Gallagher

US Construction Industry Update & Market Outlook:

Navigating Risk and Opportunity at Mid-Year 2026

Executive Summary

Mid-year 2026 represents a pivotal moment for the US construction industry. While demand remains strong across several high-growth sectors, contractors, owners and developers face a business environment increasingly defined by execution risk, labor constraints, cost volatility and evolving insurance market conditions.

Federal infrastructure spending continues to support project activity, particularly in transportation, utilities, power generation and public works. At the same time, data centers, advanced manufacturing facilities and energy infrastructure remain among the most active private construction segments. Yet rising material costs, persistent workforce shortages and increasing litigation severity continue to pressure margins across the industry.

The insurance marketplace reflects this complexity. Property and builder's risk markets have become increasingly competitive, translating into better rates for construction firms; at the same time, casualty lines, including auto liability and excess liability, remain under severe underwriting pressure, giving way to marked rate increases. As a result, construction insureds must balance growth opportunities with disciplined risk management strategies.

Experts note that the overall composition of construction claims is shifting from fewer “routine” mid-size losses to an increased number of high-severity, complexity-driven claims. For example, construction defect claims that may once have amounted to around $500K have risen exponentially to $1.5 million to $3 million.

Construction firms that invest in workforce development, procurement planning, technology adoption and insurance program optimization will be best positioned to protect their profitability and capitalize on emerging opportunities throughout the remainder of 2026 and beyond.

OVERVIEW

Growth Continues, But Not Everywhere

The US construction market remains active in 2026, although growth has become increasingly uneven across sectors.

Total construction spending reached an annualized rate exceeding $2.17 trillion[1] in April 2026, reflecting modest year-over-year growth. Beneath those headline figures, however, significant differences exist between market segments.

On the one hand, public infrastructure remains the strongest and most consistent source of construction activity. Agencies continue to accelerate project awards as funding authorized under the Infrastructure Investment and Jobs Act (IIJA) approaches its September 30 expiration date. Transportation projects, bridge construction, broadband expansion and utility infrastructure continue to generate substantial opportunities for contractors nationwide.

The approaching expiration of IIJA funding has created a compressed procurement environment: owners are racing to obligate remaining funds, while contractors face heightened competition, longer procurement cycles and increased potential for schedule-related disputes.

Private construction presents a more nuanced picture. Data centers remain one of the industry's strongest growth sectors, driven by surging demand for artificial intelligence computing capacity, cloud infrastructure and electrical grid expansion. Many contractors specializing in data center construction continue to report historically strong backlogs. Advanced manufacturing projects, including battery plants and semiconductor facilities, also remain active due to ongoing federal incentives and domestic supply chain investments.

Conversely, traditional office construction continues to struggle as employers adapt to hybrid work environments and investors remain cautious about commercial real estate. Hospitality projects have also lagged amid financing challenges and uncertainty regarding long-term demand.

Results in residential construction remain mixed. According to the National Association of Home Builders, permitting for single-family construction declined across all geographies in the first quarter of 2026 as rising interest rates, increased material costs and labor shortages slowed new projects. Single-family construction continued to shift toward smaller and lower-density markets rather than large population centers.

Multifamily construction, meanwhile, expanded across most markets, showing strong gains in large metro core areas (densely populated central counties within major metropolitan areas) and suburban counties.

"The construction sector remains highly segmented, a trend that has persisted over the past six years," says Brian Cooper, Gallagher's senior managing director for US Construction.

"Affordable housing construction is currently stable, especially in urban areas, but single-family home development remains slow and difficult due to high mortgage rates and affordability issues," he adds. **"Ongoing inflation and economic conditions continue to impact residential housing construction and will likely influence it for some time."**

"Ongoing inflation and economic conditions continue to impact residential housing construction and will likely influence it for some time."

- Brian Cooper
Senior Managing Director, US Construction
Gallagher

Public infrastructure drives market activity

Hawaii provides a useful illustration of this trend. So far this year, the state's construction industry — fueled primarily by public infrastructure investments — posted one of its strongest first quarters in the last decade. Major highway projects, wastewater upgrades and state-funded construction initiatives drove activity across several islands.

Simultaneously, Q1 activity for both single-family and multifamily residential construction fell significantly (down $126 million and $229 million, respectively) compared to Q1 2025.[2]

One could consider the Aloha State a microcosm of construction activity across many regions: Public-sector investment is sustaining overall volumes, even as portions of the private market have slowed.

For contractors, this dynamic reinforces the importance of understanding funding sources, public procurement requirements and the increasingly competitive landscape surrounding federally supported projects.

LABOR

The Largest Operational Challenge

Labor availability continues to be one of the most significant challenges facing construction firms. In its 2026 Hiring & Business Outlook, the Associated General Contractors of America (AGC) revealed that more than 80% of contractors report difficulty filling hourly craft positions.

Several structural factors contribute to the shortage: an aging workforce continues to drive retirements (currently, nearly 1 in 5 construction workers are age 55 or older),[3] while demographic shifts and immigration-related labor constraints have affected the available pool of skilled workers in many regions.

To meet demand and make up for the loss of institutional knowledge exiting the business, the Associated Builders and Contractors (ABC) estimates the construction industry will need to attract 349,000 new workers in 2026 — and that 456,000 new workers will be needed in 2027.

Federal statistics clearly illustrate this need: In April, the number of open construction-sector jobs rose to 259,000 — up from 234,000 the previous month and from 207,000 openings the year before, according to ABC analysis.

The strain on available labor is being felt across nearly every construction segment. Rising wages, increased recruiting expenses, schedule delays and subcontractor capacity constraints have become common concerns for project teams.

"The topic of qualified talent has remained one of the top concerns for the construction industry for quite some time," says Brian Cooper. **"As the market expands, construction companies continue to face challenges in securing qualified labor."**

WHY THE DATA CENTER BOOM IS CAUSING A TRADE TALENT BOTTLENECK

The data center ecosystem relies on a highly specialized workforce and hands-on technical expertise, spanning from the workers building each site to the engineers, technicians, electricians and operational specialists who keep them running.

This workforce isn't unique to digital infrastructure. It is shared across adjacent sectors, particularly energy and utilities, with more than 40% of roles overlapping across industries. In recent years, more than one-third of job postings across these sectors have targeted the same talent pools, intensifying competition.

Mat Degroote, Surety producer at Gallagher, says he is "seeing joint ventures or often tri-ventures, in the electrical and mechanical trades" as a result.

As demand accelerates, hiring pressure is outpacing the labor market's ability to respond. Data center job postings have surged by 64% in recent years, far outpacing broader economic growth.[4] The result is not simply a tight labor market, but a structural imbalance that is beginning to constrain growth.

"Electrical subcontractors, essential for data center projects, must complete work quickly and on schedule, often hiring only top-tier electricians," says Brian Cooper. "These specialists are allocated to high-priority projects, which can result in a shortage of qualified workers for other jobs, especially depending on project location and urgency. This dynamic further intensifies the labor shortage in certain segments."

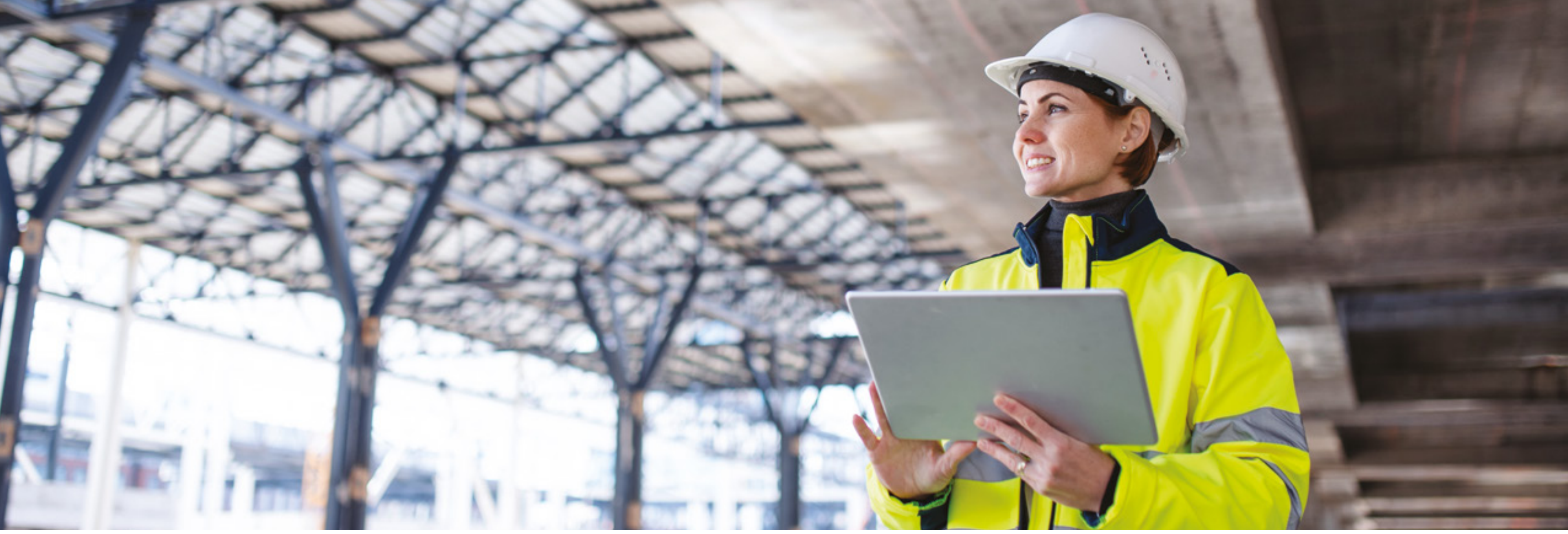
The shortage of skilled labor is also contributing to the rise in construction defect claims Cooper has observed. **"There's a ten-year statute of repose for defect claims in most states," he points out, "so problems can exist that aren't discovered for eight or nine years and turn into general liability claims. We're seeing more of those types of claims than we had in the past."**

Still, there are some encouraging developments that may help attract more talent to the sector. Construction compensation continues to outpace many other industries: the median annual pay for construction workers rose 15% in the past six years to $66,400 in June 2025 — roughly 10% more than in all other industries.[5]

Industry organizations, educational institutions and contractors are expanding apprenticeship programs, mentorship initiatives and workforce development efforts to attract new talent.

"Many firms have strong intern programs that reach out to universities to recruit both men and women," says Jackie Robinson, Gallagher's managing director of operations for US Construction. **"Construction incorporates a lot of technology, making it a compelling career choice — especially as the field undergoes rapid evolution. We're on the verge of a major transformation in this industry. Young professionals are excited to be part of this shift from traditional methods to technology-driven processes."**

> "We're on the verge of a major transformation in this industry. Young professionals are excited to be part of this shift from traditional methods to technology-driven processes."
>
> **- Jackie Robinson**
> Managing Director of Operations
> US Construction, Gallagher



Women represent an increasingly important source of workforce growth in construction, with female participation continuing to increase through targeted recruitment, scholarship and mentorship programs. Although women still comprise just 11% of its labor force, the construction industry boasts one of the highest rates of pay equity in the US.[6]

"We see more women in all roles, which marks a significant change considering the industry has traditionally been male-dominated," adds Robinson.

Organizations that combine competitive compensation with modern onboarding practices, career development opportunities and technology-enabled work environments are likely to gain an advantage in attracting and retaining skilled labor.

More Complex Claims and Heavy Litigation Exacerbate Pressure

Although overall claim frequency has remained relatively stable, claim severity continues to rise across the construction sector.

Several factors are contributing to larger losses, including higher replacement costs, increasingly complex project delivery models and the continued impact of social inflation within the legal system, driven in part by third-party litigation funding.

Water loss remains the primary driver of construction claims, says senior construction claims advocate Eric Michna, who refers to such claims as a **"severity multiplier."** Defects in pool installations, cistern impacts and rain filtration systems can cascade into multi-party liability and builder's risk disputes, leading to lengthy remediation times and delayed claims.

Michna also sees fewer claims that were once straightforward: **"Every meaningful claim has two to three competing theories of loss and coverage,"** he says, leading to higher subrogation costs and more complexity as each claim is assessed.

Claims and litigation funding from private equity have exacerbated social inflation because law firms no longer need to provide upfront funding, says Brian Cooper. He adds that commercial auto is one line heavily impacted by "nuclear verdicts" plaguing insurers, creating substantial pressure on liability insurance programs and increasing overall project risk.

"Since some claims can take several years to resolve, these firms don't have to front the costs to receive large payouts at the end," he notes.

We've noted that insurance carriers, aware of this pattern, hesitate to litigate. **"Instead, they tend to pay large sums to settle claims quickly," Cooper explains. "We've seen situations where the primary auto liability carrier fears that if they don't settle, the claim might move into excess liability layers covered by other carriers, potentially making them responsible for those coverages."**

"Losses in which markets engage coverage counsel have increased exponentially, which has led to a longer claims process and the unwillingness of adjusters to find a solution to even the most logical issues," says Gallagher property claims advocacy manager Jack Nelson.

The timeline for engineers to provide reports on the losses in which they are engaged has regularly reached more than six weeks, longer than the three to four weeks expected in years past. **"The cascading impact this has on timelines for the general contractor and scheduling can cause this delay to multiply quickly,"** according to Nelson.

Water, Fire And Natural Perils Remain Leading Sources of Loss

Water intrusion remains one of the most common drivers of significant builder's risk and general liability claims, particularly on multifamily and hospitality projects. Fire losses also continue to increase, including incidents involving lithium-ion batteries used in tools, equipment and temporary power applications.

The rise of design-build contracts has introduced gray areas as to whether professional liability or general liability coverage responds in the event of a claim, says Brian Cooper. As a result, **"those claims are very complicated; they're usually large and they take time to settle. The question becomes, what caused the event — design or consulting services or the actual construction?"**

Environmental changes and natural hazards are increasingly being recognized as significant risks in the construction sector, drawing more attention than in previous years. With predictions that a strong El Niño will form in the latter part of the year, there is anticipation that extreme weather could impact projects either directly or indirectly through supply chain disruption.

"Weather patterns greatly influence the risk of wildfires, tornadoes, storms and convective events, all of which substantially impact insurance capacity and costs in affected areas," says Cooper. Fortunately, new predictive tools help to assess natural catastrophe risks more accurately, but weather exposures continue to heavily influence property and builder's risk coverage.

> Weather patterns greatly influence the risk of wildfires, tornadoes, storms and convective events, all of which substantially impact insurance capacity and costs in affected areas.

- Brian Cooper
Senior Managing Director, US Construction
Gallagher

"The timing and duration of projects matter," he adds. "A construction project that begins in June in a hurricane-prone area must account for multiple hurricane seasons. The length of coverage and timing directly affect insurance capacity and rates."

These trends underscore the importance of documentation, quality assurance procedures, contractual risk transfer and proactive claims management.

Rising Material Costs, Supply Chain Risks Impact Margins

After a period of relative stabilization, material cost inflation has begun to reaccelerate in 2026.

Construction input prices increased more during the first four months of 2026 than over the past three years, with energy- and metals-related materials serving as the primary drivers. Crude petroleum prices leapt 11.3% month over month in April; the cost of unprocessed energy materials rose 9.2% over the same period, according to ABC analysis.

Geopolitical instability, energy market disruptions and continued supply chain challenges have contributed to rising costs and renewed uncertainty.

Lead times remain elevated for critical building components, including transformers, switchgear, electrical equipment, and specialized heating, ventilation, and air conditioning (HVAC) systems. These constraints are especially challenging for data center, manufacturing and infrastructure projects that depend on highly specialized equipment.

As a result, many contractors are increasingly relying on early procurement strategies, supplier diversification, escalation clauses and inventory management programs to protect project schedules and margins.

Owners and developers should expect procurement planning to remain a critical component of project success through the remainder of 2026.

AVOIDING STOCKPILING-DRIVEN UNDERINSURANCE

According to Gallagher's Redrawing Supply Chains research, tariffs are currently the biggest hindrance to making supply chain decisions, with 9 out of 10 businesses either already stockpiling goods and components or considering it as an option.

"Contractors are compelled to update inventory values if they're storing more materials on-site than they were in the past. This is an important consideration for data center construction projects," notes Stuart Freeman, partner in Construction at Gallagher Specialty.

"A construction policy will have a sublimit for off-site storage, for example, which might be $10 million to $20 million on a major project," he says. "On one of our data center projects, there was $130 million worth of equipment stored ahead of tariffs coming in, so we needed to amend the policy to pick up that off-site storage risk."

AI: A Significant Competitive Advantage

Technology adoption is accelerating across the construction industry, with artificial intelligence emerging as one of the most significant developments in recent years — and increasingly helping firms improve efficiency, reduce risk and enhance decision-making throughout the project lifecycle.

Sixty-three percent of construction organizations report that they are leveraging AI to be more sustainable, utilizing AI-powered tools during pre-construction to improve estimating accuracy, identify design conflicts and optimize project schedules.[7] Machine learning systems can analyze historical project data to identify patterns that may indicate future cost overruns, schedule delays or quality concerns.

On construction sites, AI-enabled monitoring systems help identify safety hazards, track compliance with safety requirements and provide real-time visibility into project conditions. Computer vision technologies can detect potential risks before incidents occur, allowing project teams to intervene proactively.

AI is also being incorporated into project management platforms that help contractors prioritize issues, manage documentation, identify missing submittals and improve coordination among project stakeholders.

Beyond active construction, AI is beginning to influence facility management by supporting predictive maintenance programs, asset monitoring and building performance optimization.

The practical significance of AI for construction leaders is not automation for its own sake. Rather, it is the ability to make better decisions faster, reduce administrative burdens and improve project outcomes in an environment where labor remains scarce and margins are under pressure.

As adoption increases, firms that successfully integrate AI into existing workflows may gain meaningful advantages in productivity, safety and profitability.

After identifying a significant increase in AI usage among construction companies over the past year, Gallagher's Jackie Robinson is encouraging firms to establish an AI team led by a dedicated liaison responsible for monitoring new developments that could be leveraged for their benefit.

"The AI team leader conducts thorough research, regularly updates senior leadership, and keeps the firm informed about the latest AI tools, security concerns, data integrity issues and other relevant considerations," Robinson says.

With most insurance policies designed for a pre-AI world, insurance carriers are monitoring claims and starting to make adjustments.

The Insurance Services Office has introduced a new endorsement, CG 40 47 01 26 — Generative Artificial Intelligence Exclusion, which excludes coverage under the CGL policy for bodily injury, property damage, and personal or advertising injury arising out of, or attributable to, generative artificial intelligence.

Under the exclusion, if a loss is alleged to be traceable, directly or indirectly, to generative AI output, the insurer may deny coverage under the CGL policy.

For example, an AI-assisted shop drawing or calculation contains an error that contributes to a structural failure or injury. Even if project personnel reviewed and approved the drawing, the insurer may argue that the loss arises from the output of generative AI and is therefore excluded under the policy.

The exclusion may be particularly consequential for public entity projects, large or multi-phase construction programs, and contracts with strict insurance and indemnification requirements. Construction firm risk managers should contact their broker to review their programs and endorsements and strengthen overall AI risk management and governance.

SURETY MARKET

Piling On Amid Rising Scale and Complexity

In the standard surety market, projects are becoming larger and more complex. **"We're observing that overall project sizes have grown significantly," says Robinson. "What used to be considered a large project, like $100 million, is now viewed as relatively small."**

Inflation and the growing complexity and scale of projects are contributing factors. As a result, co-surety arrangements on significant accounts are becoming increasingly common. Where once a single surety might have handled an account, multiple sureties (as many as four) are now often collaborating for the same client due to the increased size of these projects and programs.

Brian Cooper says the main challenges currently involve private equity-owned construction companies, which often focus on top-line growth and plan to eventually sell, which increases their risk profile among underwriters. "While primary sureties do provide capacity to these private equity-owned firms, they tend to be more conservative and request additional protection and indemnity," he adds.

In secondary, more specialized markets, recent severe claims have had an impact. As those markets typically rely heavily on reinsurers, the latter have absorbed most of the loss — and consequently, reinsurers are demanding higher-risk maintenance requirements from primary sureties and are increasing rates. **"Reinsurance treaties are seeing pressure to try to recover past loss payments,"** says Kyp Ross, Gallagher's president, Construction & Surety.

In contrast, standard markets for privately owned construction companies remain robust. Claims activity continues to be strong, and overall results have been consistently positive, with no immediate signs of negative impact.

"We continue seeing new entrants into the Surety industry, and the top players continue to fight over market share," Jack Nelson adds.

"We continue seeing new entrants into the Surety industry, and the top players continue to fight over market share."

- Jack Nelson
Property Claims Advocacy Manager
Gallagher

Rate Movement by Line

Like much of the commercial insurance market, the construction insurance marketplace remains divided between improving property conditions and challenging casualty conditions. Construction firms' results are therefore mixed across their suite of coverages.

GENERAL LIABILITY

The general liability market for construction firms remains relatively stable but continues to be heavily influenced by claim severity rather than frequency. Most contractors are experiencing renewals ranging from low to mid-single-digit increases, depending on trade class, jurisdiction and loss history.

Underwriters remain cautious around contractors working on street/road projects and those involved in residential for-sale construction; those clients see some of the larger rate increases. Construction defect litigation, water-intrusion claims and increasingly aggressive plaintiff tactics continue to inspire underwriting scrutiny.

Contractors with strong quality-control programs, documented subcontractor oversight and favorable loss experience remain best positioned to secure competitive terms.

EXCESS LIABILITY

Excess liability remains one of the most challenging lines in the construction insurance marketplace. Nuclear verdicts, social inflation, litigation funding and rising settlement values continue to severely impact umbrella layers and put pressure on insurer profitability, resulting in premium increases typically ranging from 5% to 30%, with some higher-hazard contractors facing even steeper adjustments.

Carriers remain selective regarding capacity deployment and often require higher attachment points, reduced limit offerings or layered placements involving multiple insurers. Contractors working in high-hazard trades or operating in plaintiff-friendly jurisdictions should expect continued underwriting scrutiny and pressure on umbrella and excess pricing throughout this year.

PROPERTY

Commercial property insurance continues to offer some of the best news for contractors in 2026. Returning global reinsurance capacity and improved insurer results have led to greater competition and, in many cases, flat renewals or meaningful premium reductions for well-managed accounts. Best-in-class risks are often seeing significant rate decreases (15%-20% or more), particularly for non-catastrophe-exposed properties.

Bear in mind that construction costs remain 15%-20% above 2019 levels: Accurate replacement-cost valuations have become increasingly vital as inflation, labor costs and material pricing continue to affect rebuilding expenses. Underwriters are paying close attention to insured values to avoid underinsurance concerns.

BUILDER'S RISK

The builder's risk market continues to stabilize after several difficult years. Competition has increased for non-catastrophe-exposed projects, particularly those involving concrete and steel construction. This has resulted in typically flat renewals and, in some cases, single-layer program rate decreases of 5%-7% in regions without serious natural catastrophe exposure.

Projects located in catastrophe-prone regions remain subject to tighter underwriting standards, higher deductibles and more restrictive terms. Frame construction, coastal exposures, wildfire-prone locations and projects with lengthy construction schedules continue to attract additional scrutiny. Insurers are also increasingly focused on project valuations, supply-chain risks and escalation assumptions to ensure coverage remains adequate throughout the construction period.

WORKERS' COMPENSATION

Workers' compensation remains a stable line for most construction firms. Carrier profitability, favorable reserve development and sustained competition among insurers have helped keep pricing relatively flat, with many accounts seeing renewals ranging from flat to increases of 3% or less. In states like Iowa and Florida, approved loss-cost reductions continue to support favorable market conditions.

Nevertheless, insurers remain highly focused on safety culture, return-to-work programs, claims management practices and experience modification factors. For contractors, workers' compensation performance often serves as an indicator of overall operational discipline and can positively influence negotiations on more challenging lines such as general liability and excess liability.

INLAND MARINE

The inland marine market, including contractors' equipment, tools, temporary structures and equipment floaters, remains one of the more predictable and buyer-friendly components of a construction insurance program in 2026. Most construction firms are experiencing flat renewals or modest increases (up to 5%), even for those that have previously experienced claims.

Insurers continue to exhibit a strong appetite for contractor equipment schedules, although underwriting attention has increased around theft prevention, equipment tracking, storage practices and catastrophe-exposed equipment concentrations. As equipment values continue to rise and replacement times remain extended for certain heavy machinery, contractors should periodically review schedules and valuations to ensure their coverage limits remain sufficient.

CYBER

Cyber remains one of the more buyer-friendly insurance markets available to construction firms in 2026. After the ransomware-driven hard market of 2020-2023, increased insurer competition and improved underwriting results have generally produced flat renewals or modest rate decreases (up to –5%) for many insureds.

For most contractors, the more significant change is not in pricing but in underwriting requirements: Construction firms with significant digital exposure are receiving the most scrutiny, including design-build contractors, firms that maintain large building information modeling (BIM) environments, contractors performing data center work and organizations that rely heavily on cloud-based project management platforms and interconnected job site technologies.

Coverage terms have likewise evolved. Most carriers continue to offer broad protection for ransomware, business interruption, incident response expenses, digital asset restoration and privacy liability. However, policyholders should expect greater attention to sublimit, ransomware-related conditions and vendor-management requirements. Construction firms with strong cybersecurity hygiene will find themselves in a favorable negotiating position.

What's Next? Strategic Priorities for Construction Leaders

The market conditions shaping the construction industry in summer 2026 require risk managers to take a broader and more strategic view of project risk than ever before. While demand remains healthy across many sectors, the combination of labor shortages, rising loss severity, supply-chain volatility and tightening casualty insurance markets means that traditional risk management approaches may no longer be sufficient.

First, organizations should reevaluate their insurance programs well in advance of renewal. While property and builder's risk markets have become more competitive, casualty lines, particularly auto liability and excess liability, continue to experience significant underwriting pressure. Contractors should work closely with their brokers and insurers to identify opportunities to improve program structure, enhance risk controls and position themselves favorably in a challenging liability environment.

Second, project teams should revisit escalation assumptions, procurement strategies and contract language. Material costs remain vulnerable to geopolitical disruptions, energy market volatility and supply chain constraints. Owners and contractors should carefully evaluate escalation provisions, force majeure language, procurement schedules and contingency planning to reduce the financial impact of future disruptions.

Third, workforce-related risks deserve increased attention. Labor shortages are no longer simply a human resources issue; they have become a project execution issue that affects safety, productivity, quality and schedule performance. Investments in recruitment, retention, training, apprenticeship programs and workforce development can help reduce operational risk while strengthening long-term competitiveness.

Technology investments should also be viewed through a risk-management lens. Artificial intelligence, predictive analytics, telematics and digital project management platforms can provide greater visibility into emerging risks, improve safety performance and help project teams identify issues before they develop into costly claims. Organizations that successfully integrate these tools into their operations may gain measurable advantages in both project outcomes and insurability.

Finally, construction leaders should continue to focus on quality control, documentation and subcontractor oversight. As claim severity continues to rise and nuclear verdicts reshape the liability landscape, comprehensive documentation and disciplined project controls remain among the most effective defenses against costly disputes and litigation.

In an environment where execution risk increasingly determines project profitability, risk management can no longer function solely as an insurance purchasing exercise. The most successful organizations will integrate risk management into every stage of project planning and delivery, helping protect both financial performance and long-term growth.

Conclusion

Construction firms enter the second half of 2026 with significant opportunities and equally significant challenges. Demand remains strong in infrastructure, power, advanced manufacturing and data center construction. At the same time, structural labor shortages, material cost volatility will continue to create operational and financial pressures.

For contractors, developers, owners and risk managers, success will depend less on the availability of work and more on the ability to execute projects efficiently while mindfully managing their exposures. Organizations that align workforce strategy, procurement discipline, technology investment, and insurance planning will be best positioned to navigate uncertainty and capitalize on the next phase of construction market growth.

Construction Job Openings Rate and Quits Rate

April 2012 to April 2026

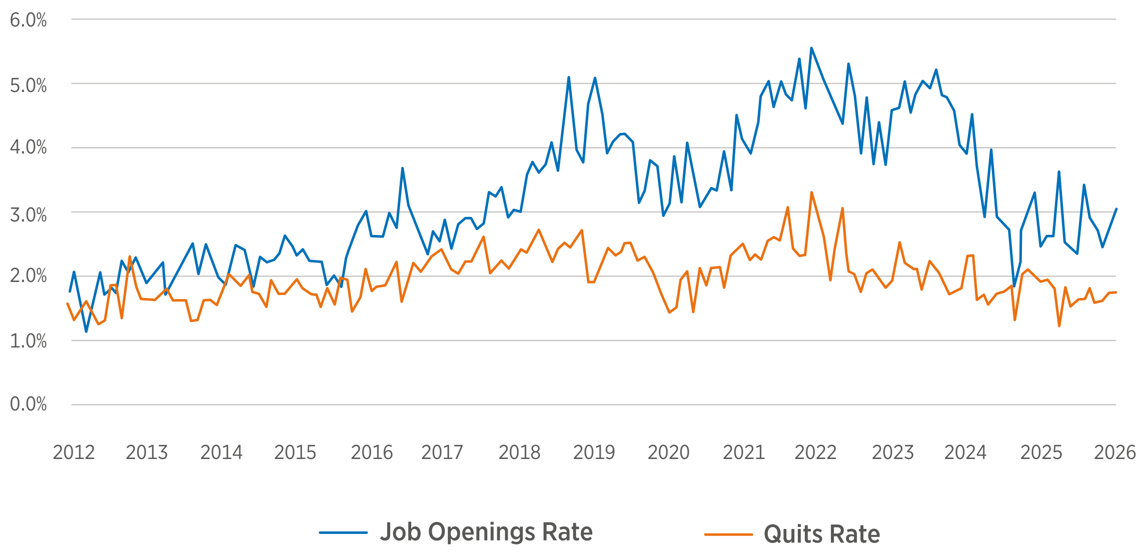
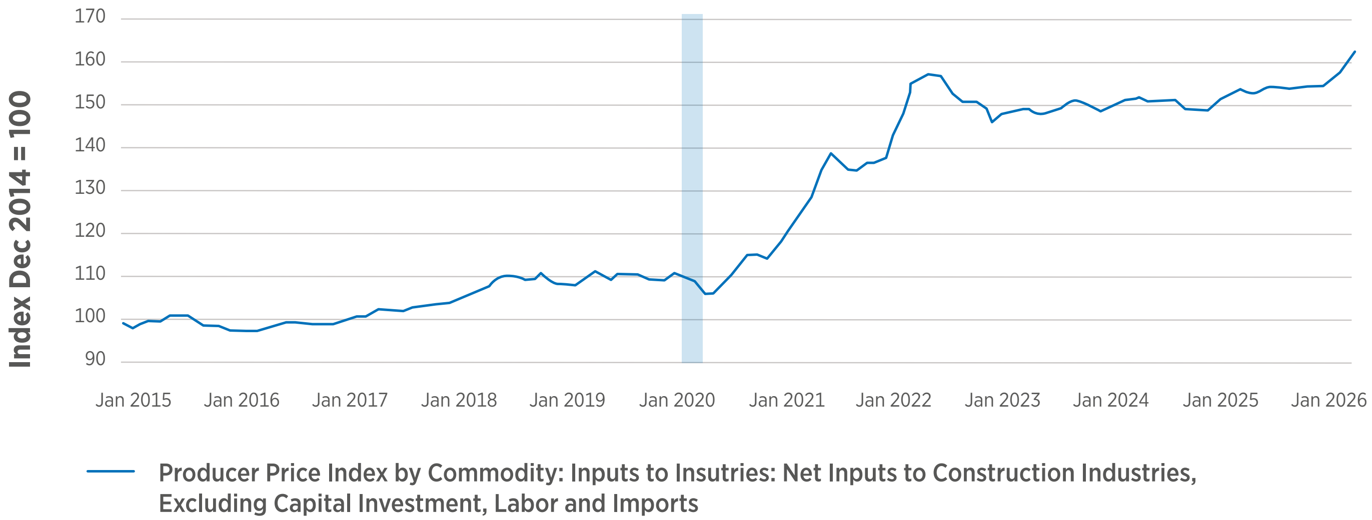


Image courtesy of Associated Builders and Contractors



Source: U.S. Bureau of Labor Statistics via FRED

Shaded areas indicate U.S. recessions.

Monthly Construction Spending, April 2026

June 1, 2026 - The U.S. Census Bureau announced the following value-put-in-place construction statistics for April 2026:

Construction Spending

April 2026 — $2,172.4 billion

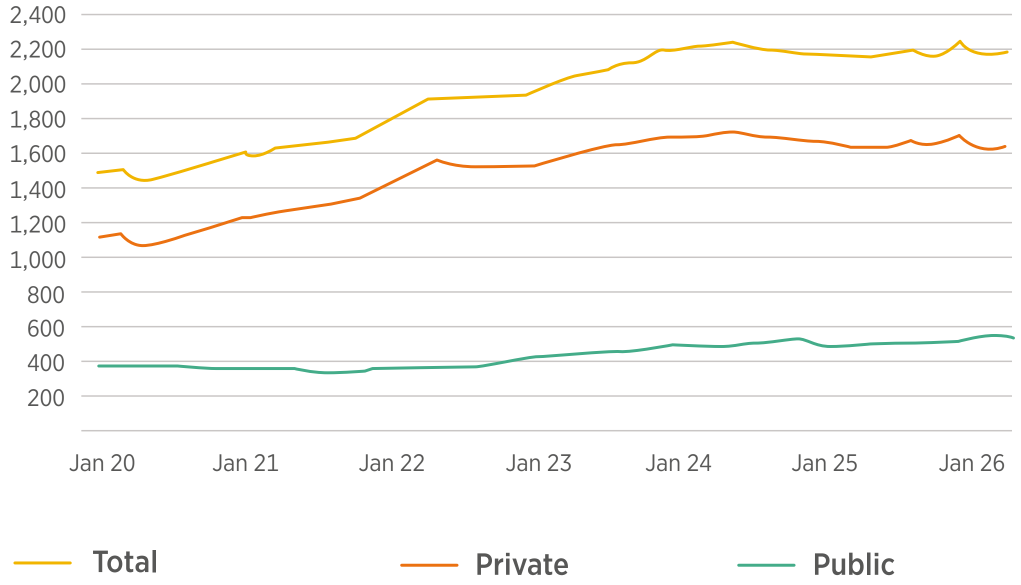
March 2026 (revised) — $2,164.5 billion

Next release: July 1, 2026

Seasonally Adjusted Annual Rate (SAAR) | Source: U.S. Census Bureau, June 1, 2026

Construction Spending

(Seasonally Adjusted Annual Rate (SAAR)) — Billions of dollars



Source: U.S. Census Bureau, June 1, 2026

We do more than help protect your business. We help build it.

Resources:

[1]"Monthly Construction Spending, April 2026," *United States Census Bureau*, 1 Jun 2026.

[2]"Hawaii's Construction Market Records Fast Start in Q1, but a Drop in Housing Activity Raises Concern," *Maui Now*, 3 Jun 2026.

[3]"Half a Million Short: the Construction Workforce Crisis Reshaping Project Delivery," *CIC Construction*, 13 Feb 2026.

[4]Quayle, Zac, et al. "In the AI Age, Data Centers and Power Companies Compete for the Same Core Workforce," *Deloitte Insights*, 31 Mar 2026.

[5]"The HR Trends Shaping the Construction Industry in 2026," *ADP*, accessed 12 Jun 2026.

[6]"Why Women Working in Construction Is Helping Change the Industry," *AIC*, 22 Sep 2025.

[7]"Design and Make Construction Spotlight Report," *Autodesk*, accessed 12 Jun 2026. PDF file.

AJG.com **The Gallagher Way.** Since 1927.

Gallagher