

**“There are known knowns. These are things we know that we know. There are known unknowns. That is to say, there are things that we know we don’t know. But there are also unknown unknowns. There are things we don’t know we don’t know.”** — Donald Rumsfeld

## CURRENT CIRT SUMMARY

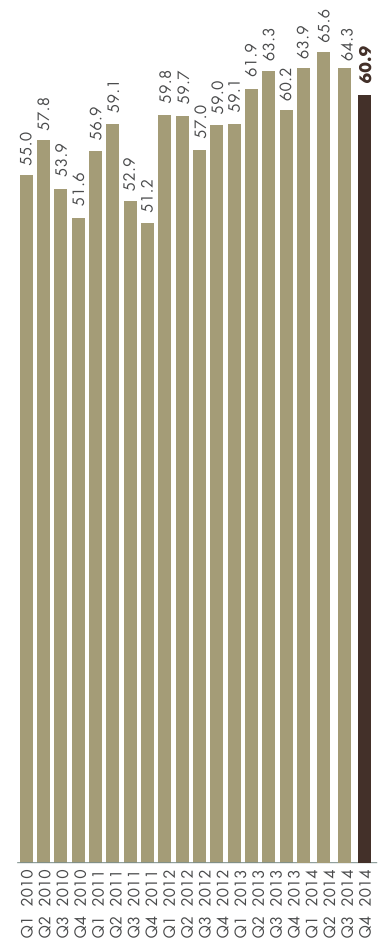


## CIRT SENTIMENT INDEX FOURTH QUARTER 2014 EXECUTIVE SUMMARY

If you read it a few times, former Secretary of Defense Donald Rumsfeld’s famous quote reprinted above starts to make sense, at least when we try to understand the results of the latest Sentiment Index findings. This twisted truism was offered at a time when the U.S. was on the verge of invading Iraq over a decade ago. We bring it up again, not because it looks like we may be sending more troops back to Iraq, but to demonstrate that there have always been “knowns” and “unknowns” in business as in war or any other aspect of our lives. We work through them or around them as best we can. However, when the unknowns seem to propagate, there is a heightened sense of insecurity or uncertainty.

Under the categories of uncertainty, security and optimism, we asked panelists about some “knowns” and “unknowns” this quarter. In brief, we found that panelists were more optimistic as a group than concerned about security and uncertainty. Notably, the uncertainty concerns were “real” or very practical in addressing business challenges such as finding future funding sources for projects and skilled labor availability to perform a growing backlog of work. As for security issues, data security, combined with general cyber/social media security, and the potential for terrorism topped the list. To be sure, political dysfunction at the federal level is still causing problems for industry plans, but panelists are more about building and growing their companies than they are about political issues, in most cases. Finally, when all is “said and done,” the CIRT members are optimistic that customers are starting to build again and that backlogs will strengthen in the future, thus “trumping” any major uncertainties or security concerns.

In the end, there are many “knowns” that demonstrate an improving economy, even if our optimism and exuberance tend to wax and wane. This quarter, the Sentiment Index



CURRENT CIRT SENTIMENT INDEX READING Q3 2014	<b>60.9</b>
CURRENT CIRT DESIGN INDEX READING Q3 2014	<b>61.4</b>

PREVIOUS SENTIMENT INDEX READING: **64.3**

### EXHIBIT 1

CIRT Sentiment Index Scores: Q1 2010 to Q4 2014

(Scores above 50 indicate expansion, below 50 indicate contraction)

# ABOUT THE CONSTRUCTION INDUSTRY ROUND TABLE (CIRT)

The Construction Industry Round Table (CIRT) is composed exclusively of approximately 100 CEOs from the leading architectural, engineering and construction firms doing business in the United States.

CIRT is the only organization that is uniquely situated as a single voice representing the richly diverse and dynamic design/construction community. First organized in 1987 as the Construction Industry Presidents' Forum, the Forum has since been incorporated as a not-for-profit association with the mission "to be a leading force for positive change in the design/construction industry while helping members improve the overall performance of their individual companies."

The Round Table strives to create one voice to meet the interests and needs of the design/construction community. CIRT supports its members by actively representing the industry on public policy issues, by improving the image and presence of its leading members, and by providing a forum for enhancing and developing strong management approaches through networking and peer interaction.

The Round Table's member CEOs serve as prime sources of information, news and background on the design/construction industry and its activities. If you are interested in obtaining more information about the Construction Industry Round Table, please call 202-466-6777 or contact us by email at [cirt@cirt.org](mailto:cirt@cirt.org).

## CIRT SENTIMENT INDEX

The CIRT Sentiment Index is a survey of members of the Construction Industry Round Table conducted quarterly by FMI Research, Raleigh, North Carolina. For press contact or questions about the CIRT Sentiment Index, contact Mark Casso at [mcasso@cirt.org](mailto:mcasso@cirt.org) and/or Phil Warner, research consultant with FMI Corporation, at [pwarners@fminet.com](mailto:pwarners@fminet.com) or call 919-785-9357.



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### CONFIDENTIALITY

All individual responses to this survey will be confidential and shared outside of FMI only in the aggregate.  
All names of individuals responding to this survey will remain confidential to FMI.

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## Executive Summary ... continued

score waxed a bit to 60.9 compared with 64.3 last quarter but a little better than the 60.2 of Q4 2013. The Design Index similarly dropped 3.6 points this quarter. While all the key components were down, the overall index still remains in growth territory on the index scale, and there were improvements in the outlook for key markets such as health care and transportation.

## CIRT Sentiment Index Fourth Quarter 2014 Highlights

**Overall Economy:** After a solid start the first three quarters of 2014, the overall economy has lost some exuberance, according to our panelists. The latest reading of this component dropped sharply from 76.4 last quarter to 66.0 for the fourth quarter.

**Overall Economy Where Panelists Do Business:** The softer outlook for the overall economy has trickled down to panelists' local businesses, dropping this component 7.6 points to 70.6. The component score is still well into positive territory, but we are seeing something like a correction in the outlook.

**Health Care:** Slipping from 54.8 to 50.0 this quarter, health care projects continue to take a wait-and-see attitude after several years of healthy growth.

**Industrial:** As the U.S. begins to experience something of a manufacturing renaissance, design work for industrial projects is one of the bright spots this quarter, increasing 8.0 points to 73.8.

**Transportation:** Design work for transportation projects continues to increase as the index components moved up 5.6 points this quarter.

**Heavy/Civil:** Along with industrial and transportation, the outlook for infrastructure-related heavy/civil work on the drawing boards improved 3.9 points to a solid 65.8 this quarter.

**International:** International design work component scores continue their volatility due to a host of political and economic woes around the globe. The index dropped sharply from 70.5 last quarter to just 55.0 in the fourth quarter.

## CIRT Design Index Components

**Consulting Planning:** The component for consulting planning dropped 2.8 points to 68.0 this quarter, still in growth territory, but indicating a slower growth outlook.

**Predesign work:** This component was down 4.2 points from 72.2 last quarter to 68.0.

**Commercial:** Reflecting the overall struggle for a sustainable comeback in commercial construction, this component dropped sharply this quarter, losing 10.5 points for a score of just 59.1.

**Residential:** Not surprisingly, it is difficult to sustain the strong rally in residential construction we saw last year, but a drop of 9.3 points to 61.8 this quarter indicates that residential building is still growing, but at a slower pace.

**Education:** Even though state and local governments have been seeing their tax receipts increase, projects for new schools are slow to recover as indicated in our design component dropping from 54.5 to 47.4, the only market indicating that construction for education projects will be even slower next year than it is today.

## Construction

**Panelists' Construction Business:** Panelists see their construction business as essentially unchanged with a slight drop of 0.5 from last quarter to 74.5 currently. Backlogs are currently holding with a median of 12 months. However, the outlook for backlogs is expected to be down from 73.1 last quarter to 67.3 this quarter.

**Private Sector Construction Business:** The improving outlook for commercial construction noted last quarter has dropped back from 70.4 to 66.0 for the next three months' outlook. The outlook for the future could depend heavily on upcoming holiday sales and whether or not interest rates begin to rise next year.

## CIRT Sentiment Index Fourth Quarter 2014 Highlights ... continued

Health care construction is slowly trying to recover, but, as we said last quarter, it will likely remain weak until there is more clarity on health care policy—both political and insurance-related. The industrial/petrochemical outlook slipped slightly but remains one of the strongest components in the index at this time. While we expect to see education construction improve in the coming year due to pent-up demand, there is little sign of this possibility in our index as this component continues to be the weakest market on our list. Lodging construction continues its slow recovery and is now achieving respectable component scores.

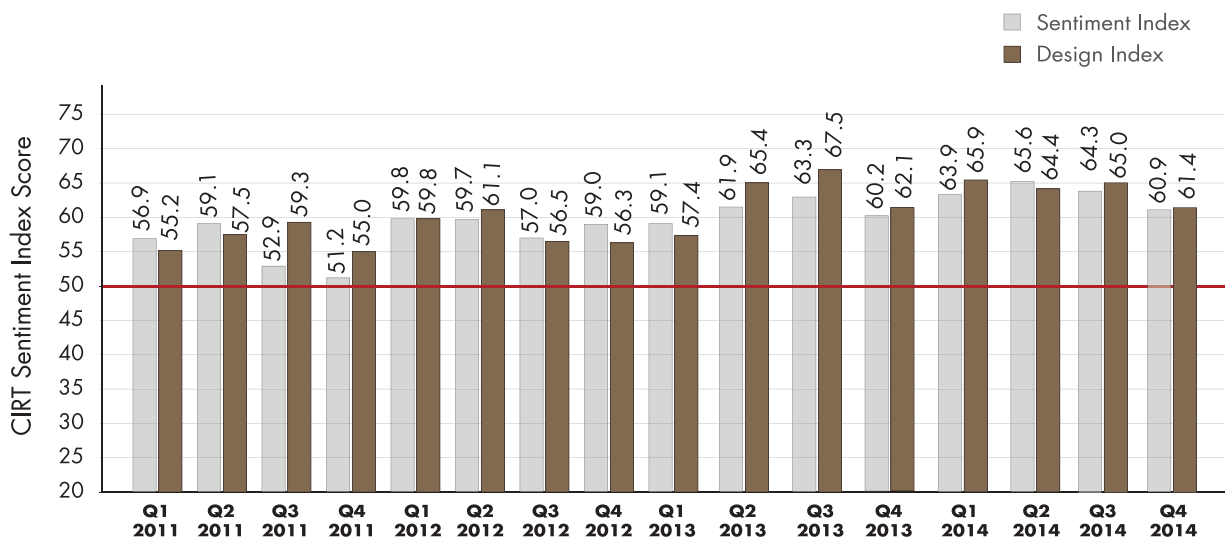
### Cost of Construction Materials and Labor:

The index component for materials costs indicated slightly higher costs again this quarter. The cost of labor also continues to slowly increase as contractors see some shortages of skilled labor. For our index, rising material and labor costs are considered a drag on the index score.

### EXHIBIT 2

CIRT Sentiment Index Scores:  
Q1 2011 to Q4 2014

(Scores based on a 100-point scale, above 50 indicate expansion, below 50 indicate contraction.)



## Current Issues:

### *Economic Uncertainty, Security and Market Optimism*

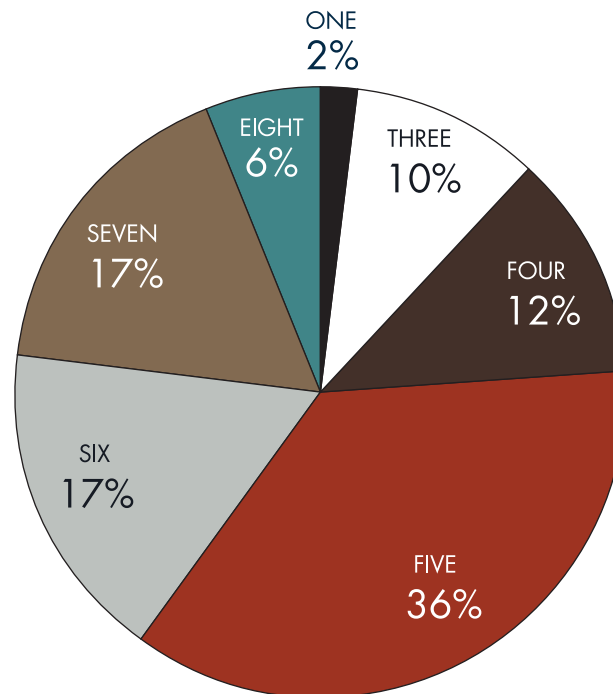
With so many business executives and analysts trying to make sense of an up again, down again economic recovery, we used the “current issues” section this quarter to ask what is behind economic uncertainty and then added questions about security as a separate category since it is such a large part of the everyday news feeds. In order to help balance the potential results for uncertainty and security, questions about optimism were included in large part because we suspected that panelists had many reasons to be optimistic right now, and good news is often no news in the popular media. The bottom line is that panelists are in fact somewhat more optimistic than uncertain or insecure about economic and global issues. In addition to our questions about levels of uncertainty and security as well as optimism and underlying causes, we received a wide variety of comments, some suggesting we could have expanded our list of choices, which is only to say – there is no shortage of events and potential events causing uncertainty.

## The Problem of Uncertainty

Not surprisingly, the items topping the list driving uncertainty for CIRT members were “practical problems” related to finding future funding sources and finding enough skilled labor to perform growing backlogs. If the financing problem is somehow miraculously cured in the coming year or so, then the challenge of recruiting talented labor could go off the charts. Joining these top-two “drivers” of uncertainty are the nagging concerns about the difficulties created by political bipolarization (“gridlock”), which appear to be here to stay for the near future – even if they prevent finding solutions or consensus “in line” with the views of the American public. Bottom line: One doesn’t have to look too far to find uncertainty these days, which may be the cause of continued risk aversion on the part of some investors; but it is also not new to the design/construction community. On the other hand, as we will see in the responses below, there is a great deal to be optimistic about as well.

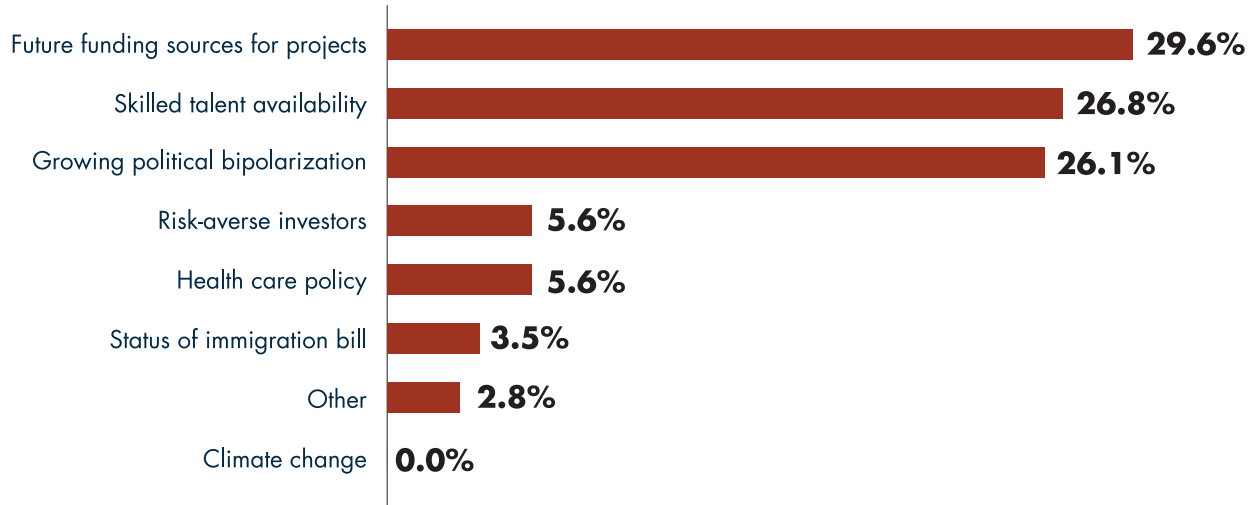
### EXHIBIT 3

Panelists’ general level of uncertainty about the future of the economy as it affects the business outlook. (0-10 where zero is a very low sense of economic uncertainty and 10 is extremely uncertain.)



## EXHIBIT 4

### Causes of economic uncertainty



### Comments on uncertainty concerns:

- 1 - Foreign firms “buying” market share and not competing for it. 2 - Craft worker shortage (need immigration reform and revitalization of domestic interest).
- Lack of action by federal government continues to slow growth.
- Skilled talent availability is becoming more of a problem in certain areas as is the willingness of individuals to work.
- The economy overall remains fragile with many people leaving the workforce.
- The uncertainty in the economy is no worse than in the past few years, and the pipeline of opportunity is definitely growing, so we are more confident about the future.
- There is uncertainty everywhere. Ebola could be devastating. Until that is resolved, we are going into a period where investors are going to take a wait-and-see attitude.
- Until we get a long-term transportation bill, the entire infrastructure market is in turmoil.
- Very concerned with the country’s labor shortage.
- With low energy prices, Russia, Iran and Libya will have problems with their economies. This has the potential to have global ramifications in what they will do to address these economic shortfalls.

## Security Needs an App

The key word for those heading into strategic planning sessions this time of year should be “contingency.” Contingency planning is most often thought of as planning for disasters, natural and man-made. When dealing with issues of uncertainty as discussed above, we would most often think of creating plans B and C. Contingency takes the form of “what if,” for instance, what if the economy shakes off its risk aversion and starts to grow like it was back in 2003? Although it would be too confusing to have a contingency plan for every letter of the alphabet, contingency plans for market changes as well as security and emergency issues deserve to have a place in all business and strategic plans.

Overall, panelists’ concerns for security are not particularly alarming at this time. Nonetheless, they did reveal a few important security concerns when we put the question to them.

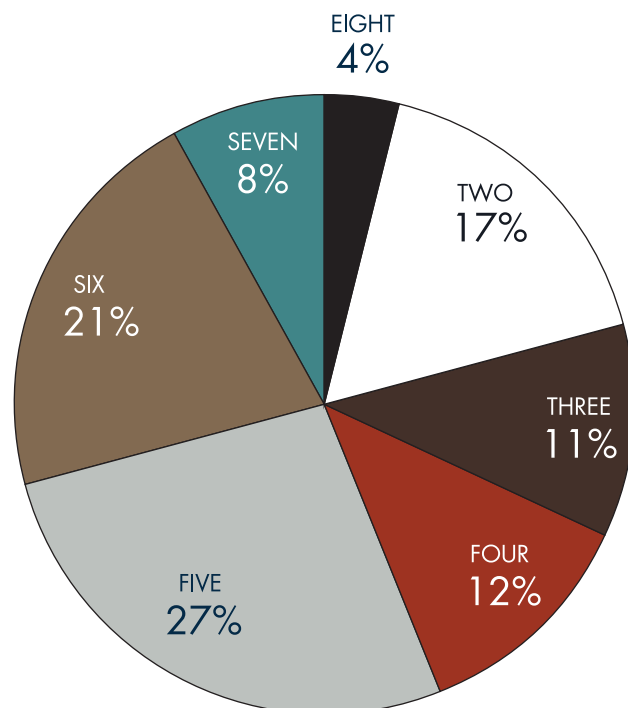
Often there is a fuzzy line in the news media between raising issues of security to the point where we need to be informed in order to do something about the problem and running around saying “The sky is falling.” Like the problem of the spreading Ebola virus, the sky could indeed fall if nothing is done about it, and we need to know what we can actually do about it. On the other hand, the news

has raised the concern to unfounded levels of fear, due mostly to ignorance. As much as the subject of Ebola has been in the news lately, our panelists only rated such problems as sixth on the list.

The top-three security concerns were: (1) data security, (2) terrorism and (3) general cyber/social media security. Nos. 1 and 3 are related. The many problems associated with computer security could be called a “clear and present danger.” The list of security breaches at large institutions has been growing rapidly. Anyone who has a significant repository of employee or customer data, like emails, passwords, personal information and bank accounts, is ripe for data rip-offs. A few recent events in the news include Wells Fargo, The White House and now the U.S. Postal Service. Likely, we are only seeing the tip of the iceberg, as would-be invaders from the lone hacker to government-sponsored professionals are working to worm their way into computer systems 24 hours a day. The cost to the economy is billions of dollars and a continued erosion of trust in our institutions to be able to protect our personal data and accounts. However, the threats go deeper into the infrastructure of everyday life, including power plants and pipelines or anything connected to the net. It is an issue that requires plans A and B to metaphorically attack it and harden the walls; patch the holes; and back up, back up, back up important data.

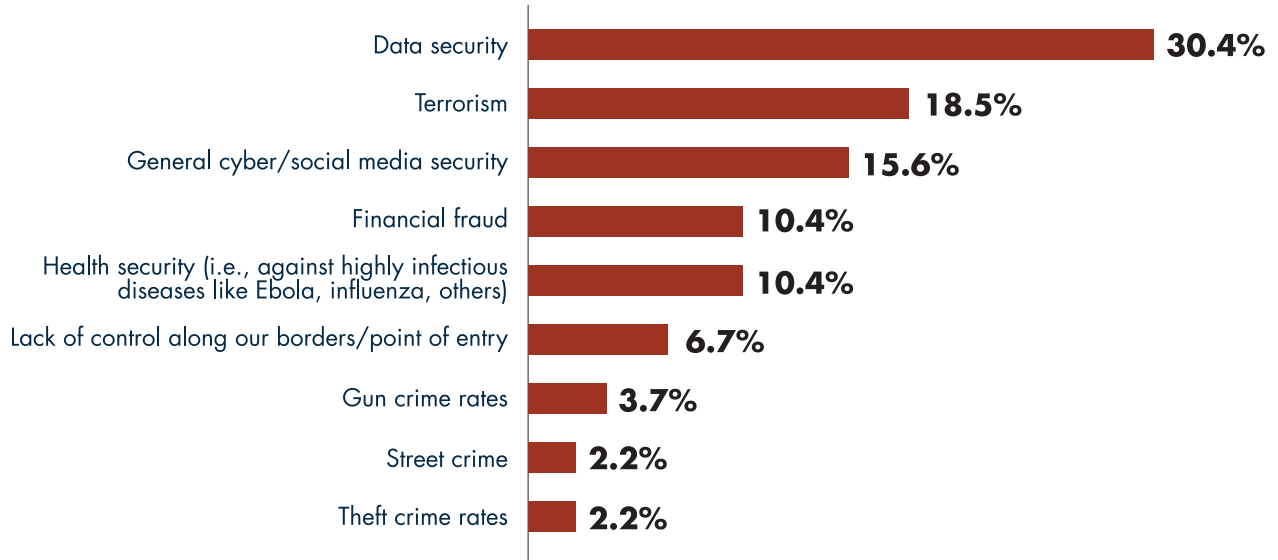
### EXHIBIT 5

Security level: Indicate your general sense of security about the future as it affects your business outlook. (0-10 where zero represents low security concerns and 10 is extreme concern about security.)



## EXHIBIT 6

### Security Concerns



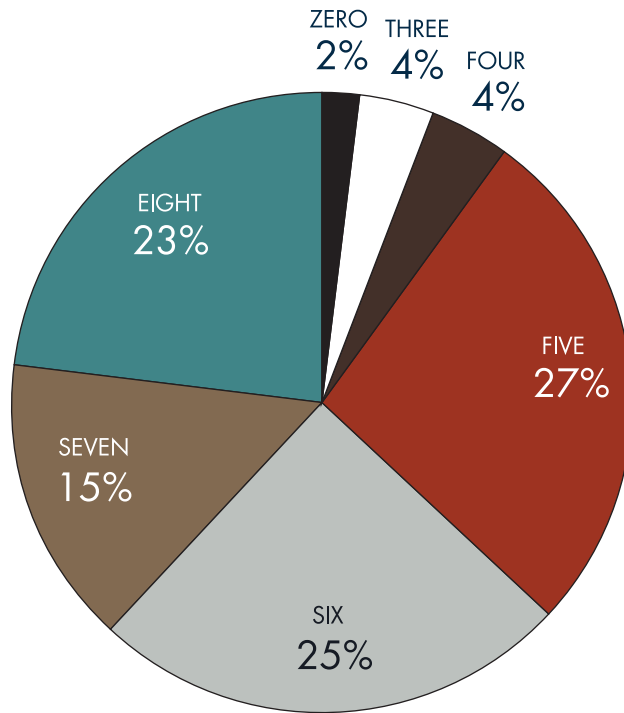
### Comments on security concerns:

- 1 -Theft (internal and external) requires vigilance. 2 - The “connected world” causes concern for breach of confidentiality.
- A recent poster read, “Do you feel safer that your head will be cut off or that you will die from Ebola than six years ago?” Although political in nature, I thought it captured the overall fear of security issues.
- Have not seen many of the issues you have raised to be of concern in our business.
- U.S. businesses have defrayed the cost of implementing best practices when it comes to data/cyber security. No matter what the few enlightened firms do, the proverbial chain is only as strong as its weakest link. Access to our financial markets and energy grid could wreak havoc on the U.S. economy.



## EXHIBIT 7

Level of optimism: Please indicate your general level of optimism about the future of the economy as it affects your business outlook. (0-10 where zero is pessimistic and 10 is extremely optimistic.)



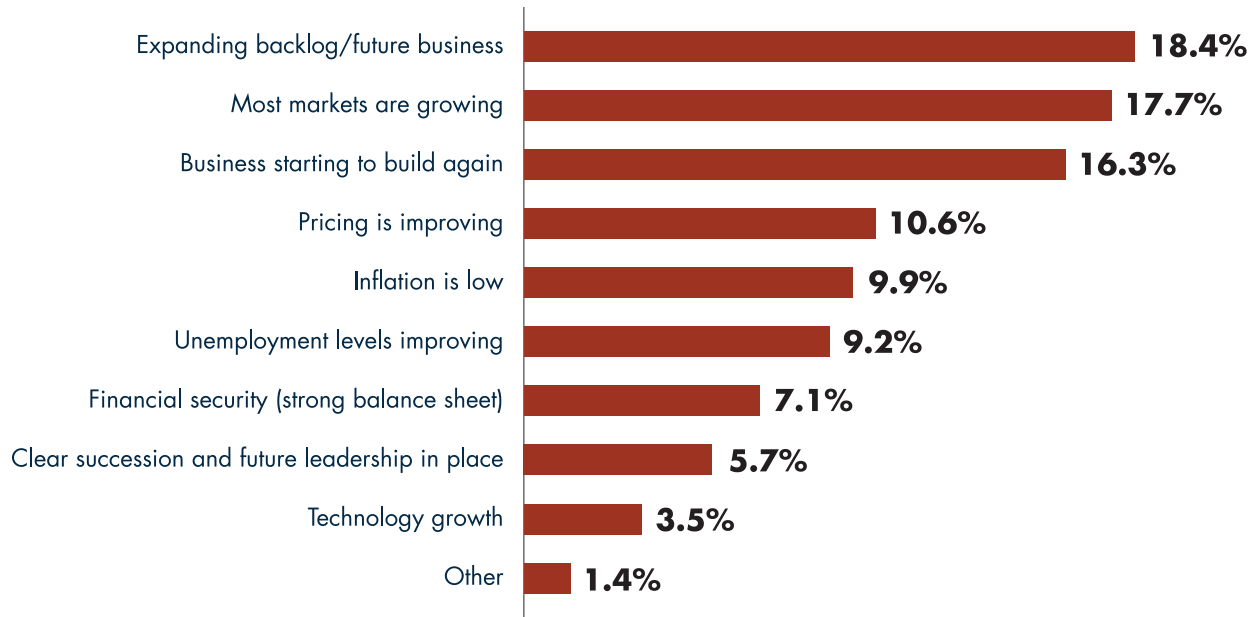
## Optimism Trumps Trepidation

Uncertainty and security issues are generally about bad things that could get worse or potential events that could derail the economy. Many are the “known unknowns,” but it is often the “unknown unknowns” that cause the greatest amount of trepidation in our daily lives. These things could certainly upset the business apple cart; but there are some “known knowns” that strongly suggest reasons for more optimism in the economy. For instance, we know that currently GDP has been working its way up, contractor backlogs have been stronger, banks are more willing to lend, interest rates are still low by historical standards, the unemployment rate is better than it has been in years, and even the Dow Jones average is up over 49% in the last three years.

There are many good reasons for our panelists to be optimistic, and the majority responding to this quarter’s CIRT Sentiment Index were at least mildly optimistic. The top-three causes for their optimism were expanding backlogs and future business, most markets are growing, and businesses are starting to build again. Those responses sure sound better than a few short years ago. Bottom line, this isn’t a time to be complacent, but consider that things just might get better, possibly a lot better, in the next couple of years.

## EXHIBIT 8

### Reasons for optimism



### Comments on reasons for optimism:

- Climate is positive toward public investment in infrastructure.
- Our pipeline of opportunity is up 20% from a year ago.
- The biggest obstacle to growth is the ever-widening gap in income in the U.S. Our economy is consumer-driven. Most consumers are worse off financially than they were before trickle-down economics came into existence in 1980, hence, it is difficult to be more than moderately optimistic when the engine for growth is sputtering.
- The private markets are kicking in despite government obstacles.

## EXHIBIT 9

### CIRT Sentiment Index Component Detail by Market Sector

	Overall Quarter 3 for 2014				Overall Quarter 4 for 2014			
	Improving over last quarter	Remains the same as last quarter	Worse compared with last quarter	CIRT Sentiment Index Component Results for Q3 2014	Improving over last quarter	Remains the same as last quarter	Worse compared with last quarter	CIRT Sentiment Index Component Results for Q4 2014
<i>Business Outlook/Three Months</i>								
Commercial	44.4%	51.9%	3.7%	70.4	36.0%	60.0%	4.0%	66.0
Education	22.6%	74.2%	3.2%	59.7	13.8%	69.0%	17.2%	48.3
Health Care	19.4%	61.3%	19.4%	50.0	30.0%	50.0%	20.0%	55.0
Lodging	38.5%	61.5%	0.0%	69.2	46.4%	46.4%	7.1%	69.6
Manufacturing	42.9%	57.1%	0.0%	71.4	42.1%	47.4%	10.5%	65.8
Office	35.5%	54.8%	9.7%	62.9	33.3%	60.6%	6.1%	63.6
Industrial / Petrochemical	77.8%	16.7%	5.6%	86.1	60.0%	36.0%	4.0%	78.0
Transportation-Related	29.0%	58.1%	12.9%	58.1	30.8%	61.5%	7.7%	61.5
Public Works / Heavy Civil	37.9%	55.2%	6.9%	65.5	24.1%	65.5%	10.3%	56.9
Other	0.0%	100.0%	0.0%	50.0	33.3%	33.3%	33.3%	50.0
<i>Business Outlook/One Year</i>								
Commercial	44.4%	55.6%	0.0%	72.2	56.0%	44.0%	0.0%	78.0
Education	25.8%	71.0%	3.2%	61.3	31.0%	55.2%	13.8%	58.6
Health Care	29.0%	45.2%	25.8%	51.6	36.7%	46.7%	16.7%	60.0
Lodging	46.2%	53.8%	0.0%	73.1	51.9%	44.4%	3.7%	74.1
Manufacturing	47.6%	52.4%	0.0%	73.8	50.0%	44.4%	5.6%	72.2
Office	38.7%	58.1%	3.2%	67.7	30.3%	66.7%	3.0%	63.6
Industrial / Petrochemical	94.4%	5.6%	0.0%	97.2	62.5%	37.5%	0.0%	81.3
Transportation-Related	30.0%	66.7%	3.3%	63.3	48.0%	48.0%	4.0%	72.0
Public Works / Heavy Civil	27.6%	72.4%	0.0%	63.8	46.4%	42.9%	10.7%	67.9
Other	0.0%	100.0%	0.0%	50.0	25.0%	75.0%	0.0%	62.5
<i>Business Outlook/Three Years</i>								
Commercial	51.9%	44.4%	3.7%	74.1	44.0%	48.0%	8.0%	68.0
Education	37.9%	58.6%	3.4%	67.2	27.6%	62.1%	10.3%	58.6
Health Care	32.3%	48.4%	19.4%	56.5	40.0%	50.0%	10.0%	65.0
Lodging	40.0%	52.0%	8.0%	66.0	37.0%	55.6%	7.4%	64.8
Manufacturing	42.9%	57.1%	0.0%	71.4	50.0%	44.4%	5.6%	72.2
Office	32.3%	54.8%	12.9%	59.7	25.8%	67.7%	6.5%	59.7
Industrial / Petrochemical	77.8%	22.2%	0.0%	88.9	66.7%	29.2%	4.2%	81.3
Transportation-Related	48.4%	48.4%	3.2%	72.6	60.0%	32.0%	8.0%	76.0
Public Works / Heavy Civil	48.1%	48.1%	3.7%	72.2	50.0%	46.4%	3.6%	73.2
Other	66.7%	33.3%	0.0%	83.3	50.0%	25.0%	25.0%	62.5

#### CIRT Index Scores

> 50 indicates growth (better)  
< 50 indicates slowing (worse)

\* A note on the use of the diffusion index: Do not interpret diffusion index values in the same manner as averages, because a simple increase or decrease in a diffusion index does not necessarily imply an improving or declining result. For example, if a diffusion index moves from 31 last quarter to 35 this quarter, it does not imply the market has improved. A reading greater than 50 indicates improving or expansion, 50 indicates remaining the same, and lower than 50 indicates worse or contracting. Therefore, if a reading goes from 31 to 35, then the result still implies a decline from the previous quarter because 35 is lower than 50; but the decline is not as great as the previous decline because 35 is greater than 31. As another example, if the diffusion index changes from 31 to 65, it implies improvement over the previous quarter, not because 65 is greater than 31, but because 65 is greater than 50.

## EXHIBIT 10

Design Index Components: Compared with last quarter, what are your expectations for projects in the following markets for design services in the next year?

	Quarter 3 for 2014				Quarter 4 for 2014			
	Improving Over Last Quarter	Remains the Same as Last Quarter	Worse than Last Quarter	Overall Component Score Q3 2014	Improving Over Last Quarter	Remains the Same as Last Quarter	Worse than Last Quarter	Overall Component Score Q4 2014
Consulting Planning	41.7%	58.3%	0.0%	70.8	36.0%	64.0%	0.0%	68.0
Pre-Design Work	44.4%	55.6%	0.0%	72.2	36.0%	64.0%	0.0%	68.0
Commercial	43.5%	52.2%	4.3%	69.6	18.2%	81.8%	0.0%	59.1
Residential	42.1%	57.9%	0.0%	71.1	29.4%	64.7%	5.9%	61.8
Education	13.6%	81.8%	4.5%	54.5	5.3%	84.2%	10.5%	47.4
Health Care	28.6%	52.4%	19.0%	54.8	15.8%	68.4%	15.8%	50.0
Industrial	36.8%	57.9%	5.3%	65.8	47.6%	52.4%	0.0%	73.8
Transportation	31.8%	54.5%	13.6%	59.1	29.4%	70.6%	0.0%	64.7
Heavy/Civil	33.3%	57.1%	9.5%	61.9	31.6%	68.4%	0.0%	65.8
International	45.5%	50.0%	4.5%	70.5	20.0%	70.0%	10.0%	55.0
Design Firms Index				65.0				61.4

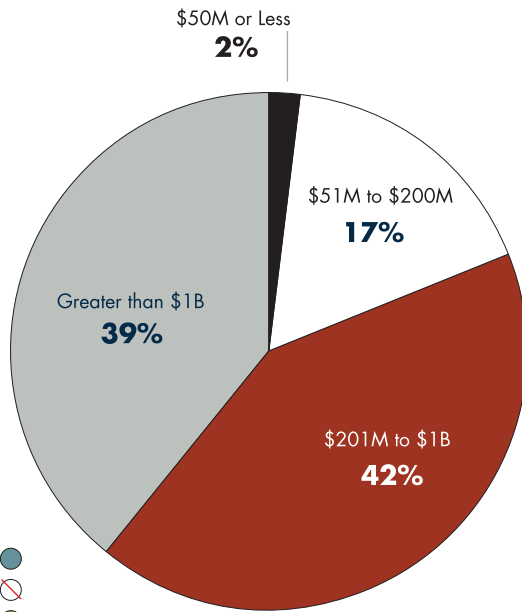
## EXHIBIT 11

CIRT Sentiment Indexes — Comparison of Results: Q1 of 2014 to Q4 of 2014

### CIRT Scores

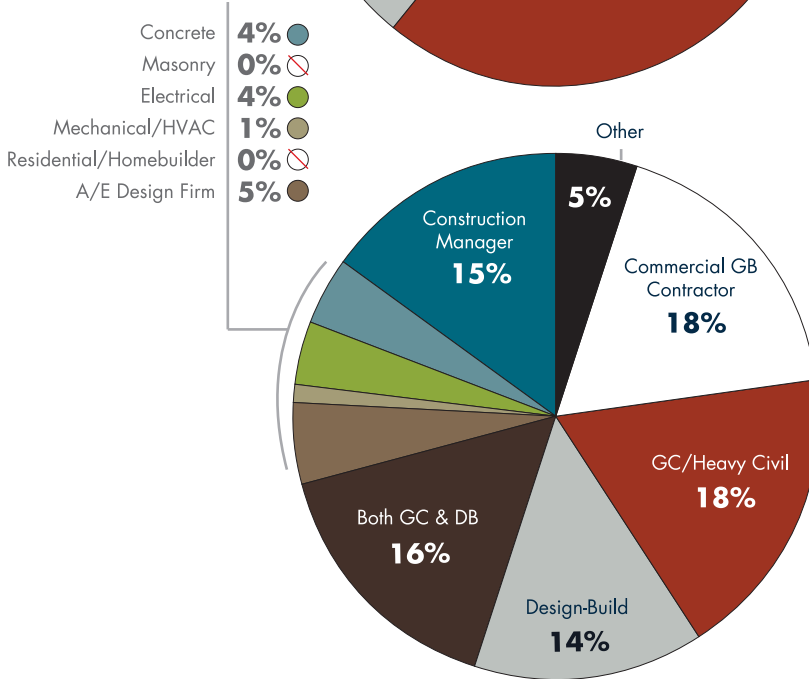
> 50 indicates growth (better)  
< 50 indicates slowing (worse)

	CIRT Sentiment Index Components Q1 for 2014	CIRT Sentiment Index Components Q2 for 2014	CIRT Sentiment Index Components Q3 for 2014	CIRT Sentiment Index Components Q4 for 2014
The Overall Economy	79.9	79.5	76.4	66.0
The Overall Economy Where Panelists Do Business	72.9	77.2	78.2	70.6
Panelists' Construction Business	73.6	74.6	75.0	74.5
The Residential Building Construction Market Where Panelists Do Business	69.8	76.7	76.4	63.4
The Nonresidential Building Construction Market Where Panelists Do Business	69.4	75.5	72.2	72.1
Cost of Construction Materials	19.4	29.0	21.2	17.3
Cost of Labor	22.8	18.6	13.2	12.5
Productivity	52.2	55.7	57.7	46.9
Expected Change in Backlog	63.4	70.9	73.1	67.3
Approximate Current Signed Backlog in Months	14.0	12.0	12.0	12.0



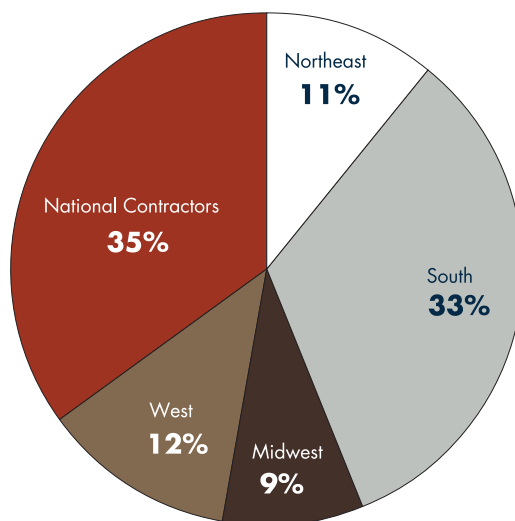
**EXHIBIT 12**

Size of the Organization in Annual Revenue



**EXHIBIT 13**

Type of Contracting Business



**EXHIBIT 14**

Primary Region in Which Panelists Work

## EXHIBIT 15

### CIRT Sentiment Index Results: Q3 of 2014 and Q4 of 2014

	CIRT Sentiment Index, Quarter 3 of 2014				CIRT Sentiment Index, Quarter 4 of 2014			
	Improving over last quarter	Staying the same as last quarter	Worse compared with last quarter	CIRT Q3 2014	Improving over last quarter	Staying the same as last quarter	Worse compared with last quarter	CIRT Q4 2014
Overall Economy	54.5%	43.6%	1.8%	76.4	34.0%	64.2%	1.9%	66.0
Overall Economy Where Panelists Do Business	56.4%	43.6%	0.0%	78.2	41.2%	58.8%	0.0%	70.6
Panelists' Construction Business	55.6%	38.9%	5.6%	75.0	49.0%	51.0%	0.0%	74.5
Residential Building Construction Market Where Panelists Do Business	58.3%	36.1%	5.6%	76.4	34.1%	58.5%	7.3%	63.4
Nonresidential Building Construction Market Where Panelists Do Business	50.0%	44.4%	5.6%	72.2	44.2%	55.8%	0.0%	72.1
<b>Backlog in Months</b>	High	Median	Low		High	Median	Low	
Approximate Current Signed Backlog	48.0	12.0	6.0		36.0	12.0	3.0	
	Grow faster than last quarter	Stay about same as last quarter	Shrink compared to last quarter		Grow faster than last quarter	Stay about same as last quarter	Shrink compared to last quarter	
Expected Change in Backlog	46%	54%	0%	73.1%	46%	42%	12%	67.3%
	Higher than last quarter	Same as last quarter	Lower than last quarter		Higher than last quarter	Same as last quarter	Lower than last quarter	
Cost of Construction Materials	58%	42%	0%	21.2%	65%	35%	0%	17.3%
Cost of Labor	74%	26%	0%	13.2%	75%	25%	0%	12.5%
	Improving over last quarter	Same as last quarter	Declining compared to last quarter		Improving over last quarter	Same as last quarter	Declining compared to last quarter	
Productivity	19%	77%	4%	57.7%	8%	78%	14%	46.9%

## EXHIBIT 16

### CIRT Sentiment Index Components: Q3 of 2014 to Q4 of 2014 Business Outlook Summary by Market Sector

#### CIRT Scores

> 50 indicates growth (better)  
< 50 indicates slowing (worse)

Sector	Results Q2 of 2014			Results Q3 of 2014			Results Q4 of 2014		
	3 Months	1 Year	3 Years	3 Months	1 Year	3 Years	3 Months	1 Year	3 Years
Commercial	67.3	73.1	76.9	70.4	72.2	74.1	66.0	78.0	68.0
Education	54.2	61.4	68.1	59.7	61.3	67.2	48.3	58.6	58.6
Health Care	56.9	68.1	70.8	50.0	51.6	56.5	55.0	60.0	65.0
Lodging	68.3	74.1	69.0	69.2	73.1	66.0	69.6	74.1	64.8
Manufacturing	63.0	65.2	65.2	71.4	73.8	71.4	65.8	72.2	72.2
Office	65.3	68.1	61.4	62.9	67.7	59.7	63.6	63.6	59.7
Industrial / Petrochemical	84.2	94.4	85.3	86.1	97.2	88.9	78.0	81.3	81.3
Transportation-Related	53.4	60.7	72.2	58.1	63.3	72.6	61.5	72.0	76.0
Public Works / Heavy Civil	48.3	64.3	76.8	65.5	63.8	72.2	56.9	67.9	73.2
Other	75.0	75.0	75.0	50.0	50.0	83.3	50.0	62.5	62.5

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# About FMI

FMI is a leading provider of management consulting, investment banking<sup>†</sup> and people development to the engineering and construction industry. We work in all segments of the industry providing clients with value-added business solutions, including:

- Strategic Advisory
- Market Research and Business Development
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- Compensation Benchmarking and Consulting

Founded by Dr. Emol A. Fails in 1953, FMI has professionals in offices across the U.S. We deliver innovative, customized solutions to contractors, construction materials producers, manufacturers and suppliers of building materials and equipment, owners and developers, engineers and architects, utilities and construction industry trade associations. FMI is an advisor you can count on to build and maintain a successful business, from your leadership to your site managers.

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