NATIONAL CENTER FOR
THE MIDDLE MARKET

CONSTRUCTION

MIDDLE MARKET INDICATOR

2Q | 2020

IN COLLABORATION WITH

THE OHIO STATE UNIVERSITY
FISHER COLLEGE OF BUSINESS

CHUBB®

Construction's Revenue Growth vs. National

CONSTRUCTION'S MIDDLE MARKET
PAST 12 MO.
0.9%

-3.7% Past 12 Months National

CONSTRUCTION'S MIDDLE MARKET
NEXT 12 MO.
6.8%

2.0% Next 12 Months National

Construction's Employment Growth vs. National

CONSTRUCTION'S MIDDLE MARKET
PAST 12 MO.
-2.5%

-4.4% Past 12 Months National

CONSTRUCTION'S MIDDLE MARKET
NEXT 12 MO.
2.4%

-0.2% Next 12 Months National

Construction's Top Internal Challenges Over The Next 3 Months

TALENT MANAGEMENT
58%

COVID-19
38%

FINANCIAL
28%

VS. NEXT 12 MONTHS

TALENT MANAGEMENT	COVID-19	FINANCIAL
48%	24%	21%

Capital Investment Plans on Hold Amid Cautious Outlook

WILLINGNESS TO INVEST DECREASES AMONG MIDDLE MARKET CONSTRUCTION COMPANIES SINCE 60% REPORTED IN 4Q'19.

51%
WILL INVEST

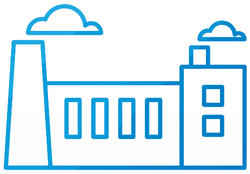
Immediate Negative Impact of COVID-19 on Construction vs. Other Industries

	ALL MIDDLE MARKET COMPANIES	BUSINESS SERVICES	MANU-FACTURING	WHOLE-SALE TRADE	RETAIL TRADE	CONSTRUC-TION	FINANCIAL SERVICES	HEALTH-CARE	TECH-NOLOGY*
2020 PROJECTED REVENUE	57%	52%	47%	62%	47%	48%	54%	55%	42%
BUSINESS OPERATIONS	56%	43%	47%	57%	56%	55%	54%	58%	36%
CUSTOMER DEMAND	54%	49%	47%	61%	51%	39%	48%	52%	43%
GROWTH INITIATIVES	52%	50%	43%	59%	47%	43%	51%	52%	38%
SUPPLY CHAIN	47%	31%	52%	59%	48%	47%	29%	47%	39%
EMPLOYMENT (I.E., NUMBER ON STAFF)	45%	42%	36%	36%	48%	51%	33%	49%	37%
PAYROLL (I.E., HOURS WORKED)	43%	34%	33%	36%	57%	38%	32%	44%	30%
WORKING CAPITAL/CASH	42%	44%	27%	42%	48%	27%	35%	47%	32%
CAPITAL SPENDING	42%	39%	28%	38%	46%	27%	39%	47%	31%
ACCESS TO CAPITAL	29%	27%	18%	30%	34%	13%	25%	33%	24%
DIGITAL TRANSFORMATION	25%	20%	18%	24%	37%	13%	27%	29%	17%

Percent of respondents stating they expect a minor or major immediate negative impact from COVID-19
*Includes companies also represented in other industries, e.g., computer manufacturers, IT services, healthtech, fintech.

Construction's Middle Market Defined

ANNUAL REVENUE
$10 MM–$1 B

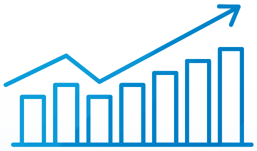


REPRESENTS
0.7%
OF ALL CONSTRUCTION COMPANIES

MORE THAN
12,000
BUSINESSES

EMPLOYS
32.1%
OF THE CONSTRUCTION WORKFORCE

GENERATING
$360B
IN ANNUAL REVENUE



GENERATES
23.5%
OF ALL CONSTRUCTION BUSINESS REVENUE

Source: 2014 D&B Data