



THE 2022 AGC OF AMERICA ANNUAL REPORT

CONQUERING CHALLENGES

BUILDING OPPORTUNITY



SPONSORED BY **PROCORE**



2022

ANNUAL REPORT



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AGC OF AMERICA PRESIDENT

**DAN
FORDICE**



I have said it before, and I will say it again: AGC of America has the best staff in the world. And not just in Washington, D.C., but also within our 89 different chapters across the country. There is no greater proof of their capabilities than the contents of this year’s annual report.

2022 was a year full of challenges for us in the construction industry. We had to pay more for materials we hoped to have delivered at some point. We struggled to find people to hire. We kept looking for ways to protect our workers’ safety and health. We had to deal with federal officials who never met a rule or regulation they didn’t like. And we had to find ways to bring people together to move our industry and our association forward.

Yet thanks to our incredible staff, we found ways to conquer those challenges and to build new opportunities for our members. We are finding new and more diverse workers. We are getting a handle on supply chain problems and materials prices. We aren’t just beating back bad ideas in Washington; we are getting D.C. to make new investments in construction. We are better protecting our workers and beginning to appreciate that mental health is as important as physical safety. And we are getting more and more members involved and engaged in our association.

This is happening because our staff keep finding new ways to support our industry. So, as you read this report, be proud of what our association is accomplishing. And be grateful for the team we have working for us in Washington, D.C. and in our 89 chapters across the country.

In 2023, please pledge to get more involved in AGC’s many opportunities so together we can move this industry and this association forward to continue to support and build our great country.



AGC OF AMERICA CEO

**STEPHEN E.
SANDHERR**



The construction community faced many challenges in 2022. The industry continued to struggle with chronic workforce shortages, caused in part by difficulties in attracting a more diverse workforce. Workers’ health and safety continues to be at risk from physical and mental threats. Inflation and supply chain problems made it difficult for contractors to keep projects on budget and on schedule. All the while, the business environment in Washington, D.C. remained challenging, with federal officials repeatedly attempting to impose new regulations and restrictions on the industry. Adding to that, the way people learned and engaged with their association continued to evolve as busy professionals struggled to make the time to engage in traditional ways.

AGC of America found many ways to help members conquer those challenges, all the while building opportunities for members to succeed, as this Annual Report makes clear. We put in place new and expanded programs to develop a larger and more diverse construction workforce. We launched new campaigns to address mental health, job site safety and better protect workers in highway work zones. Our inflation education efforts helped contractors work with owners to get greater flexibility with their contracts. Our government affairs team helped block the worst of what Washington had to offer. All the while, we launched a new virtual education program and made it easier for members to engage with AGC. In other words, your national association was all about Conquering Challenges and Building Opportunities in 2022.





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MESSAGE FROM THIS YEAR'S SPONSOR

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Thank you to the AGC of America and its members for your continued partnership in driving this industry forward. As I reflect on the past year, I am once again impressed by the incredible innovation, grit, and resilience of this industry. I am continually inspired and humbled not only by all of the groundbreaking projects, but also by the folks who continue to do the mission-critical work of building the world around us every day.

Since day one, Procore's vision has been to improve the lives of everyone in construction, and for the past two decades, we have been laser-focused on building the platform that allows you to do the best work of your lives. We also know that being a true partner to the industry goes beyond developing great products—it means working together with the AGC of America and many of you to understand, and solve, the industry's toughest challenges.

Over the past several years at Procore, we have strengthened our alliance with the AGC of America through our Capstone Partnership and membership in several local chapters nation-wide. We are deeply committed to driving the industry forward through our continuing education and workforce development efforts, ongoing support around building a safety culture focused on both mental and physical health, advancing women in construction, and AGC's Culture of Care, which aims to create a more diverse and inclusive industry. As we work toward greater equity in construction, we are proud to have launched, in partnership with the AGC of America, a scholarship fund to support students studying construction at historically Black colleges and universities, or HBCUs.

Procore is honored to work alongside this incredible organization and many of you as we work toward our mission of connecting everyone in construction on a global platform. Thank you for your ongoing partnership and for all that you do to build our communities. I look forward to seeing what we accomplish together in the year ahead and beyond.

Tooley Courtemanche
Procore Founder, President, and CEO

CONQUERING CHALLENGES

BUILDING OPPORTUNITY

CHALLENGE ONE

Chronic Construction Workforce Shortages and the Industry's Lack of Diversity

Construction workforce shortages remain one of the biggest challenges facing the industry. Eighty percent of contractors reported to AGC during the summer they were having a hard time finding enough workers to hire. Related to this challenge, the industry has struggled to recruit a more diverse workforce. While women make up half the workforce in the U.S., they present only a small percentage of the construction workforce. Similarly, African Americans account for 12 percent of the U.S. workforce, but only 6 percent of the construction workforce.

OPPORTUNITIES BUILT

AGC's Workforce Development and Diversity and Inclusion Efforts

AGC launched targeted digital advertising **Workforce Recruiting campaigns** in partnership with chapters in Oregon, South Dakota, Alaska and Idaho. These campaigns identify people who are likely candidates – from a diverse set of backgrounds – for careers in construction and targeted them and their households with ads about the benefits of working in the industry. These campaigns drove tens of thousands of potential new workers to visit the chapters' workforce development sites and apply for jobs or sign up for training.

AGC of America's **Culture of Care** program signed up over 800 firms to participate in the innovative workplace program. Culture of Care offers a series of resources that members use to create jobsites that are more welcoming and inclusive. This helps firms attract more diverse workers and also serves as an invaluable workforce retention tool by helping all workers feel more included and valued on job sites. AGC also created and released a series of videos detailing different elements of the Culture of Care program to help firms understand how to take advantage of the program.

We served again as a strong supporter of the **2nd Annual Construction Inclusion Week**, an industry-organized effort to promote greater inclusion in construction. As part of that support, AGC created specific Culture of Care resources for firms to use while participating in inclusion activities during the week. Over 1,100 people from the industry accessed those Inclusion Week-specific resources online.

Twenty-four AGC chapters have adopted and are using a template **Workforce Recruiting Website** we created and make available for free. This template recruiting site is highly customizable, so chapters can easily use the resource to create their own, locally branded, workforce development campaigns. Some chapters, like the AGC of Alaska, have also used this new site in conjunction with the digital advertising campaigns we sponsor and help organize.



The AGC and WTW Diversity & Inclusion Awards Recognize Outstanding Diversity Programs run by Member Firms and Chapters

In November, AGC brought together construction educators, public officials and workforce development specialists for member firms and chapters for the **2nd Annual National Construction Industry Workforce Summit**. The summit provides an opportunity for participants to outline successful workforce development strategies they are putting in place. Participants also help craft new tactics that can be used to bring more people into the industry. AGC will release a summary of those success stories and new workforce ideas early in 2023.

The AGC Education and Research Foundation, in partnership with Procore, launched a new **HBCU Scholarship** designed to support minority students studying construction at the nation's historically black colleges and universities, or HBCUs. The Foundation successfully raised over \$500,000, including a \$250,000 matching grant from Procore, and awarded the first round of ten scholarships to students in 2022.

Building better, together.

Innovate beyond technology. See how construction leaders are building a more diverse, equitable and inclusive workforce.

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Learn more at www.procore.com/dibs

CHALLENGE TWO

High Suicide and Addiction Rates, and Still Too Many Fatalities

The construction industry is facing a mental health crisis that is driving too many into addiction and prompting many industry workers to take their own lives. Someone in construction is five times as likely to take their own life as they are to die in a jobsite incident. At the same time, nearly 1,000 people die while working in the industry each year and many more are injured. These mental and physical safety threats present a real challenge for many in the construction industry.

OPPORTUNITIES BUILT

AGC's Comprehensive Approach to Improving Worker Health and Safety

AGC launched a new nationwide **Mental Health and Suicide Prevention** push in 2022. AGC compiled and released to members a wide range of resources on preventing suicides in the industry. These resources included a new series of mental health public service videos that featured people from the industry who had struggled with mental health challenges, contemplated suicide and came back. The videos share a common theme – your co-workers care, and it is okay to ask for help if you need it or to offer help to someone who appears to be struggling.



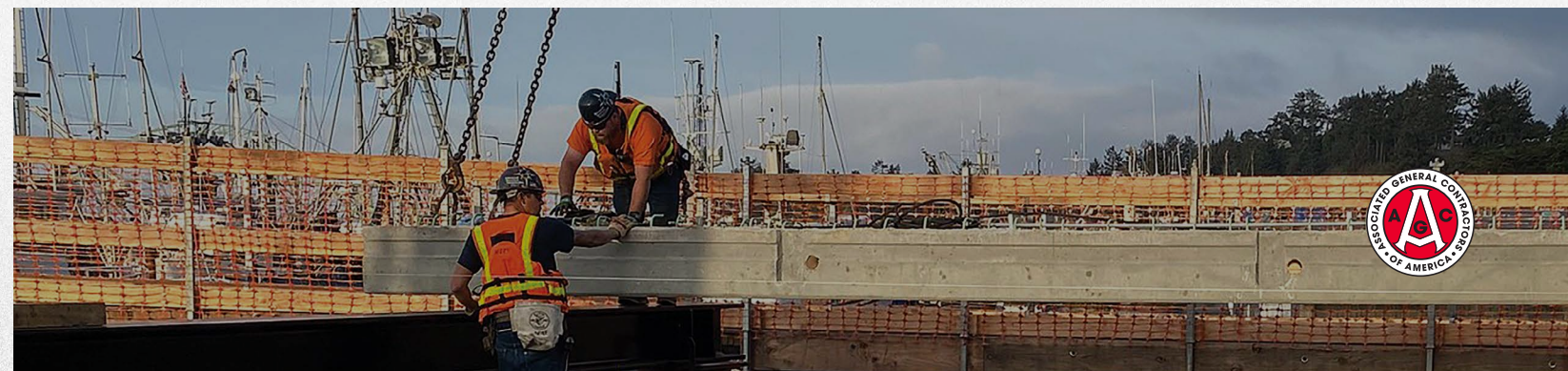
We served as the signature supporter of **Construction Safety Week**. This industry-led week encourages construction firms to engage in specific types of safety activities every day during a dedicated week in early May. A strong focus of this year's Safety Week was promoting worker mental health and well-being.

AGC also participated in the Occupational Safety and Health Administration's **National Safety Stand-Down to Prevent Falls in Construction Week**. AGC provided resources to encourage members and chapters to participate in both events.

The association continued its push to improve **Highway Work Zone Safety**. We released, in partnership with HCSS, our annual Work Zone Safety survey data prior to the Memorial Day start of the summer driving season. The intent is to use the data to encourage the media to run stories urging the public to slow down and be aware in work zones. We also prepared and released a special video dedicated to Marshall Walton, who was killed in a highway work zone. His death, while tragic, led Alabama officials to improve laws to protect highway workers, leading to a reduction in fatalities at highway work zones.

AGC of America, in partnership with Milwaukee Tool, launched two **New Safety Awards** in 2022. These awards honored the Construction Safety Professional of the Year and the Construction Safety Champion of the Year. The inaugural awards were announced during the Construction Safety and Health Awards meeting in January 2022. The intent of the awards is to recognize individuals who are committed to improving construction safety and to build on AGC's Construction Safety Excellence Awards that recognize outstanding member firm safety programs.

We also continued to offer a range of **Safety Training** opportunities for member firms and their employees. This included offering basic and advanced Safety Management Training courses for 65 construction professionals. 510 people participated in the Trenching and Excavation Hazards in Construction course we offer thanks to an OSHA Susan Harwood Training Grant AGC secured.



CHALLENGE THREE

Evolving Market and Growing Demand Requires New Thinking About Best Ways to Offer Construction Training and Education

As technology and the way people learn evolves, it has become increasingly clear that the old model of exclusively offering in-seat training at specific locations once or several times a year no longer makes sense for most employers. The internet has made distance learning ubiquitous and effective. As a result, many firms began to question the wisdom of spending money to send their employees on travel to attend days-long classes. This posed a threat to our traditional model of working with AGC chapters to offer in-seat educational opportunities.



OPPORTUNITIES BUILT

Launching the Virtual AGC Edge Education Program

AGC launched a new virtual education training program called AGC Edge in 2022. This program offers updated versions of the association's comprehensive range of educational materials in a virtual setting. All classes feature live instruction via the Zoom platform and allow construction professionals to learn from their home, office, or even jobsite computer. Available online courses include Lean, BIM, Construction Supervisor Fundamentals, and the Project Manager Development Program. Nearly 500 people participated in one of the 26 AGC Edge programs offered during the inaugural year. We also continue to support chapters that offer in-seat training and education programs.



CHALLENGE FOUR

Congressional Threats and Regulatory Onslaught

2022 presented many legislative and regulatory challenges for the industry. There was a concerted effort by many in Congress to pass legislation that would have undermined years of labor stability in the construction industry. At the same time, Congress made efforts to exclude construction from key guest worker visa programs and contemplated undermining the Highway Trust Fund. The Biden administration also sought to impose a number of new labor, safety and environmental measures that would have done little to protect workers or the environment, but a lot to harm the industry.

OPPORTUNITIES BUILT

AGC Protects the Industry, Engages on Climate Change and Secures New Investments in Construction

AGC of America was able to **Stop the PRO Act** in its tracks in 2022. The labor legislation, which would have among other things, repealed every state's right-to-work law and allowed unions to strike anywhere, at any time, and for any reason, came very close to getting passed in Congress. But AGC led the industry fight against the measure, ensuring the legislation never became law.



AGC of America's combined legislative and legal efforts led to a Supreme Court ruling that **Blocked a Mandatory Vaccination Emergency Temporary Standard** by the Biden administration that would have done little to boost vaccination rates and instead tempt many vaccine-hesitant workers to switch to smaller employers who were exempted from the rule or leave the industry all together.

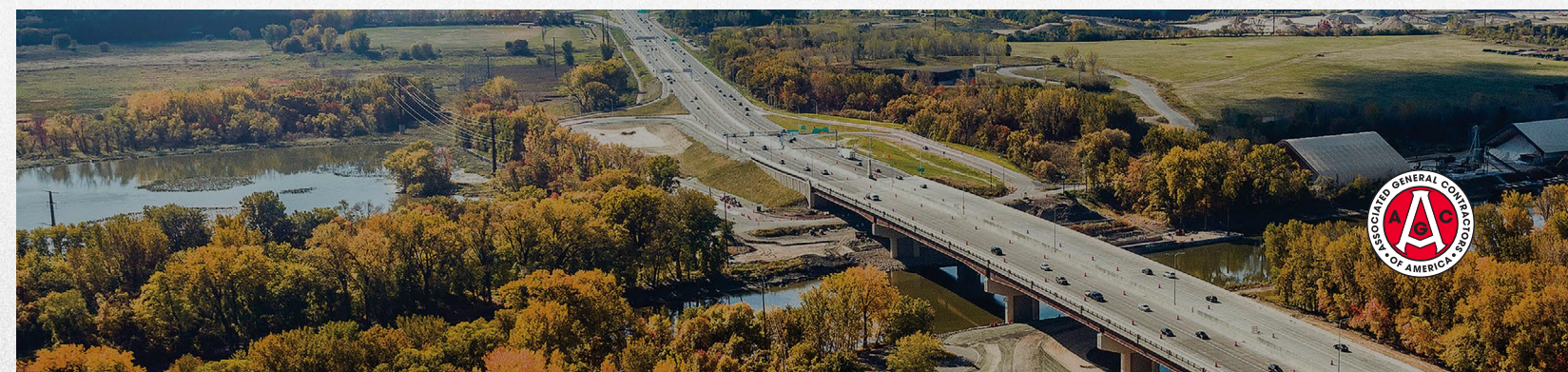
We successfully blocked efforts to significantly limit the construction industry's access to the only **Worker Visa Program** for construction workers, known as H-2B. In late December, AGC's government affairs team learned of language in a measure to fund the federal government that would have set limits on construction firm's access to the visa program. We worked with Congressional leadership to explain the need for workers in the industry and the challenges this precedent would pose. The final version of the funding bill passed without any language limiting construction firm's access to the visa program.

AGC's government affairs team **Beat Back Efforts to Raise Taxes** on construction employers that were contemplated as Congress was working to finalize both the Build Back Better measure and the so-called Inflation Reduction Act.

We also played a key role in **Blocking Efforts to Suspend the Federal Gas Tax**. We made the case on Capitol Hill that suspending the tax would have little impact on prices at the pump but would significantly undermine the nation's ability to invest in bridges, highways, and transit systems.

We secured **Significant New Federal Construction Funding**. This included securing \$39 billion for new semiconductor chip plant construction as part of the CHIPS Act.

A special AGC task force made the case that the construction industry is essential in building more efficient projects in the future. The task force's recommendations will ensure that the construction industry – through AGC – will be involved in **Shaping Climate Change Policy Decisions**.



CHALLENGE FIVE

Supply Chain Challenges and Soaring Materials Prices

2022 saw prices for many key construction materials soar while delivery schedules for those products became erratic and inconsistent. The rapid changes in prices and delivery schedules meant many contractors were stuck with contracts based on estimated costs for materials and schedules for projects that were no longer accurate. In other words, supply chain problems and spiking materials prices put the industry's success at substantial risk.

OPPORTUNITIES BUILT

Opportunity: AGC Conducts Inflation Education Campaign and Pushes for Greater Flexibility on Contract Changes

AGC updated and distributed multiple editions of its **Construction Inflation Alert**, a document designed for firms to use to educate owners about how rising materials prices and supply chain problems are impacting the industry. These alerts provided the documentation necessary for many members to secure more flexible terms from their clients to help cope with inflation and delays.

AGC Chief Economist Ken Simonson also gave **Inflation-Focused Presentations**, both virtually and in-person, to dozens of public and private owner groups and reporters about rising materials prices and supply chain problems. These appearances helped owners adjust their expectations for bid prices and project schedules.



We also worked with the U.S. Army Corps of Engineers to publish the first-ever **Contract Changes Playbook**. The new playbook is designed to help make the change order process more transparent and to accelerate decisions about whether to accept those change orders. The playbook has proved helpful for contractors working with one of the largest federal construction owners as they adjust to the reality of rising materials prices and supply chain challenges.

AGC of America's Consensus Docs coalition revised and updated its **National Resource Center on Price Escalation** to address rising materials prices and ongoing supply chain problems. The center continued to serve as one of the most relevant sources on construction prices escalation and supply chain disruptions.



CHALLENGE SIX

The Need for Greater Chapter and Member Engagement

AGC of America is only as strong as its chapters and members are engaged. The more people who participate in association activities – like educational programs, volunteering for task forces, engaging with our government affairs action alerts, attending in-person events – the more those activities are successful. Construction professionals have busy work and personal lives, however, and it can be challenging to make the time and find out how to get involved with AGC of America.

OPPORTUNITIES BUILT

AGC Makes it Easier and More Rewarding to Get Engaged

We created a new and easier way to **Find Out About Volunteer Opportunities** at AGC of America. Anyone interested in getting involved with their national association can now visit agc.org/volunteer to see a listing of current volunteer opportunities. When they see an opportunity of interest, they can log in to their AGC account on AGC's website and complete their volunteer profile indicating how they might like to volunteer. AGC will then reach out and get them connected to volunteer opportunities that may be a good fit.

AGC also launched a new **Chatbot Feature on AGC.org** to provide members with a way to ask questions or locate resources in a fast, efficient way. The new chatbot complements the regular staff training we provide to ensure that member inquiries are rapidly resolved.

Dozens of members flew in early to the 2022 Annual Convention in Dallas to participate in the AGC Charities **Operation Opening Doors Volunteer Project**. Sponsored by Hilti, the volunteers helped renovate three different homes for needy residents through a program called Rebuilding Together. The efforts, which were organized and supported by member firm Hill & Wilkinson, offered members a fun, engaging way to get involved with their national association while giving back to the local community.



One AGC member found an innovative way to get engaged. Georgia Bergers rode all the way around Iceland on her bicycle to **Fundraise in Support of the AGC Education & Research Foundation's** new scholarship for students studying construction at the nation's historically black colleges and universities, HBCUs.

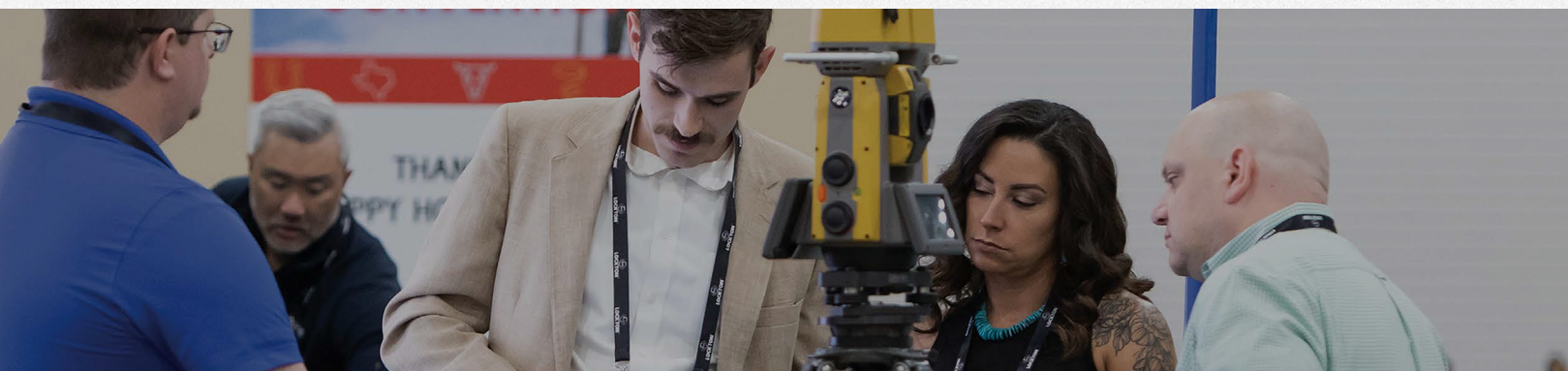
AGC members also got engaged by saving money. Thousands of members saved nearly \$15 million in 2022 by taking advantage of a host of member-only discount programs. This includes new discounts with Milwaukee Tool, Autodesk, Procore and Heartland Financial services, as well as long-standing programs with Home Depot, FedEx and many others.

AGC also made it easier and more compelling for members to engage with the **AGC PAC and Construction Advocacy Fund**. Hundreds of members contributed a record \$1,172,769 to the political action committee during the 2022 election cycle. Contributions to the Construction Advocacy Fund hit an annual record in 2022 of \$1,027,671.

Nearly 5,000 member employees sent over 24,000 emails and tweets to government officials about key construction issues in response to **AGC Action Alerts**. This high level of engagement played a key role in helping AGC score significant legislative and regulatory victories on members' behalf in 2022.

Hundreds of member firms also engaged with AGC by applying for our various **Awards Programs**. These awards include the Construction Risk Partners Build America Awards, the WTW Construction Safety Excellence Awards, the Autodesk Innovation Awards, the Diversity and Inclusion Awards sponsored by WTW, the Student Chapter Awards and the AGC in the Community Awards.

We continue to create a more **Seamless Experience for Members** by better coordinating services and support with our network of 89 chapters. This included getting chapters to participate in an annual benchmarking self-evaluation to assess their strengths and improve their programs. We also continued to identify and recognize successful chapter initiatives with our annual Chapter Awards program.

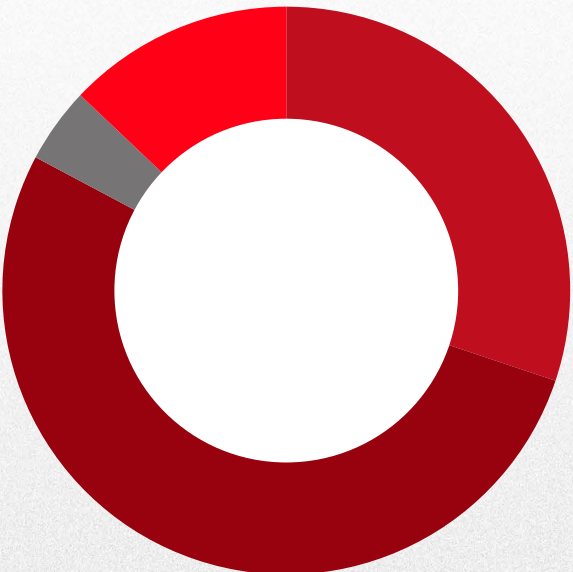
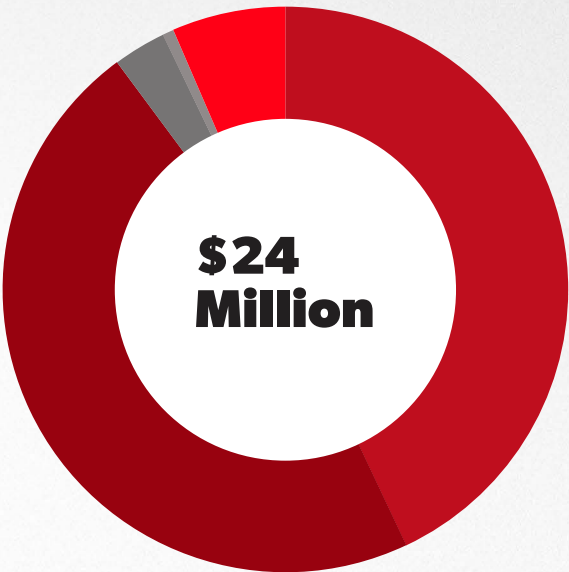


2022

FINANCIALS

REVENUE

Charter Fees	42.98%
Programs, Products, Services	46.86%
Advertising/Miscellaneous	3.03%
OSHA Grant	0.65%
Construction Advocacy Fund	6.48%



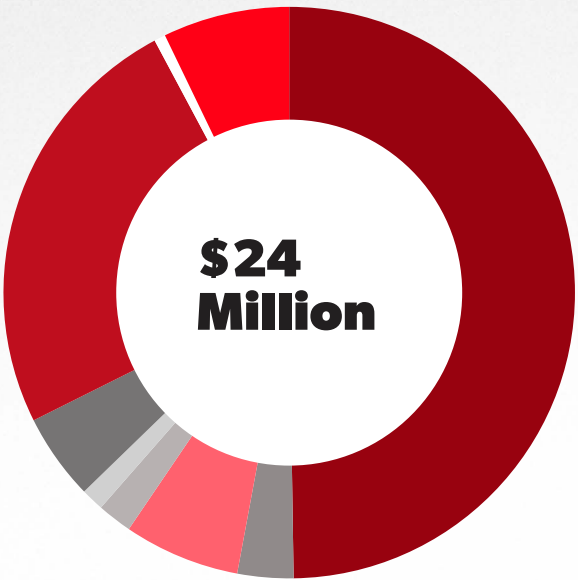
HOW DOES AGC SPEND THE REVENUE IT RECEIVES?

Chapter & Member Support	52.64%
Government & Industry Affairs	30.13%
G&A/Support Resources	12.68%
Association Leadership	4.54%

VISIT THE
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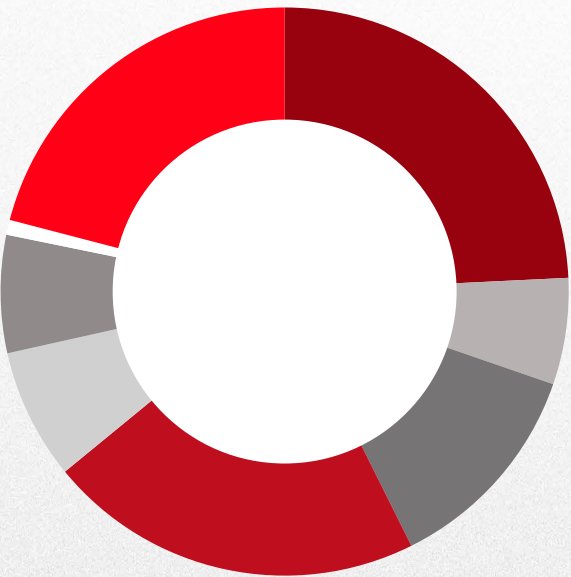
EXPENSES

Personnel Costs	50%
Professional Services	3%
Occupancy & Operating Costs	7%
Technology Costs	2%
Marketing, PR, Programs	1%
Meetings & Travel	5%
Programs, Products, Services	24%
OSHA Grant	1%
Construction Advocacy Fund	7%



PRODUCTS, PROGRAMS & SERVICES REVENUE

Convention	24.23%
Product Line	6.06%
ConsensusDocs	12.35%
Management Conferences	21.43%
Committee Meetings	7.44%
Virtual Curriculum Training	6.70%
Credentialing	0.85%
Strategic Alliances/Sponsors	20.94%

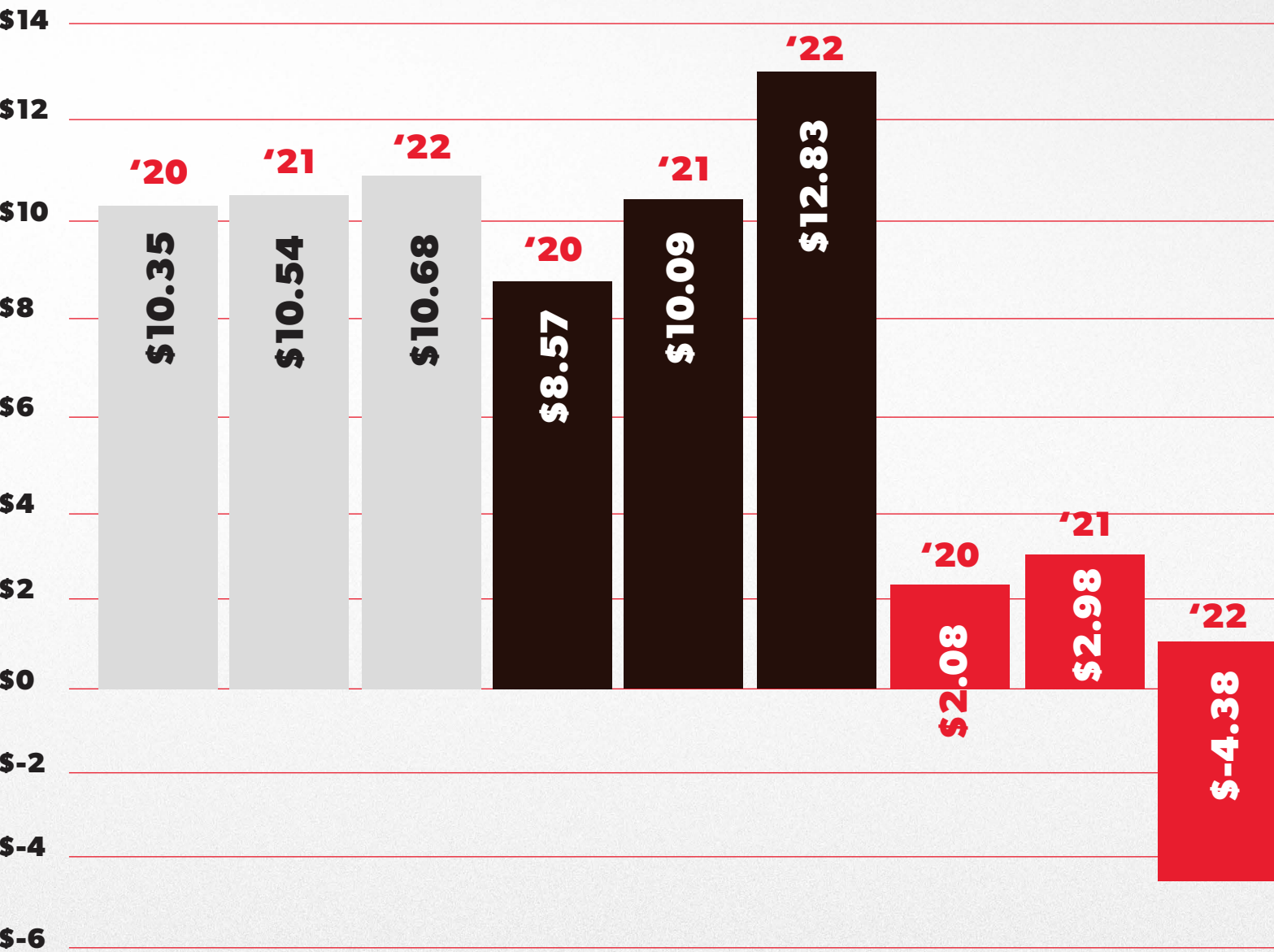


REVENUE HISTORY

2020-2022

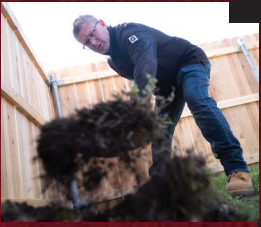
- Dues Revenue
- Non-dues Revenue
- Investment Income/(Loss)

MILLIONS





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