

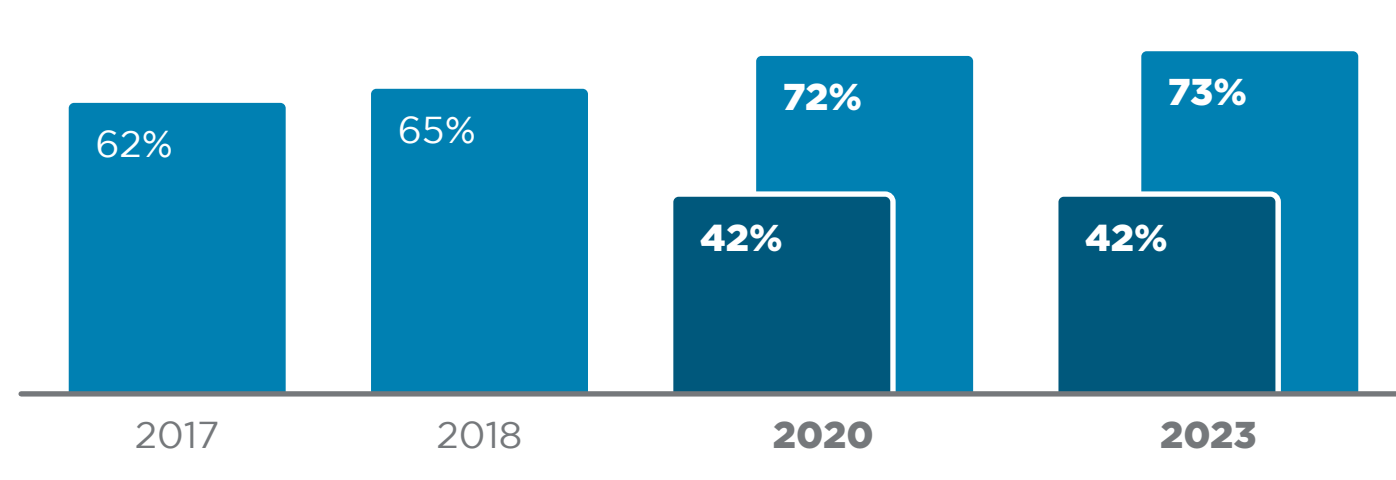
# State of the Skilled Labor Shortage in the Home Improvement Industry

Of rising interest has been the topic of a labor shortage of skilled tradespeople as a whole. To understand the current state of the skilled labor shortage as related specifically to the residential home improvement industry, our researchers at The Home Improvement Research Institute have been monitoring the implications of the skilled labor shortage since 2017.

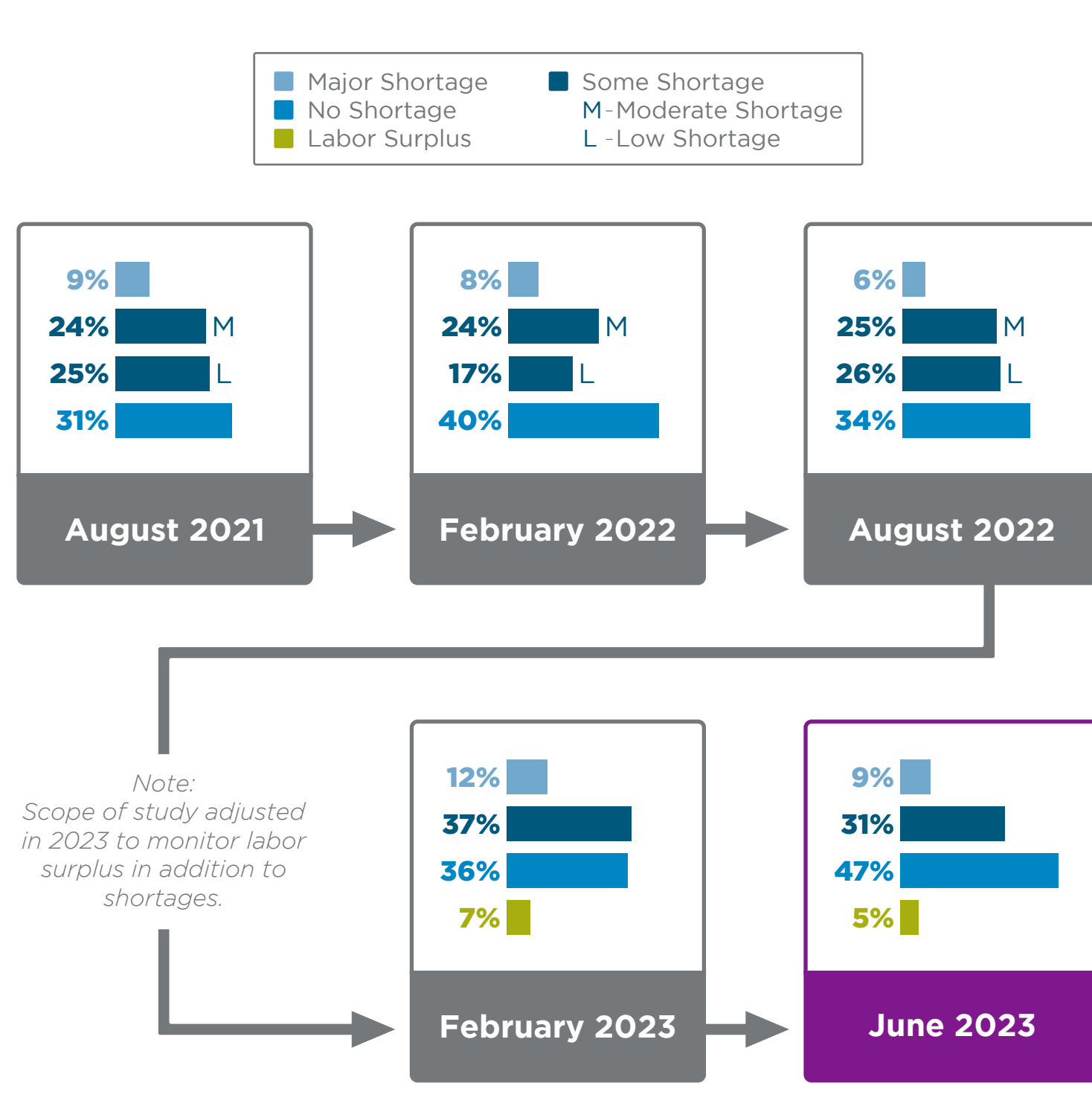
Now, in 2023, here's where the situation stands:

## Belief There Is a Shortage of Skilled Labor Across The Industry vs. Within Their Individual Business

Interestingly, we see a continuing trend over the last 3 years where fewer contractors believe they are short staffed in their own business, and yet also believe that the industry as a whole is facing a shortage in skilled labor. This aligns with the number of Pros who have been reporting either a "moderate" to "severe" labor shortage in recent years.

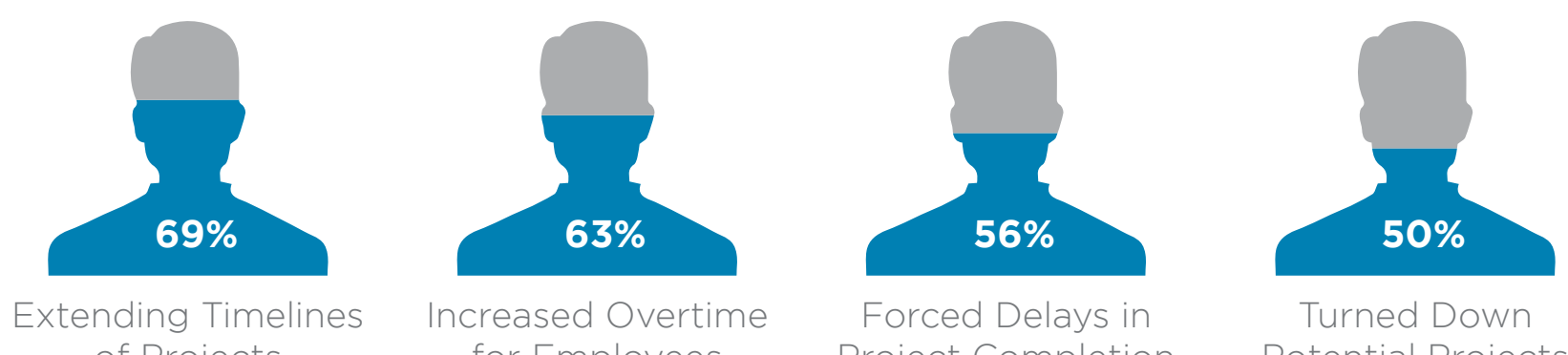


## Have you had any Labor Shortages for Your Jobs Over the Past Month?



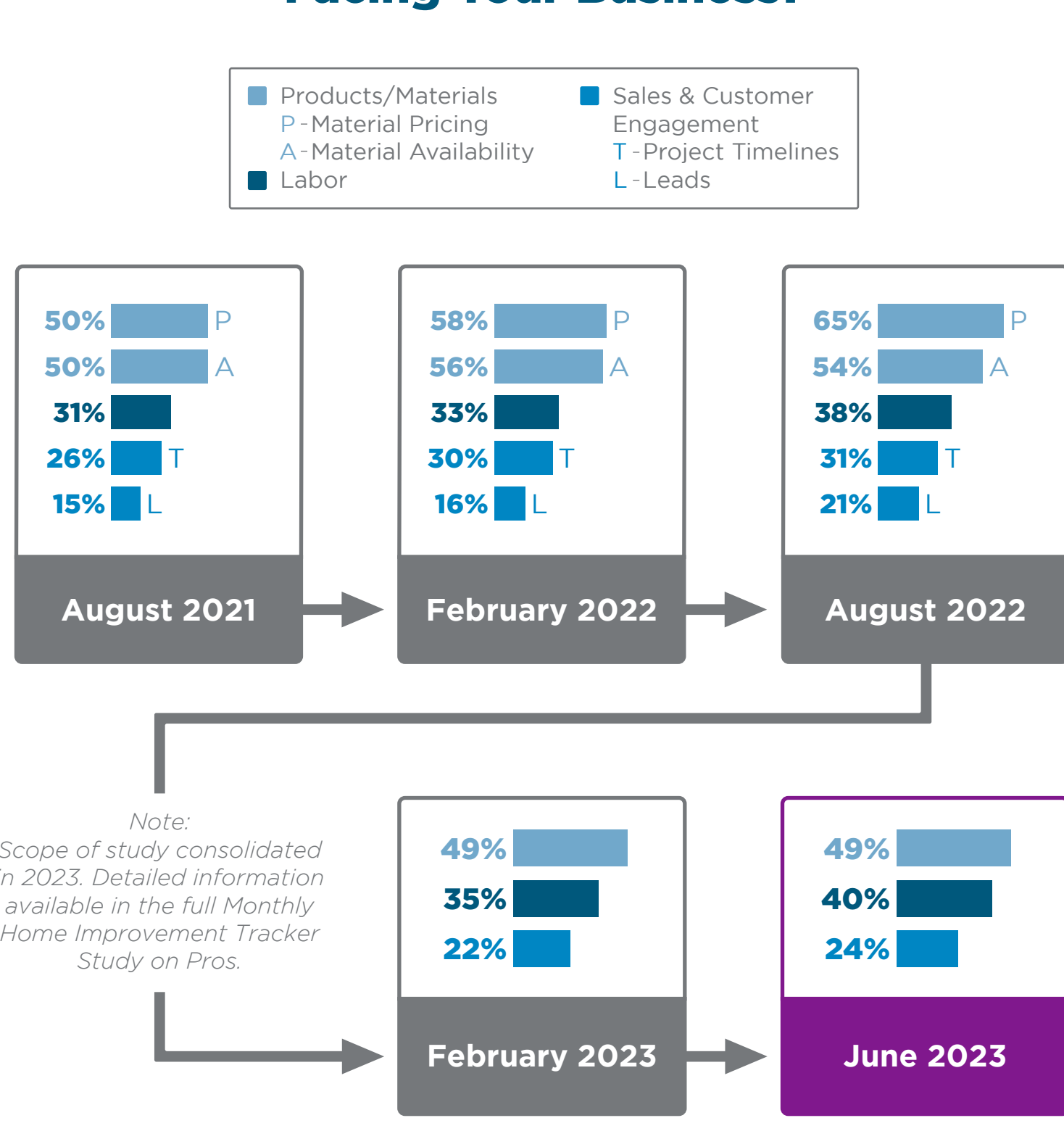
Pros are resourceful by nature and tend to respond to a lack of skilled labor by making do with what they have by extending project timelines whereby they deploy fewer crew members per job site, increasing overtime opportunities for current crew, and taking on fewer projects.

## Impact on Business



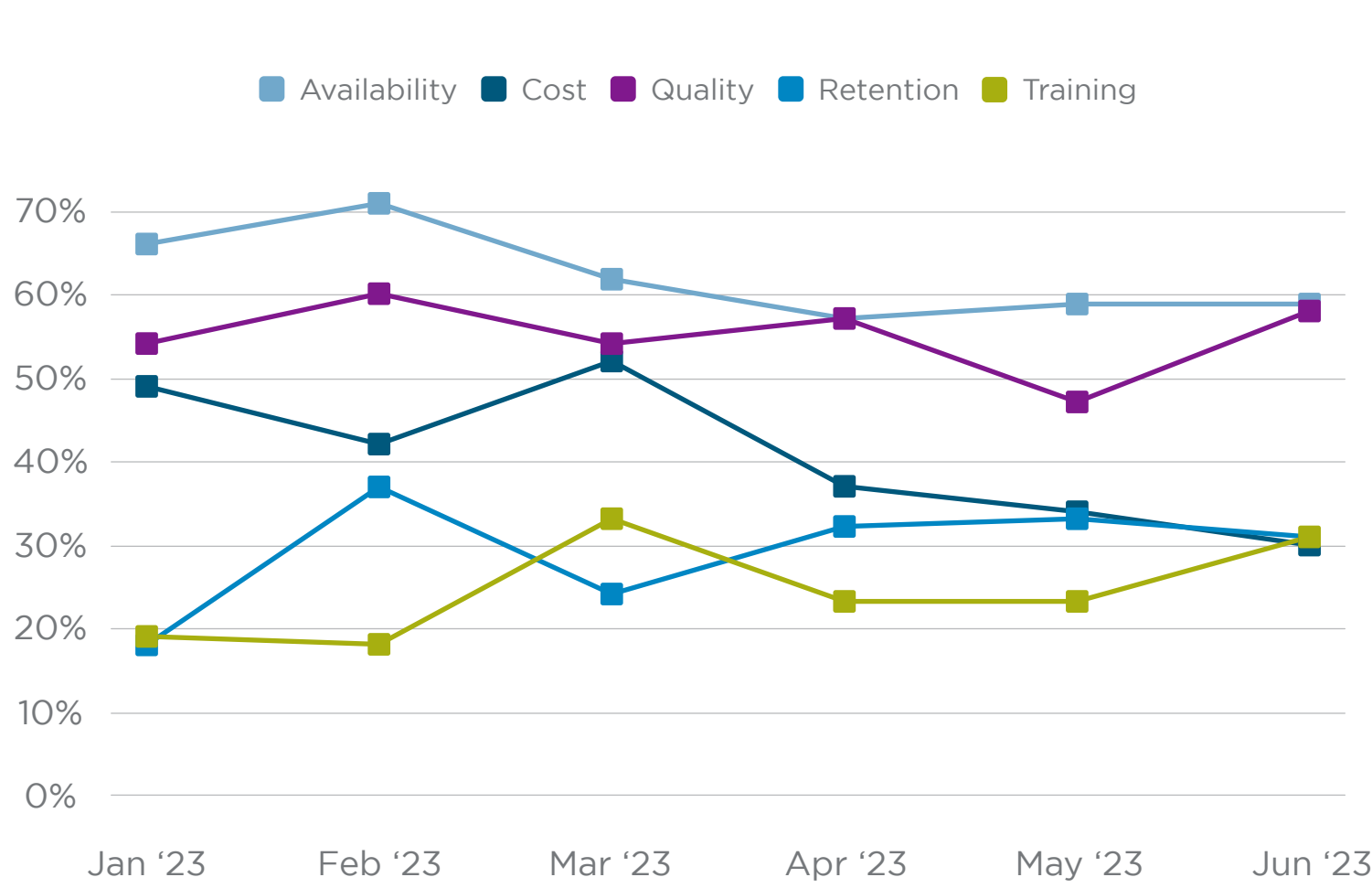
While the presence of a limited number of skilled laborers does have impacts on contractors' businesses, in the greater context of all the challenges facing contractors right now, labor is of lesser concern than interest rates, recession, their sales close rate, and material availability.

## What are the Top 3 Challenges Facing Your Business?



Labor is being reported as less of a challenge comparatively, likely because labor challenges have solutions that contractors can pull individually - to create solutions. The more top of mind challenges they face are outside of contractors' abilities to make significant changes.

## Dimensions of Challenge For Pros Whose Top Business Challenge is Labor



## How Contractors Have Been Solving For Skilled Labor Shortages

	2019	2023
Taking Fewer Total Projects	53%	→ 53%
Using More Time-saving Products	38%	↗ 43%
Specializing in a Smaller Range of Projects	37%	↗ 41%
Only Taking Higher-paying Projects	35%	↗ 40%
Narrowing the Geographic Area of Jobs	34%	↗ 36%
Added a Training/Apprenticeship Program	N/A	29%



Sources  
Pro Monthly Home Improvement Tracker, June 2023  
Contractor Topic Study - Skilled Labor Shortage and Financial Health, June 2023

## About HIRI

As the non-profit organization dedicated to home improvement research, HIRI empowers our members with exclusive, ongoing home improvement data and information for making better business decisions. Members are the leading manufacturers, retailers and allied organizations in the home improvement industry.

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