# SNAPSHOT





## of the Collision Repair Industry

## EXECUTIVE SUMMARY OF THE 2013 SURVEY

## **BACKGROUND**

Previous surveys, conducted every three years, confirmed the need for a continual supply of qualified entry-level technicians, while also showing changes concerning business operations and the collision repair technician workforce.

A similar survey was completed in 2013 to continue monitoring trends and provide data to support school programs for collision repair at all levels.

## **SAMPLE**

An online survey was set up to collect information about both the business environment and the technician workforce. Announcements were made in leading publications, on appropriate websites, and to repair associations inviting collision repair businesses to complete the survey.

Over 500 collision repair businesses responded, representing over 2,300 technicians and a wealth of data.

Even with a first-time electronic survey and a six-year gap since the last study, results still give a current picture of the industry and interesting comparisons to previous years.

## **BUSINESS STATISTICS**

In six years since the last survey was completed, both the economy and the collision repair industry have been through significant changes. The industry has experienced a market size reduction of 3,047 shops (7.0%) to a current count of 40,488 shops, while the size of individual shops has increased.

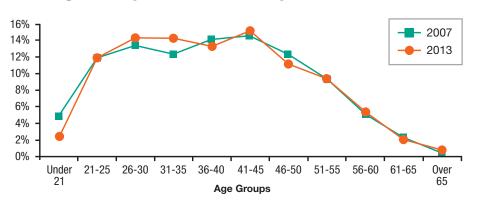
Small shops (those with annual sales under \$300,000) were almost half of all shops (44.3%) in 1995 and now represent about one of every twelve shops (8.7%). The share of super shops (those with annual sales over \$1 million) has increased from about one in seven shops (15.3%) in 1995 to two-thirds (66.5%) of all shops in 2013.

The overall average for square feet of production space has again grown, more than doubling since 1995. The average number of employees reported has also more than doubled in that same time period. In 1995, one in five shops reported more than six technicians. In 2013, it is now more than one out of every two shops.

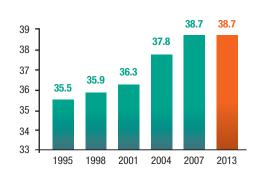
Those in business five years or less was one out of every seven (14.2%) in 1995 and one out of every sixteen (6.1%) in 2013, resulting in an increase of the overall average of number of years in business.

| Business Statistics - Collision Repair Shops    |        |        |                   |                   |                   |                   |  |
|---|--------|--------|-------------------|-------------------|-------------------|-------------------|--|
| SURVEY YEAR                                     | 1995   | 1998   | 2001              | 2004              | 2007              | 2013              |  |
| Number of Businesses*<br>Number of Technicians* | 45,882 | 46,427 | 44,532<br>178,400 | 44,736<br>176,500 | 43,535<br>179,000 | 40,488<br>173,200 |  |
| Years in Business                               | 17.3   | 20.7   | 21.6              | 25.7              | 27.5              | 29.5              |  |
| Average Square Feet                             | 5,761  | 6,537  | 8,269             | 9,008             | 10,034            | 13,524            |  |
| Average Number Employees                        | 6.1    | 7.2    | 7.7               | 7.9               | 8.4               | 13.3              |  |
| More than 6 Technicians                         | 20.4%  | 25.3%  | 29.7%             | 32.2%             | 32.6%             | 55.9%             |  |
| Percent of Small Shops                          | 44.3%  | 35.4%  | 28.0%             | 22.4%             | 14.3%             | 8.7%              |  |
| Percent of Large Shops                          | 40.4%  | 41.0%  | 45.9%             | 43.3%             | 48.6%             | 24.8%             |  |
| Percent of Super Shops                          | 15.3%  | 23.6%  | 26.1%             | 34.4%             | 37.1%             | 66.5%             |  |
| * Courtesy of CollisionWeek                     |        |        |                   |                   |                   |                   |  |

#### Age Groups - Collision Repair Technicians



#### **Average Age**



## **CURRENT TECHNICIANS**

Average technician age has leveled off at just under 39 years old after increasing about 10% since 1995.

Most of the current working technicians were hired from another shop (61%). Almost 20% were hired from a non-automotive industry or as their first job. Just under 8% were hired from a related automotive industry. These figures have not changed significantly from previous surveys. Twelve percent were hired directly from a technical school program, up from 7% in 2007. Women were reported to be 2% of the technician workforce.

Slightly above the entire adult population, 90% of technicians are high school graduates.

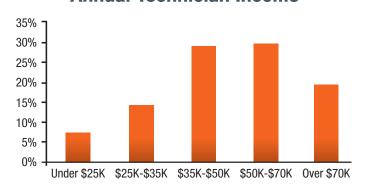
Businesses responding to the survey report that 74% of technicians participated in I-CAR training in the last two years. Six percent reported OEM training.

#### **COMPENSATION**

Compensation plans have remained consistent, with about half based on flat rate (commission) plans. Entry-level technicians are usually based on an hourly rate.

Although there is a wide distribution, annual income tends to increase with shop sales volume. Income figures shown below are for production technicians over 20 years old.

#### **Annual Technician Income**



Average income for production technicians has again increased since the previous survey, from \$51,312 to \$52,997, competitive with similar skilled trades and higher than most.

Nineteen percent reported earnings of \$70,000 or higher, showing an attractive earning potential as a collision repair technician.

## **2013 National Annual Income Averages**

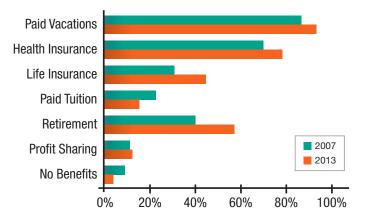
| Collision Repair Technician | \$52,997 |
|-----------------------------|----------|
| Electronics Technician      | \$52,940 |
| Machinery Mechanic          | \$48,690 |
| Tool & Die Maker            | \$48,490 |
| Chemical Technician         | \$46,130 |
| Carpenter (Gen/Maint)       | \$44,520 |
| Heavy Truck Driver          | \$40,360 |
| Medical Lab Technician      | \$39,340 |
| Welder                      | \$38,410 |

## **BENEFITS**

Benefit packages offered to today's collision repair technician workforce show slight increases from previous survey data in all categories.

In 1995, 19% of businesses reported no benefits offered from this list. Those offering no benefits have declined in every year the survey was done, showing only 7.5% offering no benefits in 2013.

#### **Percent of Shops Offering Each Benefit**

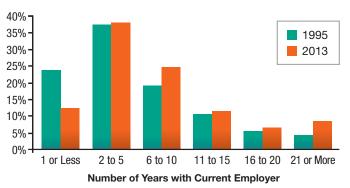


## **TECHNICIAN TURNOVER**

Approximately one of every seven technicians (13.9%) left their jobs within the last year, significantly less than the 27.5% reported in 2007.

Half of all reported technicians have been with their current employer for 5 years or less. Through the years, there has been a steady increase in technicians staying with their employer for more than 5 years, from 39% in 1995 to 50% in 2013.

#### **All Collision Repair Technicians**



Of those who left their jobs, over half (53%) left for another shop. This is **turnover** within the industry and, while disruptive to an individual shop, does not increase or decrease the pool of available technicians.

Industry **turnout** decreases the number of working technicians available. In the last 12 months, approximately one in sixteen collision technicians (6.6%) left the trade, significantly less than the 11% reported in 2007.

Some technicians (1.6%) left their job for a different position, but still in an automotive business. Other technicians (4.0%) left the Collision Repair Industry completely. In addition, 1.0% of technicians retired from the workforce.

#### **Technician Turnover in the Last 12 Months**

| Total Technicians173,200              |       |
|---------------------------------------|-------|
| Technicians That Left Their Job24,075 | 13.9% |
| Turnover (within the trade)12,644     | 7.3%  |
| Turnout (left the trade)11,431        | 6.6%  |
| • Different Job Outside Industry6,928 | 4.0%  |
| • Related Job Within Industry2,771    | 1.6%  |
| Retired from Workforce1,732           | 1.0%  |

## **ENTRY-LEVEL TECHNICIANS**

Over one of every four respondents looks to technical school programs for recruiting entry-level technicians, followed by a preference for online ads and then newspaper ads. One in nine says they do not hire entry-level technicians.

## **Recruiting Entry-Level Technicians**

| Technical Schools       | 26.7%         |
|-------------------------|---------------|
| Online Ads              | 18.5%         |
| Newspaper Ads           | 17.8%         |
| Don't Hire Entry-Level  | 11.0%         |
| Social Networks         | 8 <b>.8</b> % |
| Automotive Associations | 6.3%          |
| Career Fairs            | 5.1%          |
| Referral                | 2.9%          |
| Other                   | 2.9%          |

Almost two out of three respondents (63.9%) identified one collision repair school in their area and two of every five (42.4%) identified a second one. Fifty-one percent rated their schools as Very Good or Excellent. Two-thirds (64.2%) also reported hiring from these schools and almost all (92.5%) would hire more.

Three out of ten (28.8%) reported at least one employee on a school advisory committee, significantly higher than 19% in 2007.

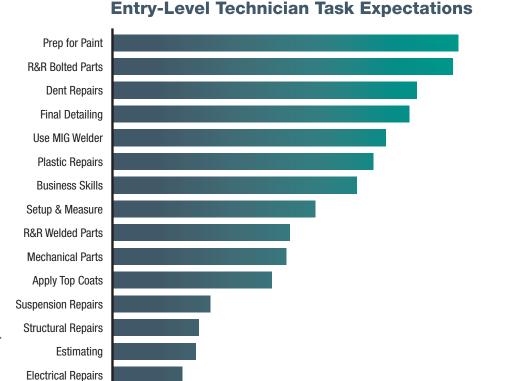
## **TECHNICAL TRAINING PROGRAMS**

Survey respondents indicated which tasks they would expect a technical school program graduate to be able to perform with very little supervision. Respondents chose an average of 8.3 tasks, higher than in 2007 (7.5 tasks).

New tasks added for 2013 were Basic Business Skills and Estimating. Sixty-five percent selected Business Skills, ahead of Setup and Measure (54%). Estimating at 22% was above only Electrical Repairs (19%).

## **CONCLUSIONS**

- The Collision Repair Industry is predominantly independent businesses that continue to decrease in number while increasing in average size, number of employees, and sales volume.
- One of every two shops now report six or more technicians, although the number of production technicians has decreased overall.



- The average age of technicians appears to have leveled off at just under 39 years old.
- Average technician income has again increased, is still higher than most comparable trades, and has almost one of every five earning \$70,000 or more.

Other

0%

10%

20%

30%

40%

50%

60%

70%

80%

90%

- · Collision repair businesses have increased technician benefits slightly in the last six years.
- Technician turnover (within the industry) and technician turnout (leaving the industry) have decreased significantly, while current retirements have remained steady.
- · One in every four businesses looks to technical school programs for recruiting entry-level technicians.
- Two-thirds of businesses have hired from a collision repair school program in their area and almost all would hire again.
- Participation on technical school advisory committees has increased (from 19% to 29%) over the past six years.
- Expectations for collision repair skills of technical school program graduates have remained steady over the years with "Prep for Paint" and "R&R Bolted Parts" still the top two tasks.

#### For permission to reproduce this report or for more information, please contact:

Collision Repair Education Foundation 5125 Trillium Blvd. Hoffman Estates, IL 60192 888.722.3787 FAX 847.590.1215





100%