A Snapshot of the Collision Repair Industry

2016

Presented by

COLLISION REPAIR EDUCATION™
FOUNDATION
I-CAR

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2016 Collision Repair Industry Survey

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Introduction

Collision Repair Education Foundation

In the 1980s, the collision industry was facing its first critical shortage of qualified and well-trained entry-level employees. The country's technical education system was no longer able to produce enough high-caliber graduates to meet industry needs. In response, industry partners created the Collision Repair Education Foundation in 1991.

The Foundation's charge was to develop, promote, and distribute a curriculum program designed to teach the skills most needed by entry-level employees of collision repair shops. Today, nearly two-thirds of the more than 1000 collision repair schools in the United States use curriculum originally developed by the Foundation.

But creating and providing a curriculum to meet collision industry needs was only part of the solution to the problem. Secondary and post-secondary schools nationwide have experienced severe funding cuts from national, state, and local sources. As a result, schools are unable to provide adequate funding for their collision training programs, despite full class enrollment.

In 2008, the Collision Repair Education Foundation transformed itself into a traditional philanthropic organization, partnering with industry donors to fill the school and student funding gap that hinders the growth of the collision industry.

Since the transition in 2008, the Foundation has provided over $60 million in donations to school collision programs and student scholarships.

Our Vision:

A collision industry with a sufficient number of qualified, properly trained, and immediately productive entry-level employees to meet current and future Industry needs.

Our Mission:

Support collision repair educational programs, schools, and students to create qualified, entry-level employees and connect them with an array of career opportunities.

2016 Collision Repair Industry Survey

This research represents a snapshot of where the Collision Repair Industry is today and a continuing effort to discover and quantify trends. As research continues, it will tell us what the Collision Repair Industry needs to do to assure its long term health.

Many areas of this research allow us to draw some encouraging conclusions. For example:

- 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.
- Average technician age has again increased. It now stands at almost 41 years old, rising about 13 percent from 1995.
- 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.
- 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.

These and other Survey results are intended to provide data that can be used to help retain current technicians, recruit new technicians, and support school-to-work programs. Technical school programs have used this data to support their existing programs, substantiate expansion, and help start new programs.

I-CAR and the Collision Repair Education Foundation wishes to thank the many contributors and other supporters that made this progress possible.

There is still much to do, which requires continual support. As a 501(c)(3) not-for-profit organization, your contributions to the Collision Repair Education Foundation are tax-deductible. By making a contribution, you will assist the Foundation in continually improving the quality of collision repair education.

Background

The field of collision repair, like today's vehicles, has become increasingly complex, including advanced materials and technologies. Complete and safe collision repairs require technicians with more technical and academic skills than ever before. This trend is expected to continue and raises two major concerns about the future of the collision repair workforce:

1. Attracting entry-level people for tomorrow.
2. Retaining today's experienced technicians.

Although collision repair technicians can earn excellent wages, enjoy job security within the trade, and have advancement opportunities within the entire Automotive Industry, it has become increasingly difficult to recruit entry-level technicians.

- Competition for entry-level workers, especially from other service industries, is expected to increase.
- Although most job demand and growth is in technical fields that do not require a degree, most young people are steered toward four-year college degrees.
- A poor Industry image tends to discourage many young people from considering a career in automotive repair.

This survey was designed to address such issues by:

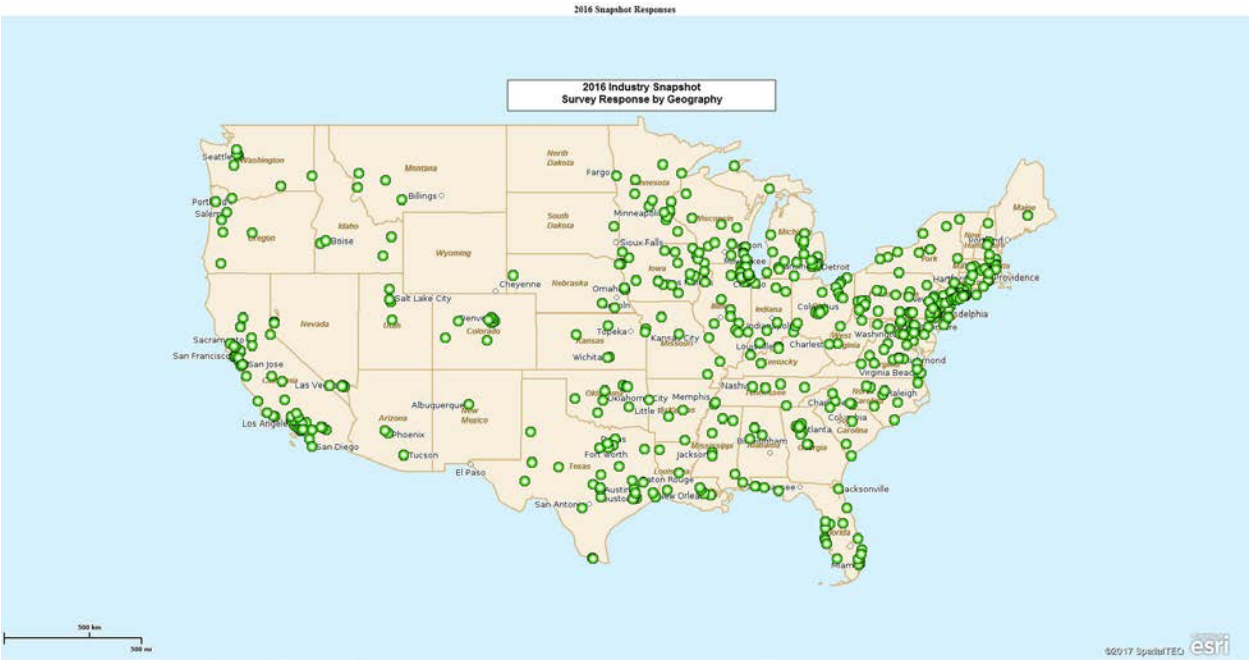
- Collecting data about the Collision Repair Industry from collision repair businesses.
- Compiling data in meaningful summaries for use in promoting careers in the Collision Repair Industry to potential and existing employees.
- Comparing data to previous Surveys to recognize differences and trends.

Survey 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 respond.

Over 630 collision repair businesses responded, representing over 4,500 technicians and a wealth of data. However, not every question was answered by every respondent. This report displays information for only those businesses that responded in a specific area or to a specific question.

The geographic distribution shows responses commensurate with population centers, not significantly over-weighted in any one state, region, or area.



Survey Results

Business Statistics

Industry Size

The number of collision repair businesses and technicians was not measured in the 2016 Snapshot Survey. Those figures are available from other sources, including the U.S. Bureau of Labor Statistics and the National Auto Dealers Association (NADA) and have been compiled consistently through the years where data is available. CollisionWeek has combined this data in a consistent manner and provides it here for the same years this survey has been done.

The number of businesses claiming to do collision repair work and having a reported payroll has a small increase from 2013. This shows a slight reversal of the downward trend noted in previous survey studies.

The number of collision repair technicians also shows an increase, reversing that declining trend. The 2013 Survey reflects the economy decline beginning in 2008 and the 2016 Survey shows the recovery of the automotive industry and collision repair businesses since then.

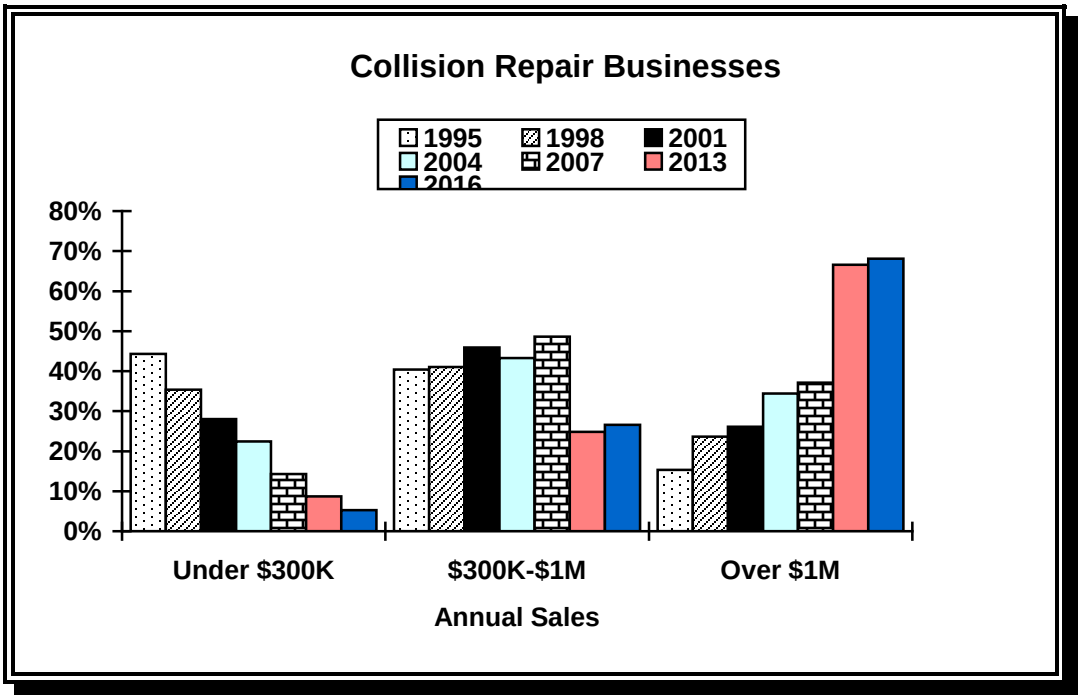
	1995	1998	2001	2004	2007	2013	2016
# Businesses*	45,882	46,427	44,532	44,736	43,535	40,129	40,421**
# Technicians*			178,400	176,500	179,000	173,200	187,800

*Courtesy of CollisionWeek

** Projected

Sales Volume

The Survey asked for annual sales volume and grouped responses according to three categories determined in the 1995 Survey; Small shops (sales less than $300,000), Medium shops (sales between $300,000 and $1 million), and Large shops (sales over $1 million).



Annual Sales Volume

	1995 Survey	1998 Survey	2001 Survey	2004 Survey	2007 Survey	2013 Survey	2016 Survey
Under $300K	44.3%	35.4%	28.0%	22.4%	14.3%	8.7%	5.3%
$300K - $1M	40.4%	41.0%	45.9%	43.3%	48.6%	24.8%	26.6%
Over $1M	15.3%	23.6%	26.1%	34.4%	37.1%	66.5%	68.1%
	100%	100%	100%	100%	100%	100%	100%

The steady decrease in the percentage of smaller shops indicates the volume of business needed for facilities, equipment, and training investments for the increased complexity of proper collision repairs.

Sales Volume

Recent Surveys also distinguished between different sales levels over $1 million annually. Changes illustrate a trend toward larger collision repair businesses by sales volume.

	2007 Survey	2013 Survey	2016 Survey
Under $300,000	14.3%	8.7%	5.3%
$300K - $1Million	48.6%	24.8%	26.6%
$1-2 Million	24.7%	32.0%	31.5%
$2-4 Million	8.3%	21.4%	20.1%
Over $4Million	4.1%	13.1%	16.5%
	100%	100%	100%

Business Type

Respondents selected their business type from four choices. This is the respondent's distribution, not necessarily the collision repair industry distribution.

Collision Repair Business Types

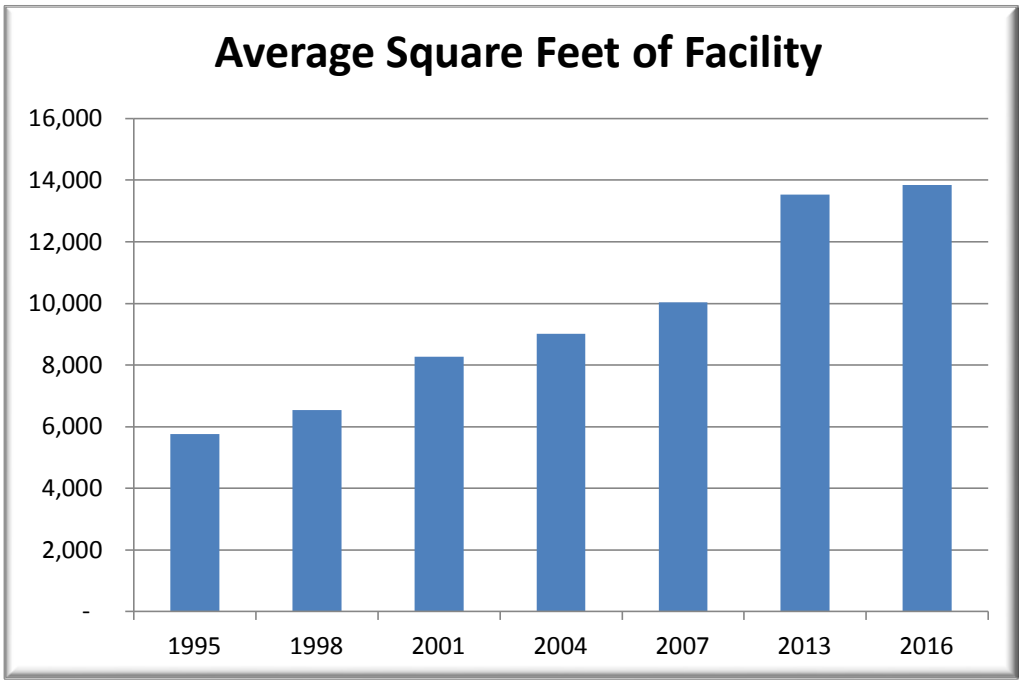
	1995 Survey	1998 Survey	2001 Survey	2004 Survey	2007 Survey	2013 Survey	2016 Survey
Independent	87.2%	80.8%	91.2%	76.2%	70.7%	57.1%	58.8%
New Car	11.3%	15.5%	7.1%	21.9%	22.4%	20.2%	26.9%
Franchised	1.5%	2.5%	0.7%	1.4%	2.5%	5.3%	3.8%
Consolidated	--- %	1.2%	1.0%	0.5%	4.4%	17.5%	10.5%
	100%	100%	100%	100%	100%	100%	100%

Based on the above self-identified selections, distribution of business type by sales volume category is shown below.

2016 Survey	Under 300K	300K 1 Mil	1 Mil 2 Mil	2 Mil 4 Mil	Over 4 Mil
Independent	72.4%	75.2%	65.1%	53.2%	33.7%
New Car Dealer	24.1%	20.0%	27.3%	23.9%	39.3%
Franchised	0.0%	4.1%	3.5%	7.3%	4.5%
Consolidated	3.4%	0.7%	4.1%	15.6%	22.5%
	100%	100%	100%	100%	100%

Production Area

Average size of the business facility (13,843 sq. ft.) again shows an increase from previous surveys.

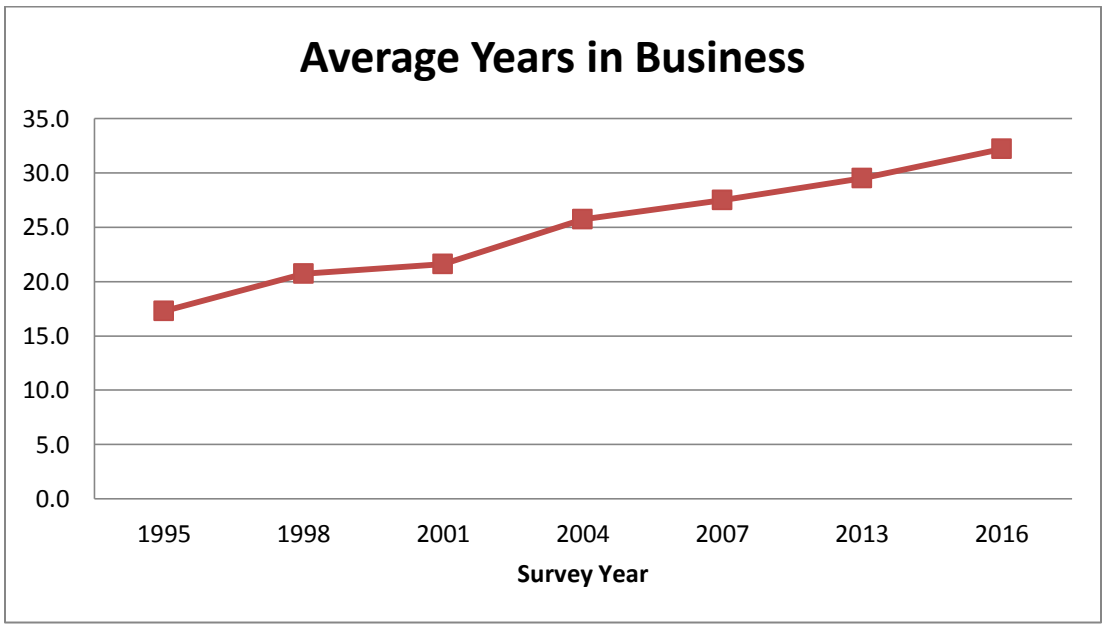


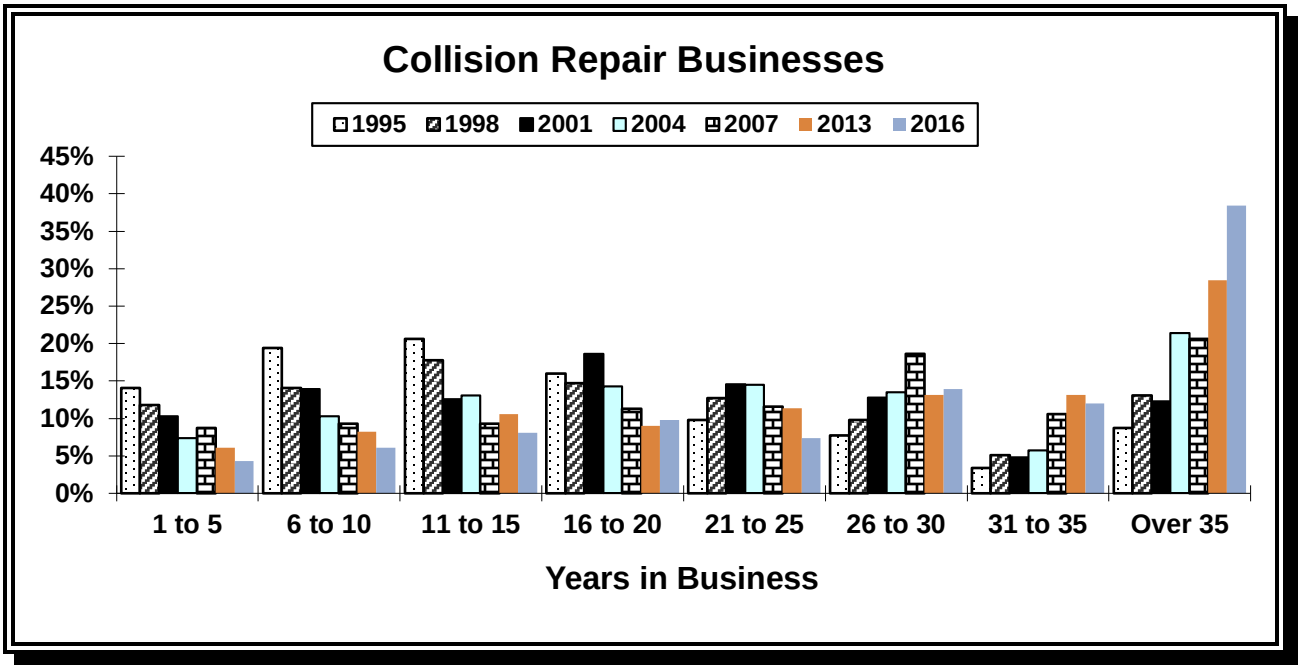
Survey results show over time that businesses with less square feet of production space become a smaller proportion of the industry while larger facilities become a larger proportion.

	1995 Survey	1998 Survey	2001 Survey	2004 Survey	2007 Survey	2013 Survey	2016 Survey
Under 2,500	21.0%	18.7%	9.5%	8.3%	6.5%	2.6%	1.0%
2,500-5,000	45.0%	33.0%	28.1%	21.8%	20.1%	8.5%	15.3%
5,000-10,000	24.0%	30.4%	35.1%	36.4%	36.0%	28.4%	36.7%
10,000-15,000	5.0%	11.1%	15.4%	20.3%	19.8%	35.7%	19.8%
Over 15,000	4.0%	6.7%	11.9%	13.2%	17.6%	24.8%	27.2%
	100%	100%	100%	100%	100%	100%	100%

Years in Business

Average reported years in business (32.2) again shows an increase from previous surveys.

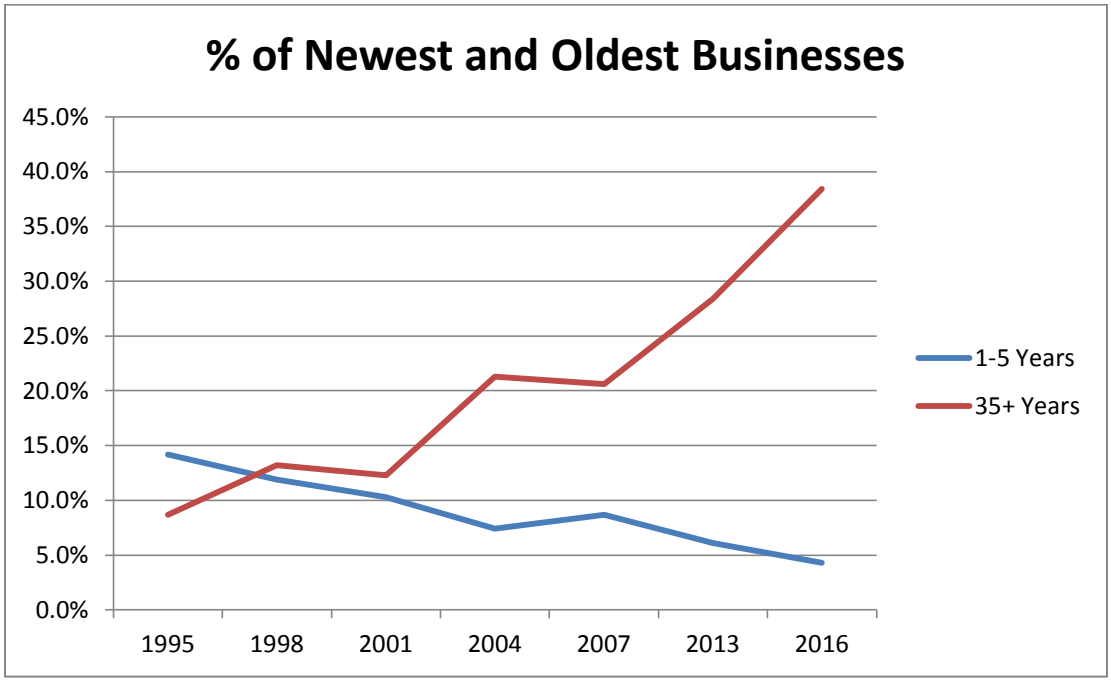




This distribution shows a steady decrease in the percentage of newer businesses since 1995, while showing growth in percentages of established businesses. With fewer new businesses, the average age of businesses will show an increase.

Years in Business

	1995 Survey	1998 Survey	2001 Survey	2004 Survey	2007 Survey	2013 Survey	2016 Survey
Average	17.3	20.7	21.6	25.7	27.5	29.5	32.2
1 to 5	14.2%	11.9%	10.3%	7.4%	8.7%	6.1%	4.3%
6 to 10	19.4%	14.2%	13.9%	10.3%	9.3%	8.2%	6.1%
11 to 15	20.6%	18.1%	12.6%	13.1%	9.3%	10.6%	8.1%
16 to 20	16.1%	14.8%	18.7%	14.3%	11.3%	9.0%	9.8%
21 to 25	9.8%	12.8%	14.6%	14.5%	11.6%	11.4%	7.4%
26 to 30	7.7%	9.9%	12.8%	13.5%	18.6%	13.1%	13.9%
31 to 35	3.5%	5.1%	4.8%	5.6%	10.6%	13.1%	12.0%
Over 35	8.7%	13.2%	12.3%	21.3%	20.6%	28.4%	38.4%
	100%						



Years in Business

Survey	All Shops	Small Shops	Medium Shops	Large Shops
2007	27.5	27.5	25.8	29.7
2013	29.5	17.2	29.6	31.0
2016	32.2	28.6	31.3	33.9

Employees

The average number of employees reported has again increased, consistent with a trend toward larger businesses noted in the average sales breakout.

Reported Number of Employees

	1995	1998	2001	2004	2007	2013	2016
Production	3.9	4.6	4.8	4.9	5.3	7.8	8.5
Non-Production	2.2	2.6	2.9	3.0	3.1	5.5	4.2
Total	6.1	7.2	7.7	7.9	8.4	13.3	12.7

Reported Number of Employees

2016 Survey	All Shops	Small Shops	Medium Shops	Large Shops
Production	8.5	3.2	4.5	10.6
Non-Production	4.2	1.8	2.2	5.1
Total	12.7	5.0	6.7	15.7

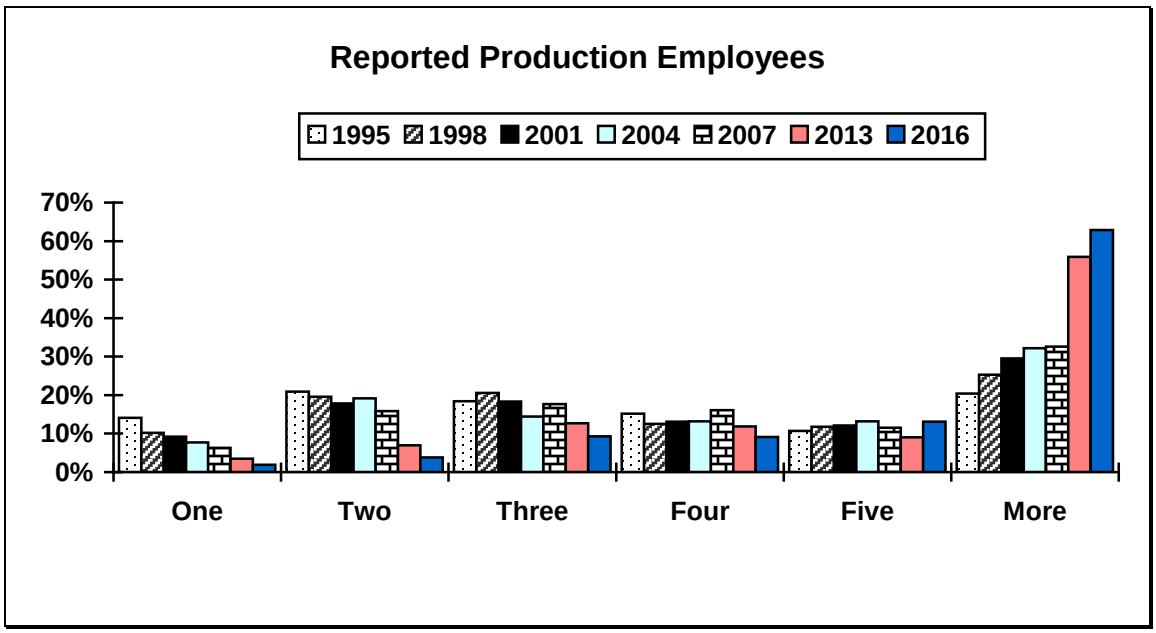
How are management positions typically filled in your facility? (check any that apply)

A majority of respondents (87.1%) answered with the following results.

67.7%	We try to promote from within
11.2%	We normally hire managers from other shops
8.1%	We have an established training progression for management candidates
2.4%	We seek managers from colleges
10.6%	Not sure

Production Employees

One and two technician shops have again declined as a percentage of all, while those reporting six or more have continued to increase.



Reported Number of Production Employees

	1995	1998	2001	2004	2007	2013	2016
One	14.1%	10.2%	9.1%	7.7%	6.3%	3.5%	1.9%
Two	20.9%	19.6%	17.7%	19.2%	15.8%	7.0%	3.8%
Three	18.5%	20.6%	18.2%	14.5%	17.7%	12.7%	9.3%
Four	15.3%	12.5%	13.3%	13.2%	16.1%	11.9%	9.1%
Five	10.7%	11.8%	12.0%	13.2%	11.5%	9.0%	12.9%
6 or more	20.5%	25.3%	29.7%	32.2%	32.6%	55.9%	63.0%
Total	100%	100%	100%	100%	100%	100%	100%

While 63 percent reported six or more technicians, over half of the businesses (52.3%) reported reported seven or more technicians.

Additional Employees

The 2016 Survey asked for a count of open and unfilled staff positions with the following results.

Unfilled Production Staff		
Entry Level	0.90	per shop
Experienced	1.67	per shop
Unfilled Non-Production		
Entry Level	0.45	per shop
Experienced	0.89	per shop

The Survey also asked, “Does your shop supplement permanent staff with any of the following? (Check all that apply)”

More than one-third of respondents (38.3%) answered by selecting one or more of the following with these results.

Supplemental Staff	
Apprenticeships	48.0%
Non-production staff interns	7.2%
Part-time or seasonal unskilled labor	28.0%
Production staff interns	16.8%

Technician Statistics

Technician Job Titles

There were 1,374 employees identified with a job title.

	2016 Survey
Structural Technician	22.9%
Body Technician	11.7%
Combination Technician	7.6%
Body Apprentice	4.4%
Refinish Technician	17.6%
Mechanical Technician	2.0%
Detailer	4.8%
Estimator	10.2%
Front Office	13.5%
Other	5.3%

Technician Gender

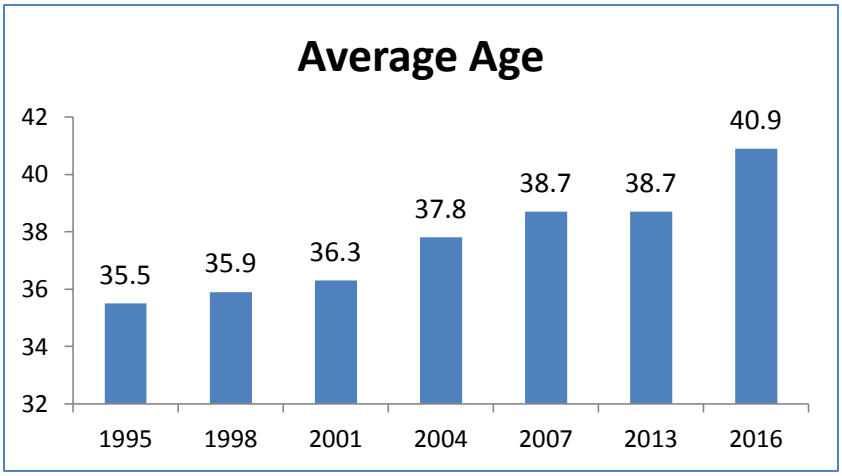
Reported female production technicians represent almost three percent of all production technicians, with about one of every six businesses (17.4%) reporting at least one. This is an increase from previous studies.

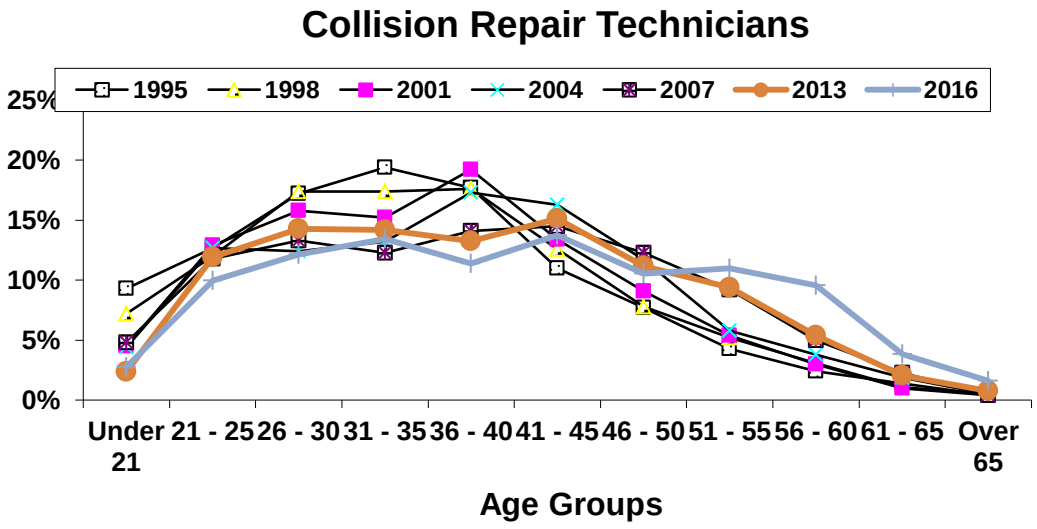
All Technicians	1995 Survey	1998 Survey	2001 Survey	2004 Survey	2007 Survey	2013 Survey	2016 Survey
Females	1.1%	0.9%	0.7%	0.6%	0.2%	2.0%	2.9%

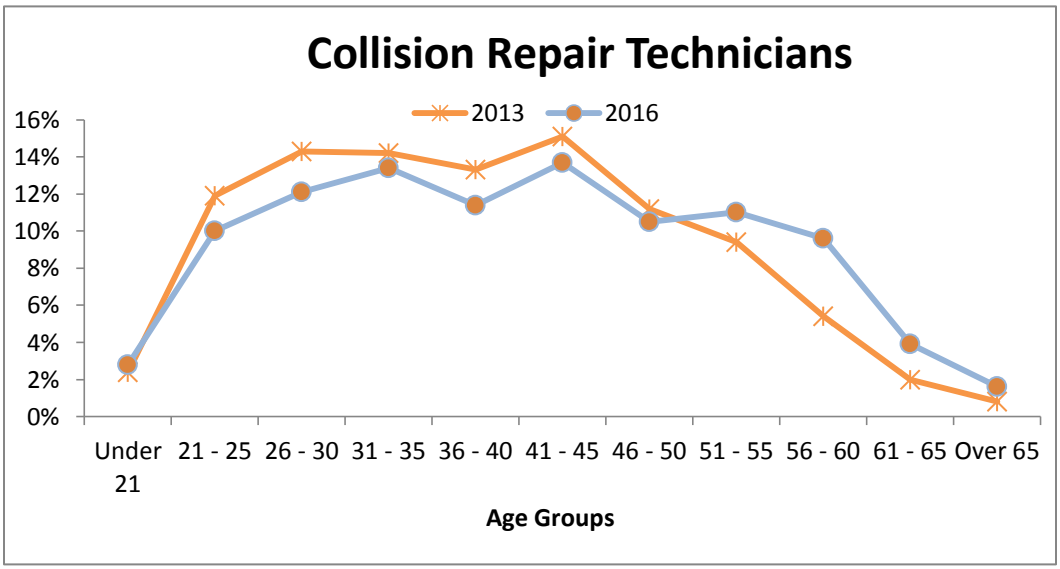
Technician Age

Average age of reported technicians has risen over 15 percent in the last twenty years.

	1995 Survey	1998 Survey	2001 Survey	2004 Survey	2007 Survey	2013 Survey	2016 Survey
Avg Age	35.5	35.9	36.3	37.8	38.7	38.7	40.9





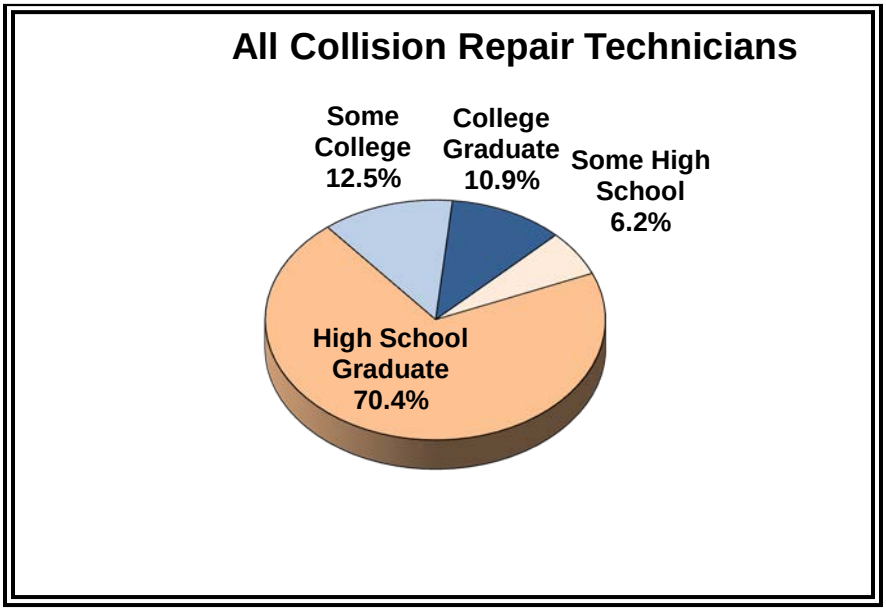


Collision repair technician age groups are moving closer to the overall workforce distribution, with mid-age groups shrinking and older age groups increasing.

Age Group	2013 Survey	2016 Survey	All U.S. (2016)*
Under 21	2.4%	2.8%	3.3%
21 to 25	11.9%	10.0%	9.3%
26 to 35	28.5%	25.5%	22.3%
36 to 45	28.4%	25.1%	20.8%
46 to 55	20.6%	21.5%	21.6%
56 to 65	7.4%	13.5%	16.9%
Over 65	0.8%	1.6%	5.9%
	100%	100%	100%

*U.S. male workforce, all industries, U. S. Bureau of Labor Statistics

Academic Education



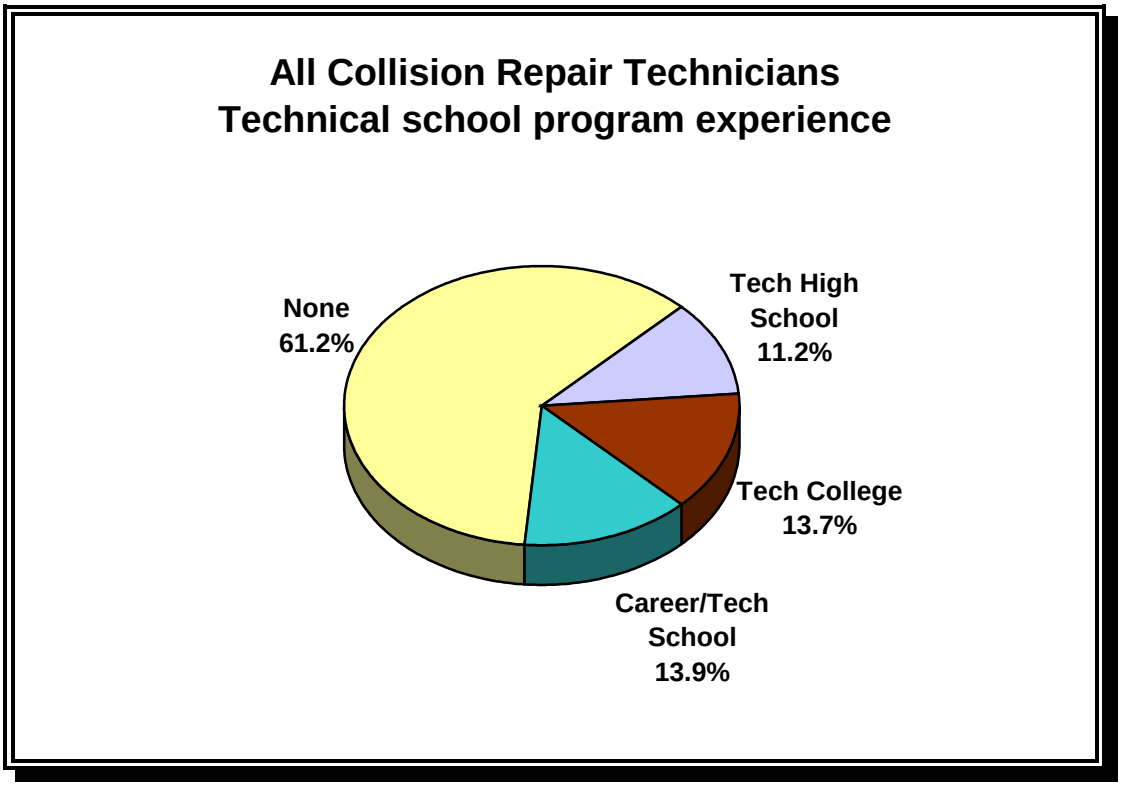
	2013 Survey	2016 Survey
Some high school	9.7%	6.2%
High school graduate	70.3%	70.4%
Some college	9.7%	12.5%
College graduate	10.3%	10.9%
	100%	100%

Technician Education	1995 Survey	1998 Survey	2001 Survey	2004 Survey	2007 Survey	2013 Survey	2106 Survey
High School Graduate or more	87.0%	85.9%	86.5%	88.5%	88.1%	90.3%	93.8%

Almost 94 percent of technicians have completed high school, above the U.S. population rate of 91.5 percent (Civilian labor force, 2013 U.S. Bureau of Labor Statistics data) and again continuing a slight improvement from previous surveys. Almost one-quarter of all technicians reported some college studies.

Pre-Employment Technical Education

Businesses reported on their technicians' technical school experience, answering by the above categories.



Program:	All Shops	Small Shops	Large Shops	Super Shops
Tech High school	11.2%	12.8%	13.8%	10.6%
Tech College	13.7%	10.6%	16.7%	13.3%
Career/Tech School	13.9%	34.0%	21.2%	12.0%
None	61.2%	42.6%	48.4%	64.2%
	100%			

Post-Employment Technical Education

(in the last two years)

Businesses were asked to select all that apply to each technician.

2016 Survey	All Shops
I-CAR	70.6%
OEM	38.1%
Equip. Manuf.	37.5%
Paint Co.	44.2%
Insurance Co.	7.6%
Info. Provider	12.1%
Other Vendor	31.1%
None	13.1%

Businesses reported over two-thirds of all technicians trained with I-CAR over the last two years.

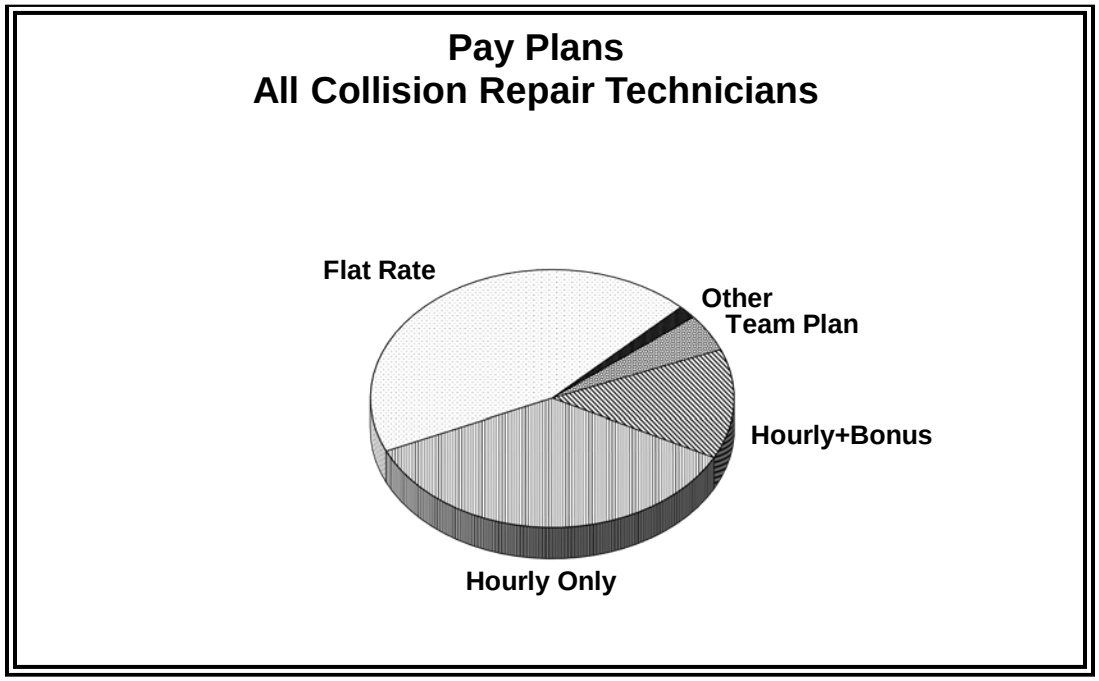
Technician Training	1995 Survey	1998 Survey	2001 Survey	2004 Survey	2007 Survey	2013 Survey	2016 Survey
I-CAR	34.1%	34.9%	37.6%	41.1%	40.9%	73.3%	70.6%
None	29.9%	31.0%	38.1%	29.7%	35.4%	10.2%	13.1%

Technician Training by Shop Size

I-CAR Training	All Shops	Small Shops	Medium Shops	Large Shops
2013 Survey	73.3%	44.7%	59.9%	76.9%
2016 Survey	70.6%	68.2%	65.2%	72.5%

Larger businesses show more I-CAR training than smaller shops.

Technician Income

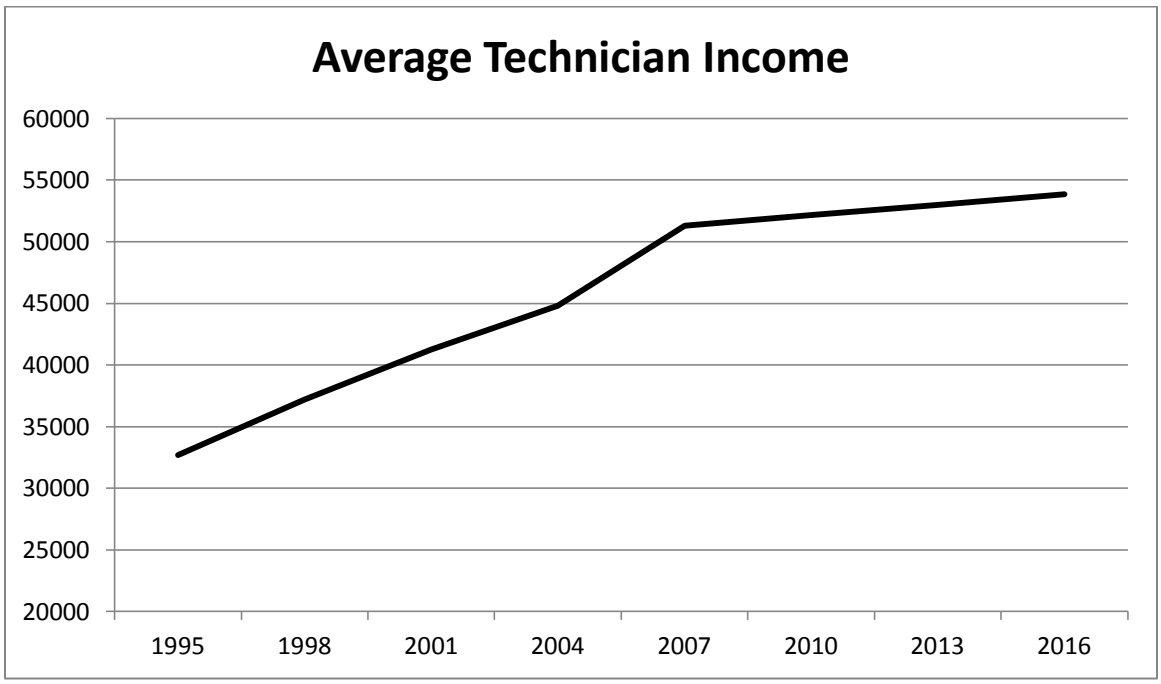


Pay Plans

Survey	All Techs 2013	All Techs 2016
Flat Rate	48.0%	45.3%
Hourly Only	36.9%	36.6%
Hourly + Bonus	10.9%	14.1%
Team Plan	3.3%	4.8%
Other	0.9%	1.7%
	100%	100%

Technician Income

Average technician income has continued to rise.

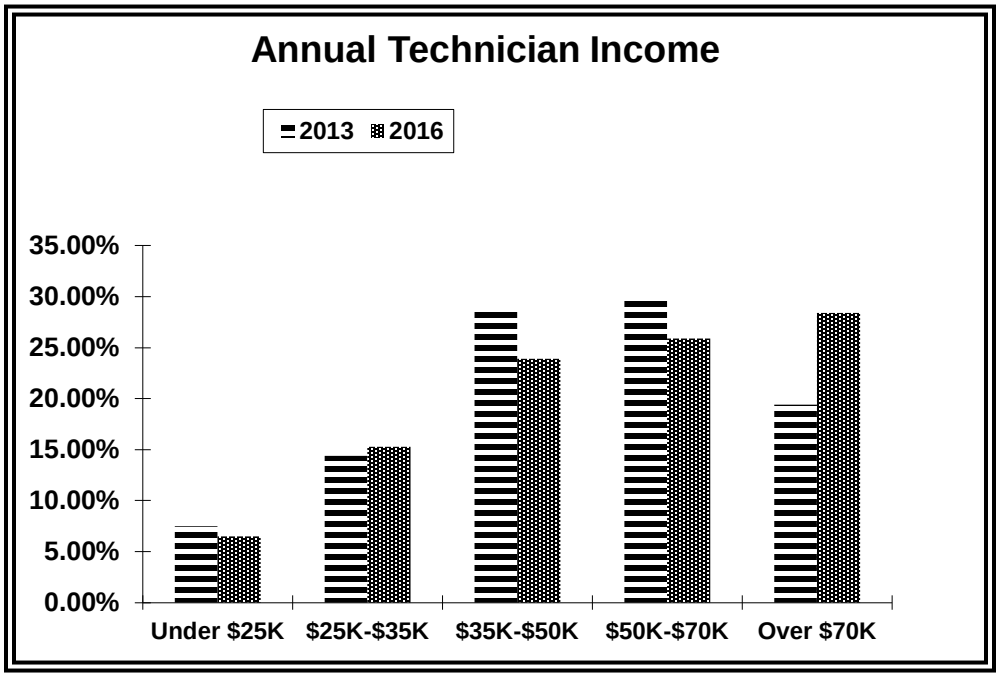


Average Technician Income	
1995 Survey	$32,690
1998 Survey	37,189
2001 Survey	41,268
2004 Survey	44,819
2007 Survey	51,312
2013 Survey	52,997
2016 Survey	53,857

Average technician income has increased faster than the U.S. average inflation rate. From December 1995-December 2016, the U.S. Consumer Price Index city average for all items increased by 57.3 percent compared to an increase of 64.8 percent, 7.5 points higher, in average technician income from 1995-2016.

Technician Income

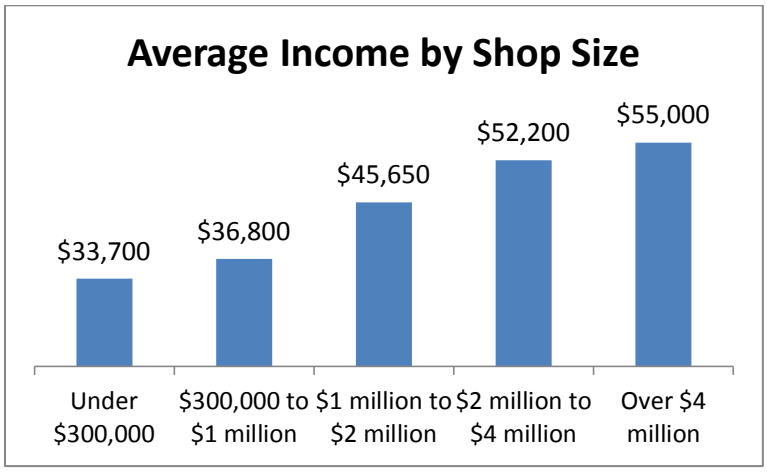
Income distribution overall has shifted to the highest category.



	2013	2016
Under $25K	7.5%	6.5%
$25K-$35K	14.4%	15.3%
$35K-$50K	29.0%	23.9%
$50K-$70K	29.7%	25.9%
Over $70K	19.4%	28.4%

Technician Income

Although there is a wide distribution of annual income amounts, average income for production technicians tends to increase with business sales volume.



Technician Income by Shop Size

	All Shops	Under $300K	$300K to $1Mil	$1Mil to $2Mil	$2Mil to $4Mil	Over $4Mil
Less than $25,000	6.3%	5.2%	8.7%	4.2%	6.9%	5.1%
$25,000 to $35,000	14.9%	31.0%	23.5%	13.8%	10.1%	8.3%
$35,000 to $50,000	24.1%	37.9%	34.2%	26.3%	19.0%	10.1%
$50,000 to $70,000	25.0%	10.3%	22.1%	29.8%	25.2%	24.0%
More than $70,000	29.7%	15.5%	11.5%	25.9%	38.8%	52.5%

Technician Income

National average incomes for several other skilled trades are presented for comparison to reported Collision Repair Technician income. These results show that income can be an attraction to the Collision Repair Industry.

National Averages*

	2016
Collision Repair Technician	**$53,857**
Electronics Technician	61,130
Machinery Mechanic	48,410
Tool & Die Maker	42,110
Chemical Technician	44,660
Carpenter (Gen/Maint)	42,090
Heavy Truck Driver	40,260
Medical Lab Technician	50,550
Welder	38,150

**Other trades figures are from the 2015 Occupational Outlook Handbook*

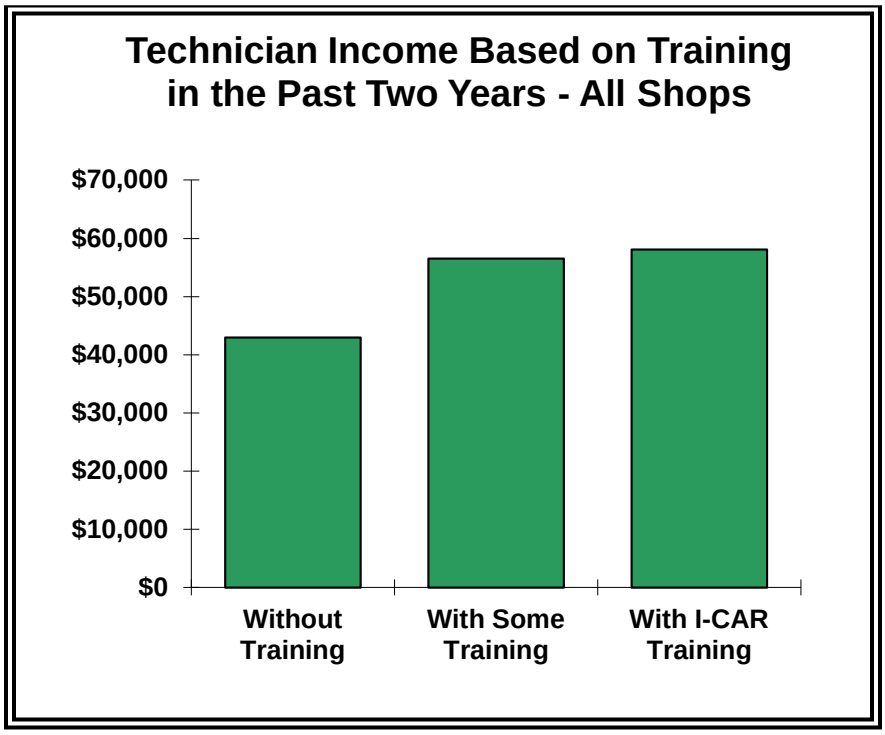
Collision Repair Technician income is highly dependent on individual skills, training, and local business operations. Investments in tools, equipment, and education can all increase productivity and income potential.

Technician Income

For each technician, the survey asked about their technical training in the past two years, selecting all that apply.

Income tends to increase with on-going education.

Technicians with some training in the past two years reported an average income 31.5% higher than those without training. Technicians who indicated I-CAR training reported an average income 35.0% higher than those with no training.

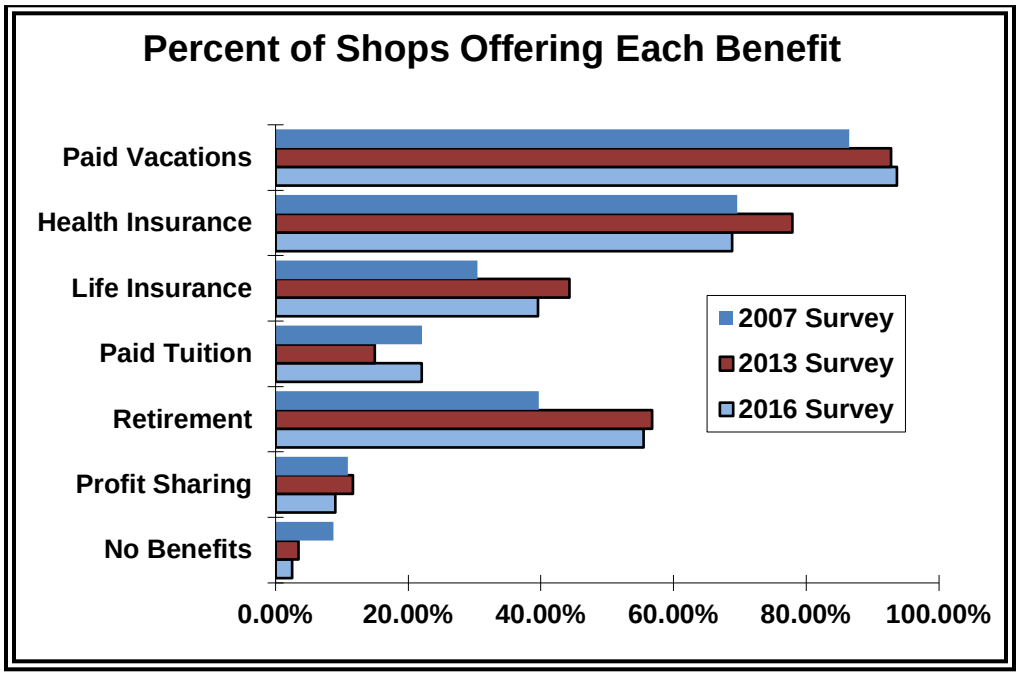


Training and Average Income for Production Technicians

	All Shops	
Without Training	$43,006	
With Some Training	56,566	31.5%
With I-CAR Training	58,054	35.0%

Technician Benefits

Generally, benefits offered by businesses have remained fairly stable in recent Surveys.

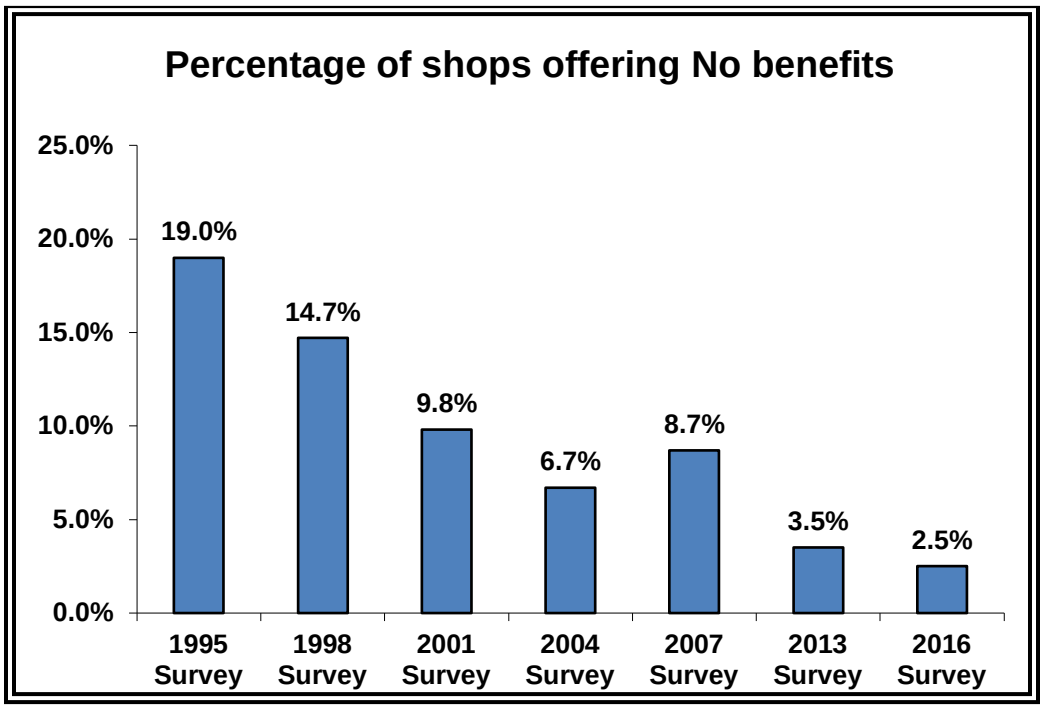


Frequency of Benefits Offered by Survey Year

	1995	1998	2001	2004	2007	2013	2016
Paid Vacations	68.1%	82.5%	84.0%	90.6%	86.5%	92.8%	93.7%
Health Insurance	54.2%	59.4%	61.7%	71.4%	69.6%	77.9%	68.8%
Life Insurance	25.0%	29.6%	24.1%	31.5%	30.4%	44.3%	39.6%
Tuition Reimburse	25.2%	23.1%	26.8%	25.4%	22.1%	15.0%	22.0%
Retirement Program	17.6%	31.6%	34.3%	45.1%	39.7%	56.8%	55.5%
Profit Sharing	11.6%	14.3%	13.5%	11.3%	10.9%	11.7%	9.0%
No Benefits	19.0%	14.7%	9.8%	6.7%	8.7%	3.5%	2.5%

Technician Benefits

1n 1995, 19 percent of businesses reported no benefits offered from this list. Those offering no benefits have declined regularly since the survey began, showing only 2.5 percent offering no benefits in 2016.

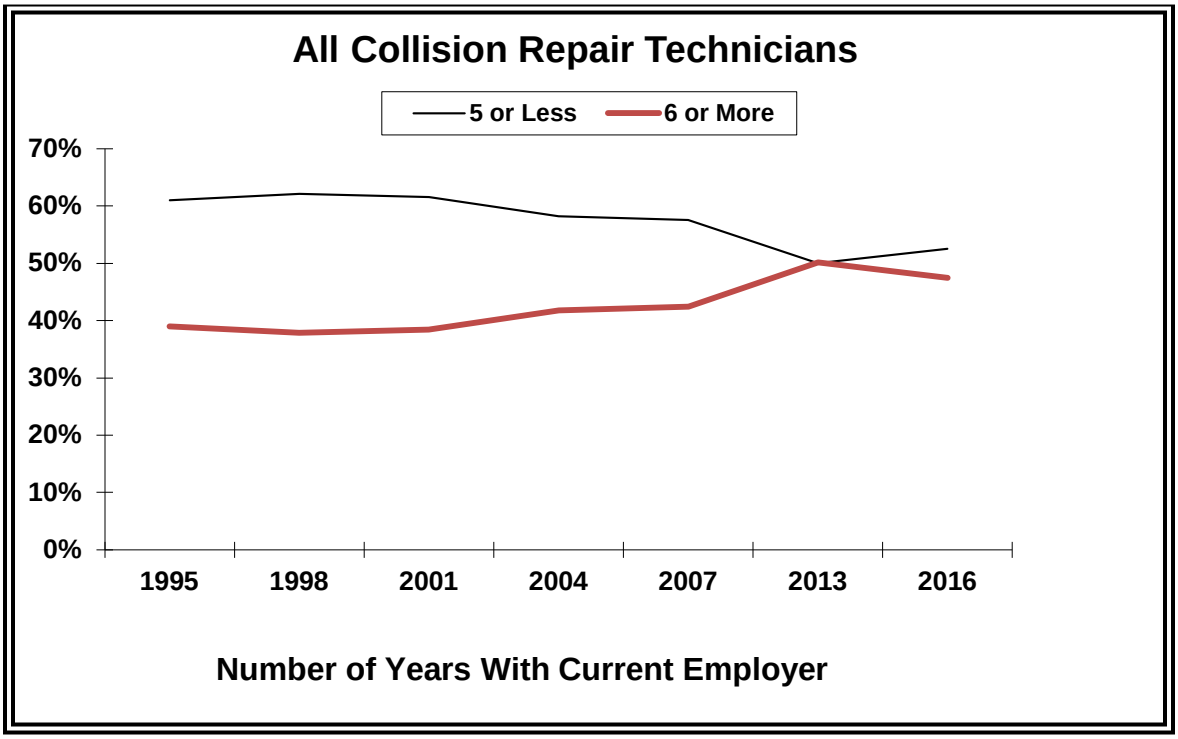


No Benefits Offered by Survey Year

	1995 Survey	1998 Survey	2001 Survey	2004 Survey	2007 Survey	2013 Survey	2016 Survey
No Benefits	19.0%	14.6%	9.8%	6.7%	8.7%	3.5%	2.5%

Technician Turnover

Reported technician tenure shows a convergence between those at their current workplace five years or less and those who have been there six years or more. Each group consists of about half of all technicians.

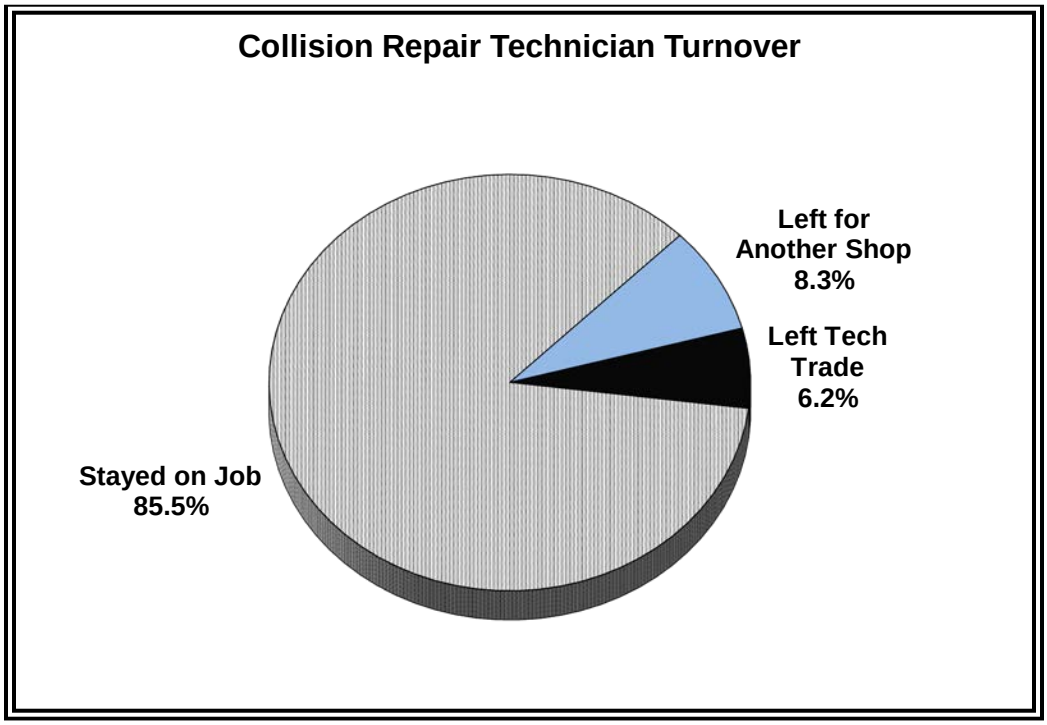


Number of Years With Current Employer

Years	1995 Survey	1998 Survey	2001 Survey	2004 Survey	2007 Survey	2013 Survey	2016 Survey
1 or Less	23.7%	22.8%	27.7%	20.3%	23.3%	12.1%	15.6%
2 - 5	37.3%	39.3%	33.9%	37.9%	34.3%	38.0%	36.9%
6 – 10	19.0%	19.0%	18.4%	18.7%	19.1%	24.3%	19.1%
11 – 15	10.5%	9.7%	9.5%	9.4%	8.4%	11.3%	11.3%
16 - 20	5.3%	4.8%	5.7%	6.3%	4.9%	6.3%	6.5%
Over 20	4.2%	4.4%	4.8%	7.4%	10.0%	8.3%	10.6%
	100%						
5 or Less	61.0%	62.1%	61.6%	58.2%	57.6%	50.0%	52.5%
6 or More	39.0%	37.9%	38.4%	41.8%	42.4%	50.2%	47.5%

Technician Turnover

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



Technicians that left their job in the last 12 months

	1995	1998	2001	2004	2007	2013	2016
Total that left their Job	23.2%	22.0%	25.6%	24.3%	27.5%	13.9%	14.5%
Left for another shop	13.8%	12.6%	14.3%	15.3%	16.4%	7.3%	8.3%
Left the Industry	4.9%	5.9%	6.8%	4.5%	6.3%	4.0%	2.6%
Left for a related industry	3.1%	2.5%	3.3%	3.5%	3.3%	1.6%	2.0%
Retired from the workforce	1.1%	1.0%	1.1%	1.1%	1.5%	1.0%	1.6%
Total that left the trade	9.2%	9.4%	11.2%	9.1%	11.1%	6.6%	6.2%

Technician Turnover

Almost one out of every twelve technicians (8.3%) left their job for a similar position in another shop, slightly more than the 7.3 percent reported in 2013. 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 (6.6%).

Collision Repair Technician Turnout

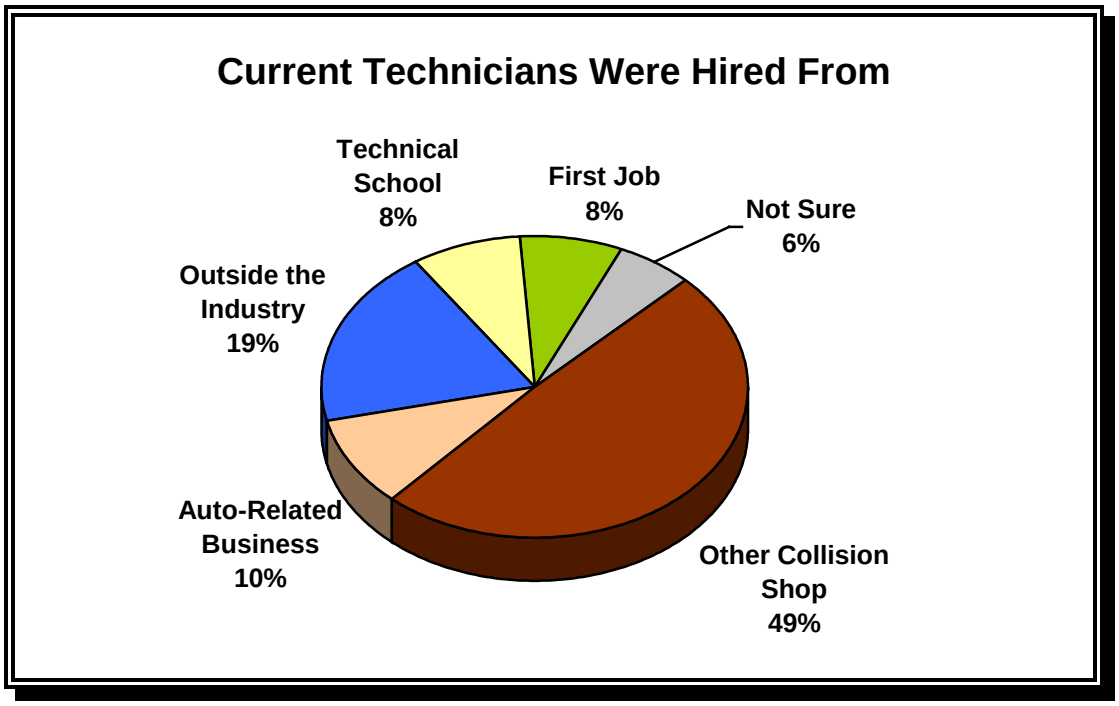
Survey Year	**1995**	**1998**	**2001**	**2004**	**2007**	**2013**	**2016**
Technicians that Left the Trade	19,467	19,620	24,119	17,895	22,500	11,431	11,685
	9.2%	9.4%	11.2%	9.1%	11.1%	6.6%	6.2%

Some technicians (2.0%) left their job for a different position, but still in an automotive business. Other technicians (2.6%) left the Collision Repair Industry completely. In addition, 1.6% of technicians retired from the workforce.

Collision Repair Technicians in the Last 12 Months

Total Technicians	187,800	
Technicians That Left Their Job	27,251	14.5%
Turnover (within the trade)	15,565	8.3%
Turnout (left the trade)	11,685	6.2%
Different Job Outside Industry	4,951	2.6%
Related Job Within Industry	3,657	2.0%
Retired from Workforce	3,077	1.6%

Technician Turnover



Current Technicians were Hired From:

	1998 Survey	2001 Survey	2004 Survey	2007 Survey	2013 Survey	2016 Survey
Other Collision Business	61.8%	64.4%	64.3%	61.0%	60.7%	49.2%
Insurance Industry	---	---	---	---	---	1.8%
Outside the Industry	18.8%	17.9%	21.1%	9.5%	9.1%	17.4%
Auto Related Business	11.6%	11.1%	7.4%	6.3%	7.7%	9.7%
Technical School	7.8%	6.6%	7.2%	7.1%	11.9%	8.1%
First Job	---	---	---	10.9%	9.6%	8.0%
Don't Know	---	---	---	5.2%	1.0%	5.7%
	100%					

One-half of all current production technicians were hired from another collision repair business, below previous trends. Almost one in five were hired from outside the industry. Reported hiring direct from technical schools decreased as did those reported as a first job.

Technician Turnover

Collision Repair Technicians in the Last 12 Months

Total Technicians	187,800	
Technicians That Left Their Job	27,251	14.51%
Turnover	15,565	8.29%
Turnout	11,685	6.22%
Technicians That Were Hired	29,240	15.57%
From another shop	13,405	7.14%
From outside the industry	15,837	8.43%

In summary, the survey indicates that more technicians entered the trade in the past year than left.

Technicians who left the trade	11,685	6.2%
Technicians who entered the trade	15,837	8.4%

Technicians Hired from Outside the Collision Repair Industry in the Last 12 Months

From a different industry	47.0%
From another automotive business	23.5%
From a technical school program	11.8%
No work history – first job	11.8%
From the insurance industry	1.2%
Not sure	..4.7%
Total hired from outside the industry	100%

Entry Level Technicians

Have you hired any entry-level technicians in the past 12 months?

Yes	61.0%
No	39.0%

This chart shows use of different techniques for recruiting new entry-level production technicians by respondents.

	Have Used
Vendors	90.6%
Tech School Direct	79.9%
Online	76.5%
Newspaper Ad	66.5%
Social Network	65.2%
Local Assoc	44.9%
General Career Fair	40.0%
Sign	35.1%

This chart shows effectiveness of different techniques for recruiting new entry-level production technicians by respondents who have used them.

	Highly Effective	Somewhat Effective	Slightly Effective	Not at All Effective
Vendors	12.7%	36.9%	37.7%	12.7%
Tech School Direct	15.6%	32.0%	30.3%	22.1%
Online	12.4%	37.2%	31.7%	18.8%
Newspaper Ad	6.3%	22.2%	44.4%	27.0%
Social Network	8.2%	26.1%	39.7%	26.1%
Local Assoc	4.8%	19.4%	34.7%	41.1%
General Career Fair	4.7%	14.2%	41.5%	39.6%
Sign	4.2%	22.1%	36.8%	36.8%

Other methods mentioned include: job search websites, recruiters, radio, employee referrals, networking, state/county programs, business coach, and car shows.

Entry-Level Technician Orientation

Are any of the following included in your new entry-level employee orientation process? (Check all that apply)

Of all the Survey respondents, less than half answered this question (45.5%).

Of those who answered, the top two processes were once again Assigned Mentor and Job Shadowing.

	2013 Survey	2016 Survey
Assigned Mentor	31.4%	30.5%
Job Shadowing	29.0%	30.3%
Specific Training Class	19.9%	15.7%
Internship	16.8%	22.1%
Other	2.9%	1.4%

Entry-Level Technician Support

Technical training programs, in order to be effective, need to know what knowledge and which skills are expected from their graduates. This is determined by the local collision repair market according to factors including the area unemployment rate, competition from other trades, and general level of equipment used in local shops.

Communication is usually through an advisory committee, a forum for both educators and employers to shape curriculum and allocate resources to meet the needs of their market.

Reports of participation on technical school advisory committees have varied through the years covered by the study, showing a generally increasing trend. Respondents in 2016 show the highest level of participation since the initial industry survey.

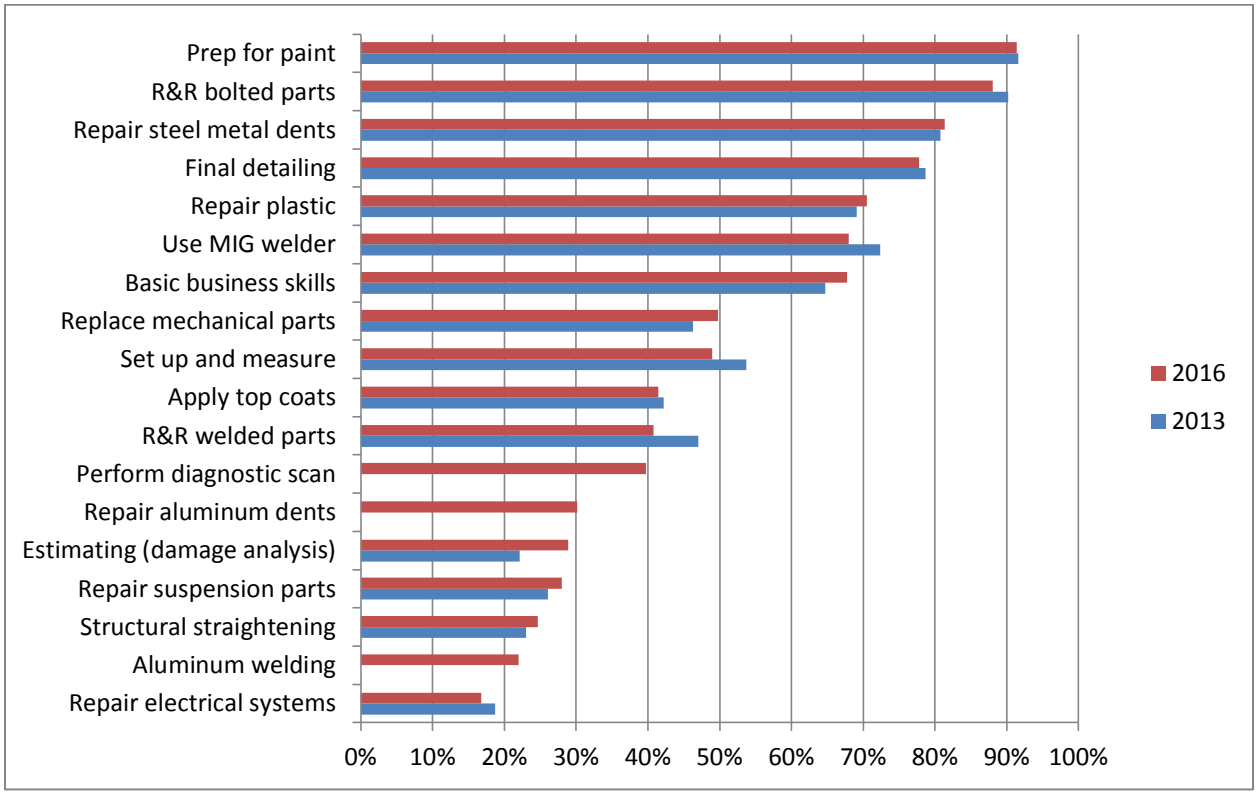
Note that less than ten percent of respondents answered this question. Chart shows only those who answered.

Advisory Committee Participation

	1995	1998	2001	2004	2007	2013	2016
Currently a member	13.7%	16.1%	12.8%	17.2%	19.1%	28.8%	36.6%

Entry-Level Technician Expectations

Survey respondents indicated which tasks they would expect an entry-level person from a technical training school to be able to perform with very little supervision. This chart provides a summary from a variety of business sizes and market areas. Local needs could be different.



Number of Tasks Selected

	1995	1998	2001	2004	2007	2013	2016
Average Number Selected	6.0	6.6	6.8	7.6	7.5	8.3	9.2

Entry-level Expectations

*Which tasks would you expect **technical training school graduates** to do with very little supervision?* (Frequency that each task was selected)

	1995 Survey	2013 Survey	2016 Survey
Prep for Paint	84.3%	91.6%	91.4%
R&R Bolted Parts	94.6%	90.2%	88.1%
Repair Steel Metal Dents	65.6%	80.8%	81.4%
Final Detailing	77.3%	78.7%	77.8%
Repair Plastic	41.9%	69.1%	70.5%
Use MIG Welder	49.1%	72.4%	68.0%
Basic Business Skills	----	64.7%	67.8%
Replace Mechanical Parts	35.1%	46.3%	49.8%
Set Up & Measure	26.4%	53.7%	49.0%
Apply Top Coats	31.3%	42.2%	41.4%
R&R Welded Parts	41.2%	47.0%	40.8%
Perform Diagnostic Scan	----	----	39.8%
Repair Aluminum Dents	----	----	30.1%
Estimating	----	22.1%	28.9%
Repair Suspension Systems	21.6%	26.1%	28.0%
Structural Straightening	23.6%	23.0%	24.7%
Aluminum Welding	----	----	22.0%
Repair Electrical Systems	13.9%	18.7%	16.7%
Other	----	9.8%	

Results have not changed significantly from 1995 with each skill showing its relative importance to potential employers, including three new categories: Perform Diagnostic Scan, Repair Aluminum Dents, and Aluminum Welding. The chart below shows a trend toward increasing the number of tasks students are expected to perform with little supervision.

Number of Tasks Selected

	1998 Survey	2001 Survey	2004 Survey	2007 Survey	2013 Survey	2016 Survey
None	0.0%	0.8%	1.0%	0.0%	0.0%	0.0%
1 to 3	16.2%	12.1%	12.4%	9.2%	8.7%	4.0%
4 to 6	36.0%	35.9%	23.9%	26.4%	23.8%	17.1%
7 to 9	30.3%	33.5%	33.0%	43.6%	30.5%	23.5%
10+	17.5%	17.7%	29.7%	20.8%	37.0%	55.4%

Career and Technical Education

Respondents answered questions about technical schools for collision repair in their area. Almost three-quarters of all respondents identified one school and almost half identified two schools.

"Please enter the names of two schools in your area which offer technical education for collision repair."

Respondents answering	First School	Second School
	71.9%	47.5%

School Type

High School	Career/Technical	2 Yr College	4 Yr College
17.4%	47.8%	30.4%	4.3%

	Yes	No	Not Sure
Uses I-CAR Curriculum?	47.9%	22.9%	29.2%
Member of Advisory Committee?	30.0%	52.0%	18.0%
Have hired from this school?	59.2%	36.7%	4.1%
Would hire more from this school?	93.1%	6.9%	

Overall rating for the school:

Excellent	Very Good	Good	Fair	Poor
7.1%	28.6%	33.3%	19.0%	11.9%

Previous surveys also asked for technical school training program ratings. With 5 being "Excellent" and 1 being "Poor", here are average ratings through the years.

Survey Year	Average Rating
2001	3.1
2004	3.0
2007	2.6
2013	3.5
2016	3.0

Career and Technical Education

Respondents also gave their opinions about both technical and soft skill development they experience with entry-level technicians from school programs.

What are your expectations of entry-level skills development for graduates from college programs versus high school programs?

(Response Rate, 83.5%)

51.7%	I expect higher quality entry-level employees from colleges
31.3%	Varies based upon the individual school's capabilities, not whether it is a high school or college program
6.7%	I expect the same quality entry-level employees from both high school and college programs
2.8%	I expect higher quality entry-level employees from high schools
7.8%	No opinion

Do you believe that entry-level employees are adequately trained in so called 'soft skills' such as communication, fostering productive work relationships and effectively interacting with customers?

(Response Rate, 82.9%)

24.1%	Yes
75.9%	No

Industry Opinions

Do you have any suggestions for improving pre-employment collision repair training in your area?

Of all survey respondents, 74 percent noted that they didn't know or did not answer.

Answers to this open-ended question were categorized into the most common topics with the following results.

	2013	**2016**
Better/more current curriculum	24.4%	33.1%
More hands-on learning	10.1%	13.1%
Apprentice/internship programs	----	11.7%
More industry involvement	13.5%	11.7%
Better quality students	6.7%	8.3%
More autobody programs	----	6.2%
Promote collision repair trade	8.4%	4.8%
Simulate production environment	22.7%	4.1%
More/better instructors	5.9%	4.1%
I-CAR credentials	3.4%	2.1%
Better vehicles/equipment	2.5%	0.7%
Better materials	1.7%	0.0%
Job placement assistance	0.8%	0.0%

Industry Opinions

What suggestions do you have for helping our industry recruit and retain enough good quality technicians?

Answers to this open-ended question were categorized into the most common topics and logical groupings with the following results.

Financial Comments

Increase Labor Rates	18.8%
Increase Pay	8.6%
Increase Benefits	0.0%
Increase Repair Times	1.6%
Tuition/Tool Assistance	1.6%
Total Financial Comments	**30.5%**

Education Comments

Improve Technical Education	18.0%
Develop Work/Study Programs	6.3%
Improve I-CAR Classes	3.1%
Improve Work Ethic	3.1%
Train to Specific Specialties	1.6%
Total Education Comments	**32.0%**

Recruitment Comments

Recruiting Assistance	12.5%
Help Shops Work with Schools	4.7%
Career Day Assistance	0.8%
Help with Mgmt. Training	0.0%
Job Placement Service	0.0%
Total Recruitment Comments	**18.0%**

Other Comments

Improve Image of Industry	16.4%
Improve Work Environment	0.8%
Industry Must Work Together	2.3%
License/Certify Techs	0.0%
Set Standard Procedures	0.0%
Total Other Comments	**19.5%**

Financial comments have decreased while both Education and Recruitment comments have increased in percentage from prior surveys.

"Most Important" Comments

	2001 Survey	2004 Survey	2007 Survey	2013 Survey	2016 Survey
Financial	49.7%	43.7%	51.5%	34.7%	30.5%
Education	20.1%	26.3%	19.5%	30.1%	32.0%
Recruitment	7.6%	9.2%	7.4%	14.8%	18.0%
Other	22.6%	20.8%	21.6%	20.6%	19.5%

Projections

Workforce Percentage by Age

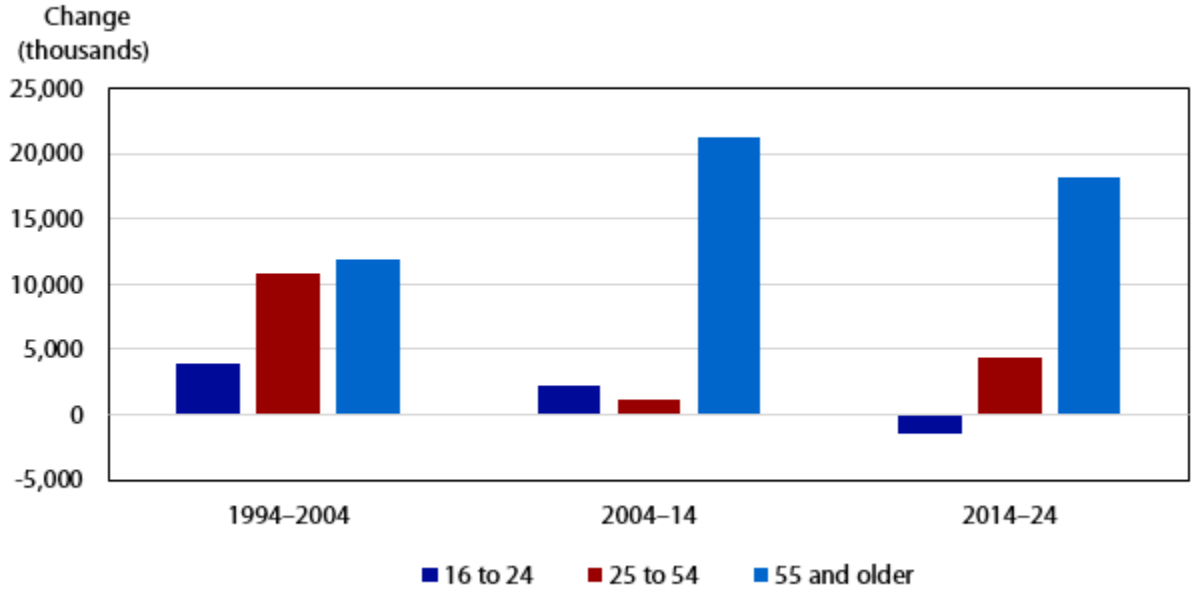
	2004 Survey	2007 Survey	2013 Survey	2016 Survey	2024 BLS*
16 - 19 years old	2.5%	2.7%	2.4%	2.8%	8.0%
20 - 24 years old	11.1%	10.0%	11.9%	10.0%	8.1%
25 - 34 years old	25.3%	25.2%	28.5%	25.5%	17.4%
35 - 44 years old	33.0%	27.9%	28.4%	25.1%	16.6%
45 - 54 years old	20.6%	23.6%	20.6%	21.5%	14.9%
55 - 64 years old	6.6%	9.6%	7.4%	13.5%	14.9%
Over 64 years old	0.9%	1.0%	0.8%	1.6%	20.1%

* U.S. Bureau of Labor Statistics projection (males only)

Collision repair technician age groups still tend to start declining in the 45-54 year-old range, with dramatic reductions after age 64.

The 25-44 year-old group has declined from 58.3% in 2004 to 50.6% in 2016, while the forecast for that age group is 34% by 2024. The male workforce over 64 years old in the general population is expected to increase dramatically.

Figure 1. Changes in the civilian noninstitutional population, 1994–2004, 2004–14, and projected 2014–24



Source: U.S. Bureau of Labor Statistics.

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.

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Collison Repair Education Foundation
5125 Trillium Blvd
Hoffman Estates, IL 60192
(888) 722-3787 FAX (847) 590-1215
www.collisioneducationfoundation.org