NATIONAL CENTER FOR
THE MIDDLE MARKET

THE OHIO STATE
UNIVERSITY

FISHER COLLEGE
OF BUSINESS
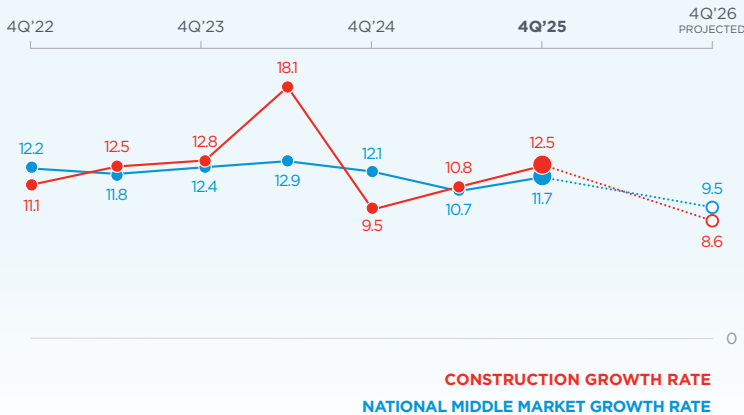
CONSTRUCTION

## MIDDLE MARKET INDICATOR

Year-End | 2025

Revenue

Construction businesses reported strong year-over-year revenue growth for the second consecutive period, outpacing the overall middle market. Nearly nine out of 10 companies reported gains in 2025, and the sector remains among the most likely to anticipate revenue growth in 2026, albeit at a lower rate than the average middle market projections.

Past, current and projected revenue growth rates for the construction middle market and the national middle market (%)
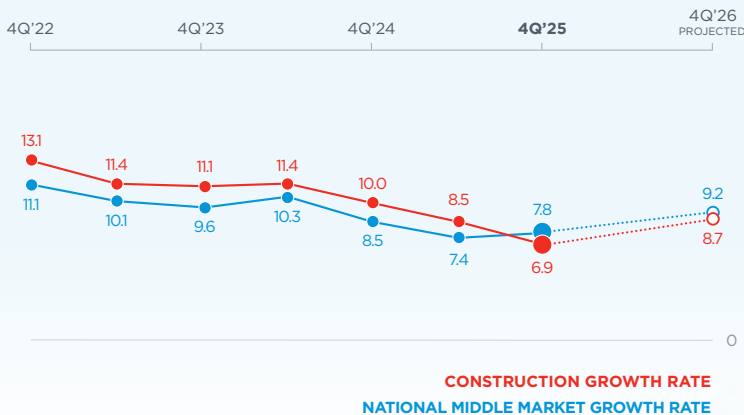

4Q'22 · 4Q'23 · 4Q'24 · **4Q'25** · 4Q'26 PROJECTED

Construction growth rate values: 11.1, 12.5, 12.8, 18.1, 9.5, 10.8, 12.5, 8.6
National middle market growth rate values: 12.2, 11.8, 12.4, 12.9, 12.1, 10.7, 11.7, 9.5

CONSTRUCTION GROWTH RATE
NATIONAL MIDDLE MARKET GROWTH RATE

% of construction middle market companies reporting/projecting year-over-year revenue growth

| 4Q'22	4Q'23	4Q'24	**4Q'25**	4Q'26 PROJECTED
74	78	78	89	78
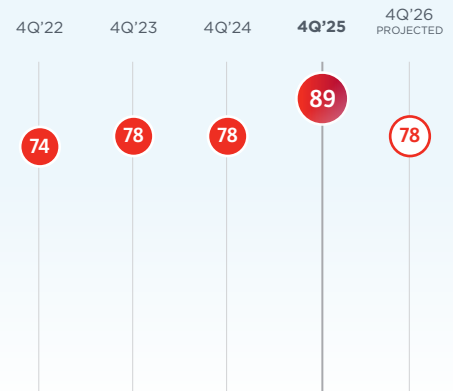
Employment

Employment growth in the construction industry—which has trended above the middle market average since Q4 2022—dipped below that level this period as job growth continued to decelerate in the sector. Nearly two-thirds of companies anticipate expanding the workforce in 2026, but growth rate estimates are muted, relative to other sectors.

Past, current and projected employment growth rates for the construction middle market and the national middle market (%)

4Q'22 · 4Q'23 · 4Q'24 · **4Q'25** · 4Q'26 PROJECTED

Construction growth rate values: 13.1, 11.4, 11.1, 11.4, 10.0, 8.5, 7.8, 8.7
National middle market growth rate values: 11.1, 10.1, 9.6, 10.3, 8.5, 7.4, 6.9, 9.2

CONSTRUCTION GROWTH RATE
NATIONAL MIDDLE MARKET GROWTH RATE

% of construction middle market companies reporting/projecting year-over-year employment growth

4Q'22	4Q'23	4Q'24	**4Q'25**	4Q'26 PROJECTED
66	60	58	56	64
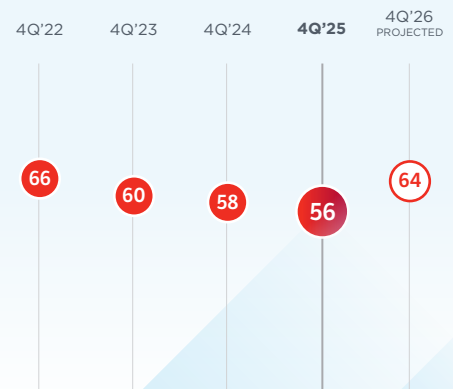
Artificial Intelligence (AI) Adoption and Use

While construction companies are relative laggards in AI adoption, they are emerging as leaders in several areas. Compared to mid-year, significantly more companies indicate they are using AI for machine learning (from 26% to 39%) and natural language processing (from 21% to 35%), positioning these as the industry's top use cases alongside task automation.

	ALL MIDDLE MARKET COMPANIES	BUSINESS SERVICES	MANUFACTURING	RETAIL TRADE	CONSTRUCTION	FINANCIAL SERVICES	HEALTHCARE	TECHNOLOGY*
AUTOMATION OF ROUTINE TASKS	40%	49%	43%	46%	35%	39%	37%	48%
ADVANCED DATA ANALYTICS & PREDICTIVE MODELING	39%	45%	40%	46%	31%	46%	39%	53%
MACHINE LEARNING & DEEP LEARNING APPLICATIONS	27%	37%	30%	25%	39%	29%	24%	36%
NATURAL LANGUAGE PROCESSING & CONVERSATIONAL AI	28%	33%	23%	22%	35%	34%	23%	38%
ROBOTICS & PHYSICAL AUTOMATION	21%	24%	27%	20%	21%	22%	18%	23%
A COMBINATION OF THE ABOVE	21%	19%	20%	17%	20%	27%	24%	16%
NOT USING AI IN ANY WAY	17%	11%	16%	18%	29%	7%	19%	11%

*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