











FOR IMMEDIATE RELEASE  
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TWENTY -

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FORTY PERCENT OF CONSTRUCTION FIRMS REPORT LAYOFFS AMID WIDESPREAD  
PROJECT CANCELLATIONS AS ECONOMIC IMPACT OF CORONAVIRUS GROWS  
Survey of Constru



FOR IMMEDIATE RELEASE  
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## PAYCHECK PROTECTION PROGRAM IS ALLOWING CONSTRUCTION FIRMS TO ADD AND RETAIN EMPLOYEES DESPITE DECLINING DEMAND, NEW SURVEY FINDS

### Nearly Half of Firms Have Received Loans, But Growing Number of Project Cancellations, Delays and Delivery Problems Imperil Industry; Association Leaders Call for Immediate Infrastructure Funding

A large share of construction firms promptly received loan funds under the new Paycheck Protection Program, enabling many of them to hire or retain employees despite a surge in project cancellations, according to a survey released today by the Associated General Contractors of America. Association officials said the job-saving measure appeared to be working but cautioned that longer term recovery measures, like new infrastructure funding and establishing a recovery fund, are needed.

Most contractors report they have applied for the new federal loans, which are intended to enable small businesses to keep employees on their payroll. Ken Simonson, the D V V R F L D W e c o n o m i s t s ' F i s h L H I program has already delivered funds to nearly half of the survey respondents, and many of them have already brought back furloughed workers or added employees, even though more clients are halting and canceling projects. Click [here](#) for additional video comments from Mr. Simonson.

Simonson noted that 44 percent of the 849 firms responding to the survey reported they had already received funds through the loan program, which began on April 3. Another 15 percent said their applications had been approved but they had not yet received funding, while 8 percent were awaiting a reply to their applications and 7 percent had applied but been told no more funds were available. Partly as a result of the loans, 13 percent of respondents said they had added workers.

Although the loan program has helped cover only a limited part of company expenses and is not intended to replace lost revenue, Simonson said that clients have ordered a halt to projects underway, and more than one-third report that clients have canceled projects that had been expected to begin as far out as June or later.

In addition, 67 percent of respondents in the latest survey, which was conducted April 20-23, said they had encountered project delays or disruptions. Moreover, 49 percent said suppliers had notified them or their subcontractors that deliveries would be late or canceled. That percentage has risen each week since the D V V R F L D W e c o n o m i s t s ' F i s h L H I survey conducted March 17-19, in which 22 percent of respondents reported delivery woes.

Association officials added that 43 percent of firms would benefit from larger federal investments in infrastructure, while 35 percent would benefit from a pandemic risk insurance/COVID-19 business and employee continuity and recovery fund. They called on federal officials to begin work on new infrastructure investments, explore ways to establish pandemic insurance and a recovery fund to help offset expected declines in construction demand because of the coronavirus.

The new federal loans are helping protect many construction jobs for now, but those funds are likely to run out quickly, Simonson said. He urged Congress to pass legislation to rebuild our infrastructure and restore private infrastructure investment.

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