

# BUSINESS CLIMATE LIGHTNING POLL

(A mid-quarter update to the Engineering Business Sentiment)

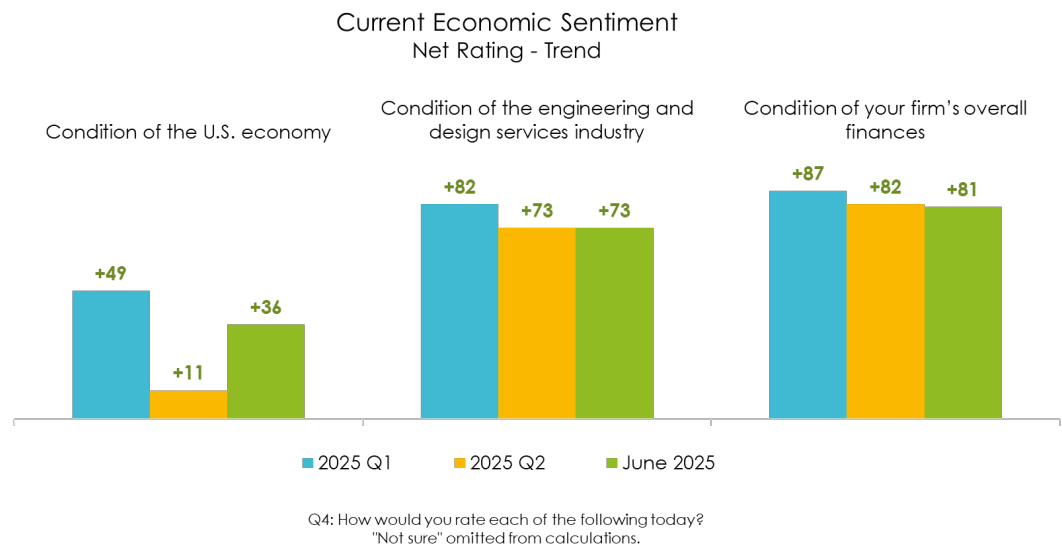
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# EXECUTIVE SUMMARY

When the ACEC Research Institute last surveyed engineering firms in April 2025 about their business outlook, the results painted an ominous picture of the economy in general which bled over to concern about the future of the industry. Since that time, the outlook has improved considerably but is not as positive as in Q1 2025. The following are some key observations from the ACEC Research Institute’s Business Climate Lightning Poll conducted among 548 respondents from June 2-9, 2025.

## Current Business Conditions

Optimism about the U.S. economy rebounded considerably compared to the 2025 Q2 report, increasing to a Net Rating of +36 (previously +11). However, the condition of the engineering and design services industry held firm with a Net Rating of +73, nine points lower than in Q1. Similarly, the condition of the firm’s overall finances remained lower than in Q1 and dropped one point from Q2 to a Net Rating of +81. Nonetheless, firm leaders remain very optimistic about the industry and their firm’s finances.



## Inflation and Tariff Concerns

Inflation continues to remain a top concern, but perhaps less urgent than only two months ago. Concern in April 2025 had risen to a Net Rating of +61, up from +33 only three months prior (January 2025). This latest poll, however, shows the concern declining to +51.

The effect of tariffs is a relatively new concern for the engineering and design services profession. Last quarter (Q2 2025), the concern received a Net Rating of +49. For this most recent poll, that figure dropped to +41 – again, still a concern, but lower, at least for now.

## Recession Concerns

What do the last few months of economic turbulence portend for the economy? The perceived likelihood of a recession in the next six months decreased six points from the last report to 48%. However, this is still much higher than the 35% reported during the Q1 2025.