

Q3-Q4 2024

The Trimble Quarterly Construction Metrics Index



Contents

03

About the Index

04

Audience Demographics

05

Executive Summary

09

Construction Metrics Index:

Project Trends 9

- Project Trends by Vertical

Contract Value Trends 10

Hiring Trends 12

- Hiring Trends by Vertical
- Hiring Trends by Geography

Cash Flow Trends 14

15

Key Takeaways by Vertical

19

Additional Resources

About the Index

Welcome to the **Trimble® Quarterly Construction Metrics Index: Q3-Q4 2024**, which highlights construction project statistics, contract values, hiring and cash flow metrics. The index is designed to give industry leaders early insights into the construction business landscape so that they can assess how their companies are tracking against industry averages.



All data was pulled from Trimble customer data inputted during the third and fourth quarters of 2024 and has been anonymized and aggregated to protect customer identities. The stats have been analyzed and compared to data from the third and fourth quarters of 2023 and evaluated year-over-year to provide a high-level view of overall performance.

Analysis and feedback have been provided by the following CPA firms, each of whom has specialized expertise in advising construction companies across the nation:

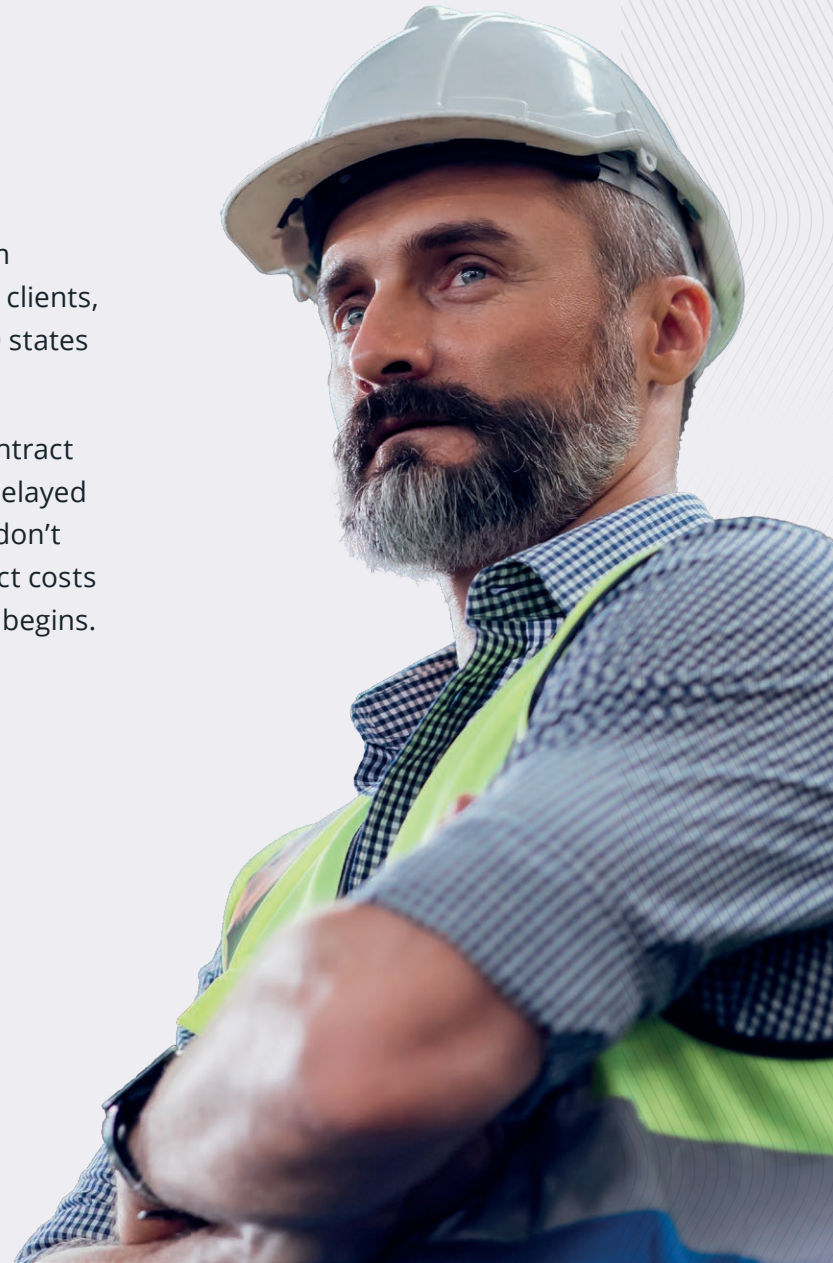
- Aaron Faulk, Assurance Services Partner and Construction National Practice Leader at Moss Adams
- Kerry Fitzgerald, Partner at Forvis Mazars
- Mark DeVerges, Director at Forvis Mazars
- Joel Dziedzic, Partner at Forvis Mazars
- Bill Fischer, CPA and Construction Partner at Grassi
- CPA Partners at Plante Moran

SIGN UP TO GET FUTURE REPORTS
AUTOMATICALLY EMAILED TO YOU



Audience Demographics

- All data—including for projects, contract values, hiring and cash flow—was aggregated from anonymized, real-time data from roughly 1,000+ Trimble customers.
- The data has been secured and masked to protect customer identities. It was entered into Trimble software management systems (Viewpoint Vista and Viewpoint Spectrum) during the third and fourth quarters of 2024 and compared to the third and fourth quarters of 2023.
- The data is sourced from Trimble North American clients, who are located in all 50 states and Canada.
- Some data, including contract values, may be slightly delayed since contractors often don't completely enter contract costs until well after a project begins.



Data is categorized into three verticals, which companies self-identify in Trimble Viewpoint's system of record:

General Contractors:

Includes prime contractors in the commercial, industrial and custom residential markets who deliver vertical construction projects. They may or may not self-perform work across one or more trades.

Heavy Highway/Civil:

Includes contractors who often serve as prime on horizontal construction projects such as roads and bridges, pipelines, energy and other utility projects. They often self-perform work even when serving as prime; for example, paving.

Specialty Contractors:

Includes all trade contractors such as electrical, mechanical, concrete, drywall and landscaping. These firms typically serve as subcontractors on projects; but larger trade contractors, particularly electrical and mechanical, may also take on the role of prime contractor on certain projects.



Executive Summary



Executive Summary

When Trimble pulled information from roughly 1,000 contractors who entered data related to new project starts, contract values, hiring and cash flow during Q3/Q4 of 2024, and compared it to the year prior, there were some notable decreases and several bright spots, particularly for heavy highway and civil contractors. A summary of these results is below, followed by a few insights into what it may mean today and looking ahead to the future.

New Projects

New projects decreased substantially across the entire construction industry (a decrease of 27%), with specialty contractors and general contractors faring worse than heavy highway and civil contractors. However, when evaluated year-over-year, new project decreases were significantly less (a decrease of 2.6% in 2024 vs. 2023).

- These decreases could be attributed to delayed starts due to high interest rates and market uncertainty; however, backlog volume remains strong as many existing projects are in the process of being completed.



Contract Values

Contract values saw similar decreases both in Q3/Q4 (decrease of 32%) and when compared year-over-year (decrease of 25%). Specialty contractors and general contractors saw roughly the same level of decline (40% and 34%, respectively), while heavy highway and civil contractors saw an increase of 12%.

- Heavy highway and civil contractors could be benefiting from federal infrastructure spending, which is expected to continue well into 2027.
- The other verticals could be suffering from projects that have remained in progress for a long time, coupled with the delay of new projects and economic uncertainty due to high interest rates.
- The industry could be heading towards a slight decrease in overall construction spending in 2025, led by the private sector being slowed by the increase in interest rates from the past two years.



Hiring

Hiring saw modest gains when evaluated across the industry (an increase of 1.5%), with each vertical experiencing fairly sizable gains in Q3/Q4. Specialty contractors saw the largest increase (18%), followed by heavy highway and civil contractors with a 13% increase and general contractors with an 8% increase. While hiring fluctuated in Q3/Q4, it increased only modestly when compared year-over-year (within the 1.5–2.5% range).

- These gains aren't surprising since contractors have been experiencing labor shortages for some time, forcing them to do more with less.
- While hiring gains are typically good, new projects need to also increase in order for the industry to remain stable; otherwise it could lead to over-employment as there simply isn't enough work for everyone employed.
- Specialty contractors and heavy highway and civil contractors, which have seen significant hiring increases, are poised for continued growth and high demand for skilled labor, while general contractors might experience steady but slower growth.

Cash Flow

Cash flow decreased across the industry, which means contractors spent more money as compared to the same time period the year before. These numbers were about equal when comparing Q3/Q4 (a decrease of 30%) and when comparing them year-over-year (a decrease of 25%). Cash flow decreased for general contractors the most (a decrease of 40%), followed by heavy highway and civil contractors (a decrease of 23%), while it increased for specialty contractors (an increase of 60%).

- General contractors saw improved cash flows during 2024, possibly as a result of increased spending on construction projects overall. This was likely driven by private and public sector investments and from improved payment processing and other financial management tools.
- Heavy highway and civil contractors continue to see negative impacts on cash flows likely because of higher spending on materials and labor as a result of supply chain challenges, labor shortages and wage inflation.
- Specialty contractors continue to be impacted by labor shortages and higher material costs. However, despite these challenges, government funding through the Infrastructure and Jobs Act (IIJA) and stabilization of the supply chains provided positive impacts on cash flows for 2024.



Project Trends*

New projects across the industry:

- ▼ Decreased 27% compared to Q3 & Q4 of 2023
- ▼ Decreased 2.6% in 2024 as compared to 2023

New projects for general contractors:

- ▼ Decreased 22% compared to Q3 & Q4 of 2023
- ▼ Decreased 14% in 2024 as compared to 2023

New projects for heavy highway and civil contractors:

- ▼ Decreased 10% compared to Q3 & Q4 of 2023
- ▼ Decreased 15% in 2024 as compared to 2023

New projects for specialty contractors:

- ▼ Decreased 30% compared to Q3 & Q4 of 2023
- ▼ Decreased 11% in 2024 as compared to 2023

*New projects are calculated according to the awarded contract start date and the actual contract amount awarded.



Potential Impact:

In the second half of 2024, new projects decreased substantially across the entire construction industry, with specialty contractors and general contractors faring worse than heavy highway and civil contractors.

According to partners at Plante Moran, “This runs a bit counter to the regional/national commentary of the outlook for construction performance in 2025. Part of the disconnect may be that while “new” projects are declining, backlogs are still fairly strong since much of the contract work in the second half of 2024 and into 2025 was initially procured in 2023 (and in some cases 2022) and simply delayed in starting. Existing projects are starting to be worked through, but there is uncertainty for middle-market contractors for 2026 and beyond on where the work will come from and if bids being won now will be trade-ready when initially scheduled.

Aaron Faulk, Assurance Services Partner and Construction National Practice Leader at Moss Adams, commented: “Year-over-year contract starts have declined in all sectors, in many instances the declines are attributable to delayed starts due to interest rate and market uncertainty. Most contractors report healthy backlog volume from a total value perspective although start dates continue to slide.”

Contract Value Trends*

Contract values across the industry:

- ▼ Decreased 32% compared to Q3 & Q4 of 2023
- ▼ Decreased 25% in 2024 as compared to 2023

Contract values for general contractors:

- ▼ Decreased 34% compared to Q3 & Q4 of 2023
- ▼ Decreased 17% in 2024 as compared to 2023

Contract values for heavy highway and civil contractors:

- ▲ Increased 12% compared to Q3 & Q4 of 2023
- ▲ Increased 5% in 2024 as compared to 2023

Contract values for specialty contractors:

- ▼ Decreased 40% compared to Q3 & Q4 of 2023
- ▼ Decreased 28% in 2024 as compared to 2023

*Contract values represent the total worth of all new contracts initiated within a particular month—calculated by summing the monetary value of each individual contract started during that period.

Potential Impact:

A decrease in project starts tends to correlate with a decrease in contract values, as fewer projects to bid on typically means that contractors must bid more competitively for smaller-valued contracts. This proved true as the industry saw a substantial decrease in contract values in Q3/Q4 (decrease of 32%) and year-over-year (decrease of 25%).

“Infrastructure spending and projects in many regions of the US are currently strong from an overall contract value perspective, which aligns with the heavy civil metrics,” said partners at Plante Moran. “That being said, contract value reductions across the other verticals are partially explained by projects that have remained in progress for a long time that are just now finishing, coupled with the timing of new projects being delayed from their original start dates.”

According to Bill Fischer, CPA and Construction Partner at Grassi, “The relationship between new contracts and revenue seems to be consistent across all sectors except heavy highway and civil contractors. That could be due to the outgoing administration awarding funds to stalled projects, like the Gateway Project for NY and NJ and other infrastructure

projects that should be benefiting from the Infrastructure Bill passed a few years ago. It seems that the industry is heading toward a slight decrease in overall construction spending in 2025, led by the private sector being slowed by the increase in interest rates from the past two years. Project backlogs are being run off quicker than they are being replaced as new development projects were paused or canceled in 2023 and 2024 due to the rising rates and the additional cost of capital.”

“Heavy highway and civil contractors continue to show increases in the value of contract starts despite the decline in overall number of contracts started,” explained Aaron Faulk. “Government spending on infrastructure is driving much of the strength in this sector, with large projects throughout all regions. This strength is expected to continue well into 2027, with the potential for further improvement depending on the success of additional spending initiatives at the federal and state levels. Values of contracts started for both general contractors and specialty contractor categories are consistent with the decline in starts and competitive bidding environment in many regions and segments.”

Joel Dziedzic, Partner at Forvis Mazars, commented: “Movement in contract values can be attributed to certain factors, one being economic uncertainty. Economic challenges noted during this period included inflation, political/election uncertainty and interest rate fluctuations. These issues have influenced construction projects/budgets. Interest rates and inflation have been elevated from a period of historically low rates. This can cause large projects that are dependent on financing to either be delayed or scaled back if stakeholders feel a decrease in rates is on the horizon. These factors are more of a concern on larger projects, as owners and developers might be willing to go forward with smaller projects due to less exposure to these economic factors. In

times of uncertainty, project focus may shift. We are seeing this in the shift from other sectors to infrastructure (including heavy highway and civil contractors). Infrastructure projects are typically reliant on governmental funding, which would have less exposure to the factors affecting other sectors of construction. Infrastructure projects do not have the same amount of flexibility that commercial or residential projects may have. Heavy highway projects are susceptible to the same challenges noted above but will move forward as a matter of necessity. At the end of the day, owners and developers have been more cautious on larger projects, leading to scaled-back projects or delays in projects until the current environment becomes more favorable.”



Hiring Trends*

Net hiring across the industry:

- ▲ Increased 1.5% compared to Q3 & Q4 of 2023
- ▲ Increased 2% in 2024 as compared to 2023

Net hiring for general contractors:

- ▲ Increased 8% compared to Q3 & Q4 of 2023
- ▲ Increased 1.7% in 2024 as compared to 2023

Regionally:

- ▲ Northeast net hiring increased 13% compared to Q3 & Q4 of 2023
- ▲ Plains region net hiring increased 10% compared to Q3 & Q4 of 2023
- ▲ Pacific West net hiring increased 8% compared to Q3 & Q4 of 2023
- ▲ Southeast region net hiring increased 7.5% compared to Q3 & Q4 of 2023
- ▲ Midwest net hiring increased 4% compared to Q3 & Q4 of 2023

Net hiring for specialty contractors:

- ▲ Increased 18% compared to Q3 & Q4 of 2023
- ▲ Increased 2.7% in 2024 as compared to 2023

Heavy highway and civil contractor net hiring:

- ▲ Increased 13% compared to Q3 & Q4 of 2023
- ▲ Increased 1.5% in 2024 as compared to 2023

*Hiring is the change in active employees as compared to the same time period the previous year.



Potential Impact:

Hiring has been an ongoing challenge for contractors, many of whom continue to have a hard time finding skilled labor. Seeing net hiring increases across the industry and for each vertical demonstrates their commitment and resilience in building their workforces. While there were fairly substantial gains seen in Q3/Q4, year-over-year gains were more modest, averaging 2% across the industry.

According to Mark DeVerges, Director at Forvis Mazars, "Construction sector hiring of new positions can be a strong indicator of market confidence. When there is certainty in market growth, it is common for hiring to pick up. We saw a relative hiring blitz coming out of 2023 and the first half of 2024. As we approached Q3 and Q4 of 2024, hiring slowed to a level akin to 'holding steady' (likely due to election year uncertainty). This is not uncommon due to the wide and varying potential for regulatory changes pending different elected officials taking office. Post-election, entering into the first part of 2025 we are already seeing hiring track upwards and more optimism return in the broader economy. Headwinds from various policies actively being announced and implemented will

likely have impacts, though will be felt more as the year proceeds."

Mark continued, "Generally, the labor market in 2025 is expected to remain resilient. We see economic activity and inflation cooling to sustainable levels without widespread job losses. Known and continued challenges, such as labor shortages and an aging population, may slow down hiring. Regions with higher hiring increases of the past years, such as the Northeast and Plains, will likely see robust economic growth and increased competition for talent, while areas like the Midwest may face slower growth and higher unemployment rates. Sectors like specialty contractors and heavy highway and civil contractors, which have seen significant hiring increases, are poised for continued growth and high demand for skilled labor. General contractors might experience steady but slower growth compared to these high-demand sectors. Overall, the competitive job market will drive companies to focus on fair compensation, transparency, long-term incentive plans that align KPIs and encourage retention, and innovative benefits to attract top talent. In terms

of compensation, average salary increases in the construction industry are projected to be around 4.7% in 2025."

Plante Moran partners thought that the hiring trends were "not at all surprising, as many construction companies have been doing more with less." They reiterated that "there are significant unfilled trade and construction management positions that need to be filled, so hiring should remain strong across the construction industry."

"Net headcount increases are consistent with strong contractor backlog volume and expectations of activity in 2025," observed Aaron Faulk.

Bill Fischer at Grassi added, "While increased hiring trends are beneficial for labor markets, they could be problematic for the industry in the year ahead if new work doesn't similarly increase, as this can lead to over-employment. This could be offset by baby boomers retiring from the industry and a realignment of human capital as AI and technology start making people more efficient at their jobs."

Cash Flow Trends*

Cash flow across the industry:

- ▼ Decreased 30% compared to Q3 & Q4 of 2023
- ▼ Decreased 25% in 2024 as compared to 2023

Cash flow for general contractors:

- ▼ Decreased 40% compared to Q3 & Q4 of 2023
- ▲ Increased 20% in 2024 as compared to 2023

Cash flow for heavy highway/civil contractors:

- ▼ Decreased 23% compared to Q3 & Q4 of 2023
- ▼ Decreased 33% in 2024 as compared to 2023

Cash flow for specialty contractors:

- ▲ Increased 60% compared to Q3 & Q4 of 2023
- ▼ Decreased 20% in 2024 as compared to 2023

*Cash flow is measured by cash in minus cash out.

Potential Impact:

Contractors saw large decreases in cash flow across the industry and by vertical, which means they spent more money as compared to the same time period the year before. These numbers were about equal when comparing the third and fourth quarters of 2024 (decrease of 30%) and when comparing them year-over-year (decrease of 25%).

According to partners at Plante Moran, “There are many factors at play here. It’s not uncommon for cash flows to run counter to the timing of profitability as many contractors front-load billings to take advantage of a negative cash cap earnings potential with investments. In addition, many construction company owners are taking excess funding out of their construction company to de-risk those dollars and investing it into a non-construction activity (i.e., real estate/development investment, joint venture capital infusion, diversifying into equity securities/crypto, etc.).

“Overall, the construction industry continued to see significant negative impacts during Q4 2024 and calendar year 2024 due to supply chain challenges, labor shortages and wage inflations,” commented Kerry Fitzgerald, Partner at Forvis Mazars. General contractors saw improved cash flows during 2024 as a result of increased spending on construction projects overall, driven primarily by private and public sector investments and possibly due to improved payment processing and other financial management tools. Heavy Highway/Civil contractors continue to see negative impacts on cash flows as a result of higher spending on materials and labor as a result of supply chain challenges, labor shortages and wage inflation. Specialty contractors continue to be impacted by labor shortages and higher material costs having a negative impact on cash flows. However, despite these challenges, government funding through the Infrastructure and Jobs Act and stabilization of the supply chains provided positive impacts on cash flows for 2024.”

Key Takeaways by Vertical



General Contractors

New projects for general contractors:

- ▼ Decreased 22% compared to Q3 & Q4 of 2023
- ▼ Decreased 14% in 2024 as compared to 2023

Contract values for general contractors:

- ▼ Decreased 34% compared to Q3 & Q4 of 2023
- ▼ Decreased 17% in 2024 as compared to 2023

Net hiring for general contractors:

- ▲ Increased 8% compared to Q3 & Q4 of 2023
- ▲ Increased 1.7% in 2024 as compared to 2023

Cash flow for general contractors:

- ▼ Decreased 40% compared to Q3 & Q4 of 2023
- ▲ Increased 20% in 2024 as compared to 2023



Potential Impact:

“General contractors able to deliver on mega-projects, either individually or through joint ventures, will have ample opportunities in 2025/2026 and beyond for new project work, backlog ready for activity, and profitability prospects,” said Plante Moran partners. More regionally/locally, those general contractors involved in healthcare, data centers, power generation, light industrial/manufacturing, and certain segments within education will find significant bid opportunities, growth potential, and the ability to generate significant profits throughout 2025 and beyond. In general, money/funding for projects should be more attainable, leading to significant work to be won and worked through in 2025 and 2026. However, there are continued concerns about the prospective for profitable work in the typical challenging sectors from the past few years, including office, hospitality and retail, coupled with expected slowdowns in multi-family construction regionally and nationally.”

Heavy Highways and Civil Contractors

New projects for heavy highway and civil contractors:

- ▼ Decreased 10% compared to Q3 & Q4 of 2023
- ▼ Decreased 15% in 2024 as compared to 2023

Contract values for heavy highway and civil contractors:

- ▲ Increased 12% compared to Q3 & Q4 of 2023
- ▲ Increased 5% in 2024 as compared to 2023

Heavy highway and civil contractor net hiring:

- ▲ Increased 13% compared to Q3 & Q4 of 2023
- ▲ Increased 1.5% in 2024 as compared to 2023

Cash flow for heavy highway/civil contractors:

- ▼ Decreased 23% compared to Q3 & Q4 of 2023
- ▼ Decreased 33% in 2024 as compared to 2023

Potential Impact:

According to Plante Moran's partners, "Strong prospects for growth still exist for road, bridges, utilities, and sitework in 2025 and beyond. Most experts agree that there will be ample opportunities for these sectors and that there will be a lot of projects to execute over the next few years. Similar to larger projects and certain sectors on the general contractors side, funding availability should improve as compared to 2023/2024, resulting in projects getting the green light to proceed. For heavy civil and specialty contractors, constrained experienced and new labor will continue to exist, which will challenge companies' ability to maintain profitability."

Joel Dziedzic from Forvis Mazars added: "Heavy highway and civil contractors need to continue to monitor these factors."

- **Rising material costs**—Updating costs timely so that bids are accurate to maximize profit or avoid avoidable losses.
- **Labor shortages**—Recruiting and retention still are a challenge and should remain an area of focus.
- **Economic pressures**—Inflation and material supply chain issues.
- **Public funding budgets**—Monitor landscape as this will drive the population of work available to bid.
- **Interest rate fluctuations**—Managing cash flow in these times is critical to limit exposure to interest rate effects on the bottom line.
- **Technology changes**—Adapt to new technology, such as drones and smart equipment to drive efficiency."

Specialty Contractors

New projects for specialty contractors:

- ▼ Decreased 30% compared to Q3 & Q4 of 2023
- ▼ Decreased 11% in 2024 as compared to 2023

Contract values for specialty contractors:

- ▼ Decreased 40% compared to Q3 & Q4 of 2023
- ▼ Decreased 28% in 2024 as compared to 2023

Net hiring for specialty contractors:

- ▲ Increased 18% compared to Q3 & Q4 of 2023
- ▲ Increased 2.7% in 2024 as compared to 2023

Cash flow for specialty contractors:

- ▲ Increased 60% compared to Q3 & Q4 of 2023
- ▼ Decreased 20% in 2024 as compared to 2023



Potential Impact:

Kerry Fitzgerald from Forvis Mazars shared this advice: “AI, machine learning and other advances in technology and automation have been an area of focus, specifically with project management. This has resulted in increased efficiency and accuracy. The industry continues to face labor shortages and supply chain challenges, requiring companies to rely more heavily on training programs, apprenticeships and other recruiting strategies to attract new talent and better planning and diversification of suppliers to mitigate risks and ensure timely completion of projects.”

“Specialty contractors should experience growth potential for new work and profitability of that work, provided they have the capital and capacity to perform,” said partners at Plante Moran. “The varied percent changes for new projects, contract values, and cash flows should flip to fairly strong increases in 2025 for most specialty contractors who are otherwise strong companies. In other words, those specialty contractors with strong balance sheets and assembled workforces are primed to capitalize on the work that needs to be put in place in 2025 and 2026 to keep up with demand from general contractors and heavy civil contractors. Similar to heavy civil, specialty contractors will be constrained by the availability of competent labor, which will challenge the companies’ ability to maintain similar profitability levels.”

Additional Resources

Trimble is here to help you run your business, manage through change, and get the most from your software investments. Here are a few more resources to help keep a finger on the pulse of the construction industry.

Connected Construction Virtual Tour

Step into a world of connected construction! Experience a self-guided virtual tour of a real connected construction site, from the office to the field.

[VIRTUAL TOUR](#)

Related Content on Construction Industry Trends

Our blog is always covering the most recent industry news, issues and hot topics. Subscribe to receive weekly updates.

[BLOG](#)

Construction Accounting Videos

Surety bonds, certified payroll, progress billing, allocations ... dive deep with us on all things construction accounting!

[WATCH](#)



Visit Trimble.com to learn more about how construction-specific software solutions can help lower your financial risk, streamline operations and increase your margins.

LEARN MORE

About Trimble

Trimble is developing technology, software and services that drive the digital transformation of construction with solutions that span the entire architecture, engineering and construction (AEC) industry. Empowering teams across the construction lifecycle, Trimble's innovative approach improves coordination and collaboration between stakeholders, teams, phases and processes. Trimble's Connected Construction strategy gives users control of their operations with best-in-class solutions and a common data environment. By automating work and transforming workflows, Trimble is enabling construction professionals to improve productivity, quality, transparency, safety, sustainability and deliver each project with confidence.