

SNAPSHOT

OF THE COLLISION REPAIR INDUSTRY

COLLISION REPAIR EDUCATION™
FOUNDATION
I-CAR

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EXECUTIVE SUMMARY OF THE 2016 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 2016 to continue monitoring trends and provide data to support effective strategies and decision-making on the structure and scope of collision repair school programs 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 630 collision repair businesses responded, representing over 4,500 technicians and a wealth of data.

The same electronic survey system was used for direct analysis with the 2013 Survey and a few interesting comparisons to prior year surveys. Complete data history is available in the full report.

BUSINESS STATISTICS

While the total number of collision repair businesses increased slightly, the number of technicians increased significantly.

The percentage of small shops (with annual sales under \$300,000) has declined significantly since 1995, while the share of large shops (over \$1 million) continues to increase.

The overall average for square feet of production space has again grown, along with a higher average number of technicians and support employees reported. In 1995, one in five shops reported more than six technicians. In 2016, it is more than one out of every two shops (52%).

Those in business five years or less has decreased from 1995 (14.2%) to 2016 (4.3%), resulting in an increase of the overall average of number of years in business.

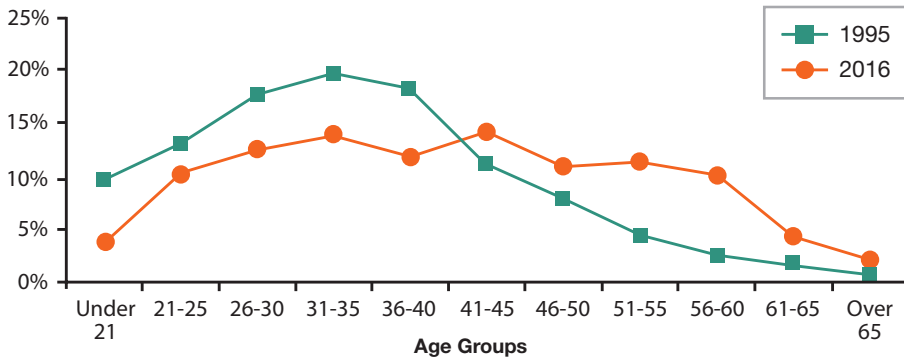
Business Statistics - Collision Repair Shops

SURVEY YEAR	1995	1998	2001	2004	2007	2013	2016
Number of Businesses*	45,882	46,427	44,532	44,736	43,535	40,488	40,962
Number of Technicians*			178,400	176,500	179,000	173,200	187,800
Years in Business	17.3	20.7	21.6	25.7	27.5	29.5	32.2
Average Square Feet	5,761	6,537	8,269	9,008	10,034	13,524	13,843
Average # Techs and Support	6.1	7.2	7.7	7.9	8.4	13.3	12.7
More than 6 Technicians	20.4%	25.3%	29.7%	32.2%	32.6%	55.9%	52.3%
Percent of Small Shops	44.3%	35.4%	28.0%	22.4%	14.3%	8.7%	5.3%
Percent of Medium Shops	40.4%	41.0%	45.9%	43.3%	48.6%	24.8%	26.6%
Percent of Large Shops	15.3%	23.6%	26.1%	34.4%	37.1%	66.5%	68.1%

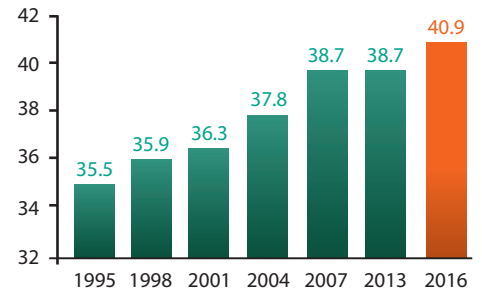
* U.S. Bureau of Labor Statistics, courtesy of Collision Week

This survey was conducted by the Collision Repair Education Foundation.

Age Groups – Collision Repair Technicians



Average Age



CURRENT TECHNICIANS

Average technician age has increased to almost 41 years old, rising about 13% since 1995. A particular concern for this industry is the growth in the percentage of technicians over 50 years old.

Hiring from another shop is still the largest source of technician hiring (49%) and is down from sixty-one percent in 2013. Just over twenty-five percent were hired from a non-automotive industry or as their first job, higher than in 2013 (20%). Over eleven percent were hired from a related automotive industry.

Respondents indicated that 36 percent of their technicians had some level of pre-employment technical education.

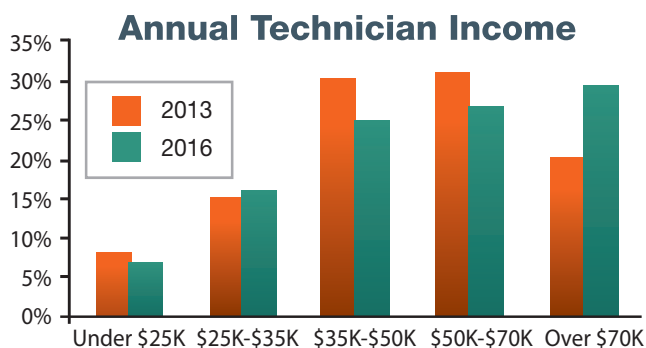
Above the entire adult population, ninety-four percent of technicians are high school graduates.

Businesses responding to the survey report that sixty-eight percent of technicians participated in I-CAR training in the last two years. Thirty-six percent reported some OEM training.

COMPENSATION

Compensation plans have remained consistent, with just under half (48%) based on flat rate (commission) plans.

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.



According to survey respondents, average income for production technicians rose from \$52,997 in 2013 to \$53,857 in 2016, competitive with similar skilled trades and higher than most.

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

2016 National Annual Income Averages

Collision Repair Technician	\$53,857
Electronics Technician	\$53,270
Machinery Mechanic	\$51,470
Tool & Die Maker	\$51,130
Chemical Technician	\$47,890
Carpenter (Gen/Maint)	\$46,870
Heavy Truck Driver	\$42,500
Medical Lab Technician	\$39,635
Welder	\$40,970

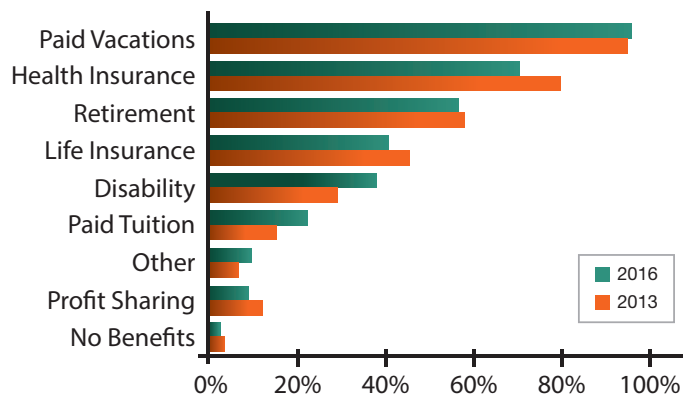
(Other trades source: U.S. Bureau of Labor Statistics)

BENEFITS

Benefit packages offered to today's collision repair technician workforce show little change from previous survey data, except for a significant decrease in health care coverage.

In 1995, nineteen percent of businesses reported no benefits offered from this list. Those offering no benefits have declined in every year the survey was done, showing less than three percent offering no benefits in 2016.

Percent of Shops Offering Each Benefit



Technician Turnover in the Last 12 Months

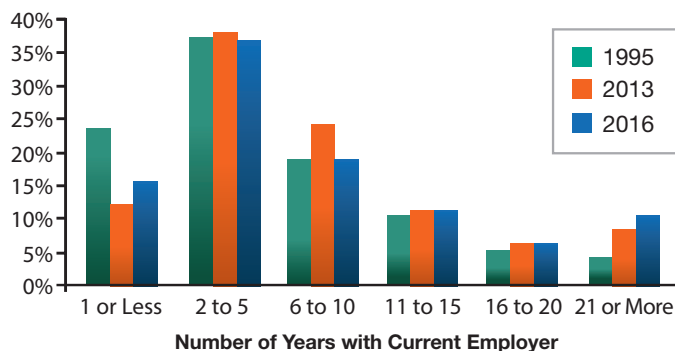
Total Technicians	187,800	
Technicians That Left Their Job	27,251	14.5%
Turnover (<i>within the trade</i>)	15,565	8.3%
Turnout (<i>left the trade</i>)	11,685	6.2%
• Different Job Outside Industry	4,951	2.6%
• Related Job Within Industry	3,657	1.9%
• Retired from Workforce	3,077	1.6%

TECHNICIAN TURNOVER

Approximately one of every seven technicians (14.5%) left their jobs within the last year, similar to the results found in 2013 (13.9%).

Half of all reported technicians have been with their current employer for 5 years or less, similar to previous surveys. Those staying on the job for over 20 years has increased each year to over ten percent in 2016.

All Collision Repair Technicians



Similar to 2013, of those who left their jobs, over half (57%) 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 (6.2%) left the trade, similar to the 2013 Survey.

Some technicians (1.9%) left their job for a different position, but are still working in an automotive business. Other technicians (2.6%) left the collision repair industry completely. In addition, 1.6% of technicians retired from the workforce.

The survey asked about how many open technician positions the shop has currently. Unfilled entry-level needs averaged 0.9 technicians per shop, while unfilled experienced technician needs averaged 1.7 per shop.

ENTRY-LEVEL TECHNICIANS

Three out of five shops reported hiring at least one entry-level technician during the previous 12 months.

Recruiting Entry-Level Technicians

Asking Vendors	44.9%
Technical Schools	38.1%
Online Postings	37.9%
Social Networks	22.3%
Newspaper Ads	19.0%
Automotive Associations	10.9%
Help-Wanted Sign	9.2%
General Career Fairs	7.5%

The most effective recruitment method reported was asking vendors, followed closely with contacting a technical school directly and posting jobs online. General career fairs showed low effectiveness as ranked by respondents. Collision repair specific careers fairs were launched by the Education Foundation in 2016 to further increase success rates.

Almost three out of four respondents (72%) identified one collision repair school in their area and almost one of every two (48%) identified a second one. Sixty-nine percent rated their schools as Good or above. Of those who have hired from these schools, almost all (93%) would hire more.

Over one in three (37%) reported at least one employee was on a school advisory committee, significantly higher than twenty-nine percent in 2013.

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 9.2 tasks, higher than in 2013 (8.3 tasks).

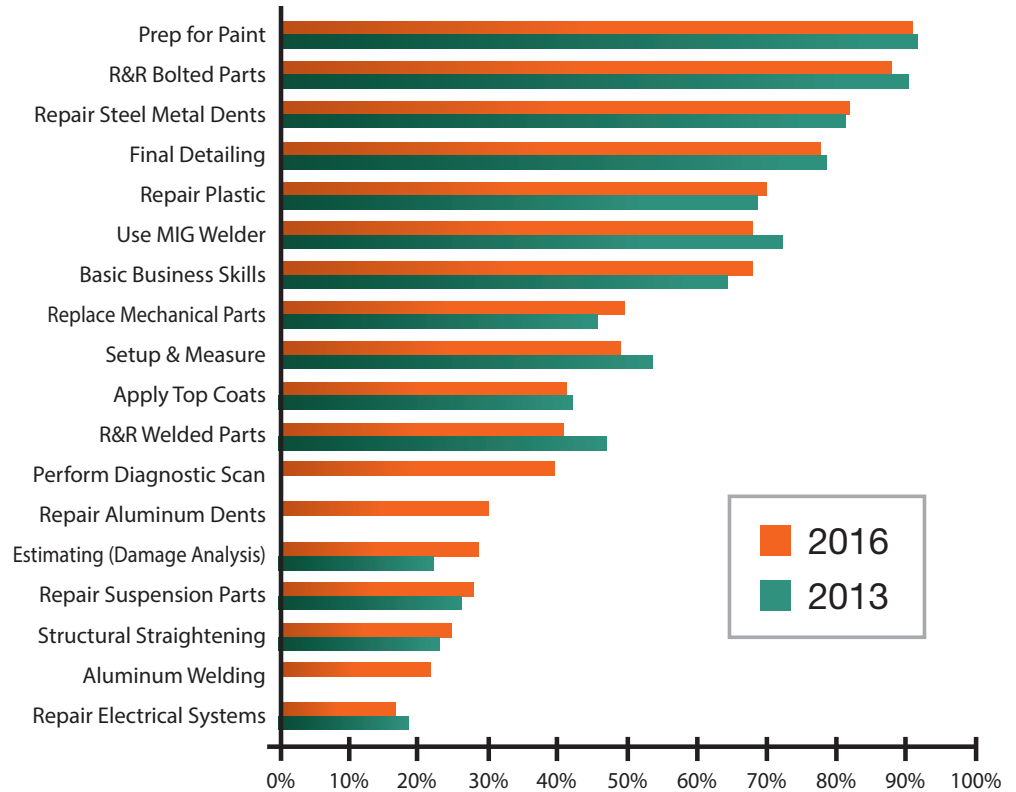
The top four requested tasks remained the same, as they have since 1995. Electrical Repairs is still the least expected skill.

New tasks added for 2016 were Perform Diagnostic Scan, Repair Aluminum Dents, and Aluminum Welding. All are in the bottom half of expected task proficiencies.

CONCLUSIONS

- **The collision repair industry is predominantly independent businesses that have increased slightly in number while also increasing in average size, number of employees, and sales volume.**
- **One of every two shops reported six or more technicians and the industry total number of production technicians has increased overall.**
- **The average age of technicians has again risen and is now almost 41 years old.**
- **Average technician income has again increased, is still higher than most comparable trades, and has almost one of every four earning \$70,000 or more.**
- **Collision repair businesses have decreased healthcare benefits since the last survey.**
- **Technician turnover (within the industry) has increased slightly while technician turnout (leaving the industry) has decreased slightly. Retirements have increased.**
- **Three out of five shops reported hiring at least one entry-level technician in the past year.**
- **Of those businesses that have hired from a collision repair school program in their area, almost all would hire again.**
- **Participation on technical school advisory committees has again increased (from 29% to 37%) over the past three years.**
- **Expectations for collision repair skills of technical school program graduates have remained steady over the years with Prep for Paint, R&R Bolted Parts, Repair Steel Metal Dents, and Detailing still the top four tasks.**

Entry-Level Technician Task Expectations



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Collision Repair Education Foundation
 5125 Trillium Blvd. | Hoffman Estates, IL 60192
 847.590.1191
 FAX 847.590.1215

CollisionEducationFoundation.org

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