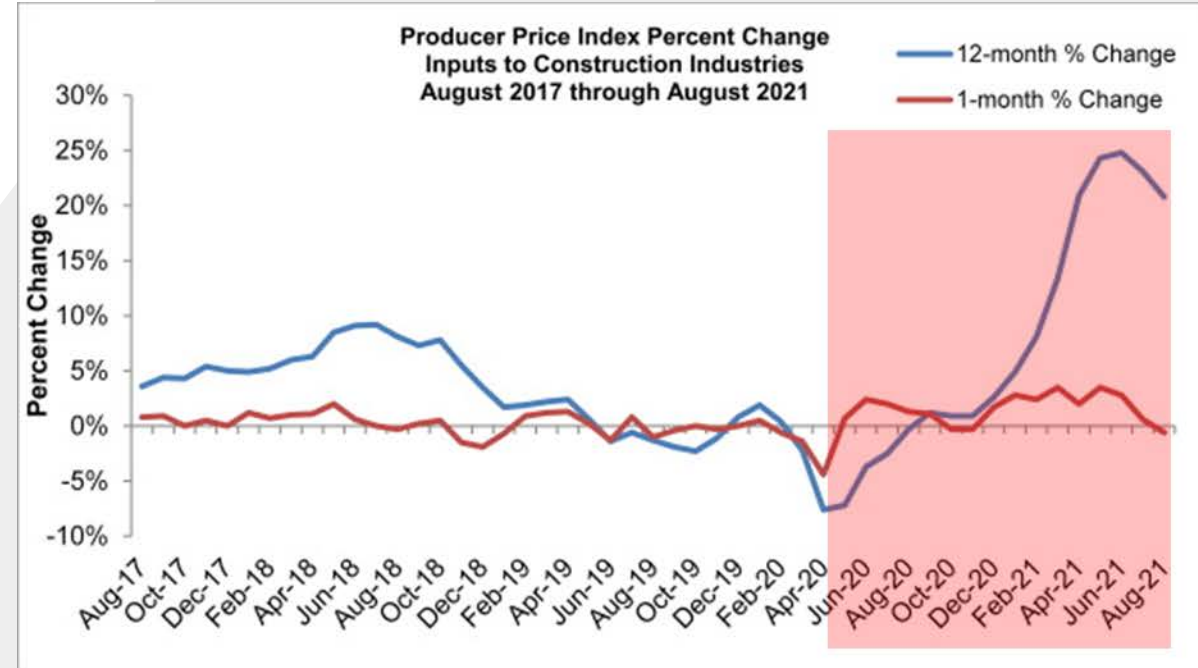
- Companies employ people and put the talent on the field.
- Companies are incentivized to attract and retain the best talent.
- Companies guarantee project performance.
- Companies guarantee schedule and budget performance.
- Companies warrant their work and thus guarantee the quality of the project, so it is built as a long-lasting project.
- Companies insure the risks.
- Companies cash flow the projects.
- Companies must continually invest in their talent, technology, and equipment to maintain a competitive advantage to win and deliver work in a fair and open competitive marketplace.
- Companies must innovate in order to sustain.

SUPPLY CHAIN AND MATERIAL PRICES

Producer Price Index, August 2021

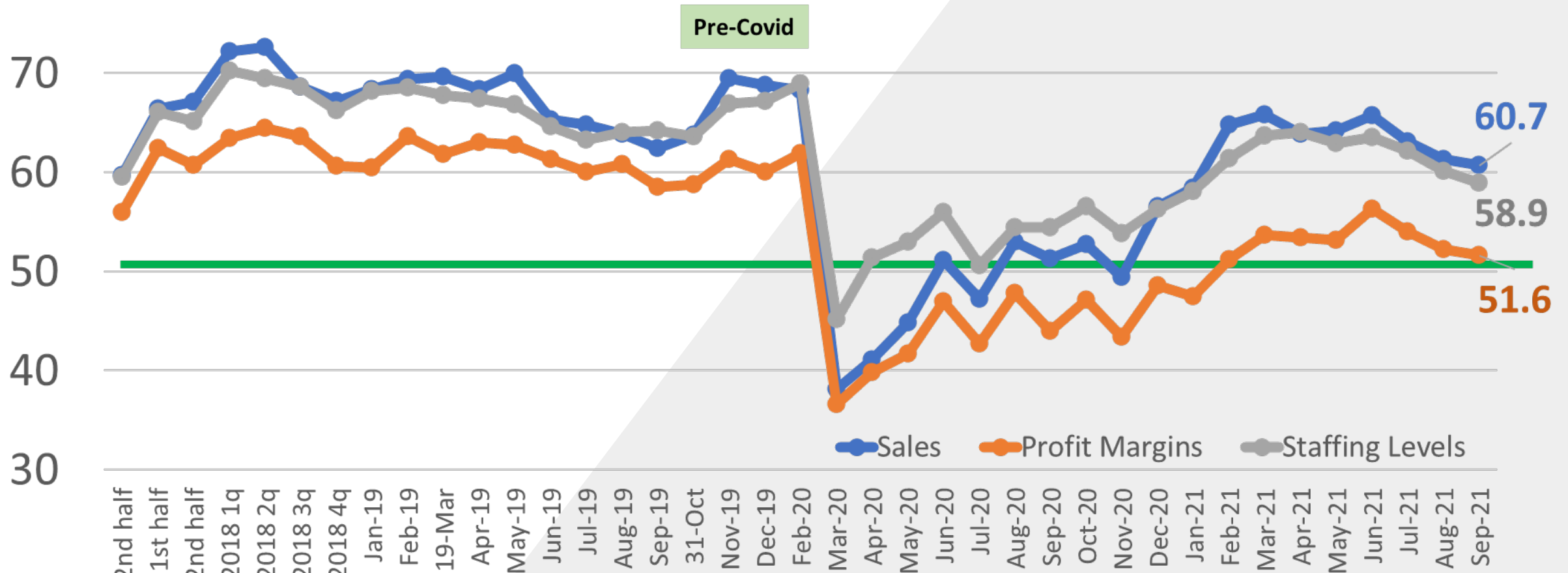
	1-Month % Change	12-Month % Change
Inputs to Construction	-0.6%	20.8%
Inputs to Nonresidential Construction	-0.4%	21.6%
Plumbing Fixtures and Fittings	1.1%	4.3%
Fabricated Structural Metal Products	3.3%	32.4%
Iron and Steel	2.9%	95.2%
Steel Mill Products	5.1%	123.1%
Nonferrous Wire and Cable	1.1%	30.4%
Softwood Lumber	-27.3%	-9.8%
Concrete Products	1.0%	6.0%
Prepared Asphalt, Tar Roofing & Siding Products	3.5%	15.8%
Crude Petroleum	-10.1%	74.8%
Natural Gas	13.4%	132.2%
Unprocessed Energy Materials	-0.2%	79.2%

Source: U.S. Bureau of Labor Statistics



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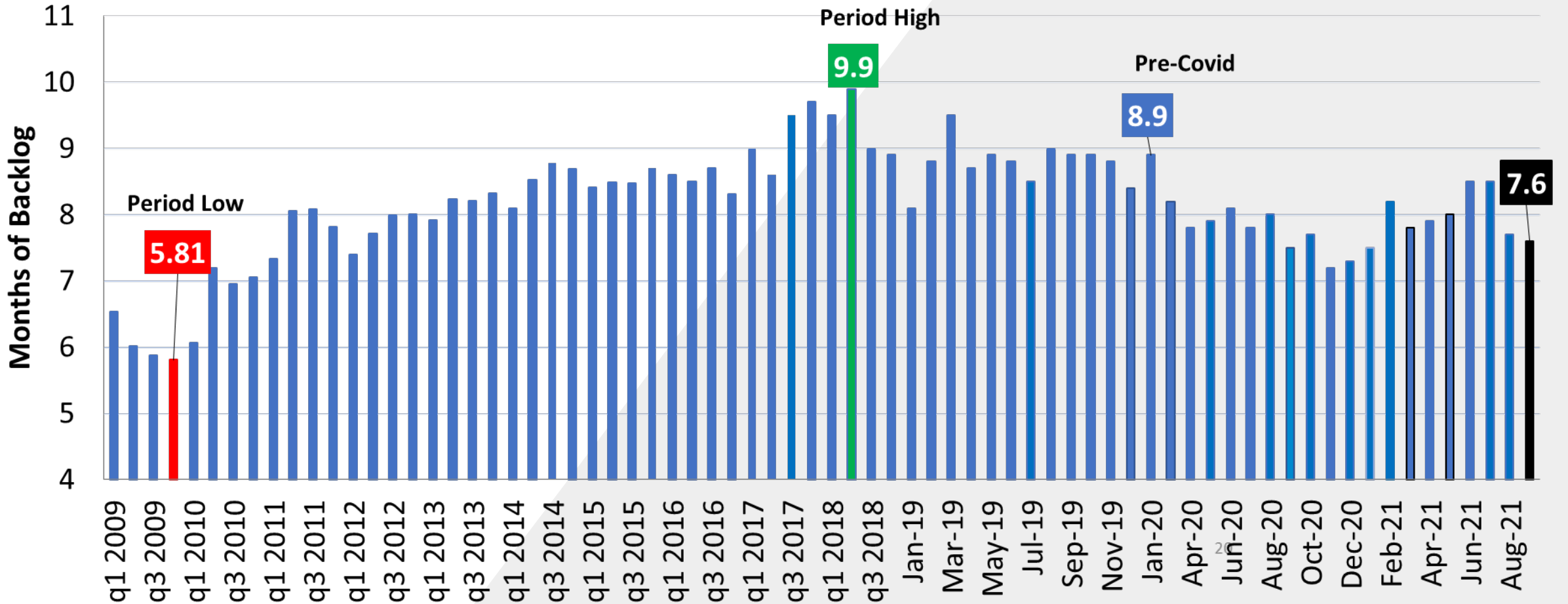
ABC CONSTRUCTION CONFIDENCE INDEX



Notes:
 Index greater than 50 is deemed confidence in growth over the next 6 months
 Sales – How confident are you in your sales increasing over the next 6 months?
 Profit Margins – How confident are you in your profit margins increasing over the next 6 months?
 Staffing Levels – How confident are you in your staffing levels increasing over the next 6 months?



ABC CONSTRUCTION BACKLOG INDICATOR

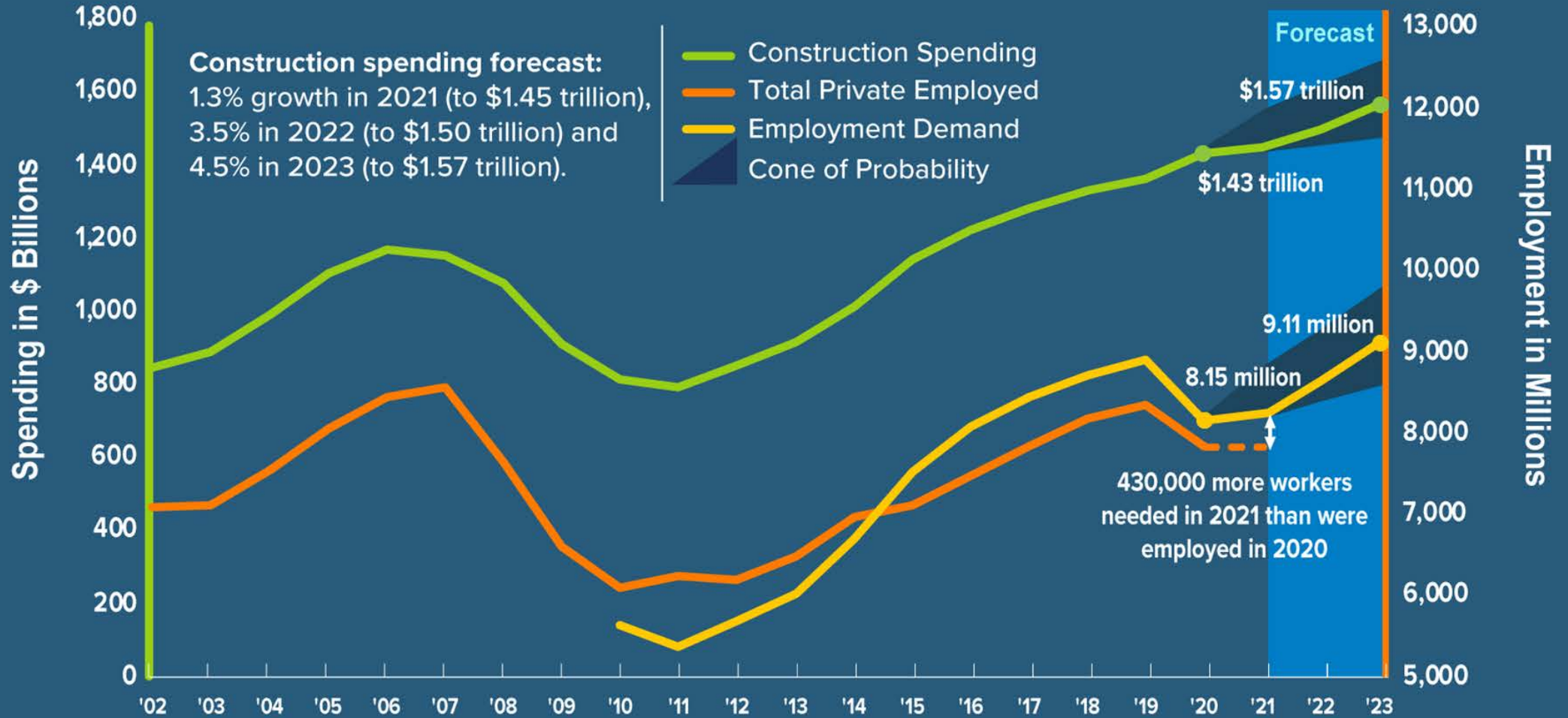


AREAS OF OPPORTUNITY IN THE CONSTRUCTION INDUSTRY

- Worker Shortage and the Employee Value Proposition
- Total Human Health
- Construction Technology and Innovation
- Policy



CONSTRUCTION: \$1 BILLION IN EXTRA SPENDING CREATES 5,700 JOBS



Source: History – U.S. Census Bureau and Bureau of Labor Statistics; Employment Demand and Forecast – Markstein Advisors

THE INDUSTRY EMPLOYEE VALUE PROPOSITION



	Description
1 Grow the Workforce	Identify, create, and promote the diversity of welcoming entry points into the Construction Industry for those who choose construction as a career
2 Develop the Workforce	Create and provide career advancement educational opportunities that add value to the employer and ALL employees
3 Create Career Dreams	Create and promote a construction career development ecosystem that aligns the employer needs with the employee dreams

GROW THE WORKFORCE

Re-Entry and
2nd Chance
Programs

Military
Veterans

2nd Career

K-12 GED
Equivalent

Community
College Assoc
Degrees

Higher Ed
BS/Masters

Non-Degreed
Rest of
Population

Diversity Resource Groups



Construction Career
Development

Career Path



DEVELOP THE WORKFORCE



Apprenticeship – Earn While You Life Long Learn

Construction Craft Education
GED+ Assoc Degree +

On-boarding and Core	Market Driven Competency & Skills/Value Based	Government Defined Apprenticeship
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Continuing Workforce Education

- Safety
- Technical
- Supervisory
- Technology
- Productivity
- Leadership

Degrees, Credentials and Certificates

Construction Science/Leadership
Bachelors of Science or Engineering
Masters Degrees

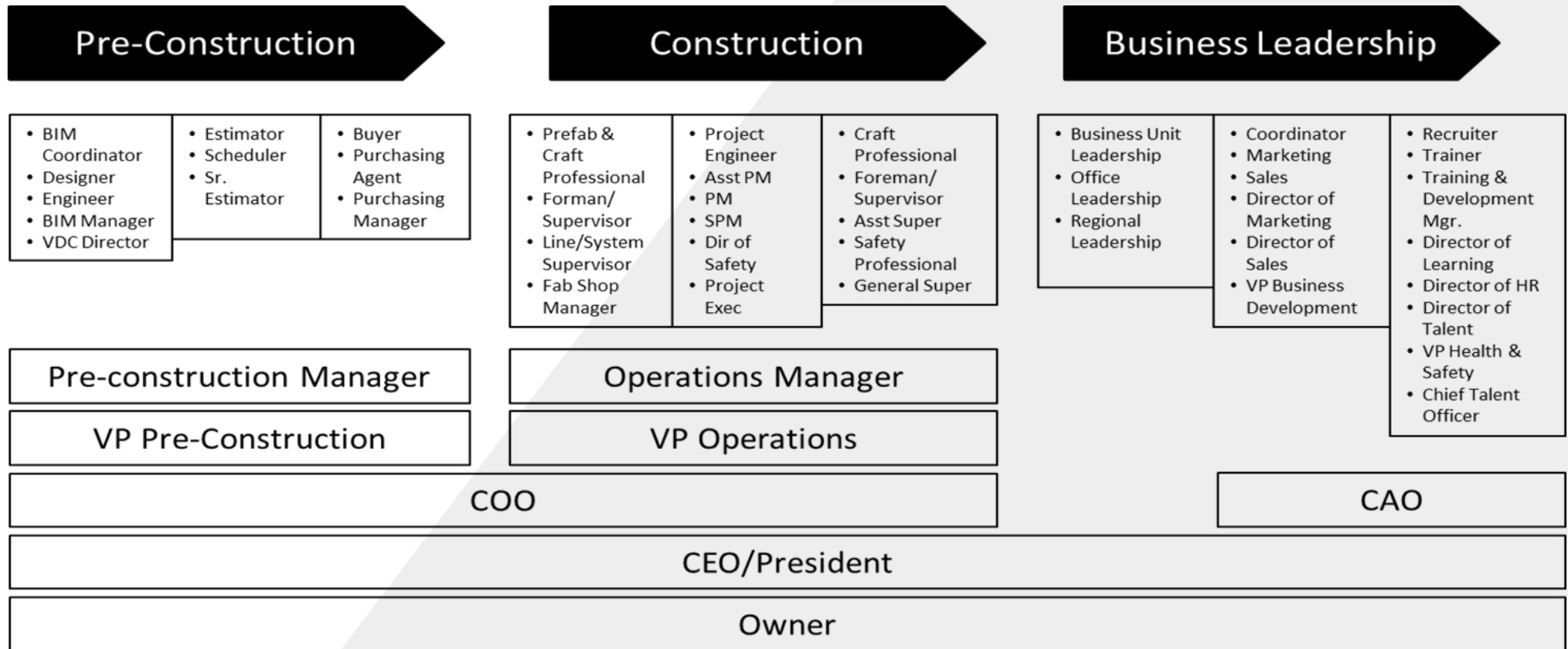
Continuing Executive Education

- Safety
- Project Mgt.
- Leadership
- Business Mgt.
- Systems & Process

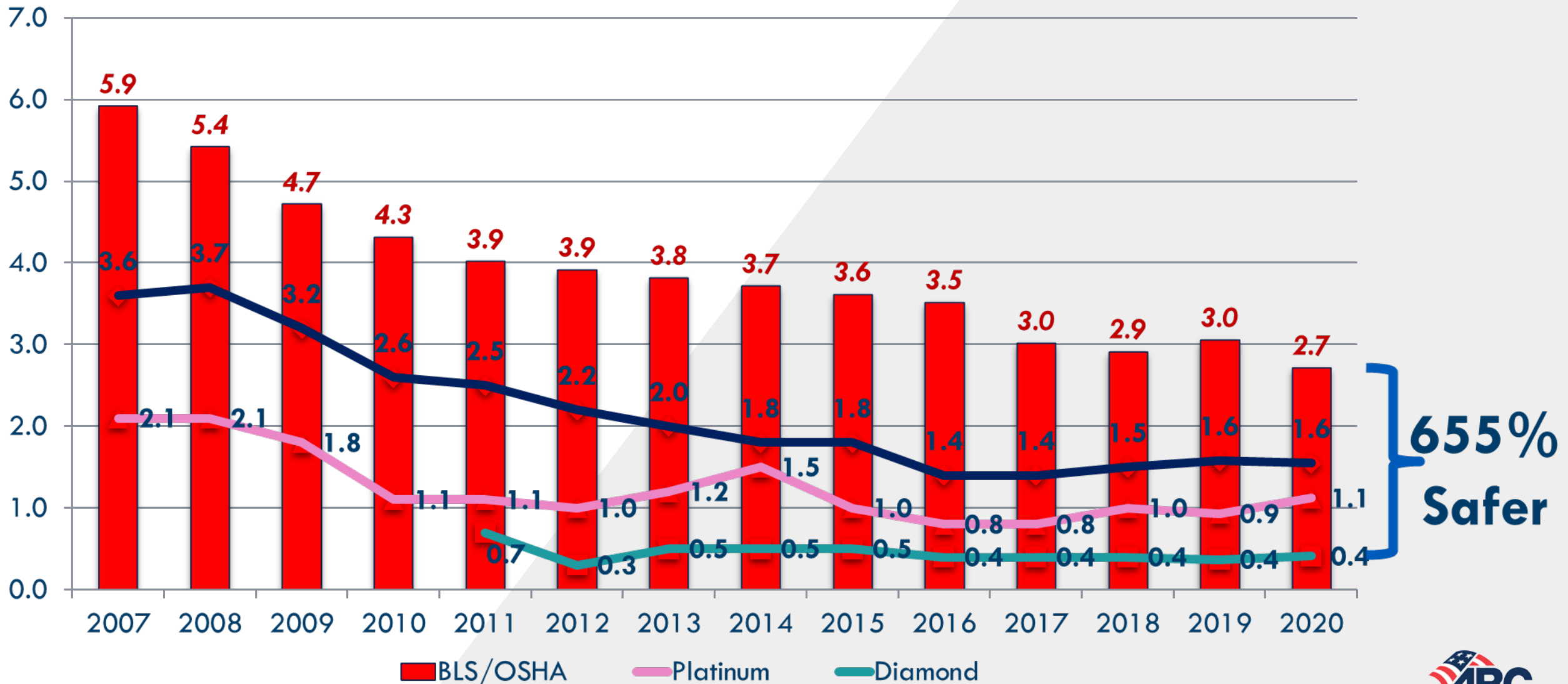
Construction Professional

CREATE CAREER DREAMS

Construction Professional



ABC STEP PERFORMANCE VS. BLS—TRIR

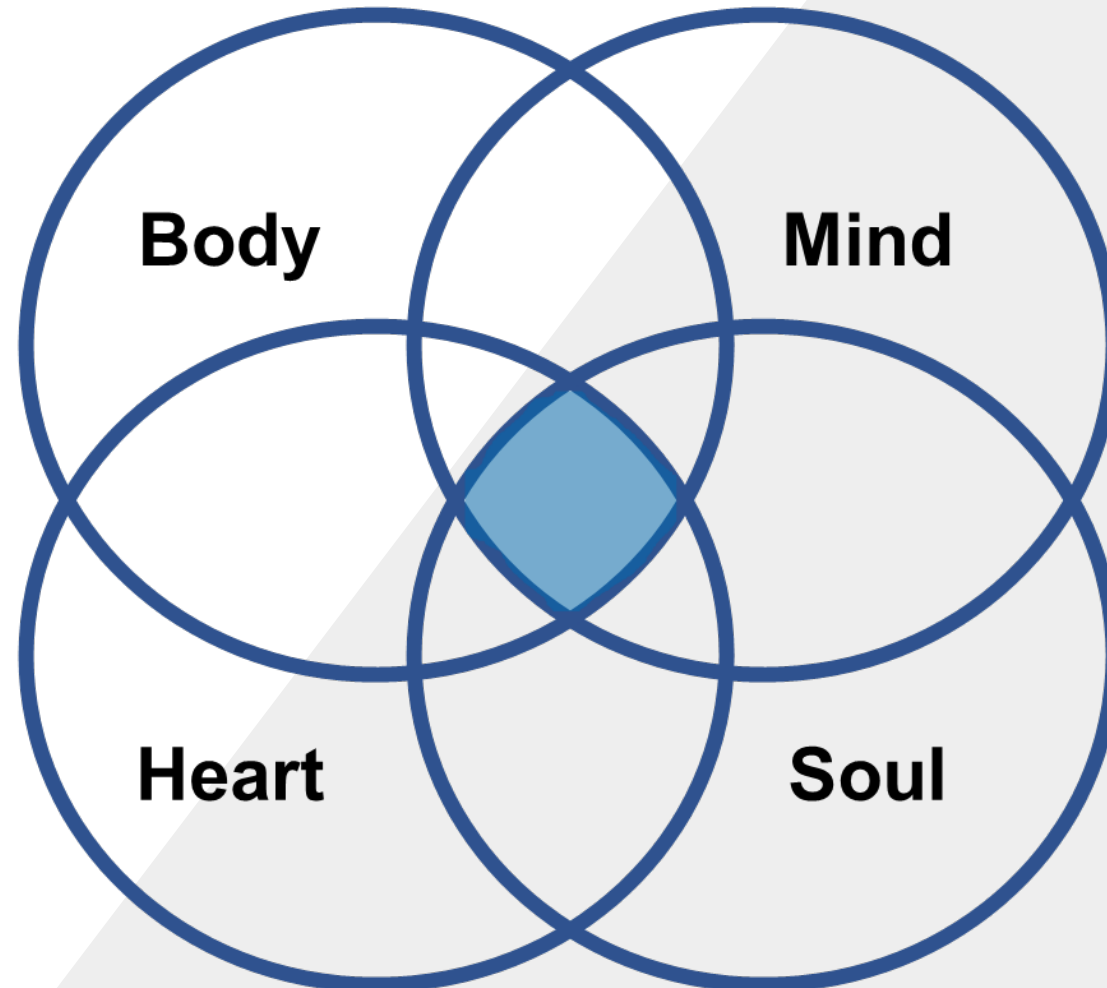


**1,008 CONSTRUCTION WORKER
FATALITIES IN 2018
9.5/100,000 RATE**



**Estimated 5,242 Construction Worker
Suicides in 2018
49.4/100,000 rate**

THE TOTAL HUMAN HEALTH PARADIGM



Physical wellness promotes proper care of our bodies for optimal health and functioning.

Emotional wellness is an ability to cope effectively with life and build satisfying relationships with others

Social wellness is a sense of connectedness and belonging

Mental Health refers to the cognitive aspect of health

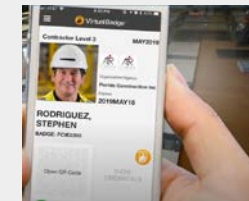
Intellectual wellness is when you recognize your unique talents

Financial wellness is a feeling of satisfaction about your financial situation

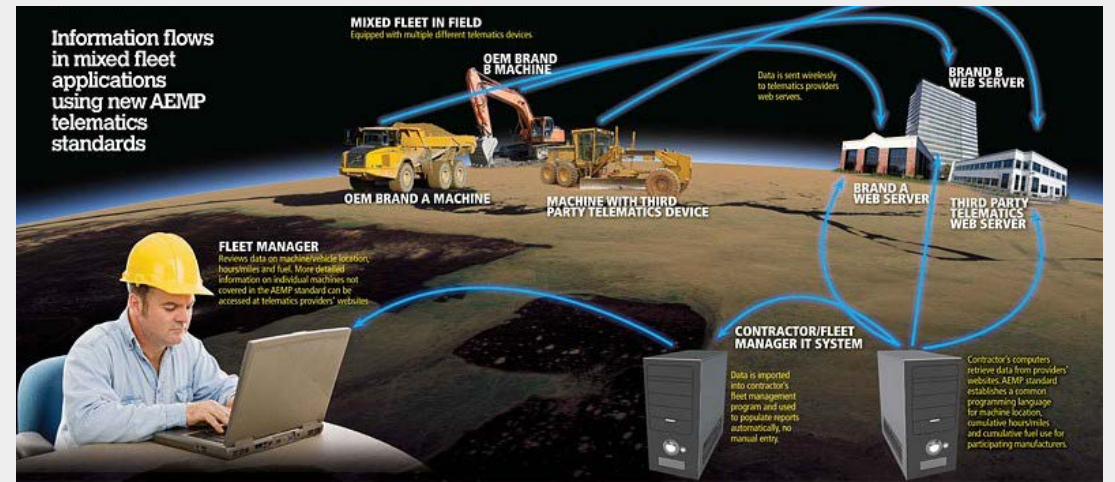
Occupational wellness is a sense of satisfaction with your choice of work

Spiritual wellness is related to your values and beliefs that help you find meaning and purpose in your life.

CONSTRUCTION TECHNOLOGY AND INNOVATION



CYBERSECURITY

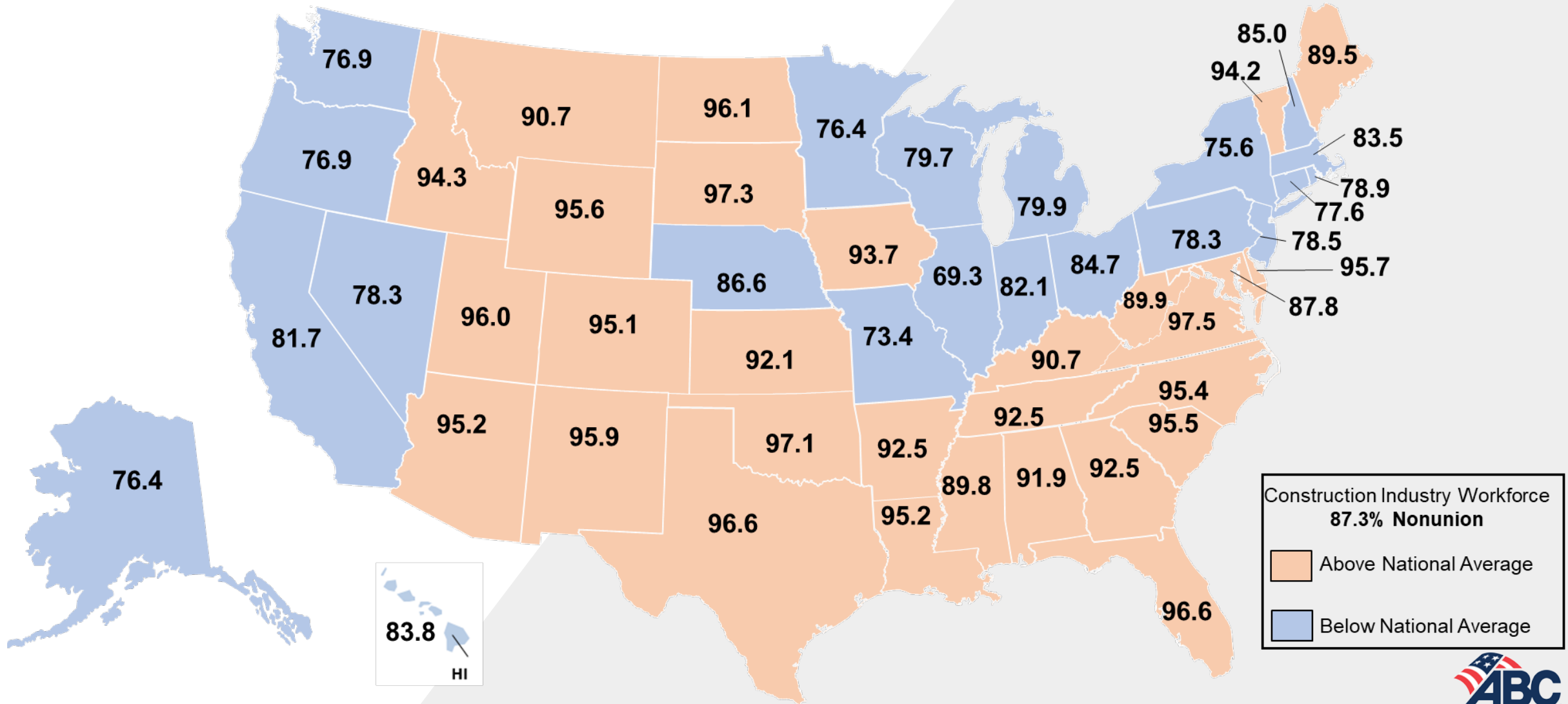


POLICY

A nuisance or transformational?

- Worker Choice
- Infrastructure
- Tax Policy
- Immigration
- Vaccine Mandates

WORKER CHOICE



PRO ACT

Issue	Current Law	PRO Act
Worker Career Choice	Union, Non-union, Independent Contractor	Forced Union Membership
Right to Work Laws	Preserves	Overturns 27 State RTW Laws
Personal Information	Protected	Forces Employers to hand over to unions
Boycotting of neutrals	Prohibited	Permitted
Client Attorney Privilege	Protected	Threatens
Role of Supervisor	Preserved	Demotes
Unfair Labor Practices	Balanced	Expands Employer/Reduces Union
Joint Employer	Maintain B2B Contract/Franchise Relationships	Dilute B2B Contracts/Franchise Relationships
Construction wins as other industries win	Market Forces and Job Creation Drive Construction Spend	Impact to Job Creation will negatively impact construction spend

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INFRASTRUCTURE AND RECONCILIATION

Issue	Biden Plan / Reconciliation Bill	What Passed the Senate?
Funding	100% through tax increases	A blend including Public Private Partnerships and using unspent Covid stimulus funds
Procurement Methodology	Government Mandated PLA's excluding up to 87% of the construction industry	Traditional/Status Quo and Streamlines Permitting Process
Workforce	Union only – PRO Act language	Davis Bacon/Local Hiring Requirements
Construction Costs	Limited competition adds up to 20%	Davis Bacon/Buy America
State Procurement Laws	Overtures – eliminates FOCA – PRO Act	Recognizes state FOCA laws
Taxpayer Value	Decreases	Davis Bacon Provisions Expanded
Small Businesses	Discourages participation	Davis Bacon Compliance barriers
Tax Fairness	Taxes the entire industry but only welcomes union contractors	Neutral
Scope of work	Hard, Social, Safety Net, Human, Climate...etc	More Traditional, Schools, Broadband, Renewable, EV Charging stations

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IMMIGRATION

What could our industry use?

- Safe and Secure borders
- Certainty/Protections for Temporary Protected Status and Deferred Action for Childhood Arrivals (DACA/Dreamers)
- Market based, merit based, rule-of-law based worker Visa process
- Pathway to citizenship based on merit, employer sponsored
- Require E-verify provided it is a safe harbor for companies
- Legal entry rewarded - illegal entry enforced

POLICY

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Q&A

What else is on your mind?