



# **STATE OF THE CONSTRUCTION INDUSTRY 2021 SURVEY**

# INTRODUCTION

Now that we are looking ahead to a post-COVID market, we wanted to survey the architecture, engineering, construction and related industries to get a better understanding of how firms are managing the various challenges related to cash flow, backlog, talent retention, material costs and other issues. We also wanted to understand how these firms are looking ahead to the potential opportunities that come with these challenges. We would like to thank all Anchin clients and contacts who took the time to respond to our “State of the Construction Industry” survey.





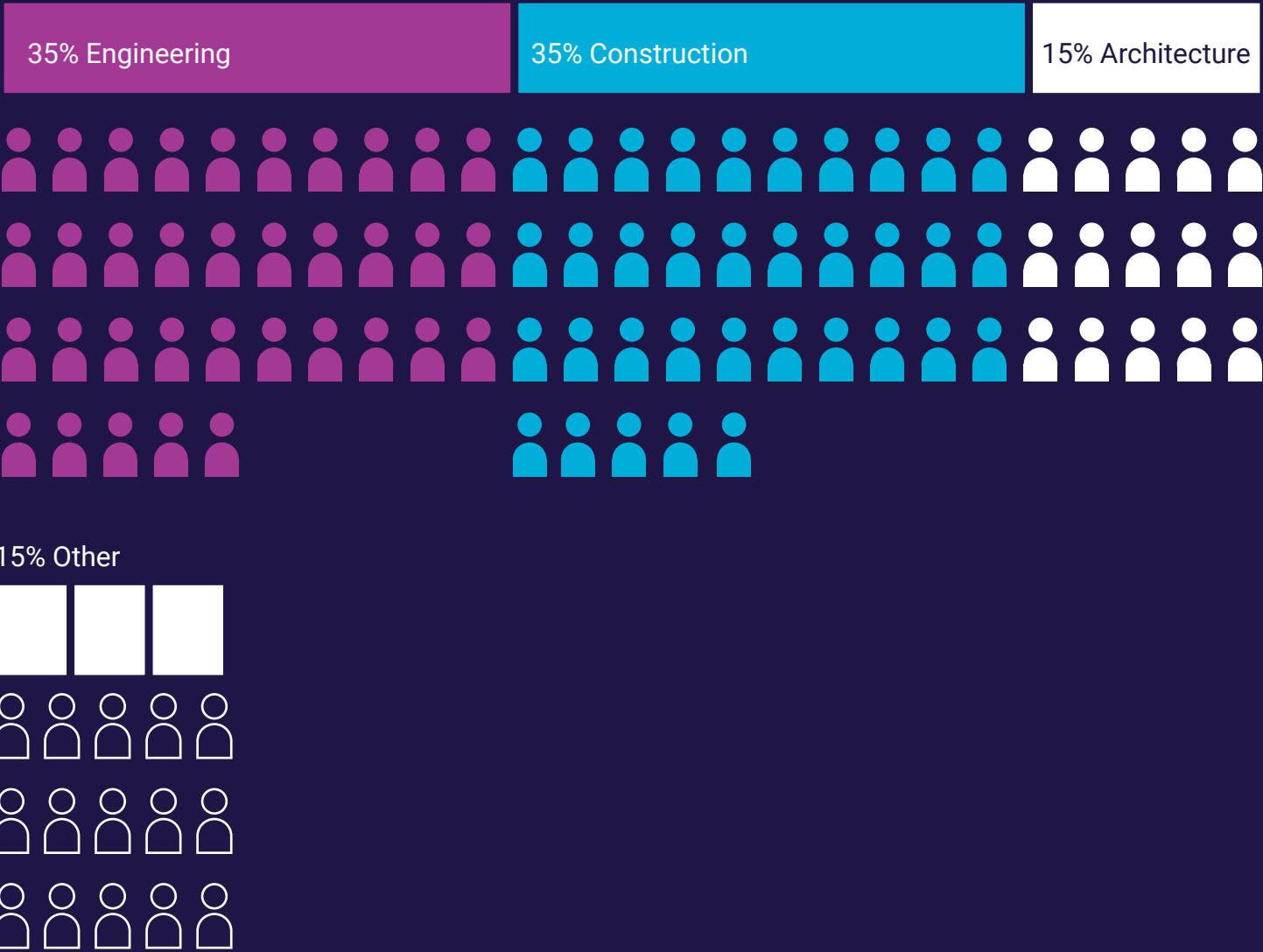
KEY INSIGHTS

The infrastructure bill creates exciting opportunities for the architecture, engineering and construction communities. This investment in America will help strengthen our cities and towns, as well as create an estimated 2.4 million additional jobs by the end of 2025. This is in addition to a growing private sector pipeline of work right now.

This growing need for work, as well as a more diversified array of asset sectors in need of contractors and A&E firms, is contributing to growing optimism right now. Issues covered below show that there have been a great number of shifts in the way the A/E/C industries work and the issues leaders are facing, from hybrid work and labor shortages to tech adoption and cash flow strategy.

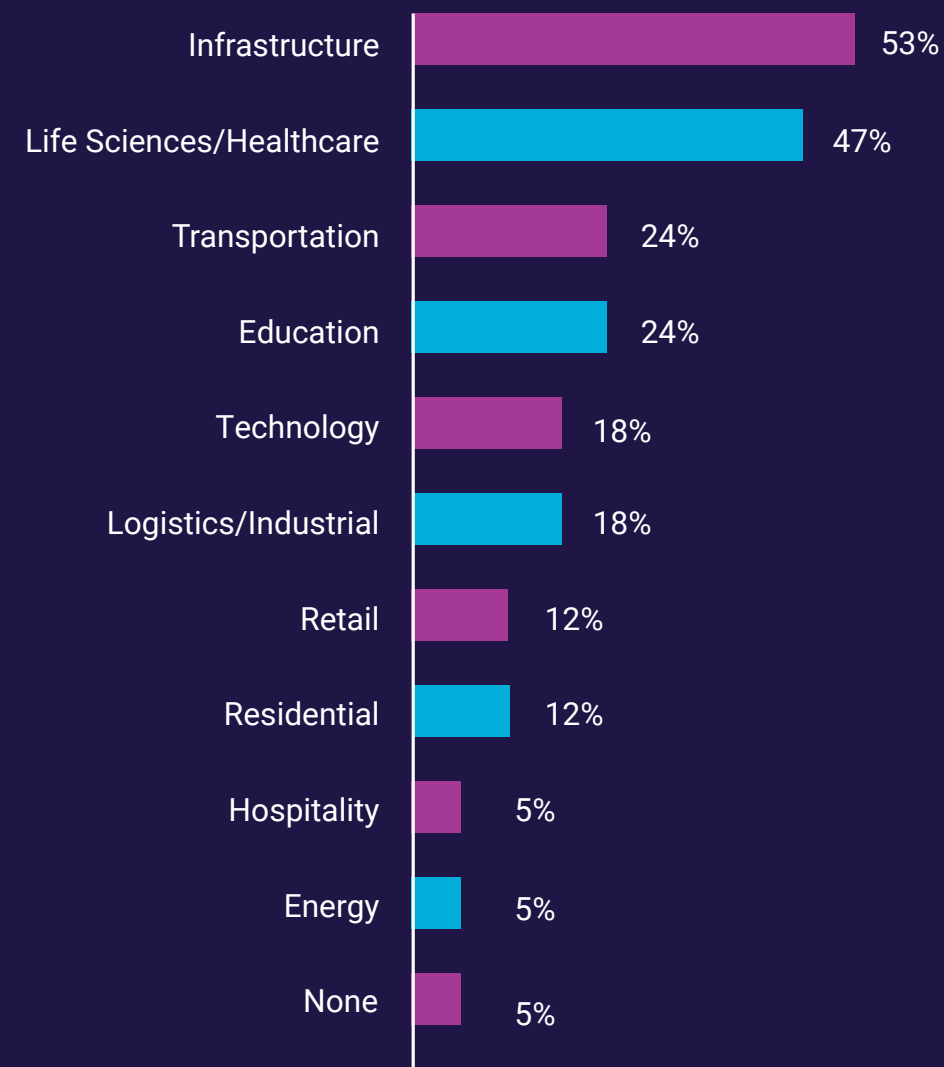
As we move into a new era, this survey gives an overview of the state of the New York market — and it is one of resilience in the face of unprecedented challenges.

STATE OF THE CONSTRUCTION INDUSTRY  
2021 SURVEY



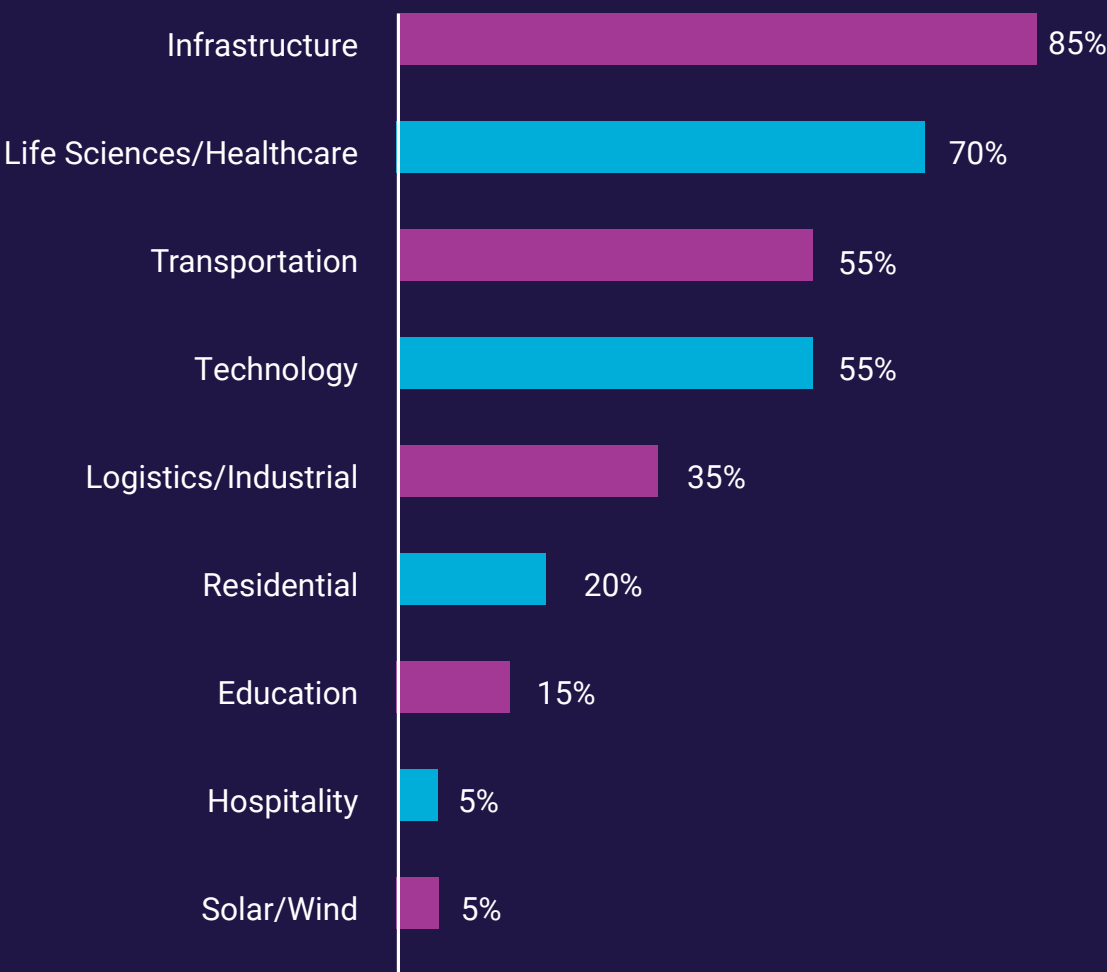
The Survey respondents represent a cross-section of New York’s building industry, covering construction, engineering, architecture and other related fields.

WHICH INDUSTRY VERTICALS HAS YOUR FIRM DIVERSIFIED INTO SINCE THE START OF THE PANDEMIC?



The results track with the anecdotal excitement industry professionals are seeing for infrastructure and transportation needs, as well as the growing body of life sciences and healthcare work as NYC seeks to ramp up its STEM profile.

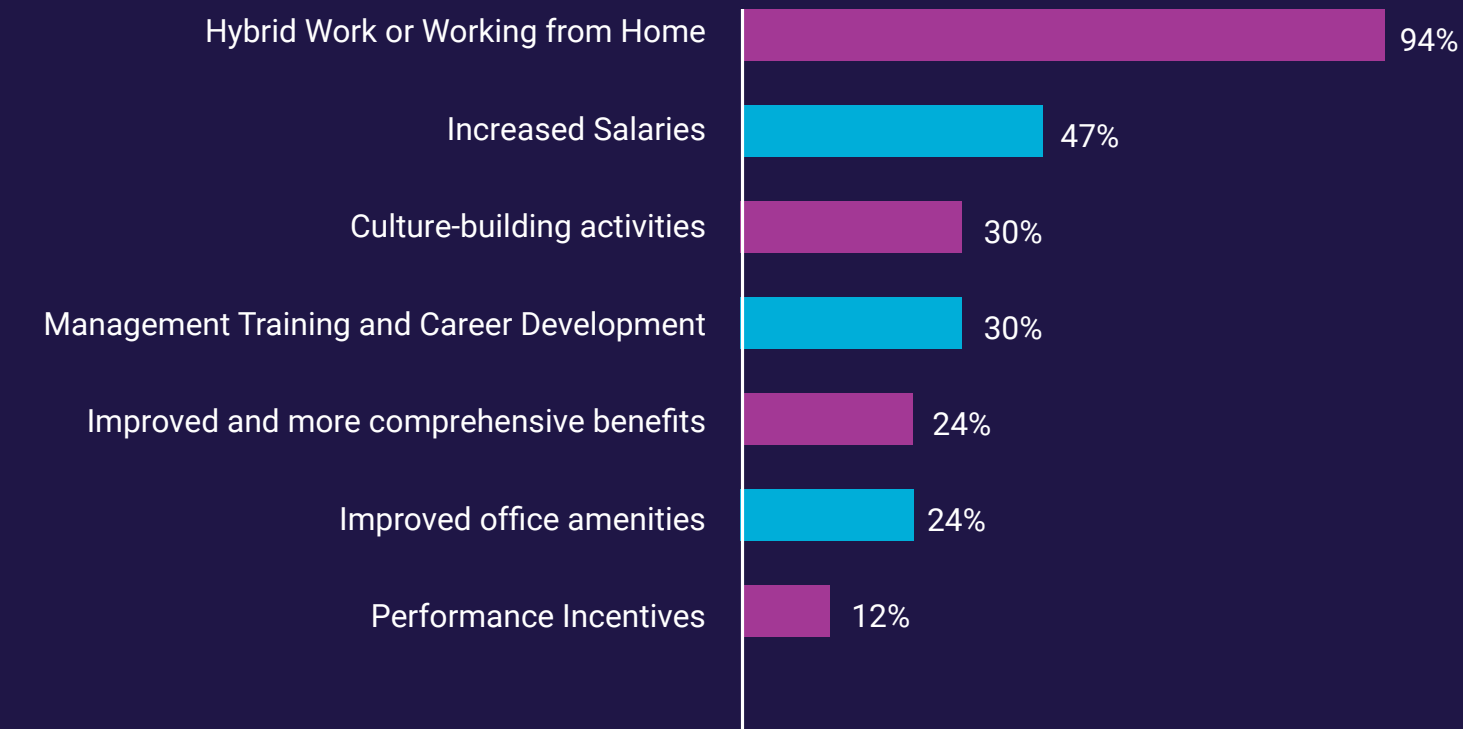
WHICH INDUSTRY VERTICALS DO YOU SEE BEING BUSIEST OVER THE NEXT FIVE TO TEN YEARS?



In addition to infrastructure, tech and medical fields, industrial is seeing growing momentum as an in-demand asset sector, driven by e-commerce.

# TALENT RETENTION & ACQUISITION

What new talent retention and acquisition strategies has your firm adopted since the pandemic?



An overwhelming number of firms have adopted hybrid working, to the extent that they can, given the in-person demands of the building industry. In an industry seeing labor shortages, the competition for talent is universal, and firms are working to demonstrate that they are where leaders and future leaders want to be.

# PRESSING ISSUES

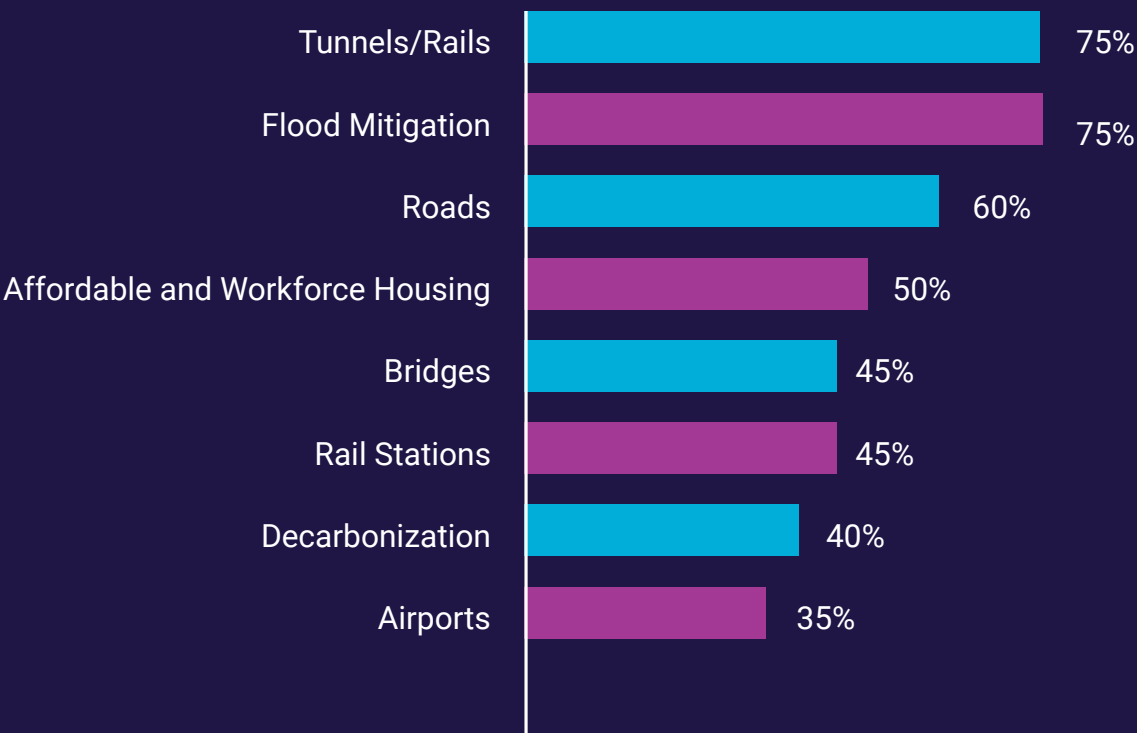
What are the most pressing issues facing your industry today?



Labor shortages are unfortunately a headwind against the growing need and funding for work ahead, while D&I and sustainability continue to be issues being addressed.

# NYC CONSTRUCTION NEEDS

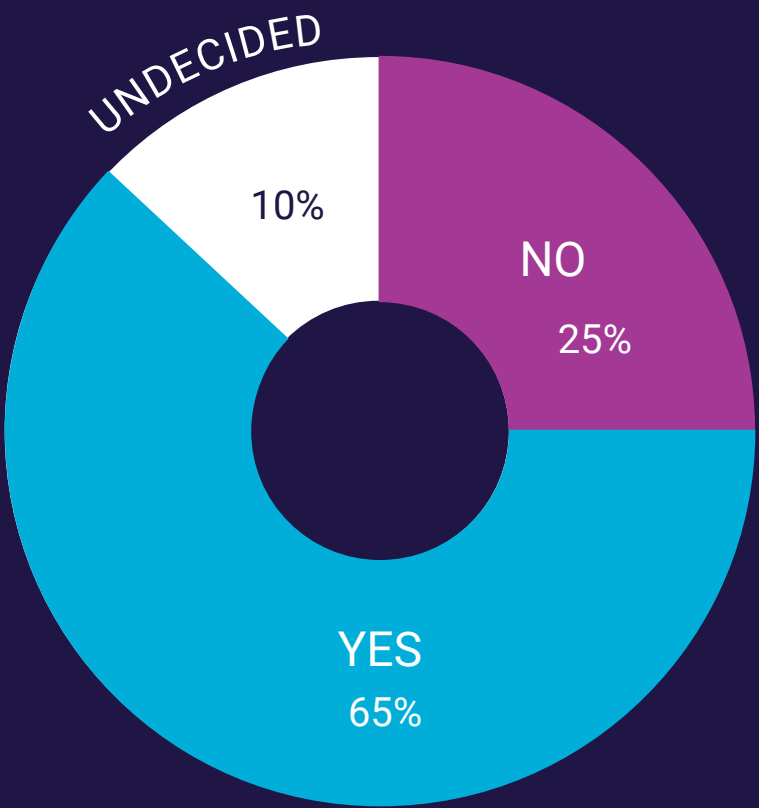
What are New York’s most pressing public or infrastructure construction needs today?



The overwhelming trend in these answers relate to resilience, particularly in the face of a growing urban population, and sustainability / climate change needs, which are being felt acutely.

# PPP LOANS AND EMPLOYEE RETENTION CREDITS

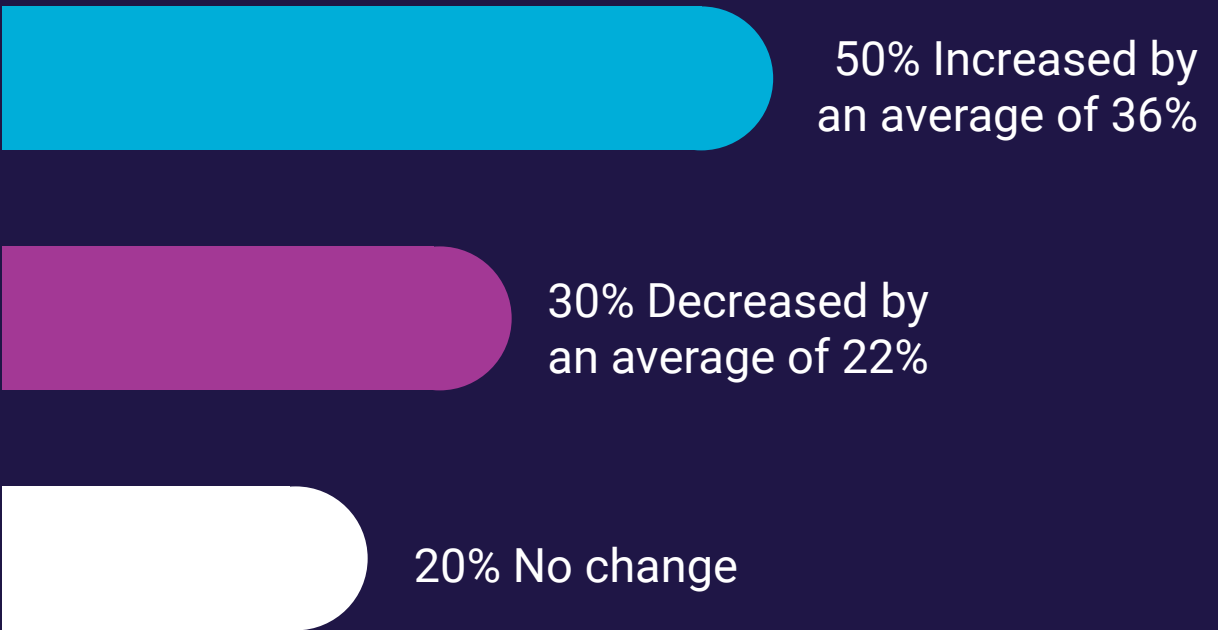
Did your firm or does your firm plan to take advantage of Paycheck Protection Program (PPP) Loans and / or Employee Retention Credits (ERC)?



A majority of firms took advantage of federal programs to help with cash flow disruptions from the pandemic. ERC became a highly utilized tool in 2021.

## VOLUME OF WORK

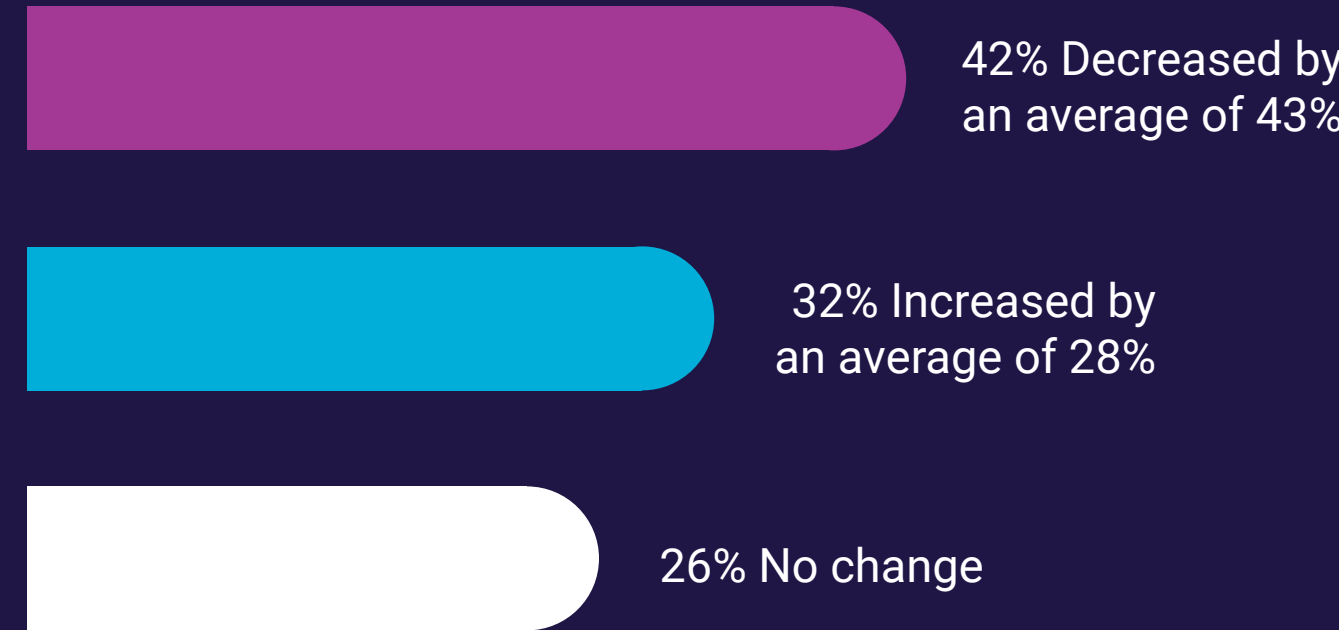
Has the volume of your work increased or decreased?



This is an encouraging sign, as the majority of firms’ volume either increased or stayed the same, signaling a sea change for the better in the economic recovery.

## BACKLOG: 2021 TO 2019

Has your backlog increased or decreased compared to this same time in 2019?



Industry backlog still has some ways to go in improving, particularly as economic uncertainty has slowed some long-term projects, but the market is heading in the right direction.

# INDUSTRY ISSUES

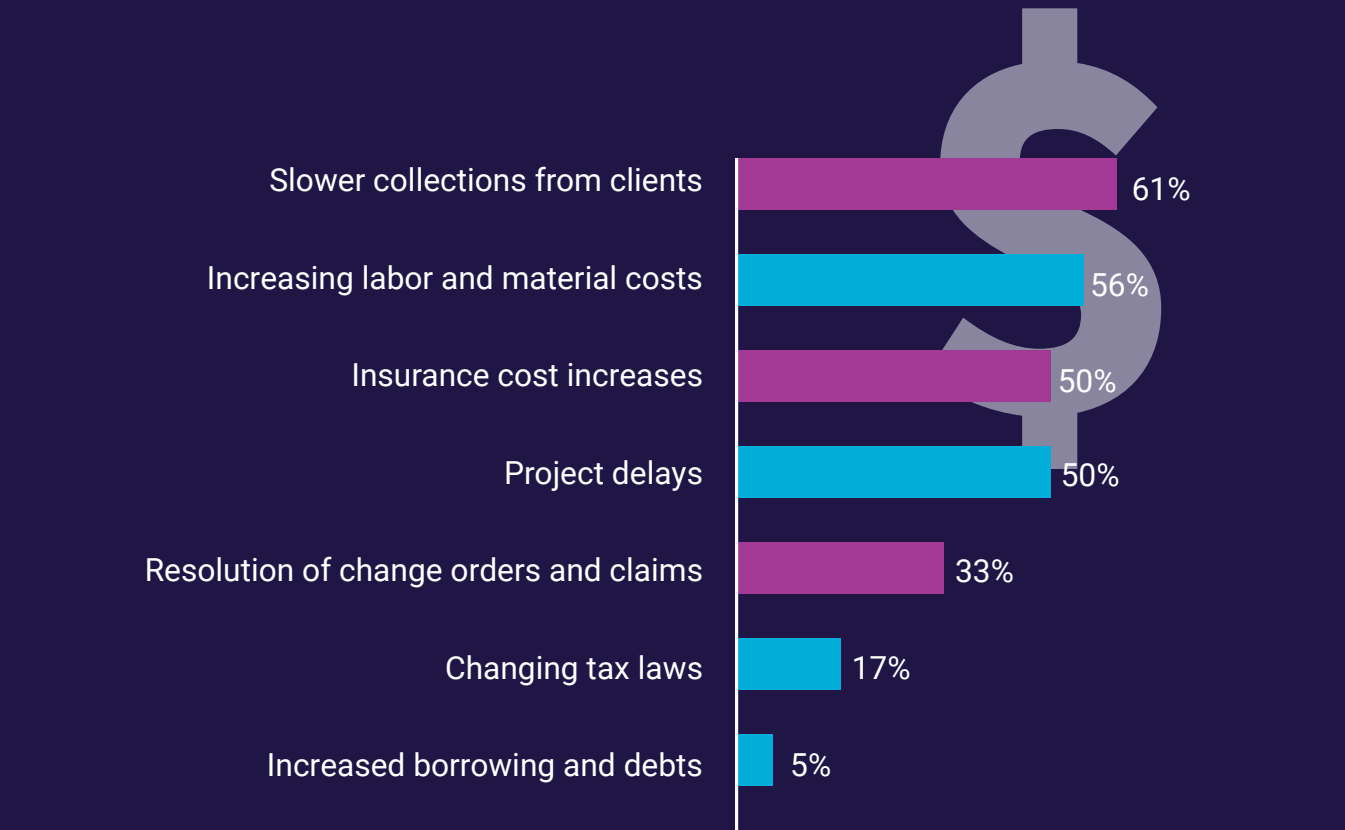
What are the biggest issues that need to be addressed in your industry to ensure continued success, growth, and innovation?



The main takeaway of the most frequent responses is modernization, from technology, to younger talent, to diversity. These issues are related, as technology is a key component to attracting younger and more skilled employees, while diversity also underscores the need for more proactive talent pipelines.

# CASH FLOW CHALLENGES

What cash flow challenges have you experienced the most?



Increasing labor and supply costs cut across industries, but the construction and built environment industries particularly felt the pressure here, while market disruption impacted the ability of owners and developers to make timely payments. While the latter issue is subsiding with the improving economy, the former remains a market headwind.



# Anchin's Architecture, Engineering & Construction Industry Groups

Architecture & Engineering and Construction are highly competitive industries and companies need to be proactive and strategically plan for their future. Our intimate knowledge of the industry informs value-added insight into the challenges A&E and construction company leaders face every day. This knowledge enables us to work as a team with our clients, helping them efficiently navigate business challenges they face. By improving financial reporting and controls, structuring incentive plans that aid in employee retention and attraction, creating and implementing effective succession plans, and identifying tax efficient strategies, the team offers the guidance companies need to achieve their goals.

Anchin has nearly 100 years of experience in providing accounting, tax, and advisory services and serving as a trusted advisor to clients on their most sensitive and crucial ventures. We are more than accountants – we function as comprehensive advisors that collaborate with you to develop a successful long-term relationship.

For more information, please visit [anchin.com](http://anchin.com).

## CONTACT INFORMATION



**Phillip M. Ross, CPA, CGMA**  
*Partner, Leader of Anchin's Architecture & Engineering and Construction Industry Groups*

Phillip.Ross@anchin.com



**Paul Gevertzman, CPA, J.D.**  
*Partner, Tax Leader of Anchin's Architecture & Engineering and Construction Industry Groups*

Paul.Gevertzman@anchin.com



**Fred Ackerman, CPA, CGMA**  
*Partner*

Fred.Ackerman@anchin.com



**Anthony M. Bracco, CPA/Cff, CFE, CVA, CGMA**  
*Partner*

Anthony.Bracco@anchin.com



**Christopher Kelly, CPA**  
*Partner*

Christopher.Kelly@anchin.com



**Joseph Molloy, CPA**  
*Tax Partner*

Joseph.Molloy@anchin.com



**Marc A. Newman, CPA, CGMA**  
*Partner*

Marc.Newman@anchin.com



**Chris Noble, CPA, CGMA**  
*Partner*

Chris.Noble@anchin.com



**Terry Pissi, CPA**  
*Partner*

Terry.Pissi@anchin.com



**Anish Shah, CPA**  
*Partner*

Anish.Shah@anchin.com



[anchin.com](https://anchin.com)