CBIZ

2026 CBIZ National Construction Industry Survey

CBIZ.COM

Executive Summary

Much like the general economy, opinions on how the construction industry is doing are largely dependent on which sectors we're asking. While this year's survey showed general overall strength, with backlogs declining only slightly from a strong 2025, there are some signs that construction is slowing, particularly in certain sectors. As market conditions become more uneven, contractors that demonstrate strong financial visibility, disciplined operations, and adaptability are better positioned to respond to shifting demand. CBIZ Economist Anirban Basu discusses this bifurcation in construction and other key macroeconomic insights in his article within this report.

With ***74% of respondents*** indicating that their backlogs increased or remained flat over the last year, the construction industry is showing remarkable resilience, driven heavily by spending on infrastructure, energy, and data centers. That outsized growth is countering weakness in large construction sectors like retail, manufacturing, and residential.

Read More from Anirban Basu


Adaptability
Strong Financial Visibility
Disciplined Operations

Signs of a Possible Slowdown

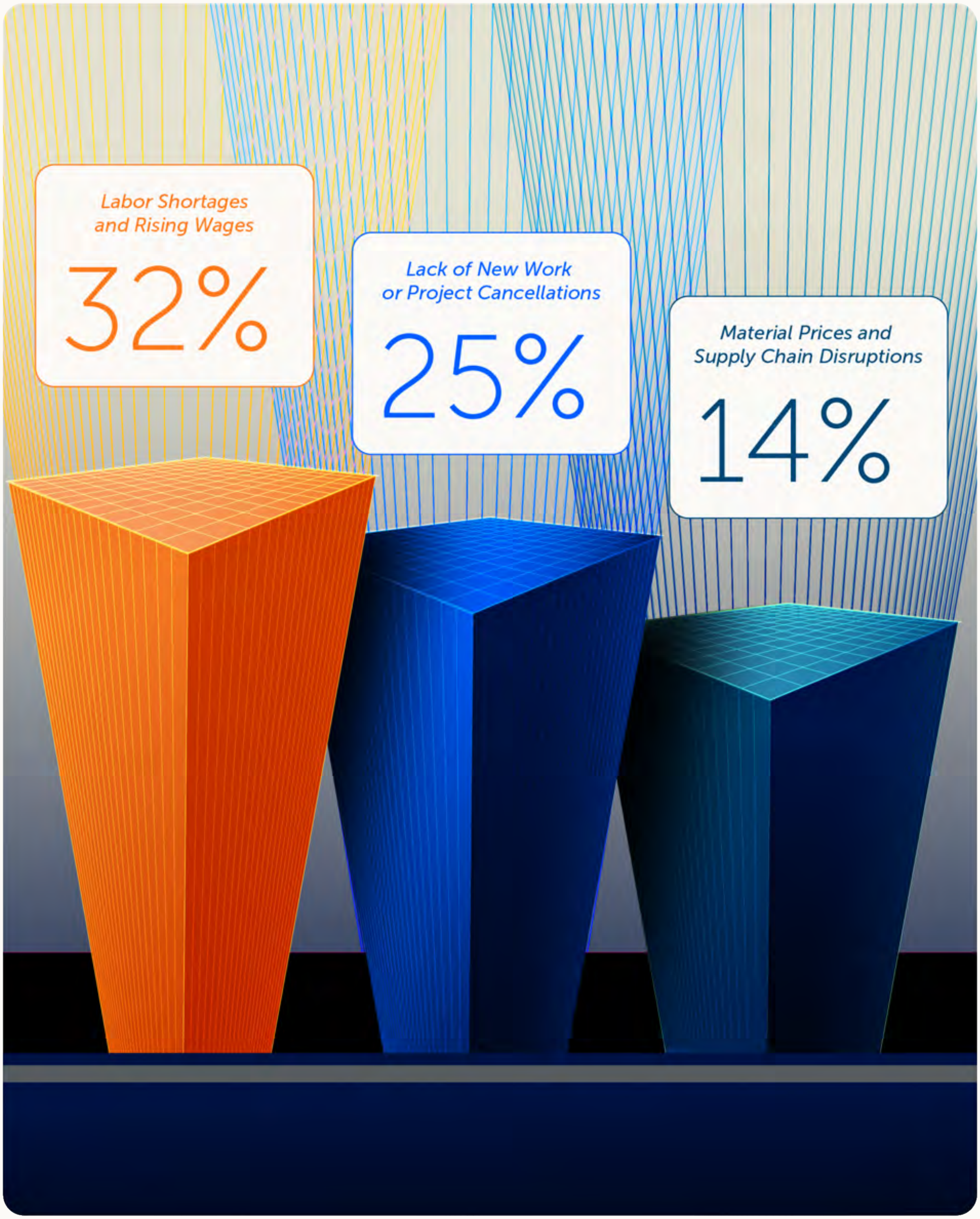
While lack of skilled labor retained its perennial spot on top of respondents' list of biggest worries, the percentage of those ranking it highest fell nine points from last year to ***32%***. That marks the lowest percentage of respondents saying skilled staffing issues were their top concern in years. Respondents bolstered the idea that staffing challenges were easing by demonstrating that wage pressure is moderating. The share of firms giving 6%+ raises has dropped from ***38%*** combined in 2023 down to just ***12%*** in 2026, with ***45% of firms providing raises of 4%-5%.*** That's more in keeping with matching inflation than fighting the wage war we've seen in recent years. Another sign of headwinds is growing concern with the lack of new work or project cancellations, which has jumped to ***25% from 18% last year and 12% in 2024.*** These shifts are prompting firms to evaluate forecasting accuracy, cash flow visibility, and their ability to make proactive adjustments as conditions evolve.

Economic uncertainty is certainly creeping in for respondents. Some are even planning for zero or negative growth in the coming year, with one noting,

> *"Right now our projected revenue target would be a modest 6% reduction from last year, which followed a 10% reduction from 2024. We are pursuing work outside of our traditional geographic market, which is a first in our 49 years of operation."*

Even companies working government jobs, which remains a strong sector thanks in large part to the Infrastructure Investment and Jobs Act, expressed some concern.

> *"Over the past six months, we have faced a difficult public bid outlook, with multiple bidders – sometimes upwards of 12 to 13 bidders – on almost every bid. Further, the bids have been very competitive with the lowest bid generally below our estimated direct cost of the work. We have also seen larger infrastructure firms, those that generally bid projects in the $50 million to $250 million range, bidding on smaller, $5 million-$10 million projects, which they generally would not bid in a normal market."*



Top Three ***Greatest Threats*** to Business

Question 11

Tariffs Remain a Challenge

More than a year into the new presidential administration, the construction industry is still working to overcome a mercurial tariff policy that has made sourcing materials, pricing, and planning more challenging. Staying on top of all the changes with tariffs and key information around them can feel like a full-time job. See the article in this report for **CBIZ National Construction Services Leader Joseph Natarelli's** tips on how to navigate those choppy tariff waters while protecting profits and pursuing refunds for eligible tariff-related expenses.

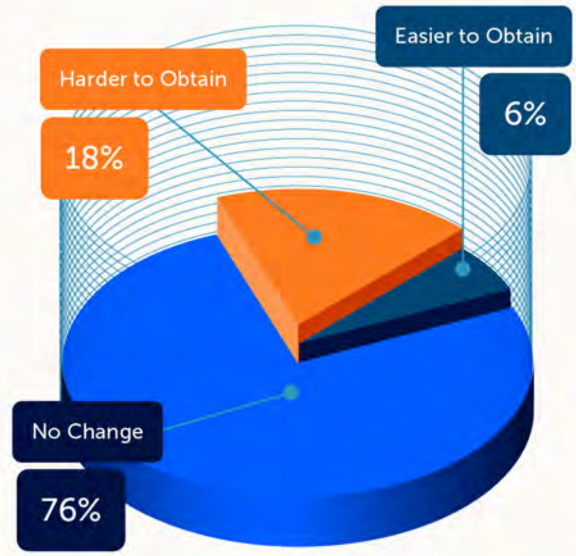
Read More from Joseph Natarelli

Making Adjustments

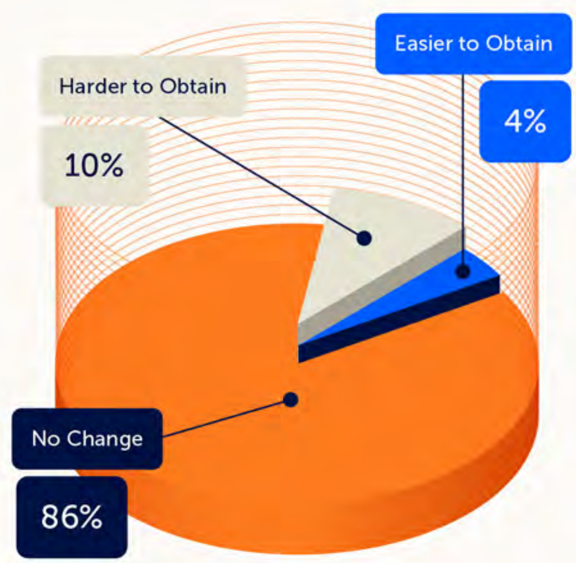
Multiple respondents indicated they were looking to expand into new sectors or geographies in the face of changing market conditions. Others planned for modest growth and more selective and strategic bidding. These actions reflect a broader focus on building more structured, scalable operations supported by stronger planning, clearer financial insight, and operational consistency. Some are looking to acquire competitors to overcome skilled staffing shortages or capture new opportunities. All this retrenching comes at a time when the market for selling construction companies is strong.

Capturing Insights

Given the many challenges and opportunities the construction industry is facing, we hope you take some time to glean insights from your peers in the field with this year's survey results.



Expected Impact on ***Loans and Credit Access***
Question 7



Expected Impact on ***Bonding Capacity***
Question 8

Financing and Bonding

Three years of slow but steady drops in the Federal Reserve's benchmark rate have not had a dramatic effect on how construction companies access loans and credit. There was a nearly statistically irrelevant change in the number of those saying it was easier to obtain credit (***6%, down from 9% in 2025)***, while those saying there was no change ticked up to ***76% from 73%***, and those saying loans were harder to get holds steady at ***18%***. Similarly, bonding capacity was not dramatically different year-over-year, with ***86%*** of respondents saying there was no change and those saying it was more difficult dropping from ***16% to 10%.***

The relatively low-rate environment is tempered by considerable inflation and the uncertainty that goes along with it. In an environment that has changed with breakneck speed thanks to tariffs, global conflicts, and other disruptions, it's vital to be prepared for anything. CBIZ offers an array of services and capabilities to help you be ready for what's next.

Strategic Concerns

Unlike in prior years that featured a clear top choice among respondents when it came to strategic priorities, this year saw a nearly even split between the options. Operational efficiency was narrowly the top choice, supported by multiple comments.

> *"We are strategically trying to manage work force and be more productive on individual jobs," said one respondent. "We are hoping to be able to stay at current revenue and manage our number of employees."*

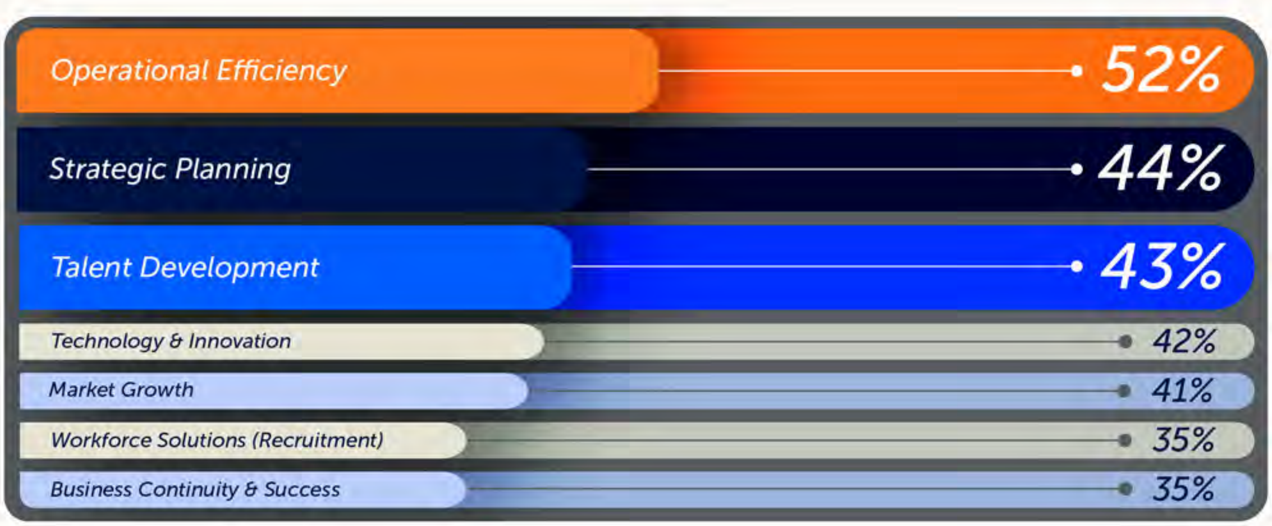
Efficiency was followed by talent development and strategic planning as top priorities, with technology and innovation and market growth close behind. One could argue that staffing-related issues – talent development (15%) and workforce solutions (12%) – combined to be the biggest priority. Stubborn staffing challenges are still not going away.

Leveraging New Technology

One common thread among all of these priorities is that they can be addressed by today's rapidly advancing technology.

In that vein, and for the first time, we asked construction leaders about their approach to artificial intelligence (AI). While ***45% of respondents*** were either actively implementing or piloting AI, that leaves the majority on the outside looking in, without active plans to harness this powerful tool. This is likely to change over the coming years, with forward looking construction companies leading the way. To be among them, learn some of the many ways AI can help cut costs and drive profits for your business by reading Managing Director David Mustin's article within this report on how to use the technology to drive your construction business forward.

Read More from David Mustin



Top ***Strategic Priorities*** for the Next 12 Months

Question 10

Staffing Issues Remain

Labor shortages and rising wages were identified as the biggest threats for the coming year once again, as respondents reported on their biggest worries. While that number declined a bit from last year, it was still the top concern.

> *"We have a solid backlog of customer opportunities," said one respondent. "Finding capable, trained technical staff is our regulator."*

As in past years, the construction industry labor shortage is driven by an aging workforce that's not being replaced quickly enough. This is partly due to a decline in vocational training and has recently been exacerbated by aggressive immigration enforcement.

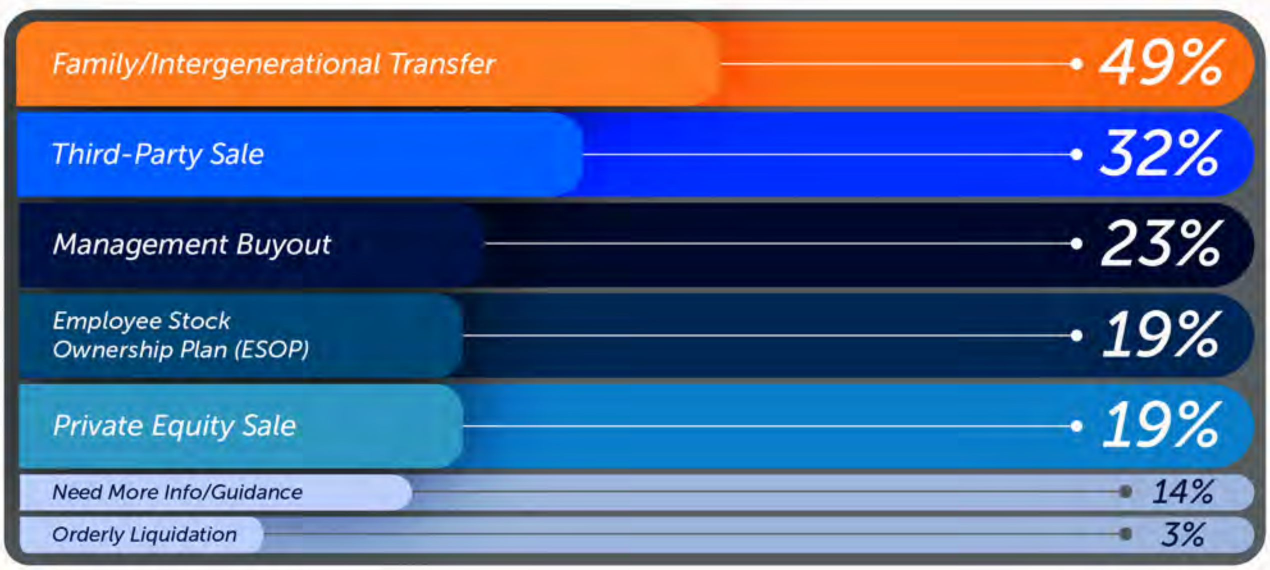
This year, the Associated Builders and Contractors estimated that the industry is missing 349,000 workers and projected that deficit to balloon to 456,000 in 2027. As a result, operational efficiency is more critical than ever.

Other Threats

Lack of new work and project cancellations were cited by 25% of respondents, an indication that some segments of construction are softening. Material prices and supply chain disruptions ***(14%)*** came next – unsurprising given ongoing tariff challenges and unpredictable markets. Government regulations and trade policy ***(9%)*** may tie into tariff concerns.

While only 9% of respondents said business continuity and management succession were their biggest threats, and most are likely not considering a sale, Managing Director Roger Gingerich's article on the many benefits of succession planning is full of valuable insights. Even those with no interest in selling can benefit from planning for the future, which can help your business run better today.

Read More from Roger Gingerich



Top ***Exit Options*** Under Consideration

Question 13

2026 Survey Results

1. Which of the following best describes your organization's primary role in the construction industry? (Select all that apply)

General Contractor/Construction Management	31%
Subcontractor/Specialty Trade Contractor	34%
Heavy Civil/Infrastructure Contractor	11%
Off-site/Modular/Prefabricated Manufacturer	1%
Architecture, Engineering and Design Services	4%
Construction Material, Equipment, or Technology Provider	5%
Professional Service Provider (Finance, Legal, Insurance)	15%

2. In which U.S. region is your primary office or jobsite location?

Northeast (Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont)	44%
Midwest (Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas)	31%
South (Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia)	16%
West (Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming)	9%

3. Which of the following best describes your organization's labor affiliation?

Union (signatory to collective bargaining agreements)	35%
Open-Shop (non-union)	55%
Dual-Shop (operates both union and open-shop entities	10%

4. What was your organization's total annual revenue in the most recent fiscal year?

Under $1 million	4%
$1 million - $50 million	51%
$50 million - $100 million	15%
$100 million - $500 million	20%
$500 million - $1 billion	5%
Over $1 billion	5%

5. How does your organization's construction backlog at the start of 2026 compare to the start of 2025?

Decreased by more than 15%	15%
Decreased by less than 15%	11%
About the same	34%
Increased by less than 15%	19%
Increased by more than 15%	21%

6. On a typical project, how many total bidders is your organization currently competing against?

1-4 bidders	55%
5-9 bidders	40%
10-15 bidders	5%
16 or more bidders	0%

7. Over the next 12 months, how do you expect current conditions to impact loan terms and credit access for your organization?

Easier to obtain	6%
No change	76%
Harder to obtain	18%

8. Over the next 12 months, how do you expect current markets to impact your organization's bonding capacity?

Easier to obtain	4%
No change	86%
Harder to obtain	10%

9. For your organization, which of the following agreements do your owners or principals sign personally?

Personal indemnity agreement with the surety	*13%*
Personal guarantee agreement with bank/lender	*14%*
Both surety and bank personal guarantee agreements	*31%*
Owners or principals do not sign personally on either of these agreements	*42%*

10. Which of the following are among your organization's top strategic priorities for the next 12 months? (Select all that apply)

Operational Efficiency: Cutting operational costs or enhancing vendor/supply chain management.	*52%*
Market Growth: Expanding into new geographic markets, new construction trades, or pursuing M&A opportunities.	*41%*
Strategic Planning: Defining objectives for future growth and market share (e.g., developing formal 3-5 year plans and competitive strategy).	*44%*
Workforce Solutions (Recruitment): Addressing labor shortages through new hiring, recruitment marketing, and competitive compensation.	*35%*
Talent Development: Organizational and team development (e.g., leadership training, team building, restructuring teams).	*43%*
Business Continuity & Succession: Identifying future leadership options, exploring ownership transition strategies, or improving enterprise value for a potential future sale.	*35%*
Technology & Innovation: Identifying and implementing new technologies to maximize operational efficiency.	*42%*

11. Which of the following do you see as the single GREATEST threat to your organization's business over the next 12 months?

Financial pressures, credit, and bonding	*6%*
Labor shortages and rising wages	*32%*
Material prices and supply chain disruptions	*14%*
Lack of new work or project cancellations	*25%*
Government regulations and trade policy	*9%*
Business continuity and management succession	*9%*
Other, please list	*5%*

12. Over the past 12 months, what percentage, on average, have you increased the pay for your skilled labor force?

We have not increased pay	*6%*
1-3%	*37%*
4-5%	*45%*
6-8%	*7%*
>9%	*5%*

13. Which of the following succession planning options, if any, is your organization currently considering or exploring? (Select all that apply)

Family/Intergenerational Transfer: Ownership/ leadership passes within the family.	*49%*
Management Buyout (MBO): Sale of the company to the current management team.	*23%*
Sale to existing partners: Transfer of ownership to current co-owners/partners.	*16%*
Employee Stock Ownership Plan (ESOP): The company establishes an employee trust fund to purchase owner shares.	*19%*
Third-party Sale: Sale to another company in the same or a related industry.	*32%*
Private equity sale: Sale to an investment firm that specializes in acquiring and growing companies.	*19%*
Orderly liquidation: Winding down business operations and selling assets.	*3%*
We need more information or guidance on which options might be viable for our organization.	*14%*

14. How has your organization approached the implementation of artificial intelligence (AI) technology in your operations?

Actively implementing AI across multiple areas	*19%*
Piloting AI in select projects or processes	*26%*
Researching AI options but have not started implementation	*28%*
Hesitant to invest in AI	*6%*
No current plans to implement AI	*21%*

About CBIZ

We Help Builders Build What's Next

From tax strategy to talent planning and operational efficiency, CBIZ brings data-driven insight and sector-specific experience to help construction leaders thrive — no matter the market cycle.

Construction Industry Group

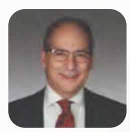
Joseph Natarelli
National Construction Leader

The construction industry is poised for growth fueled by favorable legislation, technological advances, and evolving market demands. Yet, businesses face unique challenges such as fluctuating material costs, skilled labor shortages, and increased regulatory complexities. At CBIZ, we deliver the tools, insights, and experience to help you overcome these challenges and build your business's success story.

Roger Gingerich
Central

Ryan Staub
Central

Marty McCarthy
Mid-Atlantic



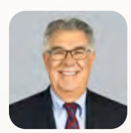
Robert Mercado
New England

Brian Nuzio
New York Metro

Paul Ditredici
New York Metro

Ashlie Forum
Southeast

Bill Clark Jr.
Tennessee



Warren Hennagin
West

Visit CBIZ Construction Services
Subscribe | Contact Us