



McKissack & McKissack featured at Anchin’s State of the Construction Industry event

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Manhattan, NY Anchin hosted its 17th annual State of the Construction Industry event at the Harvard club. Industry leaders and executives gathered for a discussion on “What’s Next for NYC.” Hope Knight, president, CEO and commissioner of Empire State Development, was the keynote speaker, and the panel was moderated by Carlos Scissura, president and CEO of the New York Building Congress. The New York Building Congress, The American Council of Engineering Companies of New York, and the Subcontractor’s Trade Association were industry supporters of the event.

Among the event’s panelists included Cheryl McKissack Daniel, president & CEO at McKissack & McKissack, Jay Badame, president at AECOM, Arthur Metzler, president & CEO at AMA Group, and Jennifer Stone, partner at Robert A.M. Stern Architects.

McKissack Daniel, while commemorating McKissack’ 100th year anniversary of the legacy firm’s founders receiving their licenses in Nashville, TN as the first African American Architects in the nation, cited rising interest rates as the biggest concern now.

“When interest rates rise, it causes developers to push the pause button on development, and that trickles down to AEC”, said Daniel. Daniel also expressed similar concern over the city’s government budget and multiple capital projects that have been put on hold over funding. She also noted that transportation infrastructure needs in the city are in a state that require federal funding now as losses from COVID were still impacting transit systems across the MTA, NJ Transit, and PATH trains. Infrastructure funding for other critical projects such as the Gateway Project, “which will create resiliency and reliability across the critical NE Corridor, the most heavily used rail section in the US, is also on the table and in need of funding”, said Daniel.

On a positive note, while projects initially slowed to a near halt in design and construction throughout the pandemic, new pent-up demand flooded the market later in 2021 – however, while some firms have been tackling backlogs of work and trying to best manage the numbers of opportunities available in the construction industry now, rising interest rates may likely leave an additional negative impact in a year or so if no new starts appear in design. McKissack Daniel added that, “additionally, as developers are pushing their projects out or are scrapping current projects altogether, the companies we are working with in the private sector are flooding the government sector now because that’s where the work is”.

In other stated challenges by the panelists, Jay Badame, President at AECOM provided a startling example of supply chain disruptions where electrical contractors are facing significant challenges in gathering electrical equipment due to supply chain issues. McKissack Daniel confirmed this trend, for example, in the firm's Philadelphia office, construction professionals have been told it would take 84 months to get electrical gear for current ongoing projects in the Delaware area. The reason is unknown, and no clear answers were given as supply chain problems have come to bear for many AEC firms in very tangible ways.

Led by Hope Knight and the EDC's push for new business development, panelists discussed hiring as well as new employment initiatives in DE&I that have been recently adopted across the construction industry in New York City. McKissack & McKissack, as the nation's oldest minority and women-owned professional design and construction firm in the US, revealed findings from an independent 3rd party audit. Results from the firm's DE&I committee determined that unconscious bias is real, and that if they removed the name, address and school from the application, a person of color was more likely to get hired. While McKissack Daniel said they had no problem hiring women and people of color for obvious reasons, it's still a fact that fewer minorities and women occupy higher level positions. McKissack Daniel added though that a diverse management staff has always been more profitable to the firm. "We are in a detail specific business – there is lots of information and data you are dealing with, and women do not miss a thing, and that is an important aspect that is really contributing to success at the firm," said McKissack Daniel.

As far as success and history at the legacy firm, McKissack Daniel on its 100th anniversary noted that the "chances of a 2nd generation success is 30%, a 3rd generation success is only 4%, and a 4th generation is nil, and yet we are the 5th generation, so we are doing something right. In the deep south where the firm's founding fathers began, it was initially very difficult and next to impossible to receive an architectural license, and now the firm is celebrating 100 years. She also stated that "becoming a New York resident allowed her to be where MWBE firms have more opportunity, and overall, the city of New York itself has been a major contributing factor to their continued success."

McKissack Daniel concluded, "It's always impressive that New York's design and construction market always bounces back, and even when numbers went down per se , 50 billion, it's still huge, that's the effect of being in New York, and we will continue to come back stronger than before Covid".

In conclusion, New Directions was indeed the theme of the event as participants and panelists engaged in discussions and networking around the future of the office and new building projects in the world's largest real estate market. New York has always displayed incredible resilience and despite multiple challenges, it was concluded by all that the future is bright for the architecture, engineering and construction industries across the city and state.