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.

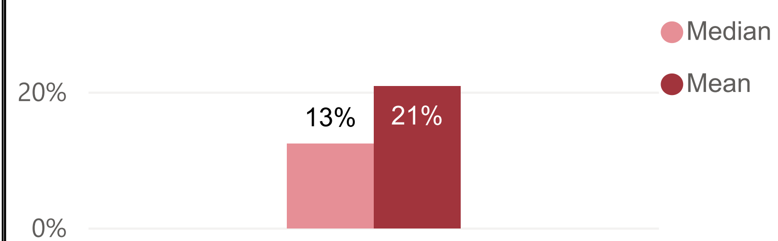
IMPACT ON TRAVEL POLICIES

IMPACT ON TRAVEL POLICIES	%
Business travel is to be conducted on a case-by-case basis	38%
All business travel has been suspended	33%
No impact	10%
Voluntary business travel has been suspended	8%
Business travel is limited to or prohibited from certain locations	6%
Other	4%

IMPACT ON BUDGET

IMPACT ON BUDGET	%
My firm is considering changes to the 2020 budget	56%
No changes have been made to my firm's 2020 budget and none are currently planned	28%
My firm has altered the 2020 budget due to COVID-19	16%

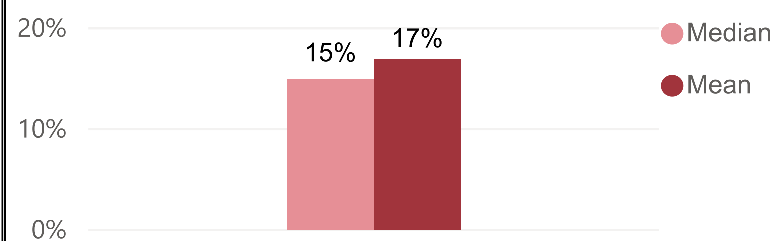
BUDGET DECREASE PERCENTAGE



IMPACT ON REVENUE

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	69%
COVID-19 will not likely impact my firm's revenue in any way	27%
COVID-19 will likely cause my firm's revenue to increase	3%

REVENUE DECREASE PERCENTAGE



IMPACT ON EDUCATIONAL EVENTS & TRAINING

IMPACT ON EDUCATIONAL EVENTS & TRAINING	%
Employees at my firm are not allowed to attend business conferences and trainings	43%
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	13%
No changes have occurred to my firm's policy on educational events and trainings	11%
Other	7%

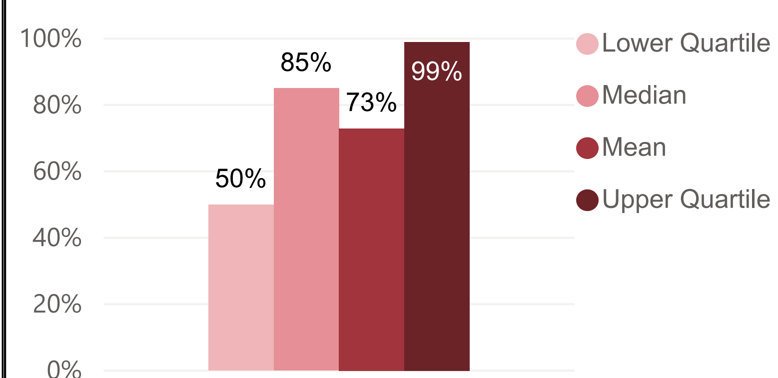
IMPACT ON CLIENT ENTERTAINMENT & NETWORKING

IMPACT ON CLIENT ENTERTAINMENT & NETWORKING	%
My firm supports the decision of employees to refrain from public networking but has not issued a formal policy	41%
My firm has mandated that employees refrain from entertaining clients in social public settings (restaurants/bars/events)	41%
No change	11%
Other	4%
My firm is considering asking employees to refrain from entertaining clients in social public settings (restaurants/bars/events)	2%

IMPACT ON TELECOMMUTING & WORKING REMOTELY

IMPACT ON TELECOMMUTING & WORKING REMOTELY	%
COVID-19 has changed my firm's policy on telecommuting to allow any employee to telecommute at any time.	51%
COVID-19 has changed my firm's policy on telecommuting to allow only certain employees to telecommute currently.	15%
My firm allows for telecommuting for certain employees and has not changed its policies in response to COVID-19.	14%
My firm allows for any employees to telecommute at any time and has not changed its policies in response to COVID-19.	13%
My firm does not allow for telecommuting and has not changed its policies in response to COVID-19.	7%

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	36%
My firm is considering devoting discretionary spending to challenges created by COVID-19	31%
My firm has suspended all discretionary spending	17%
My firm has devoted discretionary spending to challenges created by COVID-19	14%
Other	3%

CANCELLED OR DELAYED PROJECTS	%
Clients have cancelled or delayed a project	53%
No projects have been cancelled and we do not anticipate cancellations or delays	26%
We have not yet cancelled or delayed a project, but are considering it	16%
Yes, my firm has cancelled or delayed a project	12%

INVESTMENTS IN RESPONSE TO COVID-19	%
We have not made any significant investments	63%
We have hired additional cleaning services	28%
Other	11%
We have hired outside contingency consultants	2%

IMPACT ON PERSONAL TRAVEL	%
I've stopped all non-essential personal travel	59%
I'm not planning on traveling outside of my immediate town/city	19%
I'm not planning on traveling outside of the country	16%
I'm avoiding travel to certain locations	13%
I'm not planning on traveling outside of my state	13%
No impact	9%
I'm not planning on leaving my home	9%
My firm has asked me to refrain from personal travel	6%
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	2.8
Ability to train staff	2.4
Ability to collaborate with subcontractors / consultants on projects	2.4
Collection period / Accounts receivable	2.3
Ability to collaborate internally on projects	2.2
Ability to find qualified staff	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%	34%	40%	8%	
Business development	5%	36%	33%	20%	6%
Computers & equipment	3%	7%	46%	36%	8%
Discretionary spending	21%	42%	29%	7%	
Health care	1%	3%	72%	19%	5%
Marketing / Promotion	8%	26%	41%	18%	6%
Recruitment / Hiring	11%	28%	46%	15%	0%
Software / IT Systems / Online Storage	3%	4%	42%	41%	10%
Travel	40%	39%	16%	4%	0%

<u>TREND</u>: RESPONSE TO COVID-19 PANDEMIC

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

IMPACT ON TRAVEL POLICIES	3/12 - 3/14	3/15 - 3/31	4/1 - 4/15	4/15 - Now
Business travel is to be conducted on a case-by-case basis	54%	32%	27%	37%
All business travel has been suspended	7%	47%	47%	39%
No impact	23%	7%		3%
Voluntary business travel has been suspended	8%	4%	11%	13%
Business travel is limited to or prohibited from certain locations	1%	7%	13%	5%
Other	7%	4%	2%	3%

IMPACT ON BUDGET	3/12 - 3/14	3/15 - 3/31	4/1 - 4/15	4/15 - Now
My firm is considering changes to the 2020 budget	46%	65%	52%	62%
No changes have been made to my firm's 2020 budget and none are currently planned	50%	22%	20%	8%
My firm has altered the 2020 budget due to COVID-19	4%	13%	28%	30%

IMPACT ON REVENUE	3/12 - 3/14	3/15 - 3/31	4/1 - 4/15	4/15 - Now
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%	78%	64%
COVID-19 will not likely impact my firm's revenue in any way	41%	21%	20%	25%
COVID-19 will likely cause my firm's revenue to increase		4%	2%	11%

IMPACT ON CLIENT ENTERTAIN. & NETWORK.	3/12 - 3/14	3/15 - 3/31	4/1 - 4/15	4/15 - Now
My firm supports the decision of employees to refrain from public networking but has not issued a formal policy	61%	29%	29%	45%
My firm has mandated that employees refrain from entertaining clients in social public settings (restaurants/bars/events)	9%	54%	60%	50%
No change	27%	6%	2%	3%
Other	1%	7%	4%	3%
My firm is considering asking employees to refrain from entertaining clients in social public settings (restaurants/bars/events)	1%	4%	4%	

IMPACT ON TELECOMMUTING	3/12 - 3/14	3/15 - 3/31	4/1 - 4/15	4/15 - Now
COVID-19 has changed my firm's policy on telecommuting to allow any employee to telecommute at any time.	15%	60%	76%	74%
COVID-19 has changed my firm's policy on telecommuting to allow only certain employees to telecommute currently.	18%	18%	11%	11%
My firm allows for telecommuting for certain employees and has not changed its policies in response to COVID-19.	28%	8%	2%	11%
My firm allows for any employees to telecommute at any time and has not changed its policies in response to COVID-19.	24%	8%	9%	5%
My firm does not allow for telecommuting and has not changed its policies in response to COVID-19.	15%	6%	2%	

IMPACT ON DISCRETIONARY SPENDING	3/12 - 3/14	3/15 - 3/31	4/1 - 4/15	4/15 - Now
No changes have been made to my firm's 2020 discretionary spending and none are currently planned	54%	35%	22%	18%
My firm is considering devoting discretionary spending to challenges created by COVID-19	28%	34%	33%	29%
My firm has suspended all discretionary spending	8%	19%	18%	26%
My firm has devoted discretionary spending to challenges created by COVID-19	7%	11%	20%	26%
Other	3%	1%	7%	

BREAKDOWN: EXPECTED DECREASE IN REVENUE

STAFF SIZE	Lower Quartile	Median	Mean	Upper Quartile
1 - 24	10%	18%	25%	30%
25 - 49	5%	10%	12%	15%
50 - 99	7%	10%	14%	15%
100 - 249	10%	15%	16%	20%
250 - 499	10%	15%	16%	20%
500+	10%	10%	11%	15%

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

REGION	Lower Quartile	Median	Mean	Upper Quartile
New England	15%	15%	16%	18%
Middle Atlantic	9%	10%	15%	20%
South Atlantic	10%	15%	16%	20%
North Central	10%	10%	17%	15%
South Central	10%	10%	15%	20%
Mountain	10%	15%	18%	20%
Pacific	10%	18%	22%	20%

STATE/PROVINCE	Lower Quartile	Median	Mean	Upper Quartile
CA	10%	20%	26%	24%
FL	10%	15%	16%	15%
GA	15%	18%	21%	24%
IL	10%	10%	17%	18%
MN	20%	25%	34%	30%
NC	10%	15%	15%	20%
OH	5%	5%	12%	10%
TX	10%	10%	16%	20%
WA	10%	13%	18%	20%
WI	10%	13%	12%	15%

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

BREAKDOWN: % OF FIRM THAT CAN EFFECTIVELY TELECOMMUTE

STAFF SIZE	Lower Quartile	Median	Mean	Upper Quartile
1 - 24	50%	95%	74%	100%
25 - 49	60%	80%	73%	95%
50 - 99	70%	90%	79%	100%
100 - 249	78%	90%	83%	99%
250 - 499	60%	80%	77%	95%
500+	50%	65%	59%	85%

FIRM TYPE	Lower Quartile	Median	Mean	Upper Quartile
Full-service or E/A	50%	75%	68%	90%
Multidisc. Eng	69%	85%	76%	95%
Single-disc. Eng	63%	90%	77%	98%
A/E	90%	99%	85%	100%
Architecture or Interiors	80%	98%	85%	100%
Constr./Constr. Mgmt	28%	50%	48%	61%
Env. Cons	48%	85%	68%	98%

REGION	Lower Quartile	Median	Mean	Upper Quartile
New England	13%	75%	56%	97%
Middle Atlantic	78%	90%	85%	100%
South Atlantic	56%	75%	71%	95%
North Central	71%	90%	78%	100%
South Central	61%	90%	76%	100%
Mountain	50%	75%	66%	85%
Pacific	68%	90%	79%	98%

STATE/PROVINCE	Lower Quartile	Median	Mean	Upper Quartile
CA	75%	90%	85%	100%
FL	46%	73%	68%	100%
GA	68%	93%	80%	95%
IL	25%	75%	63%	100%
MN	85%	100%	94%	100%
NC	55%	70%	65%	75%
OH	85%	99%	86%	100%
TX	80%	90%	81%	100%
WA	48%	70%	66%	88%
WI	90%	95%	86%	95%

RESPONSE PERIOD	Lower Quartile	Median	Mean	Upper Quartile
3/12 - 3/14	30%	65%	59%	93%
3/15 - 3/31	65%	90%	80%	100%
4/1 - 4/15	80%	91%	84%	100%
4/15 - Now	65%	80%	74%	95%

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