MONTHLY EDUCATIONAL JOURNAL OF THE FOUNDATION OF THE AMERICAN SUBCONTRACTORS ASSOCIATION

AUGUST 2026

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FASA'S

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THE CONTRACTOR'S COMPASS

FEATURES

DEPARTMENTS

EDITORIAL PURPOSE
The Contractor's Compass is the monthly educational journal of the Foundation of the American Subcontractors Association, Inc. (FASA) and part of FASA's Contractors' Knowledge Network. FASA was established in 1987 as a 501(c)(3) tax-exempt entity to support research, education and public awareness. Through its Contractors' Knowledge Network, FASA is committed to forging and exploring the critical issues shaping subcontractors and specialty trade contractors in the construction industry. The journal is designed to equip construction subcontractors with the ideas, tools and tactics they need to thrive. The views expressed by contributors to The Contractor's Compass do not necessarily represent the opinions of FASA or the American Subcontractors Association, Inc. (ASA).

MISSION
To educate and equip subcontractors and suppliers with the education and resources they need to thrive in the construction industry. Additionally, FASA raises awareness about issues critical to and about construction in the United States.

SUBSCRIPTIONS
The Contractor's Compass is a free monthly publication for ASA members and nonmembers. For questions about subscribing, please contact communications@asa-hq.com.

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EDITORIAL SUBMISSIONS
Contributing authors are encouraged to submit a brief abstract of their article idea before providing a full-length feature article. Feature articles should be no longer than 1,500 words and comply with The Associated Press style guidelines. Article submissions become the property of ASA and FASA. The editor reserves the right to edit all accepted editorial submissions for length, style, clarity, spelling and punctuation. Send abstracts and submissions for *The Contractor's Compass* to communications@ASA-hq.com.

ABOUT ASA
ASA is a nonprofit trade association of union and non-union subcontractors and suppliers. Through a nationwide network of local and state ASA associations, members receive information and education on relevant business issues and work together to protect their rights as an integral part of the construction team. For more information about becoming an ASA member, contact ASA at 1004 Duke St., Alexandria, VA 22314-3588, (703) 684-3450, membership@ASA-hq.com, or visit the ASA Web site, www.asaonline.com.

PRESIDENT'S LETTER

Dear Readers—

As summer begins to wind down, many of us are wondering where the time went. The long days, vacations and family activities will soon give way to new school schedules, busier calendars, and the familiar push to finish the year strong.

Of course, the end of summer does not necessarily mean the end of summer weather. August and September can bring everything from extreme heat and heavy rain to tropical storms and hurricanes. For those of us in construction, uncertainty is part of the job. Weather conditions can disrupt schedules, affect productivity, and create new safety concerns with little warning. While we cannot control the forecast, we can prepare our teams, communicate clearly and remain flexible when conditions change.

That same ability to prepare and adapt is essential when addressing one of our industry's most pressing challenges: building and maintaining a skilled workforce - which is the focus of this month's issue of The Contractor's Compass.

The tools, technologies and expectations shaping construction continue to evolve. At the same time, experienced workers are retiring, companies are competing for qualified employees and the next generation is considering what our industry has to offer. Hiring good people is only part of the solution. We must also invest in the people already on our teams by providing opportunities for training, professional development and advancement.

Upskilling strengthens our companies from within. It helps employees work more safely and efficiently, prepares future supervisors and leaders, and demonstrates that construction offers more than a job—it offers a long-term career. Whether through apprenticeships, certifications, mentoring, technology training or leadership development, every investment we make in our employees helps build a stronger and more resilient industry.

Workforce development, as well as other relevant topics, will be an important part of the conversations taking place at our upcoming convention, ***SUBExcel,*** September 29 through October 1 in Bonita Springs, Florida. This annual gathering is an opportunity to step away from the demands of our daily schedules and focus on the broader issues affecting our businesses and our industry.

In addition to educational sessions and professional development, the convention provides something equally valuable: the chance to connect with other subcontractors, suppliers and industry leaders who understand the challenges you face. Some of the best ideas come not only from formal presentations, but also from conversations between sessions, over dinner or during a chance meeting with someone who has faced—and solved—a similar problem.

I encourage you to join us in Bonita Springs. Bring your questions, share your experiences, and take advantage of the opportunity to learn from colleagues from across the country. Whether you are looking for new approaches to workforce development, ways to strengthen your company or simply an opportunity to reconnect with industry friends, the convention offers tremendous value.

As we move through the final weeks of summer, let us remain attentive to changing conditions, committed to the safety of our teams and focused on preparing our workforce for the future. I look forward to seeing many of you in Florida.

Tony Vermaas

President ASA 2026-27

president@asa-hq.com

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ASA Backs NDAA Amendment to Codify Beneficial Ownership Information Exemption

ASA, along with National Federation of Independent Business (NFIB), sent a letter to House and Senate leadership backing an amendment to the Fiscal Year 2027 National Defense Authorization Act (H.R. 8800) offered by Reps. Davidson (R-OH) and Fischbach (R-MN) Amendment 1223 would codify a federal exemption from beneficial ownership information (BOI) reporting requirements for U.S. small businesses and eliminate associated reporting obligations.

The BOI mandate, enacted in the 2021 NDAA, currently applies to approximately 32.6 million small businesses. Supporters of the amendment argue that recent regulatory changes by the Treasury Department have already exempted American small businesses from the requirement and that Congress should make that exemption permanent through legislation.

In March 2025, the Treasury Department issued an interim final rule exempting U.S. small businesses from BOI reporting requirements, an action the administration characterized as a major deregulatory step. Supporters of the policy estimate it reduced compliance costs by more than $128 billion. However, advocates of codification argue that

The Concrete Sawing and Drilling Association (CSDA) will hold its Fall meeting in downtown Indianapolis at the Sheraton Indianapolis City Centre, September 9-11, 2026.

The day before the meeting officially starts, CSDA Board members will proactively be meeting with CSDA members in the greater Indianapolis area by visiting their facilities. The goal of this personal outreach is to share with them CSDA activities in addition to getting their input and ideas on potential new programs or services for the Association.

without congressional action, the exemption could be reversed by future administrations, reinstating reporting obligations and associated penalties.

The House Financial Services Committee has already advanced legislation that would codify the exemption and direct the Financial Crimes Enforcement Network (FinCEN) to eliminate previously collected BOI data for affected U.S. businesses. The Davidson and Fischbach amendment would incorporate similar language directly into the NDAA.

Farm Labor Bill Signals Broader Direction for Heat Illness Prevention Standards in Construction

A newly introduced agricultural workforce bill in Congress could have implications that extend well beyond the farming industry, offering insight into the direction federal policymakers may take on workplace heat safety requirements across other labor-intensive sectors, including construction.

Representative Glenn "GT" Thompson (R-PA), Chairman of the House Agriculture Committee, recently introduced the Securing Agriculture's Workforce Act of 2026 (SAWA), a comprehensive proposal to modernize the federal H-2A agricultural guest worker program. While the legislation is primarily focused on addressing agricultural labor shortages, one provision has attracted attention from employers across multiple industries: the establishment of mandatory heat illness prevention plans.

Under the legislation, employers participating in the H-2A visa program would be required to develop and maintain a written heat illness prevention plan for their workers. The plan must include prevention measures that are at least as protective as applicable federal and state requirements and establish clear procedures for worker training, access to drinking water and shaded rest areas, scheduled breaks during periods of excessive heat, and emergency response protocols in the event of heat-related illness.

In addition, employers would be required to provide the heat illness prevention plan to employees before their first day of work. The plan must be available in English and, where a significant portion of the workforce is not proficient in English, translated into a language workers understand to ensure they can fully comprehend workplace safety procedures.

Although the legislation applies specifically to agricultural employers utilizing the H-2A visa program, construction industry stakeholders are closely monitoring the proposal. Construction workers, like agricultural laborers, perform physically demanding work outdoors and are among the occupations most vulnerable to heat-related illnesses during the summer months.

The bill also aligns with broader federal efforts to strengthen workplace protections against extreme heat. The Occupational Safety and Health Administration (OSHA) has been advancing a nationwide heat injury and illness prevention standard that would establish similar employer responsibilities across industries. As Congress and federal regulators continue to focus on worker safety in high-temperature environments, many of the concepts included in the agricultural legislation—written prevention plans, employee training, access to water and shade, rest breaks, and emergency response procedures—mirror the types of requirements that construction employers could ultimately face under future federal regulations.

For construction contractors and project owners, the legislation serves as another indication that proactive heat safety planning is becoming an increasingly important component of workforce management and regulatory compliance. Companies that already maintain comprehensive heat illness prevention programs may be better positioned should OSHA finalize a national heat standard or Congress pursue broader workplace safety legislation.

While the SAWA remains under congressional consideration, its workplace safety provisions offer an early glimpse into the evolving expectations surrounding employer responsibility for protecting workers from heat-related hazards—a trend that construction employers should continue to monitor closely.

How Are Today's Workforce Challenges Impacting Your Firm?

AGC of America, in partnership with NCCER, is asking you to take a few minutes to complete their annual **Workforce Survey**.

This year's survey will help them better understand the current state of the construction labor market, including workforce shortages, the growing impact of data center construction on labor availability, and how changes in immigration enforcement, tariffs and other market conditions are affecting contractors and their operations.

Your responses will help AGC advocate for policies that support the construction industry in Washington and in the states where you do business.

[Take Survey]

Your responses will remain confidential and only aggregated results will be reported. The findings will help them educate policymakers, the media, educators and business leaders about the workforce and market challenges facing the industry. The more contractors who participate, the more accurately they can tell the industry's story and advocate on your behalf.

The survey will remain open through Friday, August 14, and AGC plans to release the results during the week before Labor Day.

Thank you in advance for your participation and support. If you have any questions about the survey, please contact Brian Turmail at (703) 459-0238 or brian.turmail@agc.org.

BIM Has Changed. So Has AGC's BIM Program.

Join AGC for a first look at the updated Building Information Modeling (BIM) Fourth Edition and how it helps you lead BIM across the full project lifecycle. In this preview on August 25, you'll see how the new edition helps you:

- Plan and manage BIM more effectively across projects
- Improve coordination before work begins
- Reduce risk and make better decisions in real time
- Drive stronger collaboration across teams

You'll also see how the program connects to the knowledge behind the CM-BIM credential and what that means for your next step.

Whether you're managing projects, leading VDC efforts, or building toward CM-BIM, this is where the new BIM standard starts.

If BIM is part of your team's roadmap, this preview is a smart place to start.

More Info

NAWIC Announces Partnership with American Foundation for Suicide Prevention

Through a new partnership agreement, the National Association of Women in Construction (NAWIC) will collaborate with the American Foundation for Suicide Prevention (AFSP) on amplifying the Hard Hat Courage initiative. According to the agreement, "Hard Hat Courage was built into confront the high rates of suicide in the construction community and evolve the industry to one that prioritizes mental health alongside physical safety. Engineered to scale, the cross-industry initiative will arm companies of all sizes with construction-specific mental health and suicide prevention resources and education." As a partner with AFSP, NAWIC expects to promote several activities, including:

- Incorporating Hard Hat Courage resources onto NAWIC's industry resource hub web page.
- Co-hosting a Mental Health & Suicide Prevention virtual event and Talk Saves Lives Construction training during relevant awareness activities.
- Incorporate the vetted subject matter experts from Hard Hat Courage as industry speakers for NAWIC's professional development training programs and initiatives
- Include Hard Hat Courage to participate as a charitable partner in the Luxe Lane: Strike & Style Community Fundraiser. This event will be hosted by NAWIC on Thursday, August 13, 2026, during NAWIC's 71st Annual Conference in Reno, NV.

Include the Hard Hat Courage executive team as active participants in the NAWIC Construction Congress, a solution focused invite-only gathering of industry-top-level construction experts and companies on August 11, 2026, in Reno, NV.

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Baltimore Chapter Growth Shows the Power of Investment, Energy, and Follow Through

Sometimes growth happens because of one big decision. More often, it happens because the right people, timing, tools and follow-through all come together at once.

For ASA Baltimore, the past year has been a clear example of what can happen when a chapter commits to growth — and then backs that commitment with action.

The chapter's recent momentum began with a strategic decision by the board to invest in marketing support. The board initially agreed to a three-month run with Erica Jablonsky of Parkway Solutions, LLC, from April through June 2025. That short-term investment quickly proved its value. During the budget process for 2026-2027, the board made the decision to include a full 12-month run.

It was exactly the kind of investment the chapter needed, at exactly the right time.

That marketing support helped fuel a year of new events, new prospects, new members, higher attendance, and stronger follow-up. It also brought a fresh sense of energy to the chapter. Erica Jablonsky and Casie Pellegrini, Baltimore Chapter's past president, both added what one chapter leader described as "youthful energy" — the kind of drive, pace, and outreach that helped create excitement and visibility around ASA Baltimore.

Both Erica and Casie were willing to commit their own professional networks to ASA, making connections, and open-ing doors that might otherwise have stayed closed. That mattered — but the chapter was also ready to deliver. Once new prospects came through the door, ASA Baltimore had the programming, member engagement, and community value to keep them interested. That combination helped the chapter achieve 26% growth over the past year.

One of the clearest signs of opportunity came from a prospect who said, "I didn't even know that ASA Baltimore existed."

Rather than seeing that as a setback, the chapter saw it as a call to action. If strong potential members were not aware of ASA Baltimore, then the answer was not just more programming — it was more visibility, more communication and more consistent promotion.

LinkedIn became one of the chapter's most effective tools. In just 15 months, ASA Baltimore grew its LinkedIn following from 123 to 900. That did not happen by accident. The chapter began posting three times per week, with con-tent focused on new members, upcom-ing events, member news, reposts and connections

with other ASA offices and key industry influencers.

The chapter also made intentional use of LinkedIn's tagging function. Active mem-bers were tagged in posts and reposts, which increased engagement and helped expand the chapter's reach. Posts were designed not only to inform, but to invite responses and interaction.

As the chapter became more visible, event attendance began to climb. Guests and members started coming because events were selling out. Word spread. Momentum built. The sense that "something is happen-ing here" became one of the chapter's strongest recruitment tools.

But ASA Baltimore's growth was not just about getting people into the room. It was about what happened once they arrived.

Guests were welcomed intentionally. They were introduced to board members. Chapter leaders took the time to find out who their potential clients might be and then made meaningful introductions. That kind of personal attention helped prospects experience the value of ASA immediately, rather than simply hearing about it.

The chapter also strengthened its follow-up. Targeted emails were sent to prior guests and members to continually promote upcoming events and remind people of opportunities to participate. Communication was consistent, repeated and direct.

That follow-through became one of the keys to growth. More events created more prospects. More prospects created more conversations. More conversations created more follow-up. And that follow-up created more members.

The pace made it one of the most challenging years for chapter leadership, but also one of the most rewarding.

For other chapters looking to build similar momentum, ASA Baltimore's experience offers several practical lessons.

First, **overcommunicate**. Members and prospects need to hear about events more than once, and they need to hear from the chapter in multiple ways. Email, LinkedIn, personal outreach and board engagement all work together.

Second, **bring key board members into prospect calls** with the Executive Director or membership staff. This gives board members the opportunity to learn directly from ASA staff, build confidence and become stronger ambassadors for the association.

Third, **use LinkedIn strategically**. Tag active members. Repost member news. Highlight events. Share content that encourages responses. Social media works best when it feels connected to real people and real activity.

Fourth, **share the chapter calendar as early as possible**. Many associations do not post their full calendar far in advance, but early promotion makes a difference. "Save the Date" announcements allow members and pros-pects to put future events on their radar and make plans to attend. The sooner registration opens and promotion begins, the better the opportunity to build attendance.

ASA Baltimore's growth did not come from one tactic alone. It came from a board willing to invest, leaders willing to open their networks, consistent marketing, stronger communication, meaningful events and intentional follow-up.

Most of all, it came from a chapter that was ready to meet the moment.

The result was not only 26% growth, but a renewed sense of energy, visibility and connection — proof that when a chapter invests in itself and invites others in, the community responds.

Welcome

NEW ASA MEMBERS!

Welcome to ASA —we're glad to have you join our community of dedicated subcontractors and industry partners. Together, we share resources, advocate for a stronger business environment, and create opportunities to learn, grow, and succeed. We look forward to welcoming you at upcoming events and hearing your voice and your priorities in shaping the future of our industry.

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- ALBD Electric & Cable
- Archimedes Metals
- Berg Demo
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- Colorado Pavement Solutions
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- Copper Key Electrical Solutions LLC
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Construction Data & Figures

Rider Levett Bucknall (RLB) has released its second quarter 2026 Quarterly Construction Cost Report (QCR)

The report highlights a period of strategic alignment and healthy stabilization across the North American construction market.

Current data confirm that construction cost inflation has settled into a sustainable quarterly pace of approximately 1%, allowing developers to advance long-term capital investments with greater clarity.

RLB's tracking shows an industry grounded in steady progress and structural strength. Driven by a major influx of data center developments, infrastructure assignments, healthcare facilities, and educational construction, the national construction backlog indicator rose to 8.8 months this quarter. This robust pipeline provides a substantial runway of work for commercial and industrial contractors moving into the second half of the year.

"As we navigate localized transport and fuel pressures this quarter, our overarching outlook remains decisively optimistic," stated Paul Brussow, President of Rider Levett Bucknall North America. "Contractors across all size categories continue to report high confidence, and by leveraging hyper-local intelligence alongside proactive project controls, owners and developers are successfully advancing their pipelines with strong cost control."

Key Trends from the Second Quarter 2026:

- A Market of Healthy Realignment: Construction cost patterns show a healthy distribution rather than a broad market shift. Vibrant urban markets like Honolulu (5.93% annual change), Phoenix (5.30%), and Miami (4.99%) continue to lead cost growth. Meanwhile, key metropolitan zones have established stable, predictable pricing baselines, including Chicago at 1.42%, Dallas at 3.88%, and Washington DC at 4.01%.
- Canadian Infrastructure Surges: Non-residential investment in Canada remains highly active. Alberta's energy sector has served as a powerful economic catalyst, maintaining major construction momentum over the last few years. Concurrently, Ontario's market continues to show resilience, supported by a 16% increase in public-sector spending on major infrastructure initiatives, such as the Darlington Small Modular Reactor project, helping offset modest homebuilding trends.
- Navigating Logistics Volatility: Supply-side updates indicate that current project budget pressures stem from rising transportation and fuel costs rather than broader material or labor shortages. The re-routing of global shipping lanes due to conflicts in the Middle East has placed direct upward pressure on energy prices. RLB notes that while these logistical shifts require close observation to avoid localized transit delays, overall contractor sentiment remains positive across all sectors.

Strategic Outlook

RLB emphasizes that broad national averages can mask localized market behaviors. To achieve success in a market defined by regional variation, owners and developers must utilize precise, hyper-local intelligence. By optimizing procurement strategies early, building flexible cost models to isolate logistical risks, and incorporating robust project controls, developers can successfully protect project margins.

The full report can be accessed at: 2026 Quarterly Construction Cost Report (QCR),

The Non-Residential Construction Index (NRCI) rose to 55.1 in Q3 2026, up from 53.4 in Q2, as sentiment firmed across most components and moved the index further into expansion territory.

Views on the overall U.S. and the local economies where respondents operate both strengthened to 54.3 and 56.9, respectively, holding comfortably above the midline. Expectations for their own construction businesses remained the strongest component at 70.7, up from 65.2 in Q2, while sentiment toward construction activity in their local markets improved to 64.7. Backlog expectations climbed to 69.8 from 64.3, signaling solid workload visibility into the back half of the year. Cost input readings fell sharply, with materials at 16.4 and labor at 19.8, both well below 50.0 and signaling broad expectations of further cost escalation. Lastly, productivity dipped just below the neutral line to 49.1 as efficiency gains proved hard to sustain.

This index, typically found in the North American Engineering and Construction Outlook report, is being published as soon as it's available. The full report will be released in the coming weeks. Our survey participants enable us to provide vital insights into current trends and market conditions. If you're interested in contributing, we encourage you to fill out the NRCI sign up form.

The Civil Industry Construction Indicator (CICI) recovered to 52.3 in Q3 2026 from 50.1 in Q2, reflecting a broad firming in sentiment across civil infrastructure markets.

Respondents were mixed on the broader U.S. economy, with views on the overall slipping to 45.5 from 46.7, while sentiment toward the local economies where they operate improved to 51.8, back above the midline. Expectations for their own construction businesses rose to 59.1 from 54.2, as construction conditions in their local markets recovered to the neutral line. Backlog measures strengthened to 57.2 from 54.7, and the book-to-burn rate jumped to 57.4 from 48.9, pointing to refilling pipelines. Cost input readings stayed weak, with materials at 18.9 and labor at 21.7, both well below 50 and signaling broad expectations of further cost escalation. Productivity climbed to 52.8 from 50.0, extending a modest bright spot as crews maintained efficiency despite an uncertain demand outlook.

These index numbers, typically found in the Civil Infrastructure Construction report, are being released as soon as they're available. The full report will be available in the coming weeks. Our survey participants enable us to provide vital insights into current trends and market conditions. If you're interested in contributing, we encourage you to fill out the CICI sign up form.

The table (left) and accompanying arrows illustrate how individual components contribute to the overall index score compared to the prior quarter. For most components, scores above 50 signal healthy or expansionary market conditions quarter over quarter. Cost of materials and cost of labor are exceptions whereas lower values in these components indicate expectations for rising prices and serve as a counterbalance.

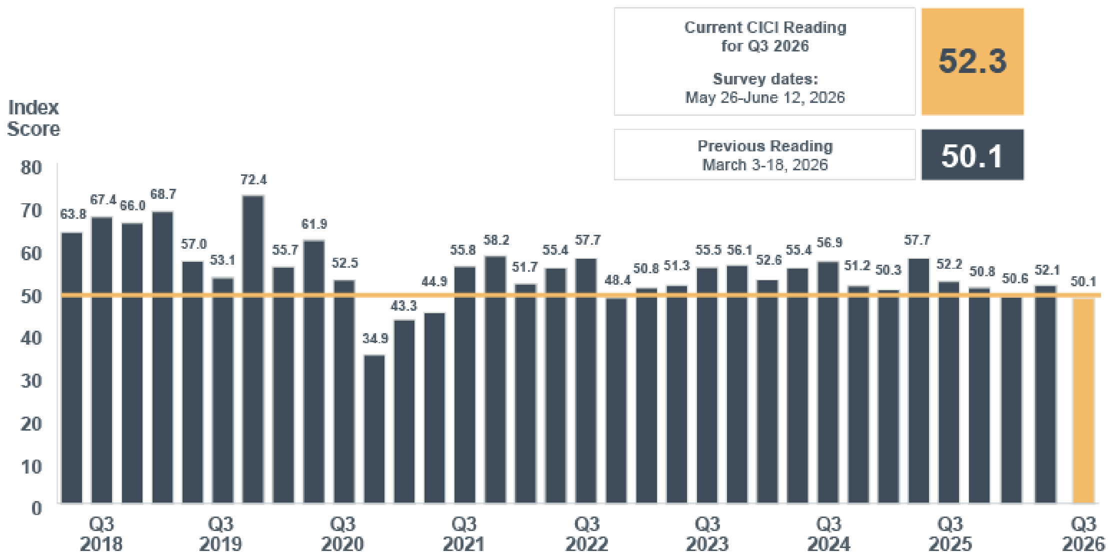
FMI'S CIVIL INFRASTRUCTURE CONSTRUCTION INDEX MOVEMENT

CICI INDEX MOVEMENT		Q3 2026	Q2 2026
Overall U.S. Economy	↓	45.5	46.7
Economy Where We Do Business	↑	51.8	49.0
Our Engineering and Construction Business	↑	59.1	54.2
Engineering and Construction Where We Do Business	↑	50.0	49.0
Backlog	↑	57.2	54.7
Book/Burn Rate	↑	57.4	48.9
Cost of Materials	↓	18.9	25.0
Cost of Labor	↓	21.7	23.9
Productivity	↑	52.8	50.0

SOURCE: FMI CIVIL INFRASTRUCTURE CONSTRUCTION INDEX Q3 2026

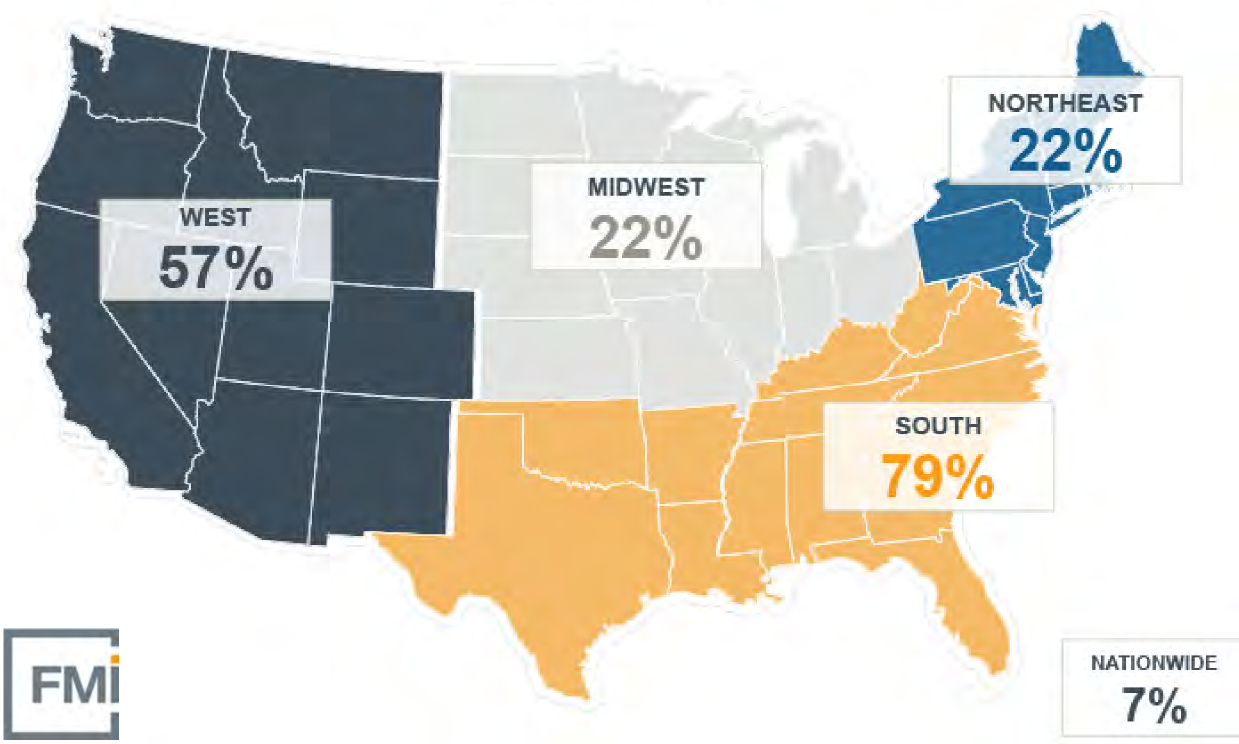
FMI'S CIVIL INFRASTRUCTURE CONSTRUCTION INDEX
Q1 2018 TO Q3 2026

(SCORES ABOVE 50 INDICATE EXPANSION; BELOW 50, CONTRACTION)



SOURCE: FMI CIVIL INFRASTRUCTURE CONSTRUCTION INDEX Q3 2026

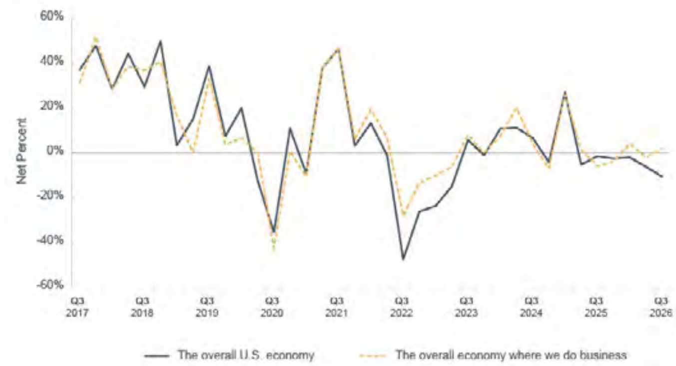
WHERE SURVEY PARTICIPANTS WORK
BY GEOGRAPHY*



SOURCE: FMI RESEARCH
*RESPONDENTS ARE ABLE TO SELECT MORE THAN ONE OPTION.

Construction Data & Figures

RESPONDENTS REPORTING IMPROVING ECONOMIC CONDITIONS
QUARTER OVER QUARTER

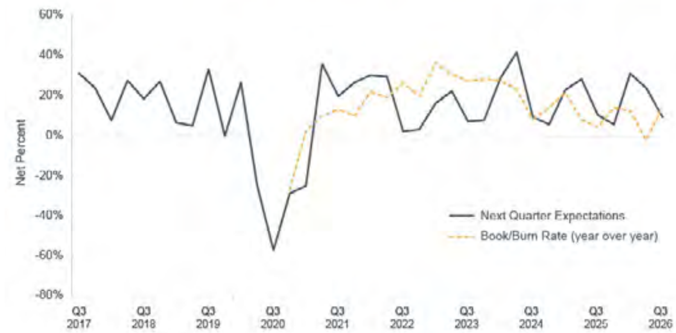


SOURCE: FMI RESEARCH

RESPONDENTS REPORTING IMPROVING BUSINESS CONDITIONS
QUARTER OVER QUARTER

SOURCE: FMI RESEARCH

RESPONDENTS REPORTING IMPROVING BACKLOGS
QUARTER OVER QUARTER

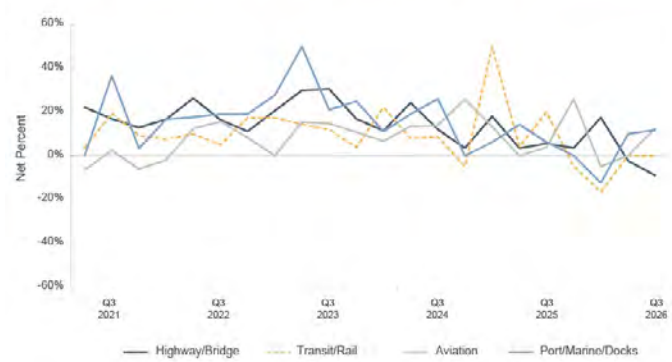


SOURCE: FMI RESEARCH

OTHER CIVIL INFRASTRUCTURE SEGMENTS
QUARTER OVER QUARTER

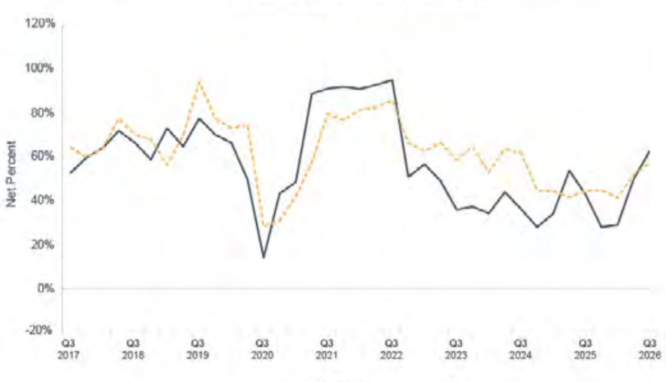
SOURCE: FMI RESEARCH

RESPONDENTS REPORTING IMPROVING SEGMENT CONDITIONS
QUARTER OVER QUARTER



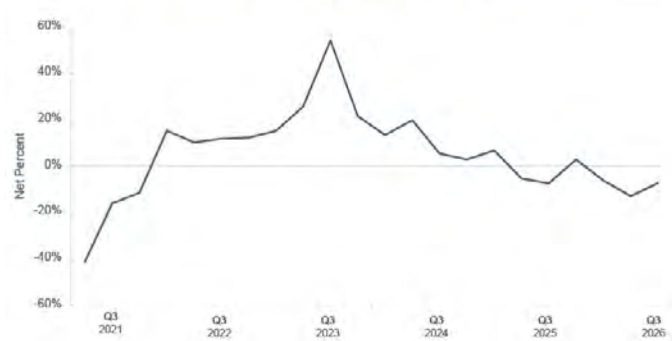
SOURCE: FMI RESEARCH

RESPONDENTS REPORTING INPUTS COST INCREASES
QUARTER OVER QUARTER



SOURCE: FMI RESEARCH

RESPONDENTS REPORTING INCREASED MARGINS
QUARTER OVER QUARTER



SOURCE: FMI RESEARCH

ABC's Construction Confidence Index readings for sales and staffing levels increased in June, while the reading for profit margins inched lower.

The readings for all three components remain above the threshold of 50, indicating expectations for growth over the next six months.

"While backlog declined in June, it's still longer than any point from September 2023 to April 2026," said ABC Chief Economist Anirban Basu. "This strength is the result of continued booming data center construction. The 13% of ABC members under contract to work on data centers have significantly higher backlog (11.0 months) than the 87% that are not (8.5 months). This trend is noticeable headwind for smaller contractors—just 8% of contractors with less than $100 million in annual revenues have data center work under contract, well below the 41% share of contractors with greater than $100 million in annual revenues.

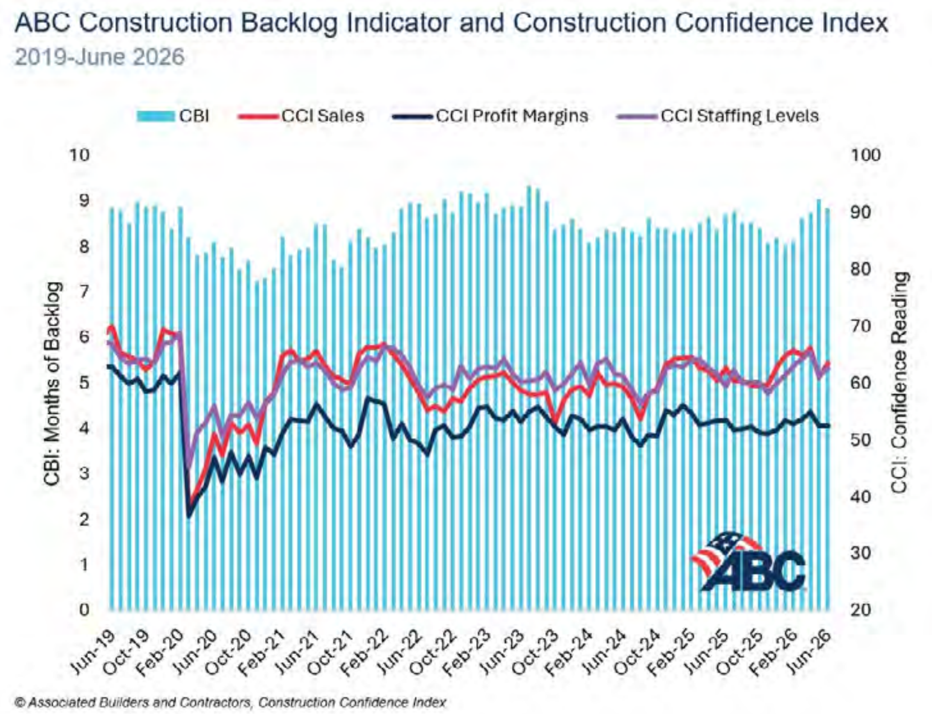
"The effect of rising input prices may be weighing on contractor profitability," said Basu. "Contractor confidence regarding profit margins fell to a seven-month low in June, though expectations remain above the prevailing level from the second half of 2025."

ABC's Construction Backlog Indicator Slips, Contractors Remain Confident in June.

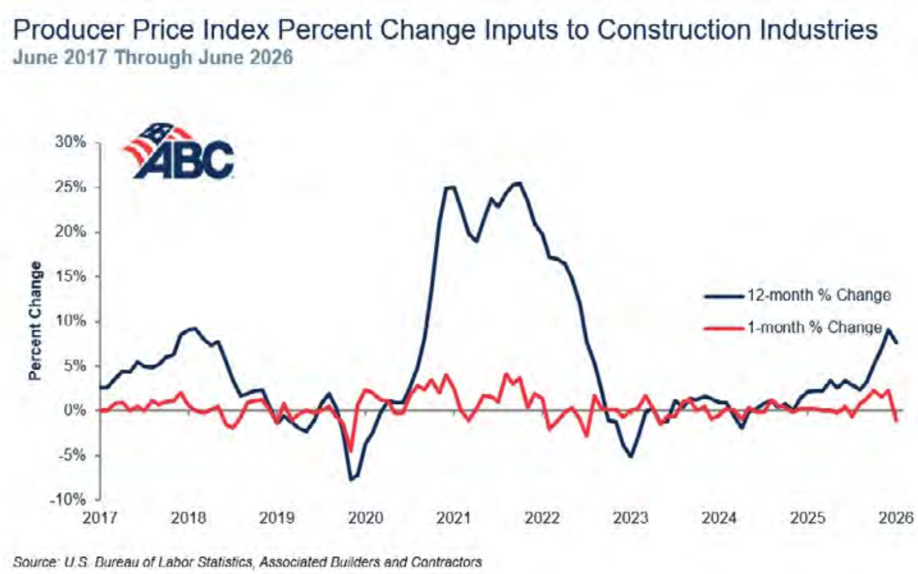
Associated Builders and Contractors reported that its Construction Backlog Indicator fell to 8.8 months in June, according to an ABC member survey conducted June 22 to July 8. The reading is down 0.3 months from May but up 0.1 months from June 2025.

View ABC's Construction Backlog Indicator and Construction Confidence Index for June. View the full Construction Backlog Indicator and Construction Confidence Index data series.

Only the Middle States region experienced backlog growth on a monthly basis in June. In the Northeast region, backlog contracted sharply in June and is down by over a month from a year ago.



Note: The reference months for the Construction Backlog Indicator and Construction Confidence Index data series were revised on May 12, 2020, to better reflect the survey period. CBI quantifies the previous month's work under contract based on the latest financials available, while CCI measures contractors' outlook for the next six months. View the methodology for both indicators.



Visit abc.org/economics for the Construction Backlog Indicator and Construction Confidence Index, plus analysis of spending, employment, job openings and the Producer Price Index.

Producer Price Index June 2026

	1-Month % Change	12-Month % Change	Change Since Feb 2020
Inputs To Industries			
Inputs to construction	-1.1%	7.6%	53.1%
Inputs to multifamily construction	-0.8%	6.2%	51.4%
Inputs to nonresidential construction	-1.1%	7.4%	53.7%
Inputs to commercial construction	-0.6%	6.4%	54.1%
Inputs to healthcare construction	-0.8%	6.4%	53.5%
Inputs to industrial construction	-1.0%	7.3%	50.8%
Inputs to other nonresidential construction	-1.4%	7.7%	53.8%
Inputs to maintenance and repair construction	-1.4%	8.1%	51.3%
Commodities			
Adhesives and sealants	0.0%	2.0%	42.1%
Brick and structural clay tile	0.0%	1.3%	34.3%
Concrete products	0.4%	3.2%	46.5%
Construction machinery and equipment	0.0%	2.6%	37.2%
Construction sand, gravel, and crushed stone	0.7%	6.2%	55.9%
Copper wire and cable	1.7%	22.3%	94.3%
Crude petroleum	-12.1%	41.3%	93.7%
Fabricated structural metal products	0.5%	6.1%	69.7%
Gypsum products	0.0%	-0.7%	48.4%
Hot rolled steel bars, plates, and structural shapes	5.8%	16.0%	61.9%
Insulation materials	0.1%	0.6%	48.4%
Iron and steel	2.5%	14.2%	75.2%
Lumber and wood products	0.8%	3.7%	30.8%
Natural gas	16.6%	-16.0%	25.7%
Plumbing fixtures and fittings	0.4%	6.9%	33.0%
Prepared asphalt, tar roofing and siding products	3.6%	2.2%	49.7%
Softwood lumber	-0.6%	6.2%	23.0%
Steel mill products	3.6%	16.9%	92.9%
Switchgear, switchboard, industrial controls equipment	0.0%	9.0%	75.6%
Unprocessed energy materials	-8.1%	25.5%	93.6%

Source: U.S. Bureau of Labor Statistics, Associated Builders and Contractors

Construction employment increases in 33 states and D.C. from June 2025 to June 2026. Twenty-eight states and D.C. add construction jobs from May to June.

Texas and Louisiana Have the Largest Number and Percent of 12-Month Increases, While California and New Hampshire Lag; New Mexico and Texas Top Monthly Gainers, While California and Montana Have the Largest Monthly Losses

Construction employment increased in 33 states and the District of Columbia from June 2025 to June 2026, while 28 states and D.C. added jobs between May and June, according to an analysis of new federal data released today by the Associated General Contractors of America. Association officials cautioned, however, that several policy developments, including uncertainty surrounding tariffs, highway funding, and data center development, could undermine future construction demand.

"Construction employment gains were more widespread in June, with more states adding jobs than losing them over both the month and the year," said Macrina Wilkins, the association's director of market insights. "States benefiting from strong infrastructure, energy, manufacturing, and data center investment continue to lead construction hiring, while higher financing costs remain a headwind for several private construction sectors."

Between June 2025 and June 2026, 33 states and the District of Columbia added construction jobs, 14 states shed jobs, and employment was unchanged in Delaware, Mississippi and North Dakota. Texas added the most construction jobs (24,800 jobs, 2.7 percent), followed by North Carolina (15,500 jobs, 5.6 percent), Ohio (11,900 jobs, 4.6 percent), Illinois (10,700 jobs, 4.5 percent) and Louisiana (10,500 jobs, 7.7 percent). Louisiana posted the largest percentage gain over 12 months, followed by the District of Columbia (6.6 percent, 900 jobs), Minnesota (6.3 percent, 8,900 jobs), North Carolina and Missouri (5.5 percent, 8,300 jobs).

California lost the most construction jobs from June 2025 to June 2026 (-15,400 jobs, -1.7 percent), followed by Virginia (-4,600 jobs, -2.0 percent), New York (-4,300 jobs, -1.1 percent), Georgia (-4,100 jobs, -1.7 percent) and Michigan (-3,600 jobs, -1.8 percent). The largest percentage loss was in New Hampshire (-2.5 percent, -800 jobs), followed by Virginia, Michigan, New Jersey (-1.8 percent, -3,000 jobs) and Rhode Island (-1.8 percent, -400 jobs).

For the month, industry employment increased in 28 states and the District of Columbia, declined in 20 states, and was unchanged in South Carolina and West Virginia. Texas added the most construction jobs (5,200 jobs, 0.6 percent), followed by Ohio (3,900 jobs, 1.5 percent), Massachusetts (3,700 jobs, 2.2 percent), North Carolina (2,900 jobs, 1.0 percent) and Louisiana (2,000 jobs, 1.4 percent). The largest percentage gain occurred in New Mexico (3.2 percent, 1,700 jobs), followed by Massachusetts, North Dakota (2.0 percent, 600 jobs), Alaska (1.6 percent, 300 jobs) and Ohio.

California lost the most construction jobs from May to June (-4,100 jobs, -0.5 percent), followed by New York (-3,900 jobs, -1.0 percent), Washington (-2,100 jobs, -1.0 percent), Wisconsin (-2,100 jobs, -1.4 percent) and Minnesota (-1,100 jobs, -0.7 percent). The largest percentage loss was in Montana (-1.6 percent, -600 jobs), followed by Wisconsin, Rhode Island (-1.3 percent, -300 jobs), New York and Washington (both -1.0 percent).

Association officials said that several policy developments could undermine some of the industry's strongest sources of demand. Growing state and local resistance to data center development, uncertainty surrounding electric power availability for new projects, the lack of progress in Congress on a long-term highway and transit bill, and continued uncertainty surrounding tariffs on construction materials all threaten future construction activity.

"Construction firms continue to add workers where demand remains strongest," said Jeffrey D. Shoaf, the association's chief executive officer. "Policymakers can help sustain that momentum by providing certainty for infrastructure investment, supporting the expansion of our nation's energy capacity, and avoiding policies that increase the cost of key construction materials and create unnecessary uncertainty for construction employers."

View June 2026 state employment data and 1-month, 12-month rankings.

The Most Valuable Thing You Own Isn't Insured

by Chris Cordon, Affinity Benefits

Add up everything you've insured.

The house. The car. The phone in your pocket has a $15-a-month protection plan on it. You've covered the things that can break, burn, or get stolen.

Now look at the one asset that pays for all of it.

A 35-year-old earning $70,000 will bring in well north of $2 million before they retire. That income is the engine. It buys the house, fills the car, funds the 401(k), feeds the kids. Stop the engine and every other payment stops with it.

Most people never insure the engine.

What Health Insurance Was Never Built to Do

This is the confusion I run into most.

People assume that if something serious happens to their health, their health insurance has them covered. It doesn't. Not the way they picture it.

Health insurance pays the doctor. It pays the hospital, the surgeon, the pharmacy. What it does not do is send you a paycheck while you're too sick or too hurt to work. It was never designed to. It covers the cost of the treatment, not the mortgage payment you still owe while you're recovering from it.

That's a different job. It belongs to a different kind of coverage.

It's More Likely Than You Think

When people picture becoming disabled, they picture a dramatic accident. A fall. A crash. Something sudden and visible.

That's not what usually happens.

About 90% of disabilities are caused by illness, not accidents. The leading causes are ordinary, the kind of thing that lands on anyone: back and joint problems, cancer, heart conditions, mental health. (Council for Disability Awareness.)

And the odds aren't small. Just over one in four of today's 20-year-olds will become disabled before they reach retirement age. (Social Security Administration.) One in four. That isn't a rare event. It's a likely one.

"But I'm Covered at Work"

Two assumptions trip people up here.

The first: workers' comp will cover me. In most cases, it won't. Fewer than 5% of disabling conditions are actually work-related. (Council for Disability Awareness.) Get sick on your own time, hurt your back lifting something at home, and workers' comp never enters the picture.

The second: I've got disability through my job. Maybe. Only about a third of private-sector workers have long-term disability coverage through their employer. (Bureau of Labor Statistics.) Plenty of people who believe they're covered have never actually checked.

When the Income Stops

So picture it. The paycheck stops.

How long does your savings last? For a lot of households, not long. 41% of Americans couldn't cover a surprise $1,000 expense from savings. More than a third couldn't cover $400. (Bankrate; Federal Reserve.)

Now hold that against the actual length of a disability. The average long-term disability claim runs about 34 months. Nearly three years. (Council for Disability Awareness.)

A few hundred dollars of cushion against a three-year hole. That's the gap. It's why a health problem ends up tangled in so many foreclosures and bankruptcies. Not because of the medical bills alone, but because the paycheck that was supposed to cover everything went quiet.

What This Coverage Actually Does

Disability insurance replaces a portion of your income, usually around 60%, when illness or injury keeps you from working. The check goes to you. You decide whether it covers the mortgage, the groceries, or the car payment.

It isn't exotic. It's paycheck protection. The first line of defense, before any of the fancier coverage, because it guards the one thing every other plan quietly depends on.

What ASA Members Can Do

Three honest questions.

First: if my income stopped for a year, what in my life breaks? Name it specifically. The mortgage. The lease. The tuition.

Second: do I actually have disability coverage, and how much? Don't assume. Check the benefits packet, or ask. "Some" is not the same as "enough."

Third: how long could my savings carry me before the coverage would matter? If the honest answer is months, and a disability lasts years, you've found the gap.

You protect the house because losing it would be a catastrophe. Your income is what makes the house possible in the first place. American Subcontractors Association members can review income-protection options through the ASAdvantage Health Plan, which is a sensible place to start.

You insured the car. Insure the driver.

About the Author

Chris Cordon is a Benefits Consultant at Affinity Benefits, the program administrator for the ASAdvantage Health Plan.

NCCER | National Center for Construction Education and Research

YOU DON'T FIX SAFETY IN THE OFFICE. YOUR FOREMAN CONTROLS IT IN THE FIELD.

Proper safety training has been associated with a 67% reduction in jobsite accidents. Train your foremen to identify hazards and reinforce safe work practices with our Construction Foreman Certification Program.

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FEATURE

The Retention Roadmap: How to Structure Career Pathways That Workers Won't Leave

by Cathy Tyler, NCCER

Ask any subcontractor about their biggest operational headache, and it's often workforce-related. As the industry grapples with an ongoing labor shortage, the challenge has shifted from simply recruiting fresh faces to retaining them over the long term.

The modern jobsite has craft professionals of all ages and experience levels. Every generation can change their lives with a career in the trades. However, how people learn and what they need from an employer changes significantly as they gain experience.

To build a workforce that stays, specialty contractors must move away from a one-size-fits-all approach to training and development. True retention requires an adaptable framework that aligns an individual's professional journey with clear, structured milestones.

Aligning Development with Experience

Recent research from the [National Center for Construction Education and Research]() (NCCER) highlights a critical truth for field leadership: learning preferences shift significantly as a worker accumulates years in the field. To keep a diverse workforce engaged, contractors must meet employees exactly where they are in their career lifecycle.

During their first year, new entrants thrive on direct, hands-on application. Entering an unfamiliar jobsite can be overwhelming, and these workers learn best by watching, helping and repeating foundational tasks under direct supervision. Establishing a structured helper phase that focuses on safety and tool identification builds the initial confidence necessary to keep a rookie from walking off the job.

By years one and two, craft

professionals begin to settle into their roles. At this stage, peer support and informal on-the-job training drive the most growth. They need the psychological safety to execute tasks under a watchful eye without the pressure of formal testing, which is best achieved by pairing them with mid-level journey workers who can offer real-time feedback on the deck or in the trench.

A distinct shift occurs between years three and four. These mid-career professionals are no longer beginners; they actively seek structured on-the-job training with clear, measurable goals. This is the ideal window to implement formal skill check-offs and standardize performance milestones, explicitly connecting technical mastery to wage increases and promotion timelines.

As craftworkers advance into years five and six, they want to build new skills. And seasoned field professionals with seven or more years of experience show a strong preference for self-paced, online learning. They prefer to learn at their own convenience, particularly when transitioning from field execution to field leadership. Introducing these workers to online programs like the NCCER Construction Foreman Certification Program allows them to master critical supervisory skills — such as communication, productivity and safety management. The program is available in a self-paced format, led by a facilitator or hybrid model.

Defining Transparent Pathways and Gateways

Employees naturally stay where they can visualize a long-term future. If a young professional cannot look at an organizational chart and understand the exact mechanism required to reach a superintendent role, they will eventually look for that clarity with a competitor.

Subcontractors can eliminate this ambiguity by mapping out every field role, from a first-year apprentice to a project manager, and clearly defining the prerequisites for advancement. These gateways should rely on objective, standardized benchmarks rather than subjective evaluations. For instance, making the successful completion of the NCCER Construction Foreman Certification a formal prerequisite for moving into a frontline supervisor role gives aspiring leaders a transparent goal. When workers know exactly what credentials and hours are required for the next promotion, they take ownership of their own career progression.

This structured progression also facilitates critical knowledge transfer. One of the greatest risks to a specialty contractor is the loss of decades of expertise when senior field leaders retire. By formalizing a mentorship framework, contractors can bridge this gap. Providing mentoring opportunities gives senior employees a prestigious, less physically demanding pathway to remain highly valuable to the firm, while satisfying the younger generations' desire for consistent feedback and professional connection.

The Operational Case for Structured Training

While implementing a structured development pathway requires an investment of time and resources, the operational return directly impacts a subcontractor's bottom line. According to data published in NCCER's research report, "Train Better, Build Smarter: The ROI of a Skilled Workforce," formalized training functions as a profit driver and an operational stabilizer.

The financial return alone is substantial, with contractors realizing up to a $3 return for every $1 invested in training. Furthermore, structured programs drastically accelerate skill acquisition, allowing workers to achieve journey-level skills in just one to three years, compared to eight or more years under unstructured, informal setups.

These skills translate directly to jobsite performance. Trained crews hit their project productivity targets 65% of the time, whereas untrained crews meet those same targets just 52% of the time. This proficiency leads to fewer jobsite injuries, lower absenteeism and reduced rework. Ultimately, the data confirms a direct link to stability: 84% of surveyed employers report that structured training directly improved their employee retention rates.

Securing a Sustainable Field Force

Retaining a multi-generational workforce does not require a fragmented corporate strategy or different sets of rules for different age groups. It requires an operational commitment to structured career progression. By delivering the right training format at the right point in a worker's tenure — from hands-on field mentoring for a rookie to online leadership certification for an aspiring foreman — subcontractors can insulate themselves from the labor shortage and build an adaptable field force engineered to last.

About the Author

Cathy Tyler is the Director of Workforce Development at NCCER and has supported the organization's mission for 26 years. Throughout her career, she has led impactful partnerships with organizations such as FFA, COABE, and Hiring Our Heroes, while also serving in leadership roles with ACCE and TIVA to advance workforce development initiatives both locally and nationwide. She is passionate about building cross-sector partnerships, developing workforce solutions, and strengthening industry outcomes.

FEATURE

Training as a Strategic Investment in People and Performance

by Stephane McShane, Maxim Consulting Group

Effective training is more than a checklist item or a compliance requirement. It is one of the strongest tools an organization has for improving performance, retaining talent, reducing confusion, and preparing employees for long-term success. When training is designed intentionally, measured consistently, and communicated clearly, it becomes a system for building confidence at every level of the company. Employees gain the knowledge and skills they need to do their jobs well, while employers gain a more capable, flexible, and engaged workforce.

Why is training so important?

Benefits for the employee

For employees, training provides clarity, confidence, and opportunity. A person who understands the expectations of a role is more likely to make good decisions, solve problems independently, and take ownership of results. Training also reduces the anxiety that comes from uncertainty. Instead of guessing how a process works or relying on inconsistent verbal instructions, employees can refer to established standards and repeatable workflows. This creates a stronger foundation for job satisfaction and professional growth.

Training also signals that the company values the employee's future. When people see that their employer is willing to invest time, resources, and coaching into their development, they are more likely to view their role as part of a career path rather than just a job. This is especially important in organizations that want to retain strong performers and develop internal leaders. Skill-building gives employees a practical way to increase their value, qualify for more responsibility, and move toward promotions or raises based on objective achievement.

Benefits for the employer

For employers, training improves consistency and reduces risk. When employees are taught the same standards, procedures, and expectations, the organization becomes less dependent on tribal knowledge and individual interpretation. This leads to fewer mistakes, faster onboarding, better customer experience, and smoother coordination b etween departments. A strong training program also makes it easier to identify gaps before they become costly problems.

Training is also a workforce planning tool. Employers that understand the skills available within their teams can make better decisions about staffing, succession planning, project assignments, and hiring needs. Instead of reacting to shortages after they appear, leaders can

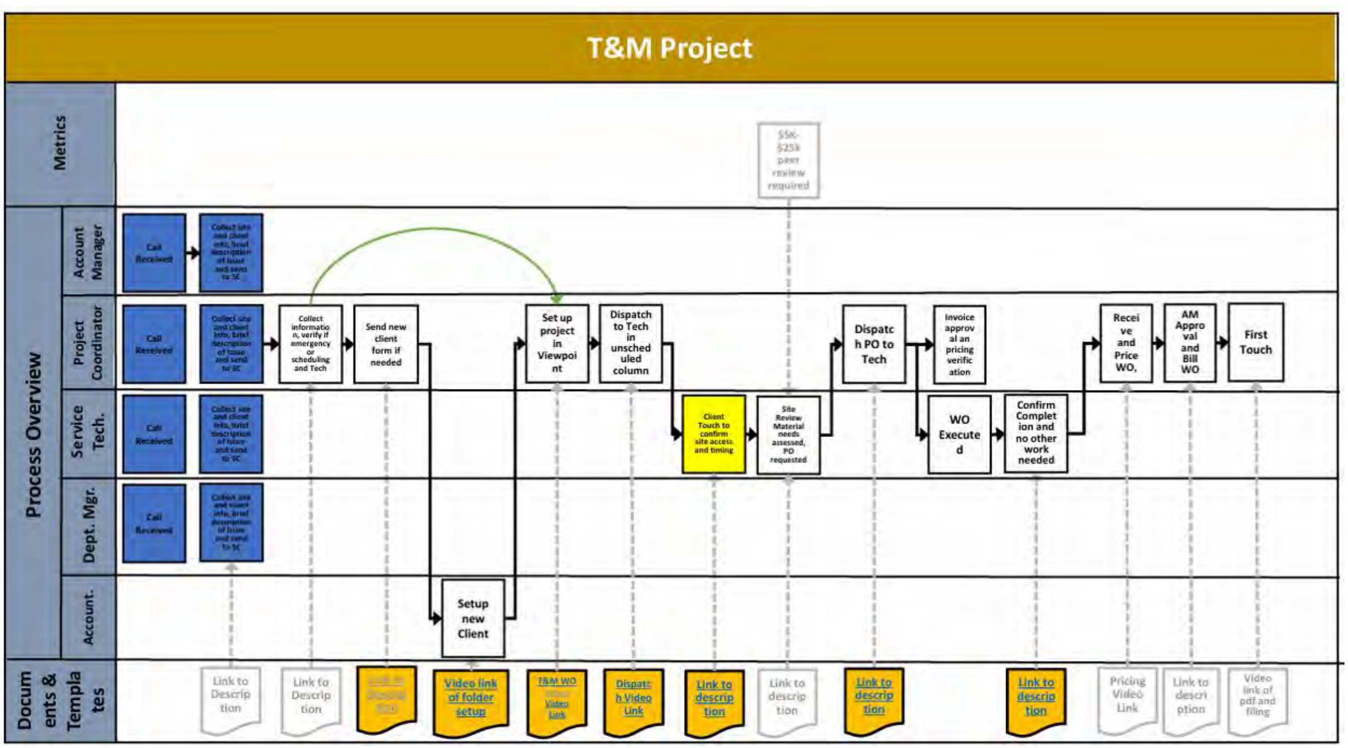


Figure 1

Versatility Matrix - Project Manager

	Team Member		PROJECT MANAGEMENT PROCESSES: Cost Codes	Budgeting	Schedule of Values	Preconstruction Planning	Bulk Buy	Prefabrication and Kitting	Submittal Process	PTS	Projections	Change Orders	RFIs	Billing and Collections	Computerease	Plangrid	McCormick	Sales/Customer Relationships	Cmpny Culture	Community and Volunteerism	Percentage
1	Insert Name	18																			64%
	Date																				

Figure 2

- 0 = No training received
- 1 = Understands major worksteps, not performing task yet
- 2 = Performing task but needs oversight and direction
- 3 = Independently proficient, needs no oversight
- 4 = Certified trainer/subject matter expert

proactively prepare employees for future responsibilities. This creates a more resilient organization and strengthens operational continuity.

Multiple training methods produce the greatest impact

The most effective training programs rarely rely on only one method. Classroom instruction, written procedures, on-the-job coaching, peer mentoring, cross-training, simulations, and digital learning each serve a purpose. Some employees learn best by reading the process, while others need to see it performed and then practice it themselves. A blended approach gives employees multiple ways to absorb and apply information, which increases retention and real-world performance.

Workflows that cross operational silos establish staff interaction and minimize confusion

Cross-functional workflows are especially valuable because many operational problems occur at the handoff between departments. When teams understand not only their own tasks but also how their work affects the next person in the process, communication improves and confusion decreases. Training that crosses operational silos helps employees see the bigger picture. A project coordinator, estimator, operations manager, and accounting team member may each have different responsibilities, but their work is connected. Teaching the workflow as an integrated system helps prevent delays, duplicated effort, and frustration. An example is shown in Figure 1.

Use of subject matter experts leverage the knowledge of your experienced staff

Subject matter experts are one of the most powerful resources in any training program. Experienced employees often possess practical knowledge that is not captured in manuals or formal procedures. By involving them as trainers, mentors, reviewers, or process owners, an organization can transfer institutional knowledge before it is lost. This also recognizes the value of experienced staff and gives them a meaningful role in shaping the next generation of talent. However, subject matter experts should be supported with structure so their knowledge is delivered consistently and aligned with company standards.

Topic	Current Competency Rating	Competency Level Needed	When Needed	Class Offered	Resources	Subject Matter Expert (SME)	Notes
Cost Codes, "The Why"							
Definitions and Unit of Measure							
Cost Types							
Work Breakdown Structure, "The Why"							
Labor and Quantity Breakdowns							
Budgeting Workbook							
SOV Definition, "The Why"							
SOV Template							
Front Loading							
Building a Lump Sum SOV							
Building a GMP SOV							

Figure 3

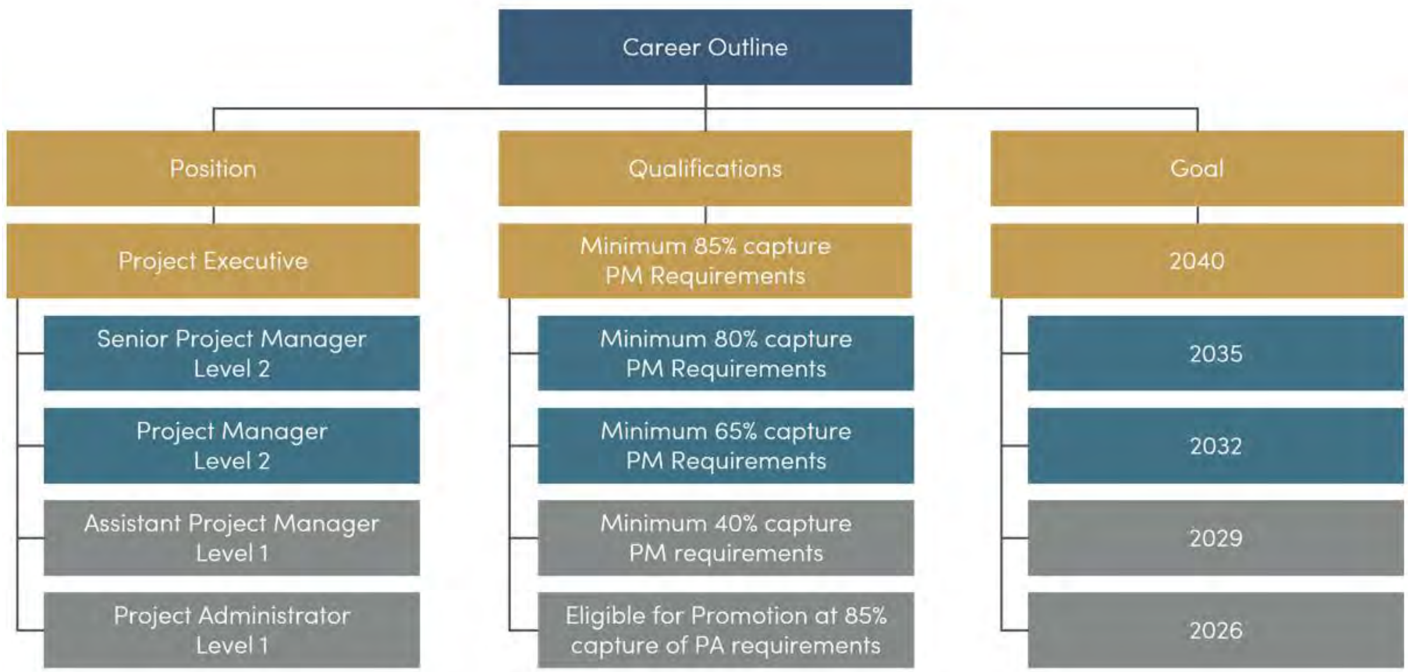


Figure 4

Measuring for results

Training must be measured to determine whether it produces results. Attendance alone does not prove that learning has occurred, and completion certificates do not always demonstrate job readiness. Organizations need practical methods for evaluating current skill levels, tracking progress, and connecting development efforts to business outcomes. Measurement turns training from an activity into a performance system.

Evaluation of current skill utilizing a matrix

A skillset matrix is a useful starting point because it creates a visible snapshot of what employees can currently do, what they are learning, and where gaps exist. The matrix can list key skills by role and rate each employee's proficiency using clear criteria. This allows leaders to identify strengths, prioritize training needs, and match people to work that fits their capabilities. It also helps employees understand where they stand and what they need to improve (see Figure 2).

Creation of development plan with priorities on the highest ROI skills

Once skill gaps are identified, the organization can create development plans that focus on the highest-return skills first. Not every skill has the same urgency or business impact. Some skills directly affect safety, revenue, customer satisfaction, schedule performance, or quality control. Prioritizing these areas ensures that training time is used wisely. A strong development plan should include the target skill, current proficiency, desired proficiency, training method, responsible coach or mentor, timeline, and method of evaluation (see Figure 3).

Stratification of Positions into Levels

Position stratification connects training to advancement. By defining levels within a role, organizations can show employees exactly what is required to move forward. Instead of promotions being viewed as subjective or political, advancement can be tied to predetermined key performance indicators, demonstrated competencies, and skill evaluation scores. This creates fairness, transparency, and motivation. Employees know what they are working toward, and managers have a consistent framework for coaching and evaluating progress.

For example, a project management career ladder might include Assistant Project Manager, Project Manager I, Project Manager II, Senior Project Manager, and Project Executive. Even smaller companies can adopt this as it allows achievement based on tangible goals. Each level should have defined expectations for technical knowledge, financial responsibility, client communication, schedule management, leadership, and problem-solving. A Project Manager I may focus on learning standard processes and supporting smaller projects, while a Senior Project Manager may be expected to manage complex work, mentor others, and consistently deliver financial and operational results. Their progression becomes clear, measurable, and achievable (see Figure 4).

Constant Communication Quells Employee Insecurities

Even the best training program can create anxiety if it is not communicated well. Employees may worry that skill evaluations are being used to criticize them, replace them, or expose weaknesses. Leaders must explain that the purpose of training and measurement is development, not punishment. Clear communication helps employees understand the goals of the program, how the information will be used, and how it benefits both the individual and the organization.

When training is presented as an investment in the employee's future, engagement increases. People are more willing to participate when they understand that development can lead to greater confidence, broader opportunity, and increased earning potential. Managers should reinforce this message in team meetings, one-on-one conversations, and performance discussions. The tone should be supportive, practical, and forward-looking.

Consistent follow-up is essential. Development plans should not be created and then forgotten. Regular check-ins allow managers and employees to review progress, remove obstacles, adjust priorities, and celebrate improvement. Follow-up also creates accountability. If a skill is important enough to measure, it is important enough to revisit. This rhythm keeps development active and demonstrates that leadership is committed to the process.

Employees must also play the primary role in driving their own career paths. A company can provide tools, coaching, training, and opportunities, but the employee must bring effort, curiosity, ownership, and follow-through. The best development systems make this partnership clear. Employees can influence where they progress and how quickly they achieve by actively seeking feedback, completing training, applying new skills, and demonstrating readiness for the next level.

Summary

In the end, training is not simply about teaching tasks. It is about building a culture where people understand expectations, departments work together more effectively, leaders make decisions based on skill data, and employees see a future for themselves inside the organization. When training methods are varied, results are measured, career paths are transparent, and communication is constant, the organization gains more than improved performance. It gains trust, engagement, and a stronger foundation for sustainable growth.

About the Author

Stephane McShane is a Director at ***Maxim Consulting Group*** responsible for the evaluation and implementation processes with our clients. Stephane works with construction related firms of all sizes to evaluate business practices and assist with management challenges. With a large depth of experience working in the construction industry, Stephane is keenly aware of the business and, most specifically, operational challenges that firms face. Her areas of expertise include: Leadership development, executive coaching, organizational assessments, strategic planning, project execution, business development, productivity improvement, and training programs. Mrs. McShane is an internationally recognized speaker, mentor, author, and teacher. Her ability to motivate, inspire, and create confidence among your work groups is extremely rare and very effective.

UPCOMING WEBINAR

SALT Overview and Risk for Subcontractors

Tuesday, August 11, 2026
(12:00 PM - 1:00 PM) (EDT)

This session will provide an overview of state and local tax (SALT) issues that are particularly relevant to subcontractors, including an overview of relevant taxes. The presentation will address practical compliance strategies and highlight common audit issues. After this session, you will be able to:

- Identify key taxes that apply to subcontractors in different states and localities
- Recognize compliance risks and common audit triggers specific to subcontracting activities
- Apply best practices for documentation and exemption certificate management
- Understand recent tax trends relevant to subcontractors
- Implement strategies to minimize exposure and ensure ongoing compliance with evolving SALT requirements

This course is designed for subcontractors, construction and service industry professionals, project managers, controllers, accountants, and anyone responsible for tax compliance or risk management in organizations that perform work across state and local jurisdictions.

About the Presenters:

Thomas Miller, MBA, JD, LL.M., REDW LLC

Tom Miller leads REDW LLC's State & Local Tax (SALT) group, applying over 15 years of specialized experience to help businesses navigate the complex landscape of multistate taxation. From compliance to strategic consulting, he supports clients operating in all 50 states by identifying tax-saving opportunities and minimizing risk. Recognized for his diligence and knowledge of tax law, Tom has taken on leadership roles within the SALT practices of both global accounting firms and private industry. His broad exposure to indirect tax functions and multistate compliance issues gives him a well-rounded perspective and practical insight into the unique challenges businesses face across jurisdictions.

Thomas Boyle, JD, LL.M, REDW LLC

Tom Boyle brings over six years of experience in State & Local Tax, assisting businesses with complex multistate tax issues. He advises businesses on nexus studies, voluntary disclosure agreements, audit defense, reverse audits, and taxability analyses, helping them reduce risk and uncover savings opportunities. Tom's expertise spans both income and indirect taxes, including sales and use tax. As an attorney, Tom combines legal insight with practical tax strategies to guide businesses through compliance and planning challenges across multiple jurisdictions.

Register Now

Stop Competing on Price: Why Subcontractors Must Learn to Prove Their Value

by Valerie Jimenez, Bold Entity

When I ask subcontractors how they win work, most of them say it's because, "we build relationships," or "we do good work," or "our clients know they can count on us."

And I believe them! Because relationships matter. Reliability matters. Quality matters. But here's the problem: when almost every subcontractor says the same thing, those statements become background noise.

When people can't clearly understand why one subcontractor is meaningfully different from another, they often fall back on the easiest comparison point: price. And when you're competing on price, you lose the opportunity to protect your margin.

After decades in the business, one thing has become consistently clear: the low bidder doesn't always land the job. Contractors who show potential clients why they're worth more are the ones winning the best work.

The Old Relationship Model Is Changing

For decades, many subcontractors grew through long-standing relationships. They proved themselves over time. They took the hard jobs. They answered the phone when nobody else would.

That model still exists, but it's not as reliable as it once was.

Project teams change. Decision-makers move to other firms. Budgets face more scrutiny. Even established subs are finding that loyalty alone doesn't protect them.

For newer subcontractors, the situation can be even more challenging. Without decades-long relationships to lean on, many try to build loyalty by saying "yes" to everything, including the low-margin work nobody wants.

This works ....sometimes. But too often, this approach traps subs into doing unprofitable work in exchange for the possibility of better future opportunities. That's not a strategy. It's a gamble. To earn trust without sacrificing profitability, smart subcontractors must communicate their value proposition.

A Value Proposition Is Not a List of Services

"We do mechanical." "We do electrical." "We do K-12." "We specialize in data centers."

Statements like these tell the market what trade you're in, what sectors you serve, what type of work you pursue. They're important, but they don't constitute a value proposition.

A strong value proposition answers a deeper question: What specific advantage does a client gain by choosing you over another qualified subcontractor?

This distinction matters.

In other words, a true value proposition explains what that specialization gives the client.

If you reference K - 12, for example, it may mean that your team understands student safety requirements, how to work on occupied campuses, or public-sector permitting and paperwork. In this instance, your value proposition is that your K-12 experience helps GCs reduce disruption, avoid surprises, coordinate effectively with campus stakeholders, and deliver school projects efficiently. The same applies to other specializations:

- For one subcontractor, the advantage may be speed. Decisions happen quickly. Ownership might be so involved that when there's a snag, someone with authority is on site to keep the job moving.
- Another subcontractor's advantage may be technical proficiency. They may not be the best fit for routine work, but they're the right call when the system or environment is unusually challenging, or the project involves hurdles that other firms don't have the expertise to handle.
- People might be an advantage; a subcontractor with a deep, highly stable project team may provide the kind of continuity that directly reduces risk for GCs.

The key is to identify the specific kind of value your company is best equipped to deliver, then connect that value to an outcome the client actually cares about.

But how?

Start by examining what your best clients consistently gain from working with you. Do they choose you because you're faster to respond? Because your field team requires less hand-holding? Because you understand a particular project type better than most? Because your preconstruction input helps avoid costly surprises? Because your safety record gives them confidence? Because your leadership is accessible when decisions need to be made?

Your strongest value proposition is usually found at the intersection of three things: what your company does especially well, what your clients care about most, and what your competitors cannot easily claim with credibility.

That means the answer should not be generic. So instead of saying, "We specialize in K-12 electrical work," a subcontractor might say:

"We help general contractors deliver K-12 projects with fewer schedule disruptions by bringing early coordination, campus-sensitive planning, and experienced field leadership to every phase of the job."

That statement still communicates the specialization, but goes so much further. It tells the client why that specialization matters and what they gain by choosing that subcontractor.

The Problem with Generic Claims

Many subcontractors describe themselves using generic – and highly subjective – language. Those statements may be sincere, but they're not strong enough on their own.

Take one of the classics: "We're like a family." To one person, "family" might evoke feelings of loyalty and support. To another, "family" might mean informality, lack of structure, or even fighting. Unless you explain how your firm's "family" feeling benefits the client, the word has zero value.

The same is true for "relationships." Some might describe a relationship-based contractor as one that regularly attends industry events and stays close to clients. Others might say it refers to a team that responds quickly and steps in to resolve issues. Both are wonderful, but neither one creates a clear through-line to client satisfaction.

You get the picture.

Yes, you can start with a word or two, but then subcontractors must dig deeper and ask: What does this actually look like on a project? How does it benefit the client? What risks does it reduce? What outcomes can it improve?

That's where the real message lives.

If You Claim It, You Must Prove It

A value proposition without proof is just ... a claim.

This is where most of the subcontractors I work with fall short – they know what makes them different, but they haven't assembled the evidence to support it.

If your value is speed, prove it by documenting key metrics: How often do you finish ahead of schedule? How quickly do you resolve field issues? What decisions helped protect the schedule?

If your value is technical expertise, document the complexity of the projects you've completed. What made it so difficult? Why were you uniquely qualified to solve it? What could have happened if the issue had been handled incorrectly?

Subcontractors often assume these details are obvious. They are not.

A GC reviewing multiple proposals may not know that your project manager has 18 years of experience in exactly that type of facility. An owner may not know that your team has solved the same issues before, so they're likely to be successful doing it again. A procurement team may not understand that although your price is higher, you offer fewer unknowns and therefore, less risk.

You have to show them.

Case Studies Require More Than Project Photos

Well-built case studies don't just show your work. They help win the next opportunity.

The best way to prove your value proposition is through case studies, yet most construction case studies look the same: a few photos, the location, and a short description of the job.

A strong case study should show how your company created value. It should tell the story of the challenge, the response, and the outcome. What was at stake? What problems came up? What did your team do to solve them?

This is the hard proof that makes a compelling case study. It shows how your company solves problems, manages risk, and communicates. It gives buyers a reason to move the conversation beyond price.

That kind of proof doesn't happen by accident. Case studies need to be planned and captured intentionally. Documentation needs to be assembled during the project, not after everyone has moved on to the next job.

The projects you document should also be selected strategically; in other words, the projects that deserve the most exhaustive case studies document the kind of projects you want more of.

Narrowing Your Message Doesn't Mean Losing Good Work

Many subcontractors are afraid to define themselves because they worry it will scare away potential business. It might – but that's OK, because broad messaging rarely attracts the right opportunities – it just makes the company sound like everyone else. Remember, the goal isn't to win every project, it's to win the right projects – the ones that protect your margin so you can grow your business. That means you not only have to know where your firm adds the most value, you also have to be willing to say so.

A Practical Framework for Subcontractors

Subcontractors that want to stop competing on price can start with three steps.

First, define a value proposition that's true, specific, and easy to understand. Avoid generic words unless you can clearly explain what they mean in practice.

Second, collect proof consistently. Create a simple process to assemble information on an ongoing basis, not just at the end of a project, when people are thinking about the next job. Track deliverables and metrics that directly connect to your differentiator, like schedule, challenges, response times, budget milestones.

Third, put your proof to work. Your value proposition should show up in proposals, web content, and business development conversations. It should also be easy for your internal team to access. Don't bury the information in a folder nobody can find. I urge clients to set up a file on their shared server called PROVE IT, where every job has a subfile, and anyone can drop in photos, notes, budgets, outcomes – anything that supports the value proposition.

The Bottom Line

If you take away one thing from this article, let it be this: The market cannot reward what it cannot see: If you want clients to evaluate more than your pricing, you have to give them more to evaluate.

That means knowing what makes your company different, proving it with real evidence, and communicating it consistently.

Price will always matter in construction. But when a subcontractor can clearly articulate and prove its value, price isn't the only thing that matters.

About the Author:

*Valerie Jimenez is the Founder and CEO of **Bold Entity**, a strategic marketing firm that helps commercial construction and industrial companies strengthen their positioning, visibility, recruiting, and business development outcomes. Her work has helped contractors reduce recruiting costs by up to 82%, improve market recognition ahead of successful ownership transitions, and reposition second generation companies for high growth. Bold Entity clients maintain an average of 35% annual growth by becoming better positioned to win the right opportunities.*

Where Everybody Knows Your Name

Examining a master class in customer service in a hard bid world

by Gregg Schoppman, FMI Corp.

I fly a great deal. That isn't bragging as anyone who has ever travelled in a Post 9-11, Post COVID world knows, air travel isn't quite the pleasure cruise it once was. That being said, there was recently an interesting experience that had me rethinking the basics of customer service. It is a safe assumption to think that air travel is predicated on "low bid." While it is frightening to think that our lives are based on low bid, most of us travel by finding the lowest cost flight. There are always standards that some travelers will hold as sacred, whether it is paying for every bag (as if we would travel without clothing?) and even choosing the middle seat (does it have the hump in the middle like those car rides as a kid?). As some airlines are famous for saying, "We know you all have a choice," and for most destinations, that choice is based on the lowest price. This reminds me of another industry, but I'm just having trouble identifying that sector…

During a recent flight, there were two instances of "knock it out of the park" service. The first was when I boarded. I sat in my chair only to find I was sitting on a card within an envelope.

I immediately thought the passenger before me left something behind, only to see it said, "Mr. Gregg Schoppman." The inside of the card was simple –

Dear Mr. Schoppman,

We know you fly a lot and we also know you have choices. It means so much to me and our team at BRAND X AIRLINE that you would trust us with your flight. We have families too and we really appreciate you as a loyal customer.

Thank you! Jane, Joe, Mary and Steve

I barely get hand written letters in the mail so getting one on a flight was pretty astounding. Secondly, I had seen those same flight attendants board about 10 minutes before I did. I looked at the other seats around me and each of us – regardless of status – had a card.

Secondly, as I deplaned that flight, the flight attendant came by and said, "Gregg, once again, I just wanted to thank you. Have a safe trip to Anywhereville today." It was good he reminded me of the city I was going to since I am prone to forget where I am headed. More importantly, he knew my name. I know that he had the manifest and this wasn't some herculean task, but he knew me as Gregg, not Passenger in 4D.

There are plenty of perks that come with being an EXTREMELY frequent flier. I've had the service that drives you to your next gate in a luxury automobile, which is exceptionally handy on those flights where you have four minutes to get to the next gate which is about 1.5 miles away (not sure why airlines think I can become an Olympic sprinter at 52). Family members tease me about being carted around like some celebrity – my wife teased me until she received that treatment on a flight with me and all joking ceased. My point is this – those accoutrements are great marketing tools and rewards for being a loyal customer. What happened in the story above was basic, simplistic, and most importantly the most genius example of customer service. Most of all it cost NOTHING.

Let's bring this back down to the ground, no pun intended. When was the last time your team had driven exceptional customer service? It is important to be clear about the definition of customer service. Below are some of the rules to consider:

- Expectation – Customer service can't be for something you were expected to do. For instance, it is common to hear the refrains:
  - "We finished our project on time…" – Wasn't that the plan to begin with?
  - "We were safe…" – We realize construction is a risky business, but being safe is an expectation not some "Gold Star Moment" worthy of recognition.
- Marketing – Too often, customer service is confused for marketing. Marketing might be taking a client to lunch, a ballgame, handing out cool schwag, etc. Customer service should not have a price tag.

Now, consider the question again – when was the last time your team drove exceptional customer service? How many people on your team make this a common occurrence? There are several litmus tests that will help validate your approach and also determine if your organization is doing the right thing. For instance, consider the following:

Does your organization's vision/mission statement reference the customer/client in any way? The last thing as leaders we would want to do is look like a hypocrite. However, many organizations talk about the customer/client but don't have a way to replicate superior customer service, reward associates that demonstrate that service or continually reinvent themselves to drive customer service 2.0.

How well do you really know your customer? Short of where they work, could you list 4-5 things about your customer/decision maker/point of contact? We certainly can't issue a "Preconstruction Client 'Get to Know Ya'" questionnaire so most of the intelligence gathered about a customer will require strong conversation. When you REALLY know a customer – personality, personal drivers, style, etc.– it is much easier to engage in a customer-centric strategy.

There are certainly interesting contrarian views about the notion of customer service. "But Gregg, this customer service thing is great for those contractors that do negotiated work with repeat clients in a warm and fluffy market, etc. This doesn't apply to us…" Let's go back to our airline example. I can assure you that my ticket was pretty affordable because as I said, they were the "low bid airline" in the Gregg Flight Project. Think about what your clients are looking for. Most are looking for great service, done well, on or ahead of budget. Sure, many of these things meet the definition of "Expectations" which we touched on, but we all know there are many ways to the endgame. Project execution can be done in a proactive fashion that is fair, consistent and quality driven. In fact, the customer expectations dovetail nicely to the contractor's list of "successful project variables." Notice that there is no mention of taking the client golfing, wining and dining, or even fancy polo shirts with your logo on it. Good old fashioned customer service is grounded in the basics and maybe even knowing your client's name.

About the Author

As a principal with FMI, Gregg specializes in the areas of productivity and project management. He also leads FMI's project management consulting practice. He has completed complex and sophisticated construction projects in several different niches and geographic markets. He has also worked as a construction manager and managed direct labor. FMI is a unique and fast-growing firm of professionals passionate about creating a better future for engineering and construction, infrastructure and the built environment throughout North America and around the world. For more information on FMI, please visit www.fminet.com or contact Schoppman by email at gschoppman@fminet.com.

UPCOMING WEBINAR

"Crazy Talk: Creating a Love–Based Culture in a Hate-Filled World"

Wednesday, August 26, 2026 | 12:00 PM – 1:00 PM (EDT)

Everything seems to be "political" these days. Even "success" can be criticized as "unfair." Every conversation seems to have an underlying sense of "avoidance" of anything personally important, out of fear that your opinion could "trigger" a teammate.

How can you possibly build a high-performing team culture when team members bring diametrically opposed political perspectives into the workplace? When the media's and the two parties' "psyops" are telling us we have to be angry all the time and hate anyone who disagrees with us? And if someone's political views negatively affect their professional relationships to the point where they should be terminated, how would that happen?

Join Warren Quinn, founder of HUMANS AT WORK, to question some outdated but still widely accepted business management "myths" and explore an operational system that:

- Is built on a shared purpose, "The Universal Why"
- Creates and supports a culture where everyone knows "how to behave" in the workplace
- Guides the hiring process
- Powers evaluations
- Supports mentoring & training
- Separates "personal" and "professional" issues
- Retains the best people
- Terminates those who can't or won't fit the culture
- Identifies and builds leaders
- Sustains optimal profitability

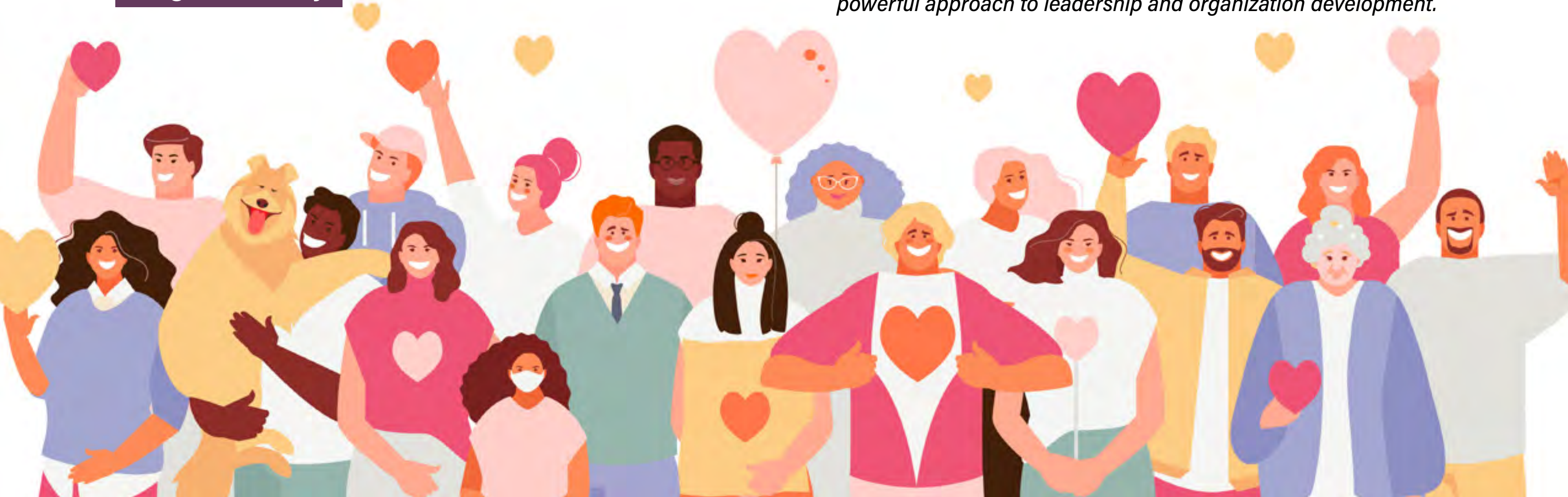
Register today

About the Presenter

Warren Quinn believes that every organization should operate from a core "Universal Why," which is the personal and professional growth of everyone affiliated with the organization. He works with owners and executives to help them become the best human beings they can be and then cascade a fulfillment culture throughout the organization, resulting in higher productivity, loyalty, and profitability. As the CEO of HUMANS AT WORK, Warren provides private executive advisory, leadership and culture training, and organization development consulting. He is the Executive Director of the American Subcontractors Association (ASA) of Baltimore, a CultureWise™ Licensed Consultant, and a Certified Practitioner for The Leadership Circle 360 Profile™. In the exit planning space, Warren focuses on the business owner's need to develop a new skillset to transition to their next phase of life. As a speaker, his mission is to help others understand how positive, loving, professional relationships in the work environment contribute to business success and personal growth.

After starting his career in the landscape construction trade following his undergraduate work in Political Science at Hampden-Sydney College, Warren received his Doctor of Law (JD) degree from Emory University and practiced general corporate law for several years. He then spent 18 years at the American Nursery & Landscape Association learning non-profit best practices from his mentors and peers in the association executive profession. While with ANLA, he led the development and delivery of elite education and business services to over 1,700 closely-held companies and mentored the leadership development of the CEOs, presidents, and owners of those firms. Starting in 2013, when ANLA merged with another organization and moved its headquarters to Ohio, Mr. Quinn began his executive leadership practice.

His unique journey, combining executive and hands-on operational experience in both the non-profit and for-profit sectors, in addition to his legal and finance background, informs a powerful approach to leadership and organization development.



LEGALLY SPEAKING

The Next Generation of Subcontractors is Rewriting the Rules

by Karalynn Cromeens, Esq., The Cromeens Law Firm, PLLC

A generational shift is transforming family-owned subcontracting businesses across America. Younger leaders are replacing handshake-deal culture with legally informed decision-making—reviewing contracts before signing, filing liens to protect payment, and building the legal skills their predecessors never prioritized. This article explores what that shift looks like on the ground and why it matters.

Over the past several years, I've had the privilege of watching something remarkable unfold across the subcontracting industry. Sons and daughters are stepping into roles their parents built from the ground up. They're arriving with fresh energy, digital fluency, and—perhaps most significantly—a different relationship with risk. They grew up watching family businesses succeed through grit, reputation, and trust. Now they're asking harder questions: What does this contract actually say? What happens if we don't get paid? Do we have legal recourse here?

That shift is not a sign of distrust. It's a sign of maturity.

For decades, subcontracting operated on a foundation of relationships. A handshake carried weight. A man's word was his bond. There's real beauty in that tradition—and real danger, too. Because when disputes arise, as they inevitably do, relationships don't hold up in court. Contracts do.

The next generation of subcontractors understands this. They're not abandoning the values their families instilled in them. They're adding a layer of legal literacy that protects everything those families worked to build. And as an industry, we should be doing everything in our power to support and accelerate that transition.

How the New Generation Is Taking Over Family Businesses in Subcontracting

Family succession in the trades is rarely clean. It happens gradually—a son starts running crews, a daughter takes over estimating, a nephew steps into project management. Over time, the founder pulls back, and the next generation quietly assumes the weight of running the business.

What I've noticed is that younger leaders often enter with more formal education than their predecessors, but less practical experience navigating the specific risks of subcontracting. They may have a business degree or a construction management credential, but no one taught them how to read a pay-when-paid clause or understand what they're waiving when they sign a lien release.

The learning curve is steep—and the stakes are high. A subcontracting business built over 30 years can be severely damaged by a single poorly negotiated contract or an uncollected receivable on a large project. The next generation needs practical legal knowledge, not just operational skills.

The Old Way: Handshake Deals and the Risks They Carried

To be fair to the generation that built these businesses: the handshake-deal culture worked—until it didn't.

In tight-knit regional markets, reputation was currency. General contractors and subcontractors often worked together for years, sometimes decades. Trust was earned through performance, and payment disputes were resolved through conversations, not legal action. Filing a lien against a longstanding partner would have felt like a betrayal.

That world still exists in pockets. But the broader construction landscape has changed significantly. Projects are larger, ownership structures are more complex, and general contractors are increasingly subsidiaries of national firms with legal teams that draft subcontracts specifically designed to shift risk downward. The subcontractor who relies on a handshake—or who signs a 60-page subcontract without reading it—is at a structural disadvantage from day one.

The risks aren't hypothetical. Subcontractors who haven't reviewed their contracts carefully can find themselves bound by no-damage-for-delay clauses, broad indemnification obligations, or pay-if-paid provisions that eliminate their right to payment if the owner defaults. These aren't loopholes. They're enforceable contract terms that can—and do—devastate businesses.

The New Way: Understanding Legal Risk Before Signing a Contract

The cultural shift I'm observing among younger subcontractors is a move toward what I'd call proactive legal engagement. Rather than signing contracts and hoping for the best, the next generation wants to understand what they're agreeing to before they pick up a pen.

This is exactly the right instinct—and it represents a meaningful departure from past norms.

Having a contract reviewed by a qualified construction attorney before signing is not an admission of distrust toward the other party. It's a standard business practice that protects both sides by ensuring clarity. When each party understands its obligations, disputes are less likely to arise. When they do arise, resolution is more straightforward.

Contract review is particularly valuable in identifying and negotiating problematic provisions. An experienced construction attorney can flag clauses that are unenforceable in your state, identify indemnification language that exposes your business to disproportionate liability, or help you negotiate payment terms that reflect the actual timeline of the project.

The cost of a contract review is a fraction of what a payment dispute—or an indemnification claim—can cost down the road.

Why Contract Review Is a Critical Skill for Today's Subcontractors

Treating contract review as a core competency, rather than an occasional expense, is one of the most important shifts a subcontracting business can make.

Subcontractors who review contracts consistently develop a working fluency with common provisions. They start to recognize problematic language on their own. They know which clauses to push back on and which risks they can accept. Over time, this fluency becomes a competitive advantage—because they can move faster, negotiate more confidently, and take on projects with a clearer understanding of their exposure.

For the next generation stepping into leadership roles, building this fluency early is essential. Here's what that looks like in practice:

- Review every contract before signing, regardless of the relationship with the other party
- Engage a construction attorney for any contract above a defined dollar threshold—or for any contract that contains unfamiliar language
- Document key provisions including payment terms, notice requirements, dispute resolution clauses, and indemnification obligations
- Track notice deadlines rigorously, as missing a contractual notice requirement can waive important rights
- Understand lien rights in every state where you perform work, before the project begins

Protecting What You've Earned: The Importance of Filing a Lien

If contract review is the first line of defense, lien rights are the last line—and the most powerful tool a subcontractor has to enforce payment.

A mechanics lien is a legal claim against the property on which work was performed. When properly filed, it creates a cloud on the title that prevents the property from being sold or refinanced until the lien is resolved. For a subcontractor who has completed work and not been paid, it is the most direct and effective legal remedy available.

Despite this, many subcontractors—particularly those from the handshake-deal generation—resist filing liens. The concern is understandable: filing a lien against a general contractor you've worked with for 15 years sends a message. It escalates the situation. It may cost you future work.

That concern is real, and I don't dismiss it. But I've also watched too many subcontractors lose tens or hundreds of thousands of dollars because they waited too long to act—or because they let lien filing deadlines pass entirely out of reluctance to strain a relationship.

The hard truth is that unpaid work damages a business regardless of the relationship that surrounds it. Filing a lien is not aggression—it's a standard legal mechanism that exists specifically to protect the people who build things.

Overcoming the Discomfort of Liens—Even When It Risks Future Work

The next generation of subcontractors I've worked with tends to be more pragmatic about liens than their predecessors. They view the lien as a business tool, not a personal statement. They understand that protecting cash flow is not optional—it's the difference between a business that survives and one that doesn't.

That said, the discomfort is still real. Here's how forward-thinking subcontractors are navigating it:

- **Communicate clearly before filing.** In many cases, a notice of intent to file a lien is enough to prompt payment. A direct, professional conversation—or a formal notice from your attorney—signals that you are serious without immediately escalating to a filed lien.
- **Separate the relationship from the transaction.** A long-term business relationship can survive a lien, particularly if the underlying payment dispute is resolved professionally. What it often cannot survive is a subcontractor who becomes financially distressed because of unpaid work.
- **Know your deadlines.** Lien rights are time-sensitive and vary by state. Failing to file within the statutory deadline forfeits your rights entirely. Track these deadlines from the start of every project—not after a dispute arises.
- **Work with a construct ion attorney.** An attorney can help you file correctly, meet deadlines, and navigate the process in a way that is firm but professional.

Skills Development and Training for the Next Generation of Subcontractors

Legal literacy is not the only area where the next generation needs support. The transition from field expertise to business leadership requires a broad set of skills that the trades have historically underprioritized.

Formal training programs—whether through trade associations like the American Subcontractors Association, community colleges, or construction law firms—play a critical role in closing these gaps. Key areas of development for emerging subcontracting leaders include:

Contract literacy: Understanding common subcontract provisions, risk allocation language, and negotiation fundamentals.

Financial management: Job costing, cash flow forecasting, and understanding the financial impact of payment delays.

Legal rights and remedies: A working knowledge of lien rights, bond claims, dispute resolution processes, and prompt payment laws in your state.

Leadership and succession planning: Managing the transition of family business ownership in a way that preserves relationships and protects the business.

Technology and documentation: Using project management software and documentation practices that create the paper trail necessary to protect your rights in a dispute.

Industry associations have a responsibility here, too. Providing accessible, practical legal education—not just technical training—should be a priority for any organization that represents subcontractors. The next generation is asking the right questions. The industry needs to meet them with the right answers.

Embracing Legal Savviness as a Core Business Competency

The generational shift underway in family-owned subcontracting businesses is one of the most encouraging developments I've observed in this industry. Younger leaders are bringing a legal seriousness to their work that will make their businesses—and the industry—stronger.

The cultural transition from handshake deals to legally informed decision-making is not about losing trust. It is about protecting the work, the relationships, and the legacy that previous generations sacrificed to build.

Review your contracts before signing. Understand your lien rights before a project begins. File when you need to file. Build the legal fluency that the next generation deserves—because the businesses that thrive in the decades ahead will be the ones that combine the relationship-first values of the trades with the legal literacy to protect them.

If your business is navigating contract review, lien filing, or the broader challenges of generational transition, working with a qualified construction attorney is one of the most valuable investments you can make. The right legal partner does not replace your judgment—they inform it.

Frequently Asked Questions

What is the generational shift happening in the subcontracting industry?

Many family-owned subcontracting businesses across America are transitioning leadership from founders—who often operated on trust-based, handshake-deal culture—to younger generations who prioritize legal literacy, contract review, and proactive risk management. This shift reflects broader changes in construction project complexity and contract sophistication.

Why should subcontractors have contracts reviewed before signing?

Subcontracts often contain provisions—such as pay-if-paid clauses, no-damage-for-delay language, and broad indemnification obligations—that significantly shift legal and financial risk onto the subcontractor. A qualified construction attorney can identify these provisions, advise on negotiation, and help subcontractors understand their full exposure before work begins.

What is a mechanics lien and how does it protect subcontractors?

A mechanics lien is a legal claim filed against a property on which a subcontractor performed work but was not paid. When properly filed within statutory deadlines, it creates a cloud on the property title that prevents sale or refinancing until the debt is resolved. It is one of the most effective legal remedies available to subcontractors for enforcing payment.

Does filing a lien damage business relationships?

Filing a lien can create tension, particularly in long-term business relationships. However, many construction attorneys recommend issuing a notice of intent to file before taking formal action, which often prompts payment without escalation. Unpaid work poses a greater long-term risk to a business than a well-handled lien filing.

What skills should the next generation of subcontractors develop?

Emerging subcontracting leaders benefit most from developing contract literacy, financial management skills, a working knowledge of lien rights and prompt payment laws, leadership and succession planning capabilities, and strong project documentation practices. Industry associations and construction law firms are valuable resources for structured training in these areas.

What are lien filing deadlines and why do they matter?

Lien filing deadlines—sometimes called "lien perfection" deadlines—are statutory time limits within which a subcontractor must file a mechanics lien to preserve that right. These deadlines vary by state and are strictly enforced. Missing a deadline forfeits lien rights entirely, regardless of how valid the underlying payment claim is.

About the Author

With more than 18 years of experience in construction and real estate law, Karalynn Cromeens has filed more than a thousand lawsuits to foreclose or remove mechanics liens successfully. Her family also owns a material supply company, providing Karalynn first-hand knowledge of the construction industry. This personal understanding, combined with her extensive legal experience, guides The Cromeens Law Firm's true purpose—To protect and defend all that you have worked hard for and be your partner in business. She is also a best-selling author and podcast host for Quit Getting Screwed.

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