



I-CAR EDUCATION FOUNDATION



# SNAPSHOT OF THE COLLISION INDUSTRY

## Executive Summary Of A 2004 Survey

This survey was sponsored by Allstate® and conducted by the I-CAR Education Foundation.

### Background

Previous surveys, conducted every three years, confirmed a shortage of quality entry-level technicians available for the Collision Repair Industry, while also showing statistics about business operations and the technician workforce.

A similar survey was commissioned in 2004 to verify earlier data and to monitor trends. These results are intended for use in recruiting new technicians today as well as supporting long-term solutions.

### Sample

A random sample of 4,024 collision repair facilities from all 50 states was selected by an independent information provider. Replies were solicited by both direct mail and personal phone calls in the same manner as previous surveys. With a response rate over 10%, a good cross section of the industry is represented.

### Shop Size

SURVEY YEAR	1995	1998	2001	2004
Average Square Feet	5,761	6,537	8,269	9,008
Average Number Employees	6.1	7.2	7.7	7.9
More Than 6 Technicians	20.4%	25.3%	29.7%	32.2%
Percent Of Small Shops	44.3%	35.4%	28.0%	22.3%
Percent Of Large Shops	40.4%	41.0%	45.9%	43.3%
Percent Of Super Shops	15.3%	23.6%	26.1%	34.4%
Direct Repair Shops	43.4%	55.7%	65.4%	75.1%

### Business Statistics

While the total number of collision repair businesses has again decreased, the percent of small shops (with annual sales under \$300,000 ) has continued to decline. Percentages of large shops (\$300,000 to \$1 million) remain steady and super shops (over \$1 million) have steadily increased.

The overall average for square feet of production space has again increased.

Businesses also reported a higher average number of employees with the number of shops employing more than six technicians growing over 50% since 1995.

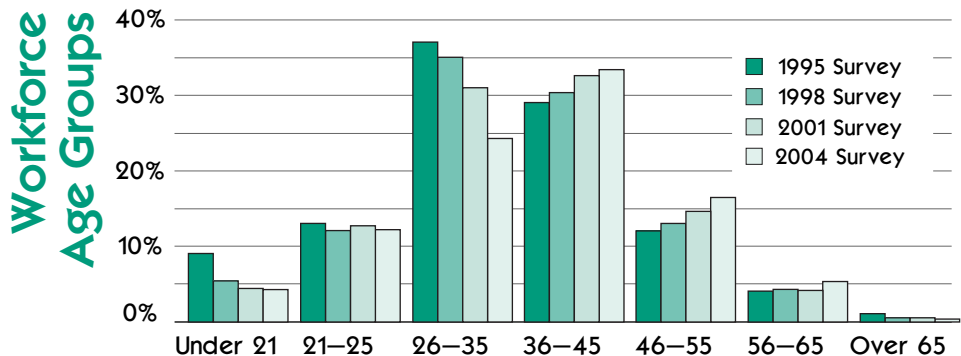
Percentage of businesses that are in a direct repair program with at least one insurance company has steadily increased.

### Current Technicians

Average technician age (37.8 years old) has steadily increased every

year since 1995. Percentages of technicians in the younger age groups have declined, middle age groups have increased, and the higher age groups have remained steady.

Most of the current working technicians were hired from another shop (64.3%). Over 21% were hired from a non-automotive industry or this is their first job. Just under 10% were hired from a related automotive industry, while



7% were hired directly from an entry-level training program. Women represent under 1% of the technician workforce. These figures have not changed significantly from previous surveys.

Slightly above the entire adult population, 89% of technicians are high school graduates. Almost one of every five technicians reports some college education.

Most technicians (70%) reported some training in the last two years from I-CAR, vehicle makers, vendors, or others. ASE certification was reported by 36.5% of technicians. Both are similar to previous survey results.

## Compensation

Compensation plans have remained consistent, with over half based on hourly wages.

PAY PLAN	PERCENT
Flat Rate	47%
Hourly Only	40%
Hourly + Bonus	12%
Team Plan	1%

Although there is a wide distribution, annual income tends to increase with shop sales volume and frequent training, especially I-CAR classes. Income figures shown below are for production technicians over 20 years old.

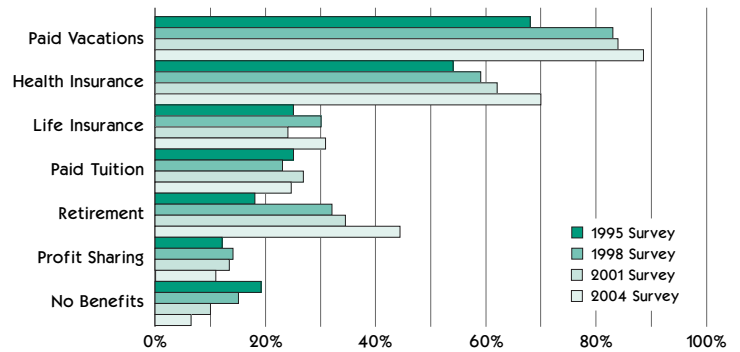
Average income for production technicians over 20 years old has again increased since the previous survey. Several other skilled trades actually decreased.

Average income among the top 10% was \$76,782, showing an attractive earning potential as a collision repair technician.

## National Annual Income Averages

TRADE	INCOME
Collision Repair Technician	\$44,819
Electronics Technician	\$44,283
Tool & Die Maker	\$41,671
Chemical Technician	\$38,261
Machinery Mechanic	\$34,786
Welder	\$33,924
Carpenter (Gen/Maint.)	\$32,202
Heavy Truck Driver	\$31,860
Medical Lab Technician	\$31,701

## Percent Of Shops Offering Each Benefit



## Benefits

Benefit packages offered to today's collision repair workforce generally show increases from previous Survey data.

A continuing trend is the drop in shops offering no benefits, from 10% in 2001 to under 7% in 2004.

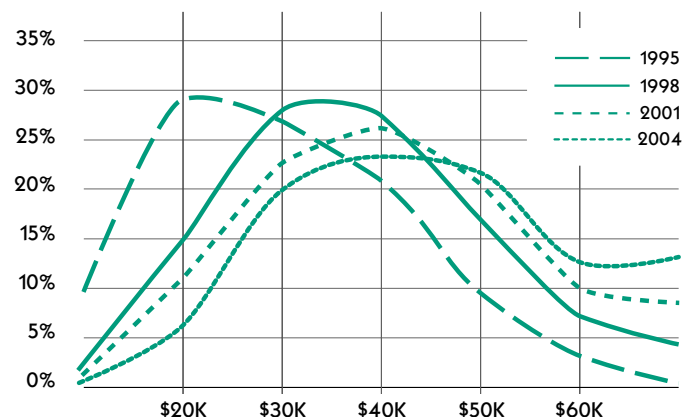
Employee performance reviews have remained fairly steady with over half of shops reporting a regular review. Those providing written employment guidelines to new technicians increased again to 41.8%.

There are significant differences in these management practices among individual businesses, indicating that the collision repair industry is not offering a consistent level of benefits for technicians.

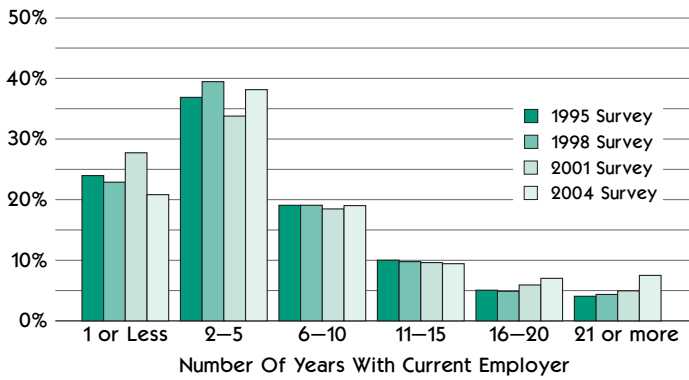
## Technician Turnover

There is a significant amount of turnover within the trade, with 24.3% of technicians leaving their jobs in the last 12 months, lower than the 25.5% reported in 2001. Over half (58%) of technicians have been with their current employer for 5 years or less.

## Annual Technician Income



## Collision Repair Technicians



This is less than the 64% reported in 2001.

Over one of every six technicians (15.3%) left their job for a similar position in another shop, higher than the 14.3% reported in 2001. 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** is a greater concern. In the last

12 months, approximately 18,000 collision technicians (9.1%) left the trade, lower than the 11.2% reported in 2001.

Some technicians (4.5%) left the Collision Repair Industry completely. Others (3.5%) left their technician position for an industry-related job, such as estimator, manager, or shop owner. In addition, 1.1% of technicians retired from the workforce and an additional 1.6% are expected to retire next year.

## New Technicians

Over 6,300 new technicians hired in the last 12 months were hired from secondary/post-secondary training programs, filling the positions for about 3 of every 8 of the technicians that left the trade. To completely make up this shortfall, almost 11,000 new technicians were hired from other sources.

When asked, "If available, how many more would you have hired?", approximately one-third of businesses again said they would have hired at least one more technician.

## Secondary/Post-Secondary Training Programs

Survey respondents indicated which tasks they would expect an entry-level

training program graduate to be able to perform with very little supervision. Frequency of each task selection increased, some significantly. Respondents chose an average of 7.6 tasks, higher than 6.8 in 2001.

Respondents expected to pay **entry-level new hires** about half the wages of a **journeyman new hire**.

"In how many years would you expect an inexperienced entry level person to become a fully productive technician?"

**Most common answer**  
2 years

**Average answer**  
3.6 years

**Range** 0.5 to 10 years

Many respondents would be willing to serve on

<b>Total Technicians</b>	<b>197,965</b>	
Turnover (Within The Trade)	<b>30,289</b>	<b>15.3%</b>
Turnout (Left The Trade)		
— Different Job Outside The Industry	8,846	4.5%
— Related Job Within The Industry	6,914	3.5%
— Retired From Workforce	2,135	1.1%
<b>Total Turnout</b>	<b>17,895</b>	<b>9.1%</b>
<b>Technicians That Left Their Job</b>	<b>48,184</b>	<b>24.3%</b>

## Technician Turnover In The Last 12 Months

## New Technicians Reported In The Last 12 Months

<b>Total Reported Entering The Industry</b>	<b>17,183</b>
Hired From Outside The Collision Repair Industry	6,405 37.3%
Hired From A Related Automotive Industry Job	4,474 26.0%
Hired From A Career Or Technical School	6,304 36.7%

a technical school advisory committee (46%), although current participation is 17%. Almost 1 in 4 shops (23%) reported no secondary/post-secondary training program was available in their area.

The collision repair industry does not currently have a uniform plan for apprentice, co-op, or work study programs, however, 58% of the respondents indicated a willingness to support such programs, similar to the 2001 Survey.

## Conclusions

- The collision repair industry is predominantly independent businesses that are decreasing slightly in number while increasing in average

size, number of employees, and sales volume.

- Collision repair businesses are increasing benefits and written guidelines for employees, although frequency of employee reviews has remained steady.
- The number of production technicians has decreased overall.
- Average age of technicians is increasing, with smaller percentages in the younger age ranges.
- Although technician turnover within the industry is steady, turnout (leaving the industry) has decreased. Retirements remain at a 1% rate.
- Average technician income is increasing faster than inflation, is

still higher than most comparable trades, and the top 10% average over \$75,000. Technicians with recent training and/or ASE certification average significantly higher incomes.

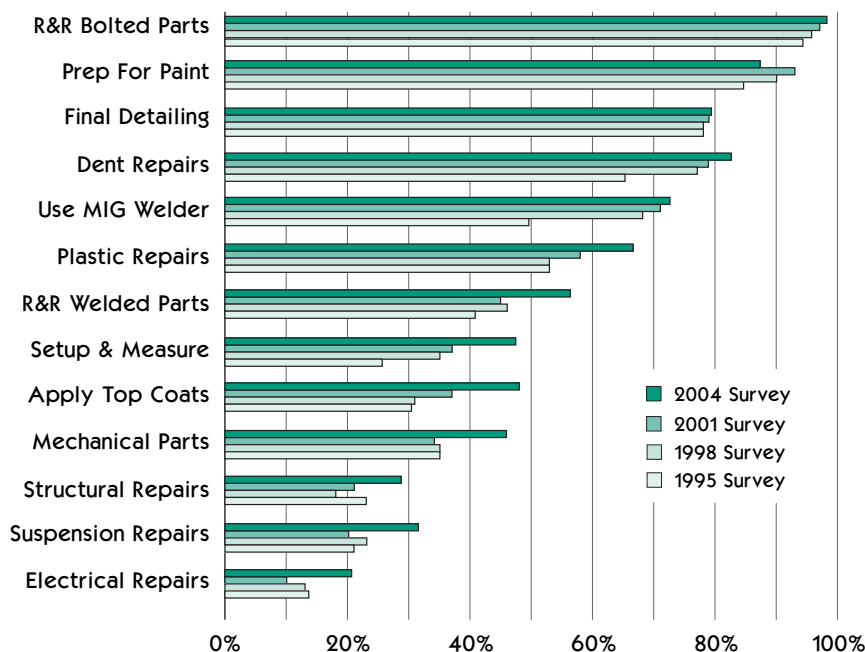
- A higher percentage of new technicians are being hired from technical schools (37%, up from 22% in 2001).
- Expectations for secondary/post-secondary training program graduates have increased for collision repair skills.
- Participation on technical school advisory committees has increased (to 17% from 14%), but the percent of those willing to serve has remained about 46%.

- Percent of collision repair businesses that would be willing to sponsor an apprentice, co-op, or work study student remains at 58%.

*The survey was conducted in 2004 by the I-CAR Education Foundation. Its mission is to attract entry-level candidates and assist in preparing them for careers in the Collision Industry. The Foundation does this by providing the most advanced curriculum, instructor training, research, and related services to Career and Technical Education.*

*The I-CAR Education Foundation is the only organization dedicated to helping the Industry solve the shortage of quality entry-level technicians. Its programs and services depend on financial support from Industry businesses and individuals.*

## Entry-Level Technician Task Expectations



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I-CAR Education Foundation  
 (888) 722-3787 ext. 282  
 Fax: (800) 590-1215  
 e-mail: [ed-foundation@i-car.com](mailto:ed-foundation@i-car.com)  
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