

AEC INDUSTRY OUTLOOK & RESPONSE TO COVID-19 PANDEMIC

This document contains data gathered by voluntary respondents to a survey administered by Zweig Group since 3/12/20. Updates to these results will be provided as necessary to account for the fluidity of this situation.

Please contact research@zweiggroup.com for further information.

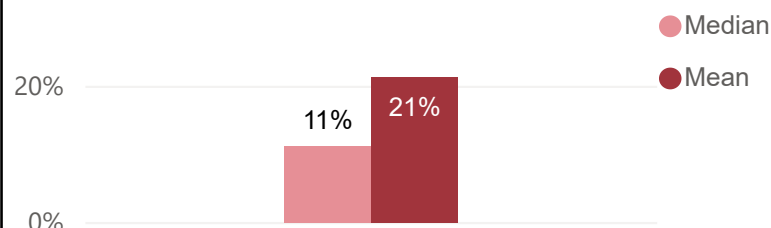
IMPACT ON TRAVEL POLICIES

	%
Business travel is to be conducted on a case-by-case basis	39%
All business travel has been suspended	32%
No impact	11%
Voluntary business travel has been suspended	7%
Business travel is limited to or prohibited from certain locations	6%
Other	4%

IMPACT ON BUDGET

	%
My firm is considering changes to the 2020 budget	55%
No changes have been made to my firm's 2020 budget and none are currently planned	32%
My firm has altered the 2020 budget due to COVID-19	13%

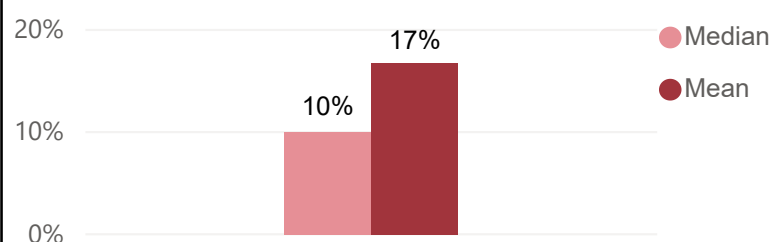
BUDGET DECREASE PERCENTAGE



IMPACT ON REVENUE

	%
The impacts of COVID-19 will likely cause a decrease in my firm's revenue by this percentage compared to the previous year	70%
COVID-19 will not likely impact my firm's revenue in any way	28%
COVID-19 will likely cause my firm's revenue to increase	2%

REVENUE DECREASE PERCENTAGE



IMPACT ON EDUCATIONAL EVENTS & TRAINING

	%
Employees at my firm are not allowed to attend business conferences and trainings	41%
My firm supports employees individual decisions to not attend events or trainings but has not issued a change to formal policy	26%
Business conferences and trainings are approved on a case-by-case basis	14%
No changes have occurred to my firm's policy on educational events and trainings	12%
Other	7%

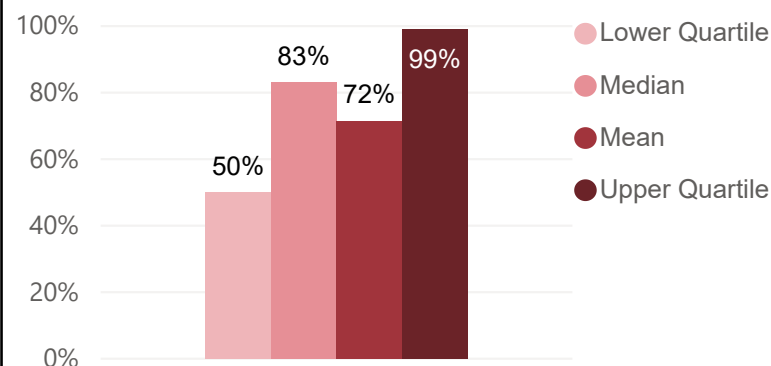
IMPACT ON CLIENT ENTERTAINMENT & NETWORKING

	%
My firm supports the decision of employees to refrain from public networking but has not issued a formal policy	40%
My firm has mandated that employees refrain from entertaining clients in social public settings (restaurants/bars/events)	39%
No change	13%
Other	5%
My firm is considering asking employees to refrain from entertaining clients in social public settings (restaurants/bars/events)	3%

IMPACT ON TELECOMMUTING & WORKING REMOTELY

	%
COVID-19 has changed my firm's policy on telecommuting to allow any employee to telecommute at any time.	47%
COVID-19 has changed my firm's policy on telecommuting to allow only certain employees to telecommute currently.	16%
My firm allows for any employees to telecommute at any time and has not changed its policies in response to COVID-19.	15%
My firm allows for telecommuting for certain employees and has not changed its policies in response to COVID-19.	14%
My firm does not allow for telecommuting and has not changed its policies in response to COVID-19.	8%

WHAT PERCENTAGE OF YOUR FIRM'S WORKFORCE CAN EFFECTIVELY WORK FROM HOME?



IMPACT ON DISCRETIONARY SPENDING**%**

No changes have been made to my firm's 2020 discretionary spending and none are currently planned	39%
My firm is considering devoting discretionary spending to challenges created by COVID-19	32%
My firm has suspended all discretionary spending	15%
My firm has devoted discretionary spending to challenges created by COVID-19	11%
Other	3%

CANCELLED OR DELAYED PROJECTS**%**

Clients have cancelled or delayed a project	47%
No projects have been cancelled and we do not anticipate cancellations or delays	29%
We have not yet cancelled or delayed a project, but are considering it	18%
Yes, my firm has cancelled or delayed a project	11%










INVESTMENTS IN RESPONSE TO COVID-19**%**

We have not made any significant investments	65%
We have hired additional cleaning services	26%
Other	10%
We have hired outside contingency consultants	2%

IMPACT ON PERSONAL TRAVEL**%**

I've stopped all non-essential personal travel	58%
I'm not planning on traveling outside of my immediate town/city	18%
I'm not planning on traveling outside of the country	15%
I'm avoiding travel to certain locations	14%
I'm not planning on traveling outside of my state	10%
No impact	10%
I'm not planning on leaving my home	8%
My firm has asked me to refrain from personal travel	5%
I've stopped all personal travel but am traveling for business	4%
Other	3%

RATE THE FOLLOWING IN TERMS OF IMPACT ON A 1 TO 5 SCALE WITH 5 BEING A HIGHLY NEGATIVE IMPACT**RATING**

Ability to obtain new work		2.7
Ability to train staff		2.4
Collection period / Accounts receivable		2.3
Ability to collaborate with subcontractors / consultants on projects		2.3
Ability to find qualified staff		2.1
Ability to collaborate internally on projects		2.1
Ability to finish current projects on time		2.0
Ability to finish current projects within budget		1.9
Ability to provide high quality service and response to clients		1.8

HOW DO YOU ANTICIPATE SPENDING WILL BE IMPACTED BY THE THREAT OF COVID-19?

Category	Significant decrease over 2019	Slight decrease over 2019	No change	Slight increase over 2019	Significant increase over 2019
Bonuses	17%	32%	42%	9%	
Business development	5%	35%	35%	18%	8%
Computers & equipment	3%	7%	46%	36%	8%
Discretionary spending	20%	43%	30%	7%	
Health care	1%	3%	69%	21%	6%
Marketing / Promotion	8%	24%	44%	17%	7%
Recruitment / Hiring	9%	28%	47%	16%	
Software / IT Systems / Online Storage	3%	5%	41%	42%	9%
Travel	38%	40%	18%	4%	

TREND: RESPONSE TO COVID-19 PANDEMIC

As participation increases, each question will be analyzed on a week-to-week basis to reflect the fluidity of the situation.

IMPACT ON TRAVEL POLICIES	3/12 - 3/14	3/15 - 3/28	3/29 - 4/11
Business travel is to be conducted on a case-by-case basis	54%	32%	21%
All business travel has been suspended	7%	47%	53%
No impact	23%	7%	
Business travel is limited to or prohibited from certain locations	1%	7%	15%
Voluntary business travel has been suspended	8%	4%	9%
Other	7%	4%	3%

IMPACT ON BUDGET	3/12 - 3/14	3/15 - 3/28	3/29 - 4/11
My firm is considering changes to the 2020 budget	46%	65%	47%
No changes have been made to my firm's 2020 budget and none are currently planned	50%	22%	21%
My firm has altered the 2020 budget due to COVID-19	4%	13%	32%

IMPACT ON REVENUE	3/12 - 3/14	3/15 - 3/28	3/29 - 4/11
The impacts of COVID-19 will likely cause a decrease in my firm's revenue by this percentage compared to the previous year	59%	75%	85%
COVID-19 will not likely impact my firm's revenue in any way	41%	21%	15%
COVID-19 will likely cause my firm's revenue to increase		4%	

IMPACT ON CLIENT ENTERTAINMENT & NETWORKING	3/12 - 3/14	3/15 - 3/28	3/29 - 4/11
My firm supports the decision of employees to refrain from public networking but has not issued a formal policy	61%	29%	26%
My firm has mandated that employees refrain from entertaining clients in social public settings (restaurants/bars/events)	9%	54%	65%
No change	27%	6%	
Other	1%	7%	6%
My firm is considering asking employees to refrain from entertaining clients in social public settings (restaurants/bars/events)	1%	4%	3%

IMPACT ON TELECOMMUTING	3/12 - 3/14	3/15 - 3/28	3/29 - 4/11
COVID-19 has changed my firm's policy on telecommuting to allow any employee to telecommute at any time.	15%	60%	76%
COVID-19 has changed my firm's policy on telecommuting to allow only certain employees to telecommute currently.	18%	18%	9%
My firm allows for any employees to telecommute at any time and has not changed its policies in response to COVID-19.	24%	8%	12%
My firm allows for telecommuting for certain employees and has not changed its policies in response to COVID-19.	28%	8%	
My firm does not allow for telecommuting and has not changed its policies in response to COVID-19.	15%	6%	3%

IMPACT ON DISCRETIONARY SPENDING	3/12 - 3/14	3/15 - 3/28	3/29 - 4/11
No changes have been made to my firm's 2020 discretionary spending and none are currently planned	54%	35%	15%
My firm is considering devoting discretionary spending to challenges created by COVID-19	28%	34%	36%
My firm has suspended all discretionary spending	8%	19%	21%
My firm has devoted discretionary spending to challenges created by COVID-19	7%	11%	21%
Other	3%	1%	6%

BREAKDOWN: EXPECTED DECREASE IN REVENUE

STAFF SIZE	Lower Quartile	Median	Mean	Upper Quartile
1 - 24	10%	15%	25%	30%
25 - 49	5%	10%	12%	15%
50 - 99	10%	10%	14%	15%
100 - 249	10%	15%	15%	20%
250 - 499	10%	15%	15%	20%
500+	10%	10%	11%	15%

FIRM TYPE	Lower Quartile	Median	Mean	Upper Quartile
Full-service or E/A	10%	10%	17%	16%
Multidisc. Eng	10%	15%	14%	16%
Single-disc. Eng	10%	15%	16%	18%
A/E	10%	10%	14%	16%
Architecture or Interiors	10%	10%	19%	20%
Constr./Constr. Mgmt	10%	13%	14%	19%
Env. Cons	5%	8%	10%	14%

REGION	Lower Quartile	Median	Mean	Upper Quartile
New England	15%	15%	16%	18%
Middle Atlantic	10%	13%	18%	20%
South Atlantic	10%	15%	15%	16%
North Central	8%	10%	18%	15%
South Central	10%	10%	16%	20%
Mountain	10%	15%	19%	25%
Pacific	10%	13%	19%	20%

STATE/PROVINCE	Lower Quartile	Median	Mean	Upper Quartile
CA	10%	20%	27%	25%
FL	10%	15%	15%	15%
IL	10%	10%	14%	14%
MN	20%	25%	34%	30%
NC	10%	15%	15%	20%
OH	5%	8%	13%	11%
TX	10%	10%	17%	20%
WA	10%	10%	14%	20%
WI	10%	13%	12%	15%

WHICH MARKET IS YOUR FIRM BETTING ON PERFORMING WELL OVER THE NEXT YEAR?

MARKETS	Lower Quartile	Median	Mean	Upper Quartile
Corporate-city	10%	10%	13%	15%
Corporate-rural	10%	15%	14%	16%
Defense - aviation	10%	15%	15%	20%
Higher education	10%	10%	15%	20%
K-12 education	10%	10%	15%	20%
Medical-clinics	10%	10%	20%	20%
Medical-hospitals	10%	10%	17%	20%
Multi-family residential	10%	10%	17%	20%
Oil and gas	10%	10%	11%	10%
Parks and recreation	10%	15%	14%	19%
Retail	11%	15%	15%	20%
Single-family residential	10%	15%	19%	20%
Transportation	10%	10%	14%	18%

BREAKDOWN: % OF FIRM THAT CAN EFFECTIVELY TELECOMMUTE

STAFF SIZE	Lower Quartile	Median	Mean	Upper Quartile
1 - 24	50%	95%	75%	100%
25 - 49	60%	90%	72%	95%
50 - 99	71%	90%	78%	99%
100 - 249	80%	95%	86%	99%
250 - 499	59%	78%	76%	95%
500+	50%	65%	59%	85%

FIRM TYPE	Lower Quartile	Median	Mean	Upper Quartile
Full-service or E/A	50%	73%	65%	90%
Multidisc. Eng	70%	85%	78%	95%
Single-disc. Eng	63%	90%	79%	98%
A/E	88%	99%	84%	100%
Architecture or Interiors	80%	95%	84%	100%
Constr./Constr. Mgmt	50%	50%	54%	65%
Env. Cons	48%	85%	68%	98%

REGION	Lower Quartile	Median	Mean	Upper Quartile
New England	13%	75%	56%	97%
Middle Atlantic	80%	90%	86%	100%
South Atlantic	50%	73%	68%	96%
North Central	50%	87%	75%	100%
South Central	40%	90%	66%	98%
Mountain	58%	75%	69%	90%
Pacific	58%	80%	75%	96%

STATE/PROVINCE	Lower Quartile	Median	Mean	Upper Quartile
CA	75%	93%	85%	100%
FL	46%	73%	68%	100%
IL	53%	82%	69%	99%
MN	85%	100%	94%	100%
NC	54%	68%	64%	79%
OH	85%	97%	84%	100%
TX	76%	91%	80%	100%
WA	48%	70%	66%	88%

WHICH MARKET IS YOUR FIRM BETTING ON PERFORMING WELL OVER THE NEXT YEAR?

MARKETS	Lower Quartile	Median	Mean	Upper Quartile
Corporate-city	50%	88%	73%	98%
Corporate-rural	50%	83%	70%	96%
Defense - aviation	35%	68%	62%	95%
Higher education	50%	90%	77%	99%
K-12 education	75%	90%	80%	96%
Medical-clinics	76%	93%	81%	100%
Medical-hospitals	60%	90%	76%	100%
Multi-family residential	50%	90%	76%	100%
Oil and gas	81%	90%	82%	99%
Parks and recreation	50%	63%	66%	95%
Retail	50%	80%	70%	100%
Single-family residential	53%	75%	71%	99%
Transportation	50%	80%	69%	90%