States with a high share of unemployment insurance claims tilt a bit more to coastal areas...

Unemployment compensation claims as a percentage of the civilian labor force, April 11, 2020

- U.S. average: 13.7%
- 1. Hawaii: 21.7%
- 10. Washington: 16.0%
- 2. Michigan: 21.0%
- 5. Nevada: 19.5%
- 3. Rhode Island: 20.5%
- 4. Pennsylvania: 19.8%
- 6. Kentucky: 19.0%
- 7. Georgia: 16.6%
- 8. Louisiana: 16.6%
- 9. Puerto Rico: 16.6%

...While states with low share of unemployment insurance claims more concentrated in the Mountain region

Unemployment compensation claims as a percentage of the civilian labor force, April 11, 2020

- U.S. average: 13.7%
- 41. Oregon: 9.1%
- 44. Wyoming: 7.3%
- 47. Utah: 6.5%
- 50. South Dakota: 4.9%
- 42. Nebraska: 8.0%
- 43. Colorado: 7.3%
- 46. Connecticut: 6.5%
- 49. West Virginia: 5.8%
- 45. Texas: 7.2%
- 48. Florida: 6.3%
Architecture billings took a historic drop in March...

Diffusion index: 50 = no change from previous month, seasonally adjusted

Jan – 52.2  
Feb – 53.4  
Mar – 33.3

...And the even steeper drop in new design contracts suggests that billings will decline even further in the months ahead

Diffusion index: 50 = no change from previous month, seasonally adjusted
Architecture firms saw a decline in their backlog in the first quarter

Average backlogs at architecture firms (months)

Source: AIA Architecture Billings Index

On average, backlogs declined almost 10% over the quarter; for many, the decline was more substantial

% of firms, average backlog change

Data from survey conducted of AIA firm leaders from April 1-9, 2020
On average, firms expect Q-2 revenue to be down almost 17% from pre-pandemic expectations

<table>
<thead>
<tr>
<th>% of firms, expected revenue loss in Q-2</th>
<th>16.8%</th>
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</table>

- Average Decline: 16.8%
- 25% or more: 32.5%
- Under 5%: 13.8%
- At least 5% but under 10%: 18.8%
- At least 10% but under 25%: 13.7%

Data from survey conducted of AIA firm leaders from April 9, 2020

Anticipated revenue decline this quarter less at firms in the South, West; as well as at larger firms

Firm revenue expectations for Q-2

- Northeast: -20.7%
- Midwest: -12.6%
- South: 56.5%
- West: 14.3%
- Firm size (annual revenue):
  - $5M-$5-Oct: -20.1%
  - $50K-$5M: -18.2%
  - $1M-$5M: -16.3%
  - $55M+: -13.8%

Data from survey conducted of AIA firm leaders from April 9, 2020
Virtually all firms have implemented or are contemplating significant changes in staffing as a result of downturn.

<table>
<thead>
<tr>
<th>% of firms</th>
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<tbody>
<tr>
<td>Implementing a hiring freeze</td>
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<tr>
<td>13%</td>
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</table>

Data from survey conducted of AIA firm leaders from April 1, 2020.

Over a third of firms consider economic downturn to be extremely serious or devastating.

Initial firm impressions of impact of downturn, 5-point scale; % of firms

- Devastating (5): 13.1%
- Relatively minor (1): 5%
- Somewhat concerning (2): 4.3%
- Significant but manageable (3): 17.9%
- Extremely serious (4): 12.7%

Data from survey conducted of AIA firm leaders from April 1, 2020.
By end of the year, most firms expect to continue to be operating, but on a much leaner scale

% of firms

- Trimmed all unnecessary expenses at our firm to stay in the best possible financial position: 76%
- Annual revenue will be considerably lower than it is at present: 66%
- Implemented changes so that our firm will be operating much more efficiently: 59%
- Invested in new information technologies and communications systems to keep our firm competitive and able to benefit from new opportunities: 39%
- Size of our firm will be considerably smaller: 17%
- Offering a broader set of design and/or construction services: 14%
- Successfully diversified into new markets (new facility categories or new geographical areas): 8%
- Focusing on a more limited set of design and related services: 6%
- Merged with or been acquired by another firm: 1%

(Data from survey conducted of AIA firm leaders from April 15, 2020)

Questions?

More economic resources from the AIA:

- (residential) HDT Special Report: "Projected strength in residential markets set to be derailed by global pandemic": https://www.aia.org/pages/6284329-hdts-special-report-projected-strength-in
- AIA Architectural Billings Index (ABI): aia.org/abi
- AIA Home Design Trend Survey (HDT): aia.org/hdts
- Economic indicators to track leading economic Key Performance Indicators (KPIs): www.aia.org/indicators
- COVID-19 resources for architects: www.aia.org/covid-19-resources