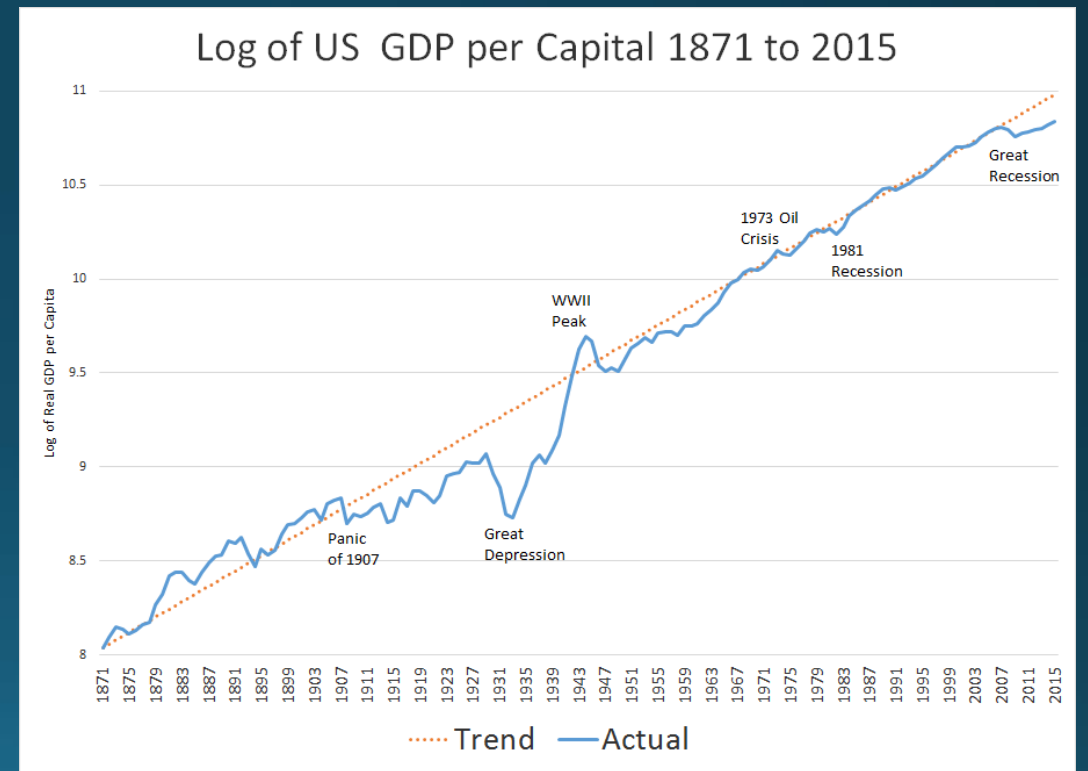


It Ain't Over til It's Over

Bears and Bear Markets

The Mother of All Bear Markets

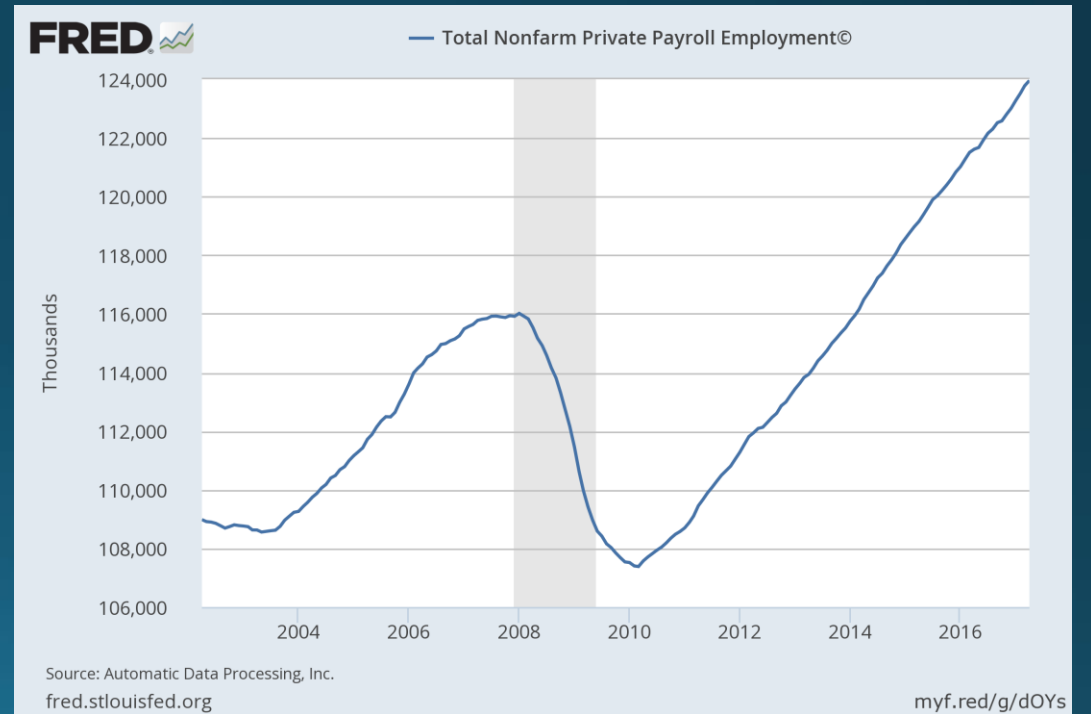


Is It Over?

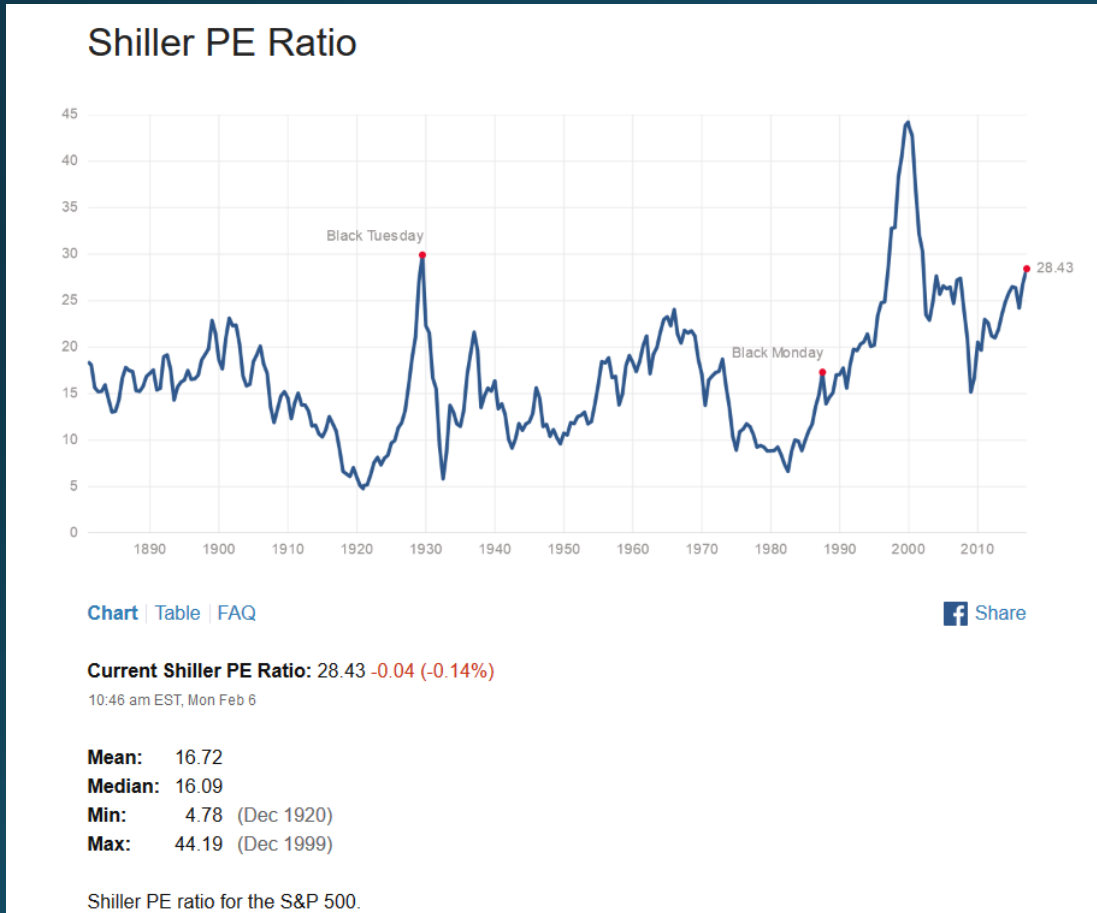
Stock Market at New Highs



Private Employment at New Highs

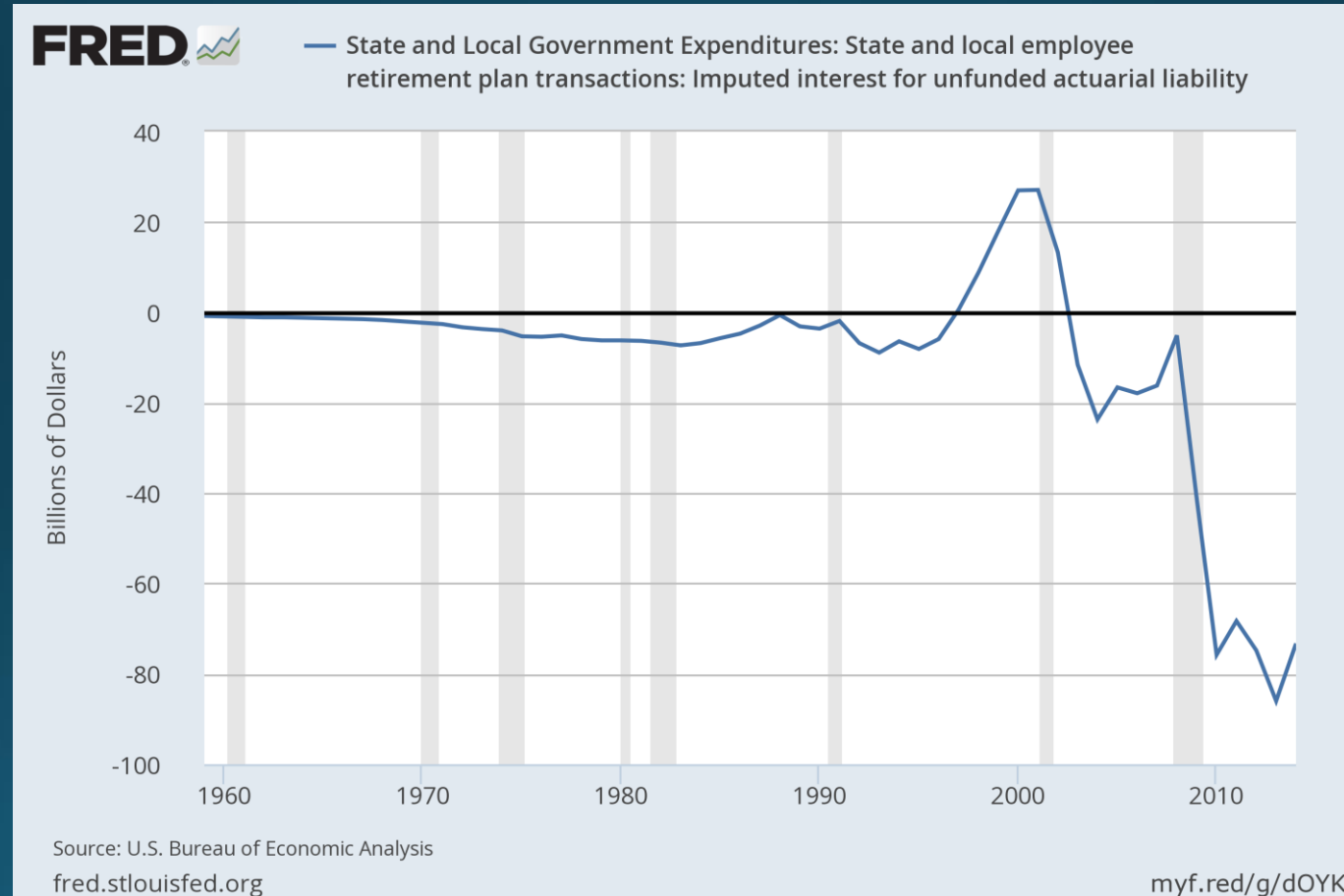


S&P Price-Earnings Ratio High



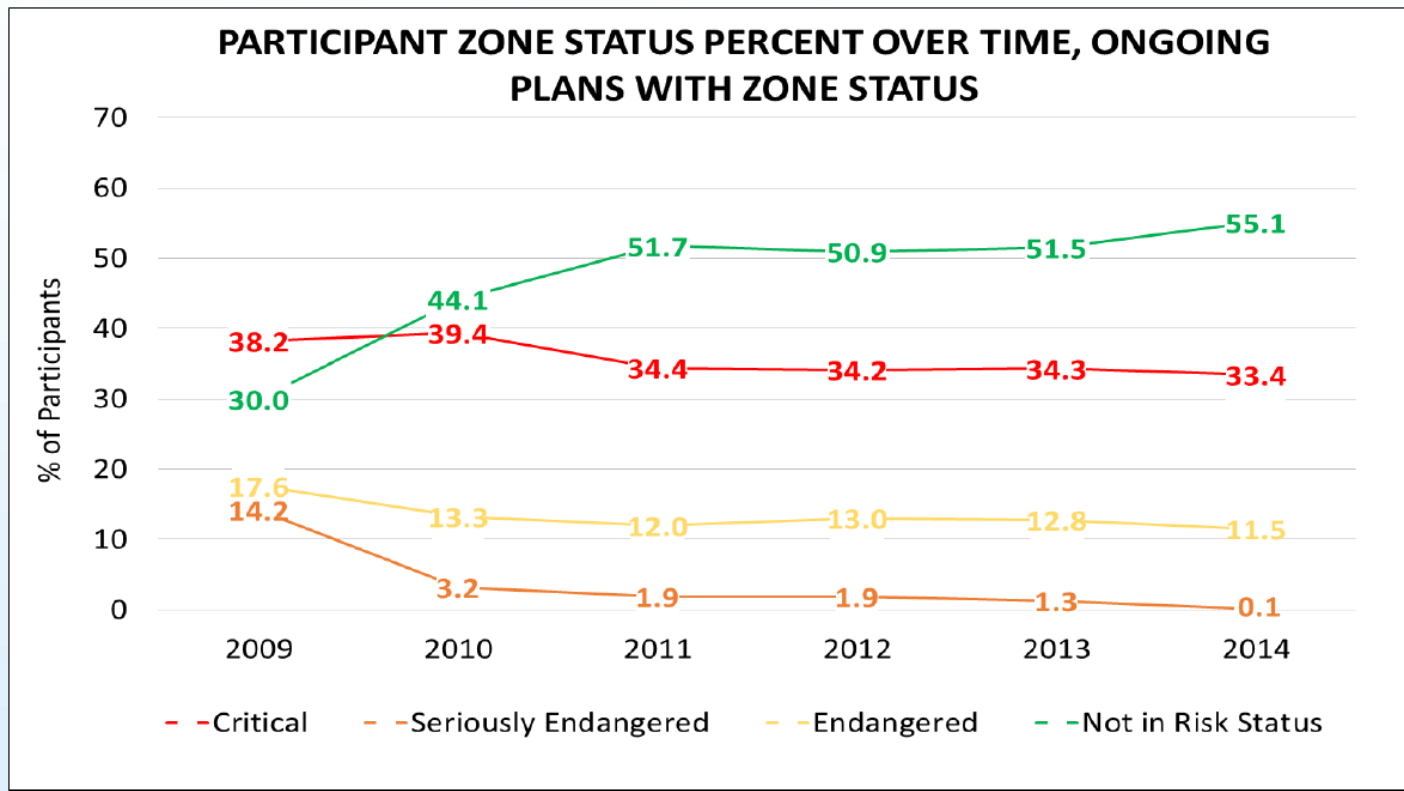
High price-earnings ratios imply that future earnings growth already “baked into” current stock prices.

Unfunded Public Pension Liabilities



Multi-Employer Pension Funds

Zone Status over Time (Participants)

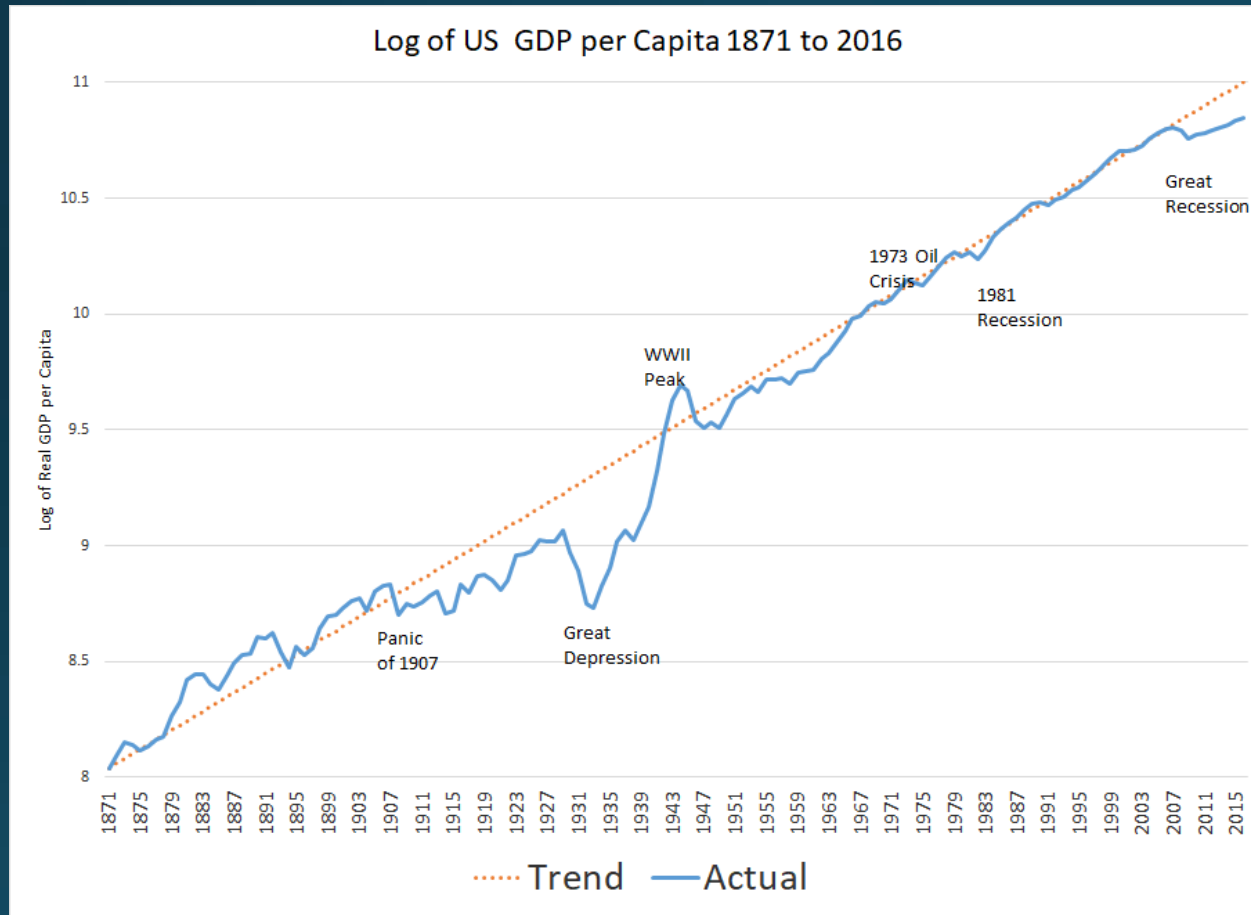


Recent improvements due to stock market recovery.

45% of multiemployer funds at risk under current future returns assumptions.

Will assumed returns of 7% to 8% hold over next several decades?

GDP per Capita below Trend

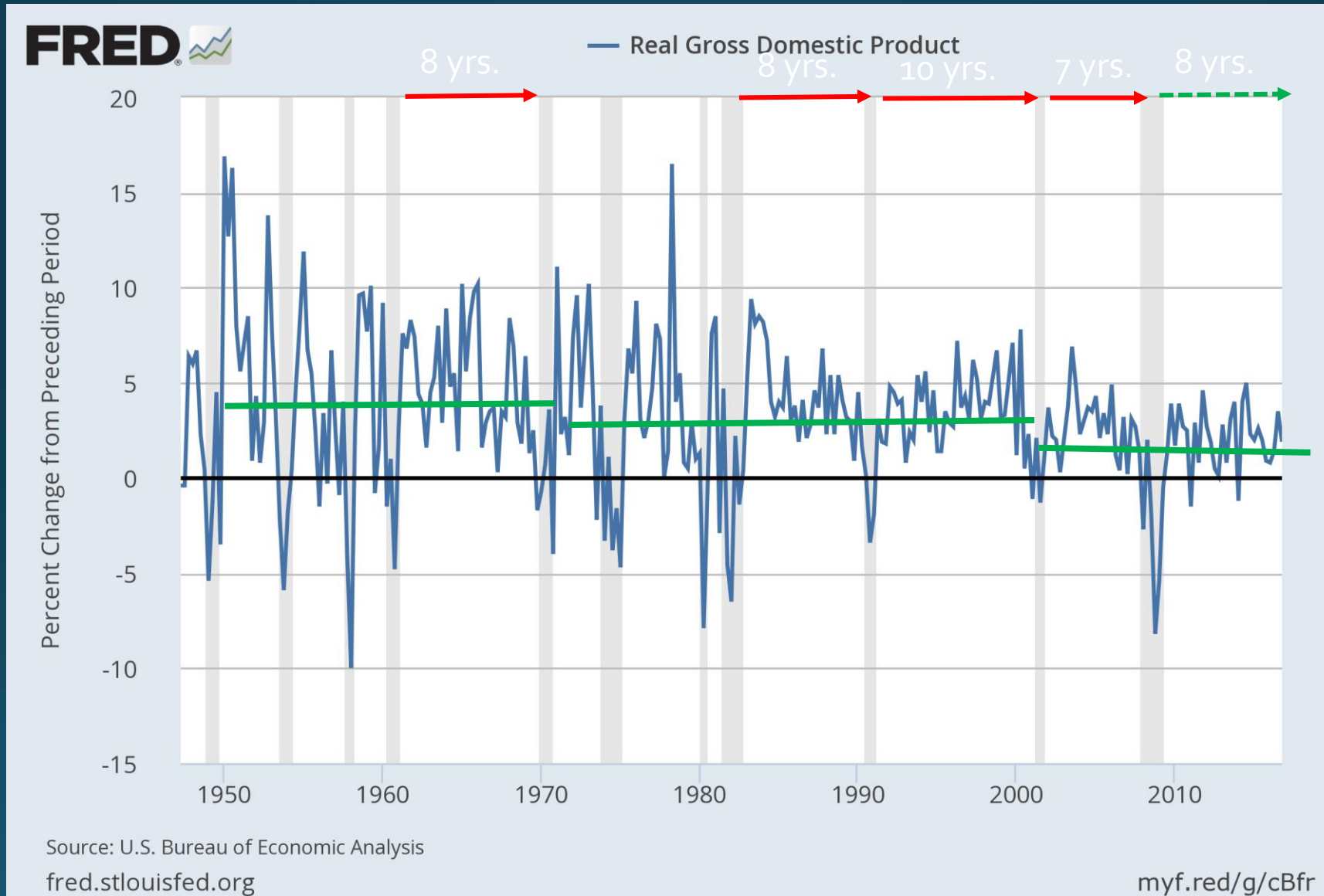


Key question:

Is the economy geared to rapidly return to trend (with positive implications for both the stock market and the construction industry?)

Or are we condemned to slow growth for a long period?

US Slowdown in Growth Long Term Phenomenon



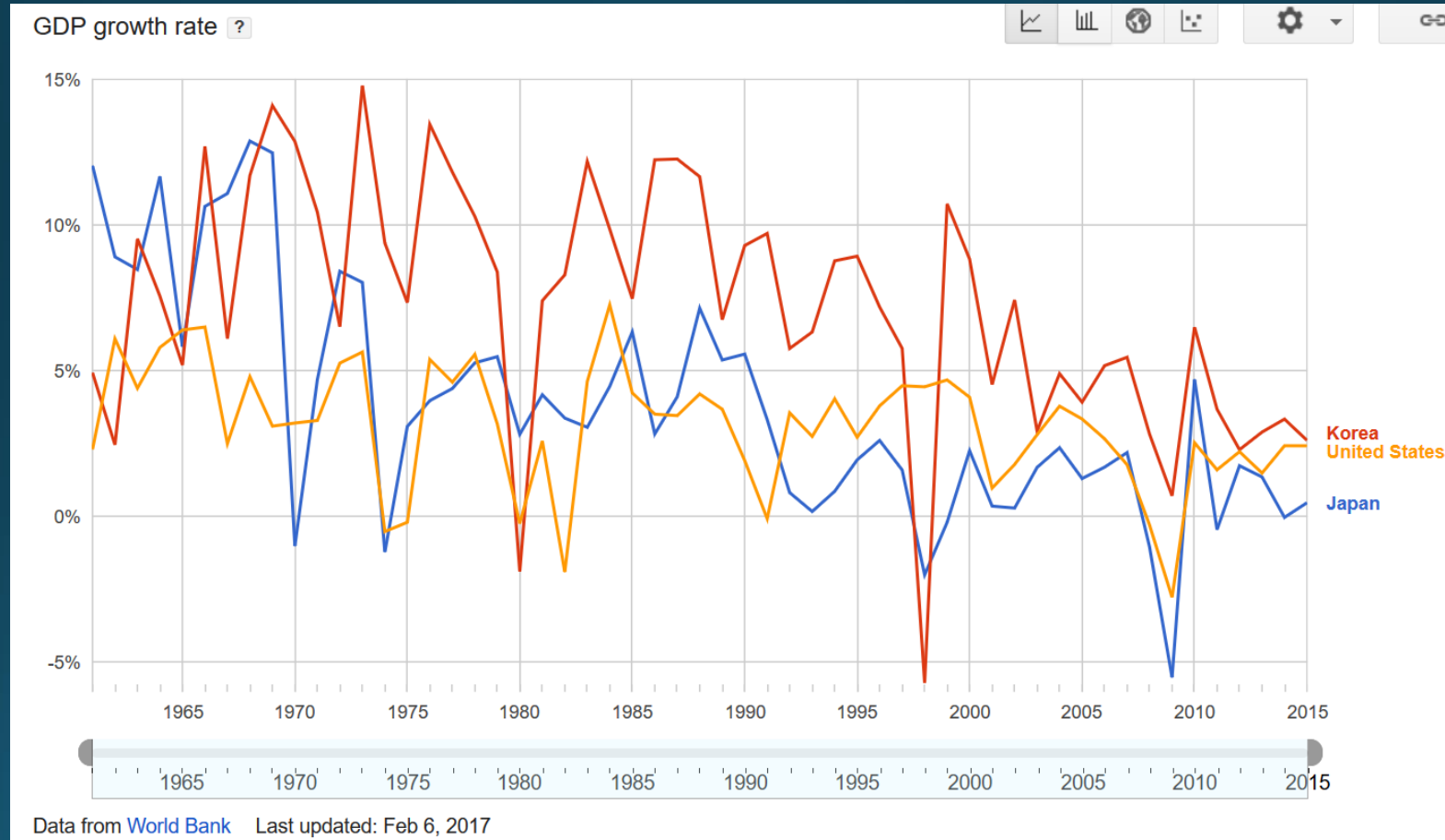
Real GDP Growth:

1950-1970 4.5%

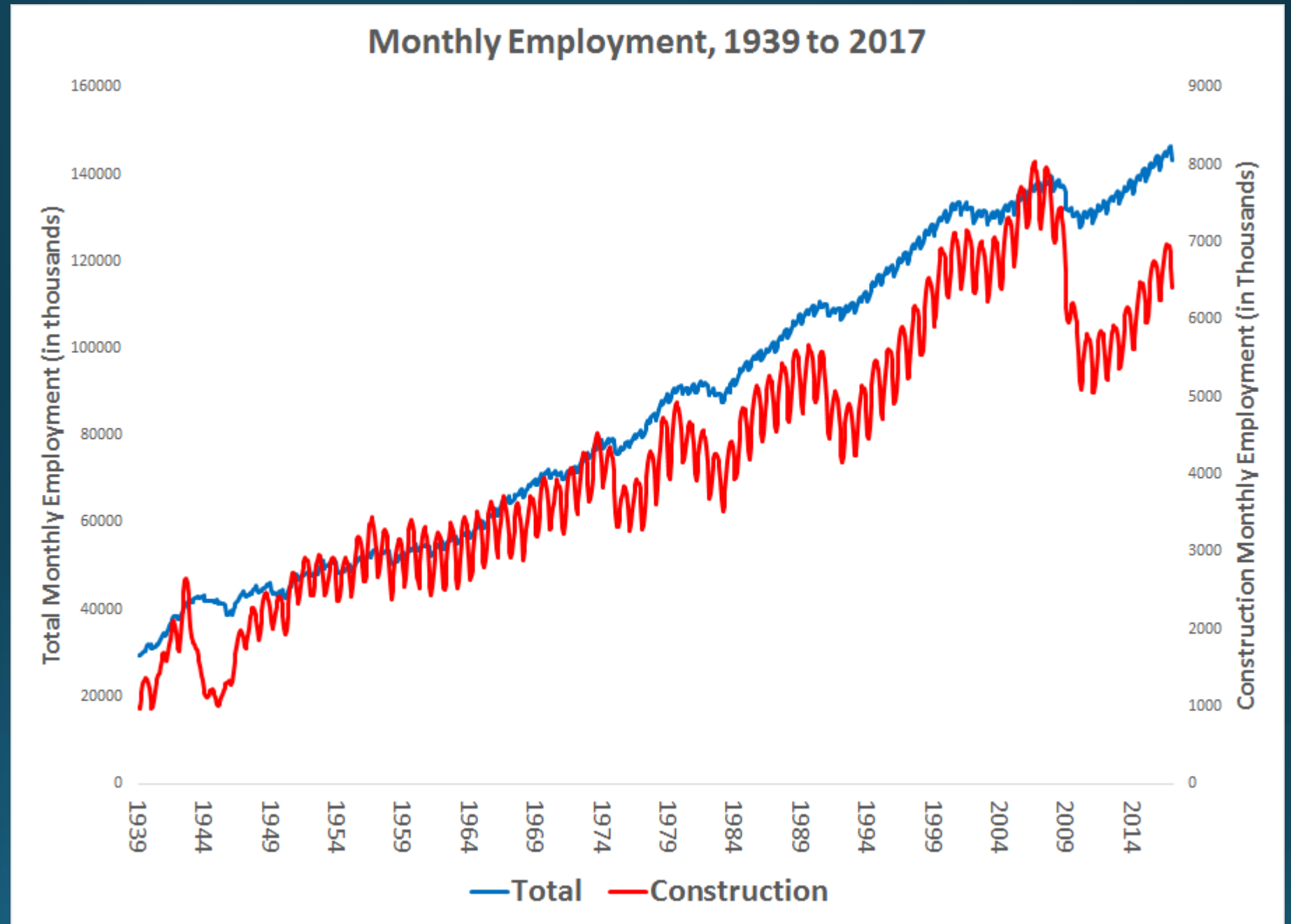
1970-2000 3.4%

2000-2016 1.9%

Long Term World-Wide Slowdown

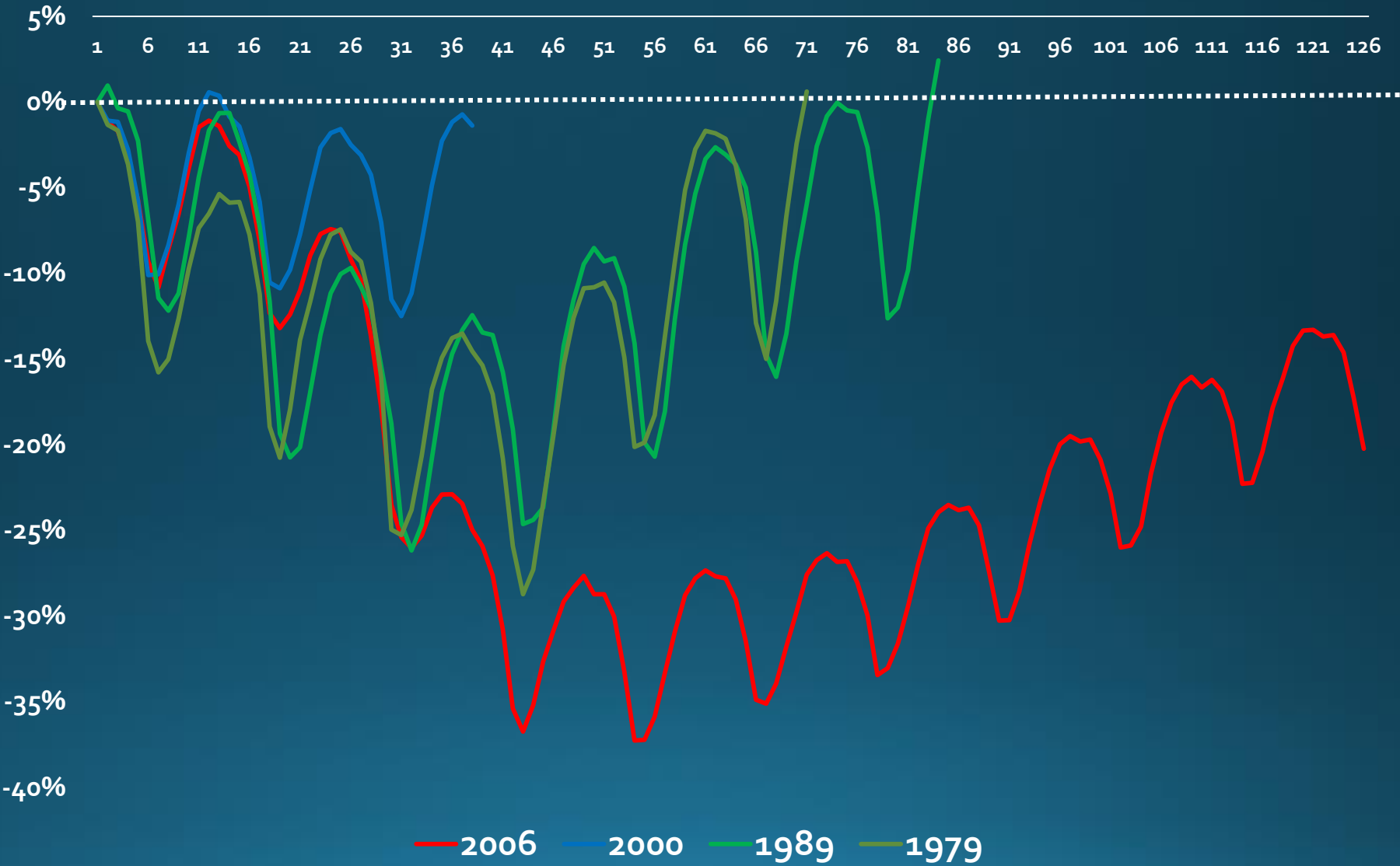


Construction Employment Recovery Lags the Overall Economy

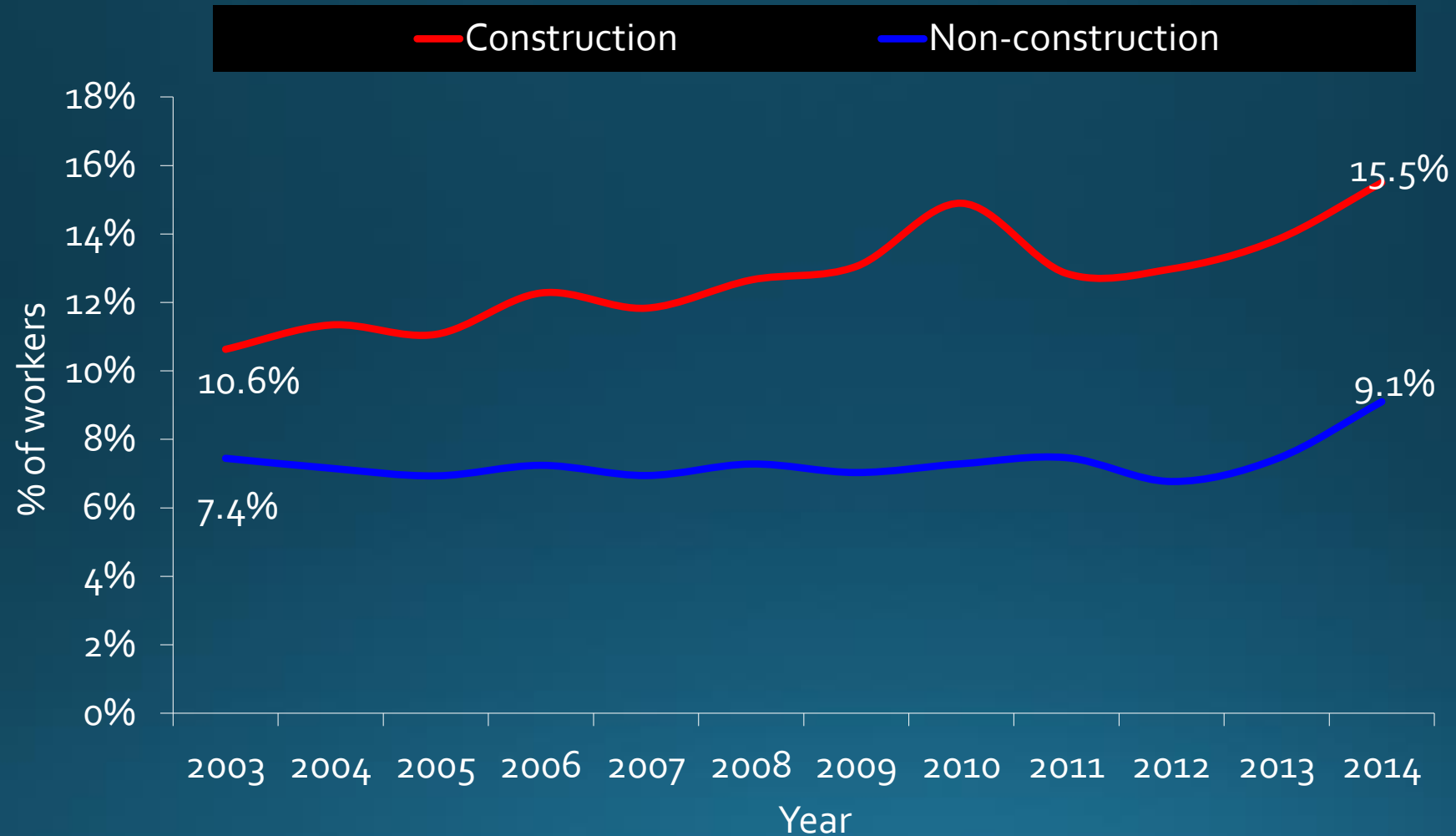


Construction
Employment Recovery
Lags Previous
Construction Recoveries

Months Construction Employment Below Previous Peak: Last Four Recessions



21a. Percentage of workers who were temporary workers, construction vs. non-construction, 2003-2014

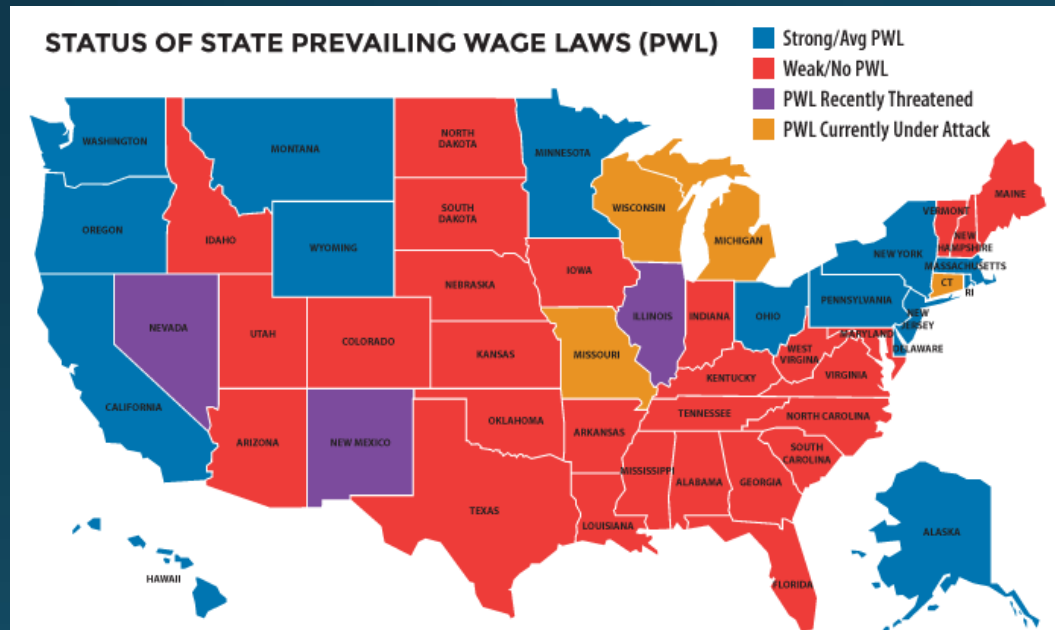


De-Regulation of Labor Market

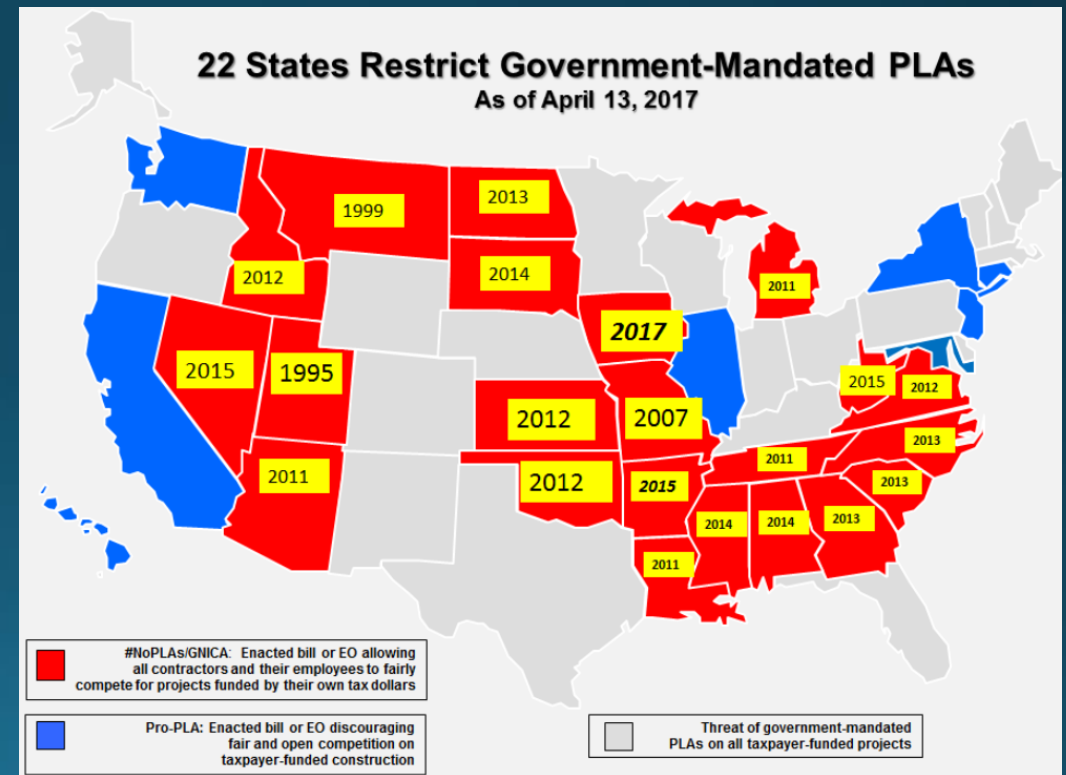
- Indiana, Kentucky and West Virginia repeal prevailing wage laws
- Wisconsin weakens law
- Missouri and Michigan fend off repeals
- 22 states restrict PLAs on state projects
- Federal PLAs bounce between Democratic & Republican administrations

Map of PWs & PLAs

PWs (Blue=strong/avg; Red=weak/no; purple/yellow=under attack)



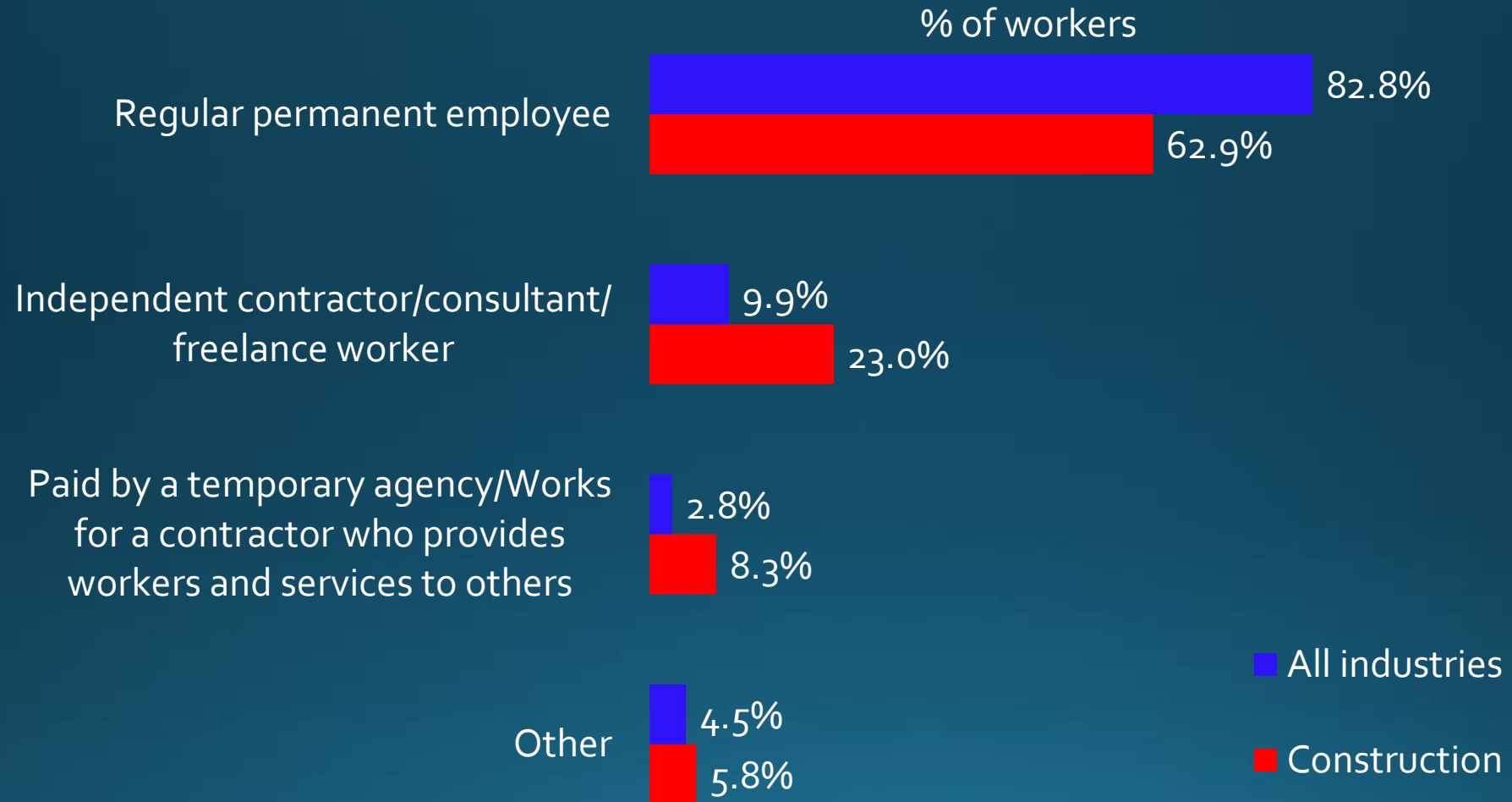
PLAs (Blue=promoted; Red=restricted)



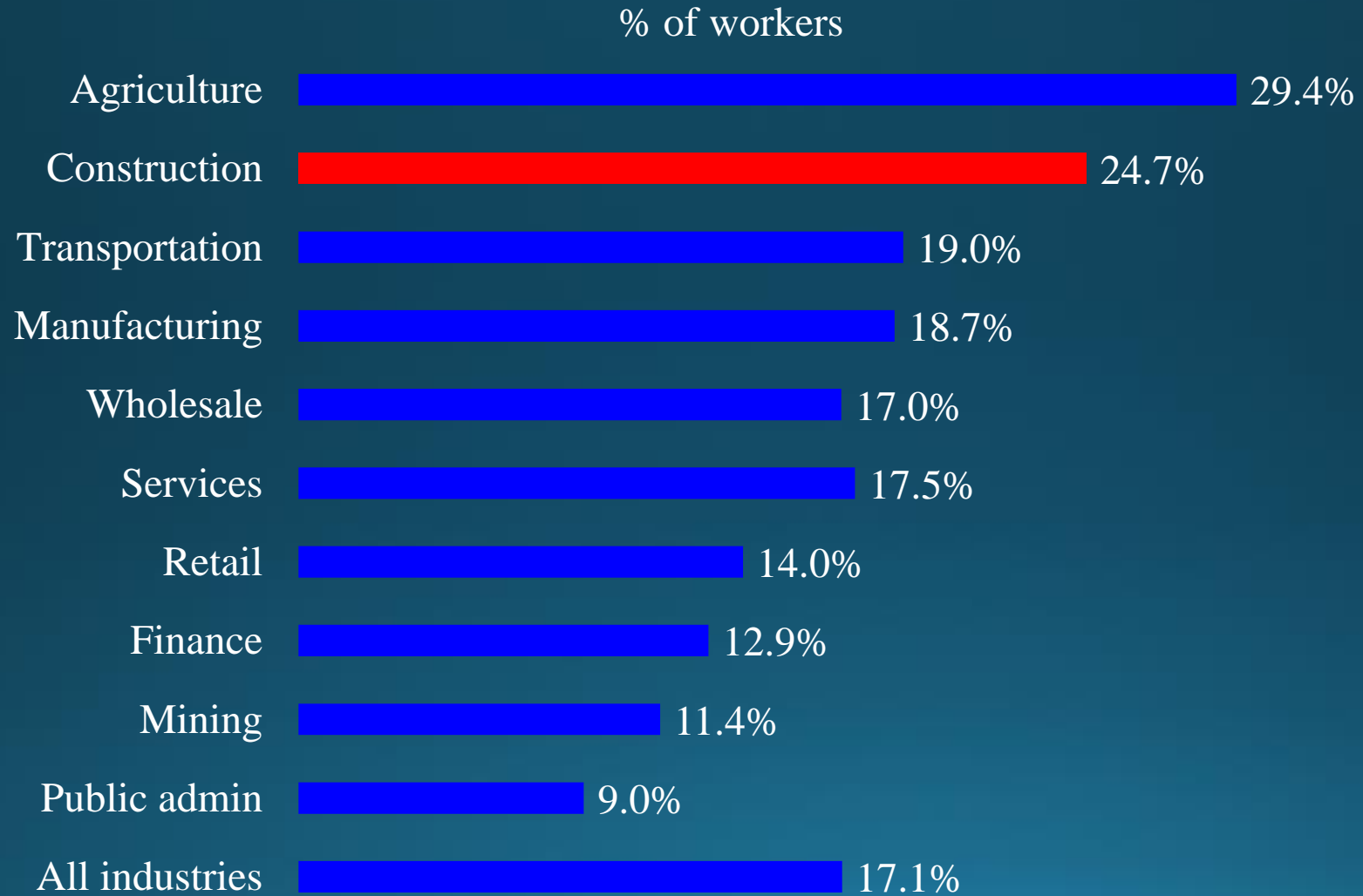
Structural Transformation of Construction Labor Market

- Increase in temporary, contingent, leased and independent contractor labor
- Increase of immigrant labor
- Increase of subcontracting and layers of subcontracting
- Decrease in labor market regulations
 - Prevailing wage laws
 - Project labor agreements
- Decrease in labor quality

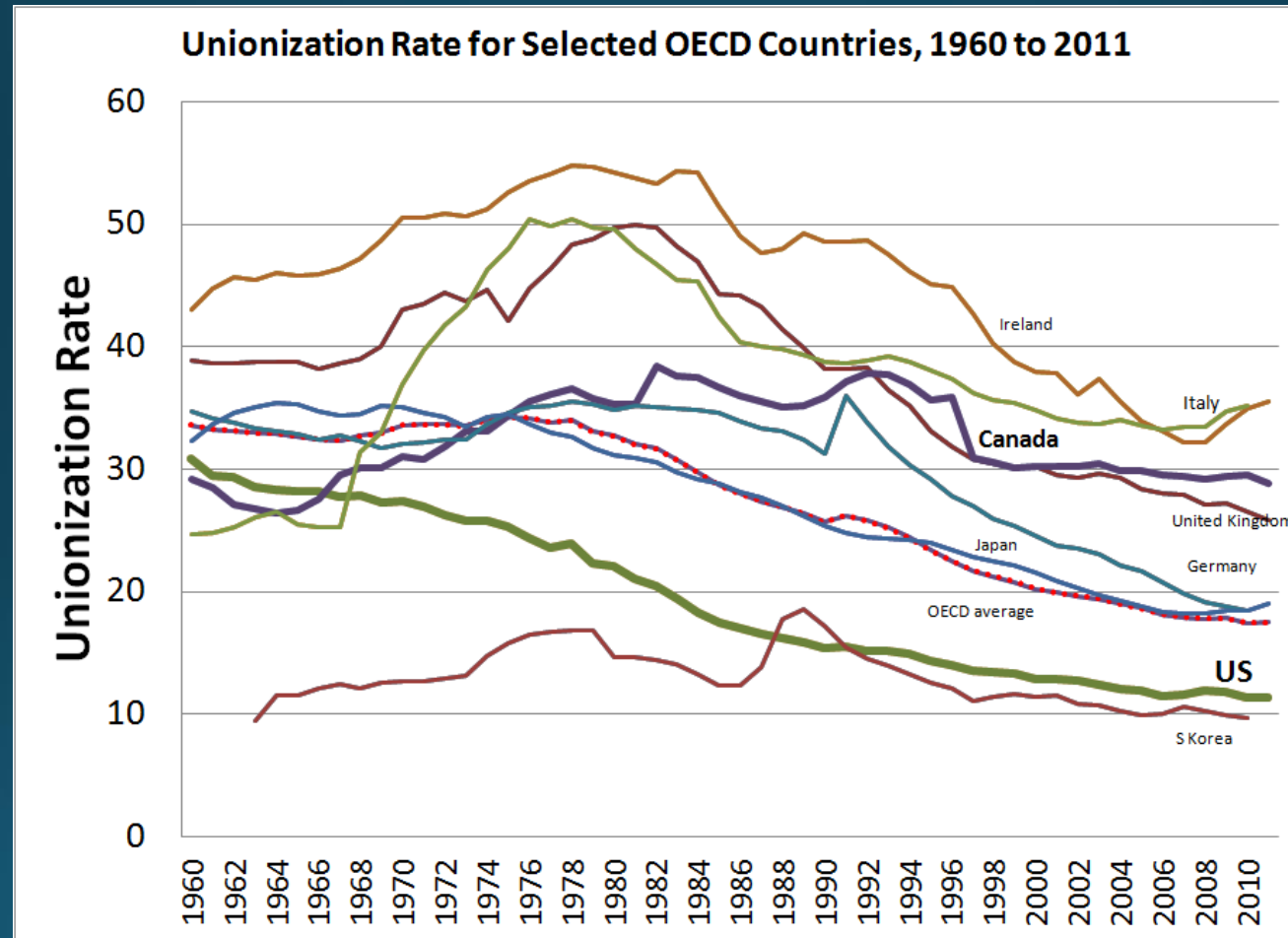
21c. Work arrangements, construction versus all industries, 2015



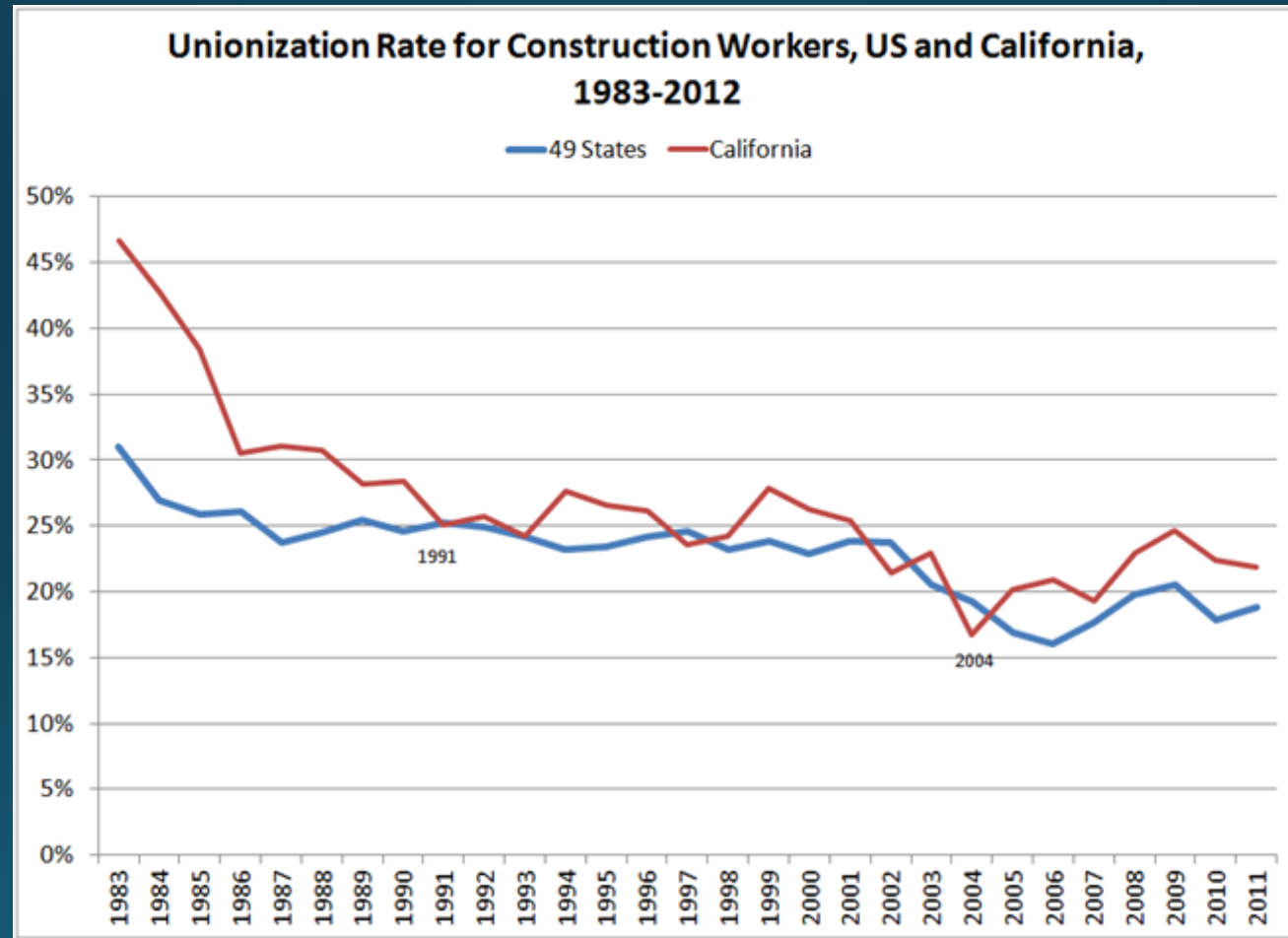
15a. Percentage of foreign-born workers, by industry, 2015
(All employment)



Decline of Unions Worldwide



Construction Union Decline



Where's the Good News?

PW Status	Value of Training Assets			Blue Collar Construction Workers
	Nonunion	Union	Total	Total
no law	\$61,641,982	\$367,812,075	\$429,454,057	1,363,994
law	\$180,304,484	\$2,289,733,506	\$2,470,037,990	2,866,720
Total	\$241,946,466	\$2,657,545,581	\$2,899,492,047	4,230,714
no law	2%	13%	15%	32%
law	6%	79%	85%	68%
Total	8%	92%	100%	100%



Technology and Public Investment

- Infrastructure investment may speed recovery
- Energy infrastructure transformation favors electrical industry
- Futuristic technologies favors adaptive apprenticeship systems
 - Construction robotics
 - Smart roads
- Left/right populism may stall deregulation
- Everybody loves training (but everyone can't do it)
 - Job training through apprenticeships is a priority for Trump, Labor secretary says (LA Times May 19, 2017)

Bears and Bear Markets

