



Contractors are also pessimistic about the demand for transportation projects such as transit, rail and airports, with a net reading of negative 19 percent. The net reading for manufacturing construction is negative 17 percent; for bridge and highway construction it is negative 11 percent; and it is negative 10 percent for federal construction projects. There is a net reading of negative 8 percent for both power and multifamily construction and there is even a net reading of negative 3 percent for hospital construction.

Among the three market segments with a positive net reading, two – warehouse construction and the construction of clinics, testing facilities and medical labs – track closely with the few segments of the economy to benefit from the impacts of the coronavirus.

One reason so many construction firms expect demand for construction to shrink is the high number of projects that have been delayed or canceled. Fifty-nine percent of firms report they had projects scheduled to start in 2020 that have been postponed until 2021 and 44 percent report they had projects canceled in 2020 that have not been rescheduled. Eighteen percent of firms report that projects scheduled to start between January and June 2021 have been delayed. And 8 percent report projects scheduled to start in the first half of the year have been canceled.

As a result, few firms expect the industry will recover to pre-pandemic levels any time soon. Only one-third of firms report business has already matched or exceeded year-ago levels, while 12 percent of firms expect demand to return to pre-pandemic levels within the next six months. More than half – 55 percent – report they do not expect their firms' volume to return to pre-pandemic levels for more than six months. 4 0 Tte(f)Tj 0.002 Tc -0.002

As we all anticipated, the continuing impact of the pandemic is the top challenge weighing on contractors' minds this year. It has affected everything from project timelines to worker safety to material costs and has left many scrambling to adjust to the new normal. While the past year has been filled with many challenges, technology has played an integral role in keeping people connected and businesses up and running.

Firms are becoming more strategic about IT as they try to remain competitive in the current environment. According to this year's Outlook, 62 percent of contractors indicate they currently have a formal IT plan that supports business objectives, up from 48 percent last year. An additional 7 percent of contractors plan to create a formal IT plan in 2021.

Most firms plan to keep their technology investment about the same as last year. When it comes to IT, the top 500 contractors plan to spend about the same as last year. When it comes to IT, the top 500 contractors plan to spend about the same as last year. When it comes to IT, the top 500 contractors plan to spend about the same as last year.

