

Special Studies, June 1, 2017

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Economics and Housing Policy
National Association of Home Builders

Who Are NAHB's Associate Members?

Every year since 2008, the National Association of Home Builders (NAHB) has conducted an annual census that collects company and demographic data from its members. It subsequently publishes these results here in HousingEconomics.com.

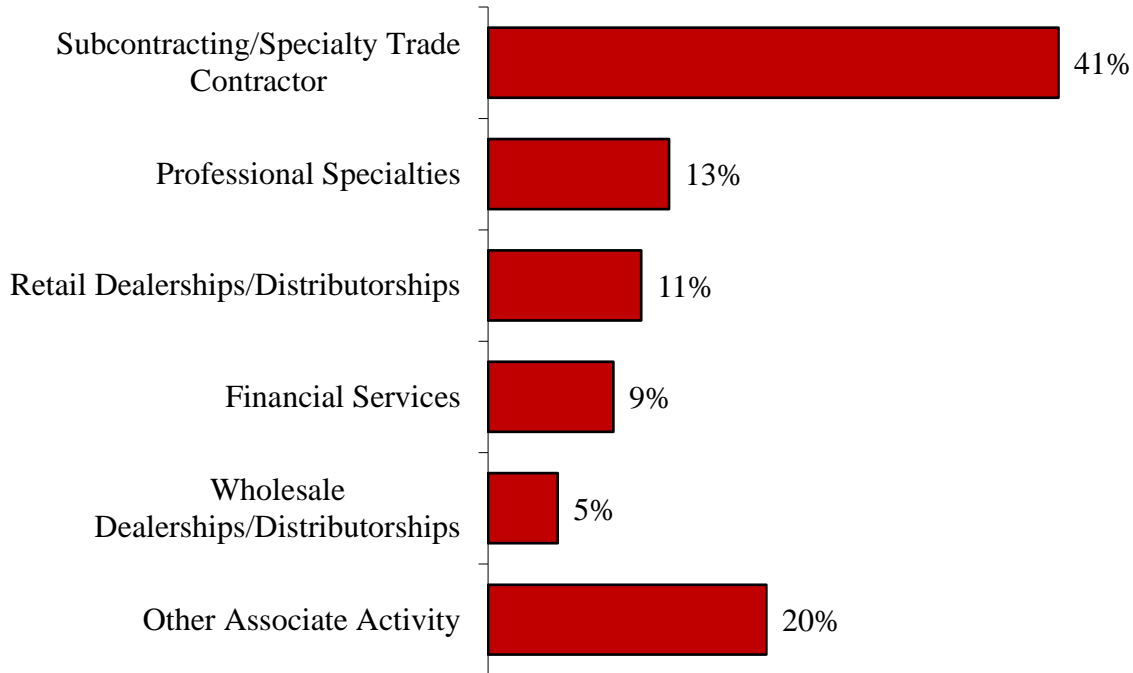
This article updates previous studies with results from the 2016 annual census on the characteristics of NAHB's associate members. Associate members are involved in a wide range of support industries and professions including, among others, trade contractors, manufacturers, retailers/distributors, designers, and architects. Builder members are defined as those whose primary business is single-family home building, multifamily building, residential or commercial remodeling, commercial building, land development, or manufacturing of modular/panelized/log homes. At the end of 2016, 81,512 associate members represented 68 percent of the total NAHB membership. Builder members make up the remaining 32 percent and an article highlighting them can be found [here](#).

41% of Associate Members are Subcontractors/Specialty Trade Contractors

Associate members could self-identify as one of 42 specialties when selecting a primary activity. These activities are grouped into 6 categories: 41 percent of associate members are subcontractors/specialty trade contractors, 13 percent have a professional specialty, 11 percent are retail dealers/distributors, 9 percent work in financial services, and 5 percent are wholesale

dealers/distributors. Twenty percent listed some other associate activity as their primary business activity, such as manufacturers, real estate, and utilities (Exhibit 1).

Exhibit 1. Share of Associate Members by Primary Business Activity - 2016
(Percent of Respondents)



The share of associate members involved in any one activity shifted by 1 percentage point or less from 2015 to 2016 (Exhibit 2). When the activities are grouped into the broader categories, some trends can be detected over time. The share of associate members who are in subcontracting/specialty trade contractors has increased in the last couple of years, going from 36 percent in 2014 to 41 percent in 2016. During the same time period, the shares of associate members reporting their primary activity either as professional specialties, financial services, or as retail or wholesale dealerships/distributorships, have not changed significantly, while the share reporting “other” activities fell from 23 percent in 2014 to 20 percent in 2016.

Exhibit 2. Primary Business Activity – HISTORY
(Percent of Respondents)

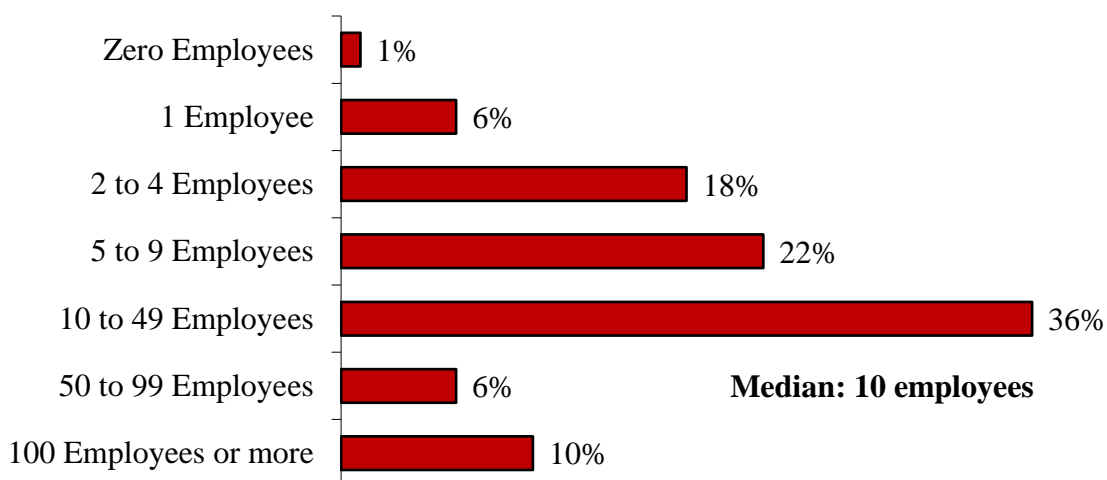
	2008	2009	2010	2011	2012	2013	2014	2015	2016
<i>Subcontracting/Specialty Trade Contractor</i>	34%	39%	43%	39%	40%	39%	36%	40%	41%
Carpentry work	3	3	4	4	4	3	3	4	4
Electrical work	3	3	4	3	3	3	2	3	3
Masonry, Stone Work, Tile Setting and Landscaping	3	3	3	3	3	3	2	2	2
Plumbing, Heating and Air conditioning	2	2	2	2	3	2	2	2	2
Roofing, Siding and Sheet Metal Work	5	6	7	4	6	7	6	6	7
Painting and Paper Hanging	2	2	3	3	3	3	2	2	3
Floor Laying and Other Floor Work	2	1	3	2	2	2	2	2	2
Concrete Work	1	1	2	2	1	1	1	2	1
Excavation Work	2	2	3	2	3	2	2	2	3
Insulation Work	2	1	2	2	2	2	1	2	2
Drywall Installation	NA	NA	NA	NA	1	1	1	1	1
Security Systems	NA	NA	NA	NA	1	1	1	1	1
Home Technology	1	*	1	1	1	1	1	1	1
Other Subcontracting	NA	NA	NA	NA	NA	NA	NA	1	1
	10	14	10	12	8	7	8	8	9
<i>Professional Specialties</i>	12	18	12	12	13	13	13	13	13
Accounting	1	2	2	1	1	1	1	1	2
Architecture	2	2	2	1	2	2	2	2	2
Engineering	3	4	3	1	3	3	3	3	3
Planning or Designing	2	4	2	4	2	3	3	2	2
Legal Services	1	2	1	1	1	1	2	1	2
Computer Products and Services	*	*	*	*	*	*	*	*	*
Marketing, Advertising or Public Relations	3	4	2	2	2	2	2	2	2
Land Surveyor	*	1	*	1	1	1	*	*	*
<i>Retail Dealerships/Distributorships</i>	13	11	11	10	11	11	10	12	11
Retail Appliances	1	1	1	1	1	1	1	1	1
Retail Building Materials/Lumber	4	4	5	3	4	4	4	4	4
Retail Floor Coverings	2	1	2	1	2	2	1	2	2
Retail Paint/Wall Coverings	1	*	*	1	*	*	*	*	*
Other Retail Dealership	5	5	4	5	4	4	4	5	4
<i>Financial Services</i>	8	10	8	7	9	10	10	10	9
Commercial Banking/Thrift Institution	2	3	2	1	2	2	2	2	2
Mortgage Banking	2	2	2	2	2	3	3	3	3
Insurance or Title Company	4	5	5	4	5	5	5	5	4
<i>Wholesale Dealerships/Distributorships</i>	3	5	5	5	6	5	6	5	5
Wholesale Appliances	*	1	1	*	1	*	*	*	*
Wholesale Building Materials/Lumber	1	2	2	2	2	2	2	2	2
Wholesale Floor Coverings	*	*	1	1	*	1	1	1	1
Wholesale Paint/Wall Coverings	*	*	*	*	*	*	*	*	*
Other Wholesale Dealership	2	2	2	2	2	2	2	2	2
<i>Other Associate Activity</i>	19	15	19	16	21	22	23	19	20
Manufacturing	6	3	3	2	4	4	4	3	4
Property Management	1	1	1	1	1	1	1	1	1
Real Estate	3	3	3	3	3	3	4	3	3
Utilities	1	1	2	2	2	2	2	1	1
Industry Consultant	NA	NA	NA	1	1	1	1	1	1
Trade Associate/Non-Profit	NA	NA	NA	1	1	1	1	1	1
Other	7	7	10	7	10	10	11	9	9
No Primary Activity Listed	NA	NA	NA	10	1	1	1	1	1

*Less than 0.5%

Approximately Half of Associates Have 10 or More Employees

In 2016, associate members had a median¹ of 10 employees on payroll, unchanged from 2015, but higher than the median of 9 employees in 2013 and 2014. Six percent of associate members had 1 employee, 18 percent had 2 to 4 employees, 22 percent had 5 to 9, 36 percent had 10 to 49, 6 percent had 50 to 99 employees, and 10 percent had 100 or more employees. One percent had no payroll at all (Exhibit 3).

Exhibit 3. Total Number of Employees on Payroll - 2016
(Percent of Respondents)



The median number of employees on an associate member's payroll varies significantly by the company's primary activity. For example, for both financial services companies and wholesale dealership/distributorships, the median number of paid employees in 2016 was 22, compared to a median of 8 employees among those in professional specialties.

¹ This article will use median values, as averages can be inflated by large companies. Medians are largely unaffected by these outliers because it calculates the middle most value, not taking into account how high the highest values are. An increase in a median's value indicates an overall shift of all the associate members, not a change in a few large associate members.

Median Dollar Volume Dips Slightly in 2016

The median dollar volume of associate members was \$2.4 million in 2016, slightly lower than the median of \$2.5 million in 2015. Twenty-three percent of associate members reported a 2016 dollar volume of less than \$500,000, 16 percent reported between \$500,000 and \$999,999, 31 percent between \$1.0 million and \$4.9 million, 10 percent between \$5.0 million and \$9.9 million, 5 percent between \$10.0 million and \$14.9 million, and 15 percent reported their dollar volume in 2016 at \$15.0 million or more (Exhibit 4 & 5).

Exhibit 4. Annual Revenue - 2016
(Percent of Respondents)

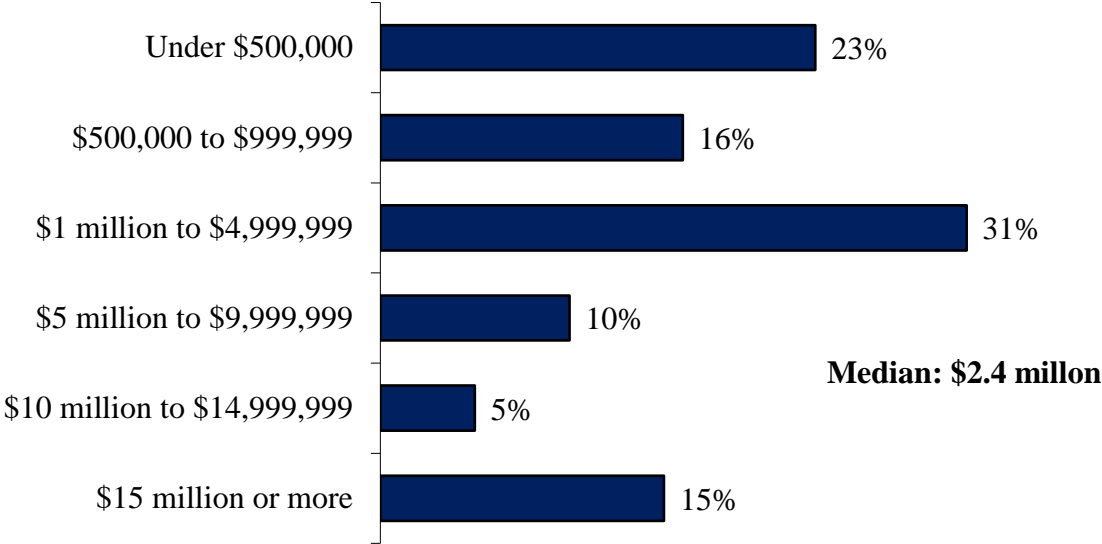
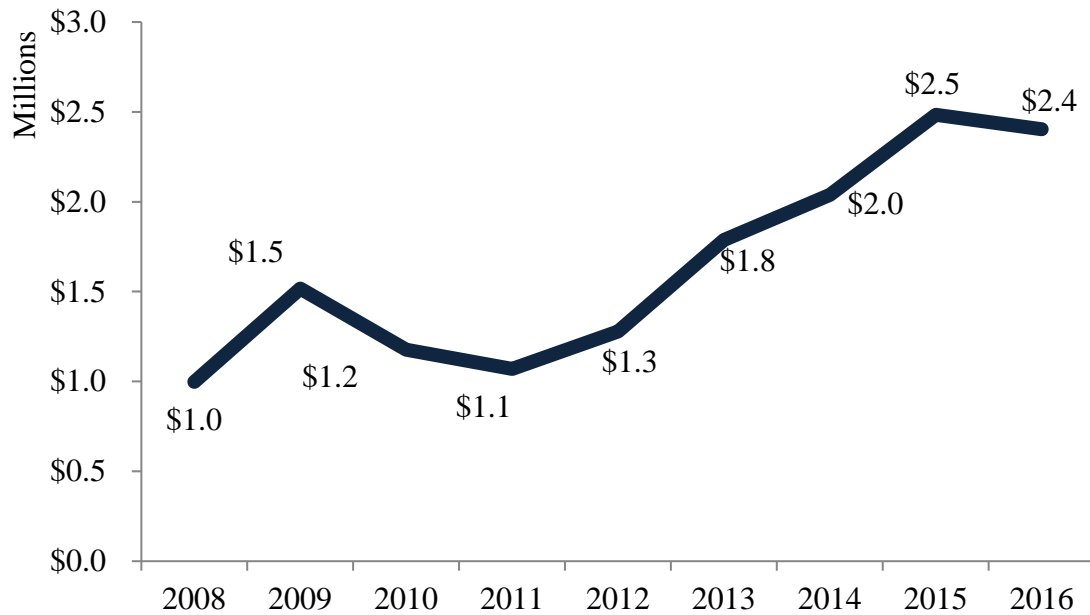


Exhibit 5. Annual Revenue – History
(Median, millions of dollars)



Levels of revenue also vary widely across primary activity categories. For example, financial service and wholesale dealership/distributor members respectively reported medians of \$12.7 million and \$9.2 million in 2016 revenue, compared to \$1.0 million for both subcontractor/specialty trade contractor and professional specialty members, \$2.8 million for members involved in some other associate activity, and \$4.3 million for retail dealership/distributor members.

Age, Race and Ethnicity

The median age of NAHB associate members in 2016 was 55 years. Twenty-two percent of associate members are younger than 45 years of age, 29 percent are 45 to 54, 35 percent are 55 to 64, and the remaining 14 percent are 65 or older (Exhibit 6). The median age of associate members has been trending upwards: it was 50 in 2008, 52 in 2009 and 2010, 53 in 2011, 54 from 2012 to 2014, and then 55 in 2015 and 2016 (Exhibit 7).

Exhibit 6. Age - 2016
(Percent of Respondents)

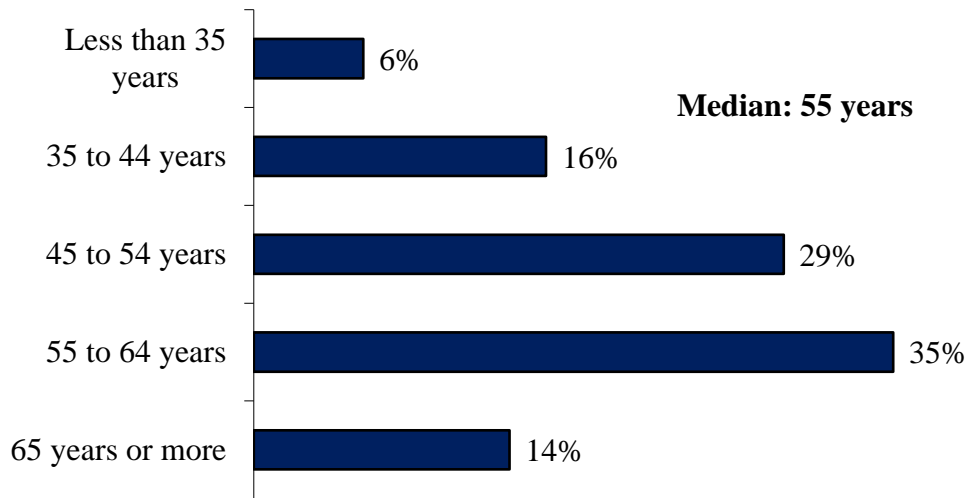
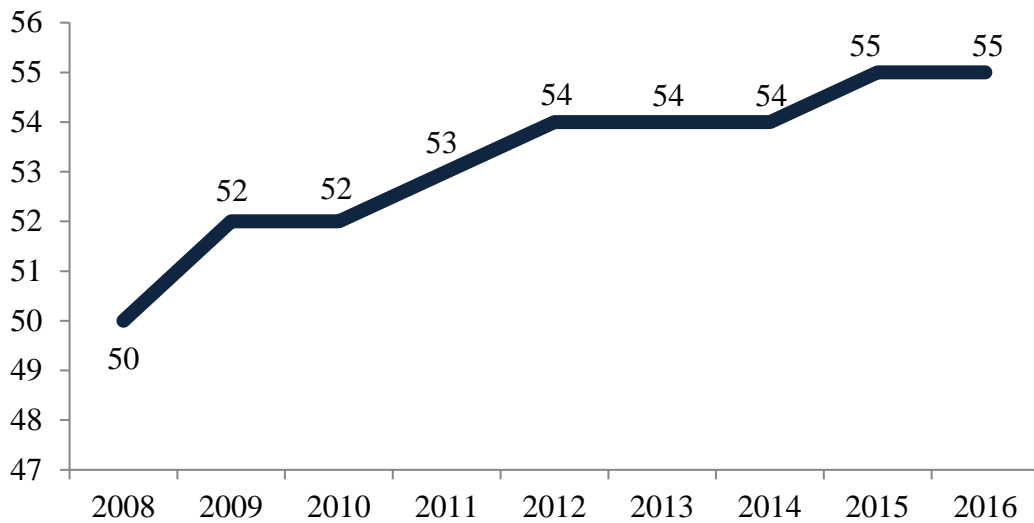
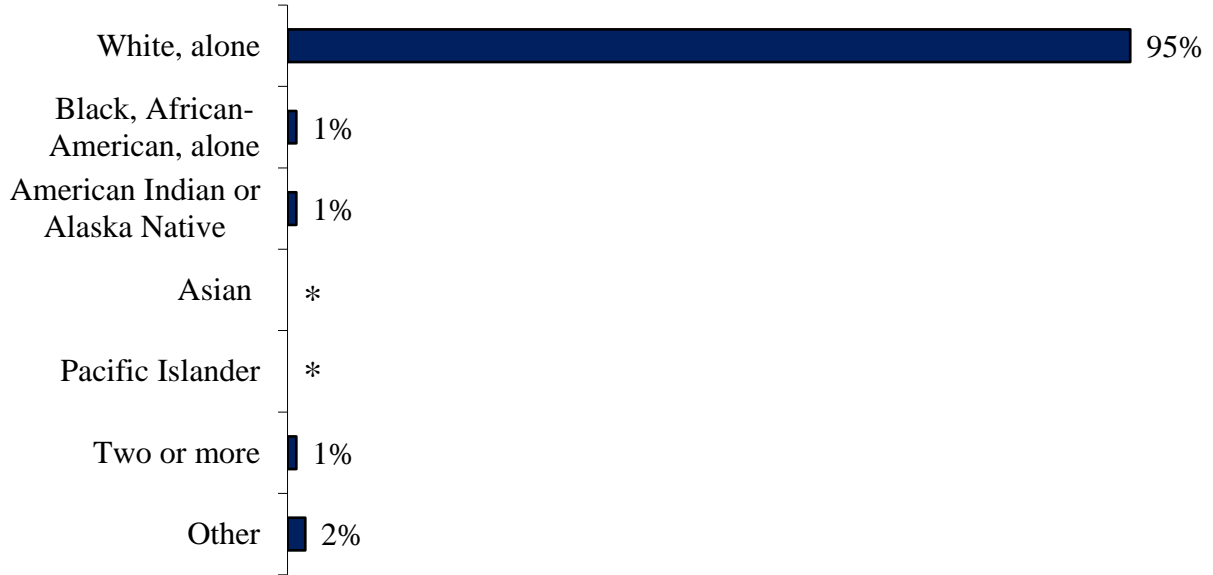


Exhibit 7. Median Age - HISTORY
(Percent of Respondents)



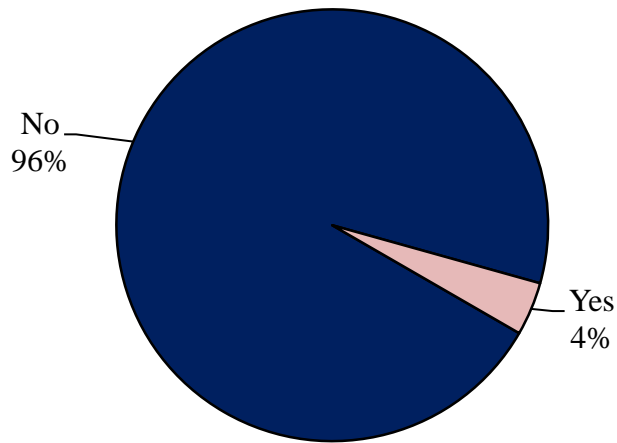
The vast majority of NAHB's associate members are White. Ninety-five percent of members identified themselves as White, alone; 1 percent as Black or African-American, alone; 1 percent as American Indian or Alaska Native, alone; less than half a percent identified as either Asian, alone; or Pacific Islander, alone; while 2 percent identified themselves as some other race. One percent of associate members selected more than one race (Exhibit 8). In terms of ethnicity, 4 percent of associates are of Hispanic, Latino, or Spanish origin (Exhibit 9).

Exhibit 8. Race
(Percent of Respondents)



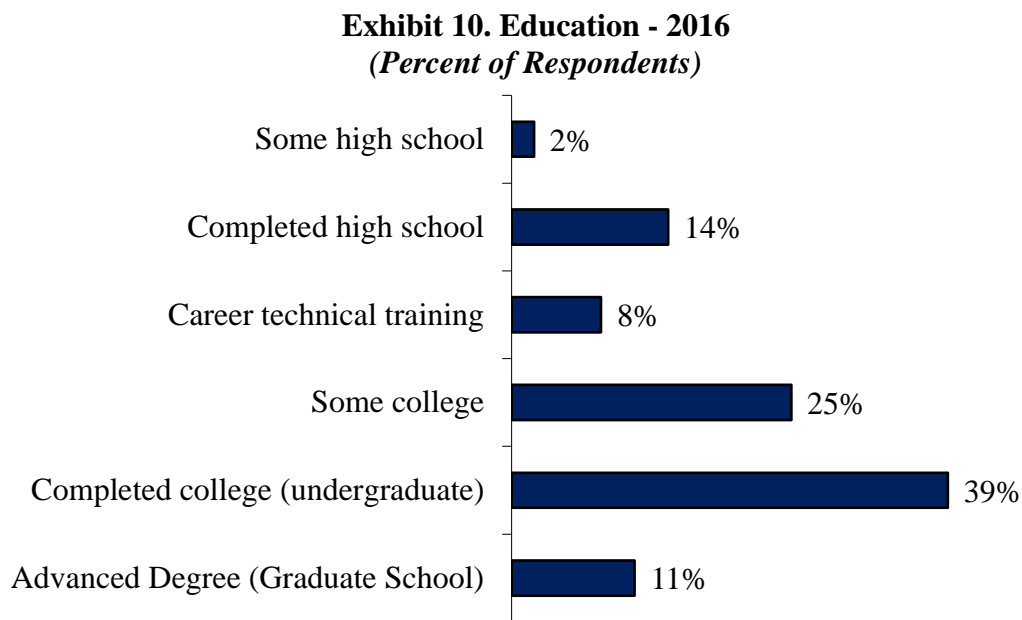
**Less than 0.5 percent reported being either Asian or Pacific Islander.*

Exhibit 9. Ethnicity: Are you of Hispanic, Latino, or Spanish origin?
(Percent of Respondents)



Half of Associate Members Have a Degree

Since 2008, the share of NAHB associate members with a college or advanced degree has been at or above 50 percent. In 2016, 2 percent reported that they did not finish high school. Fourteen percent completed high school, 8 percent have career technical training, 25 percent have had some college education, 39 percent finished college, and 11 percent have an advanced/graduate degree (Exhibit 10).

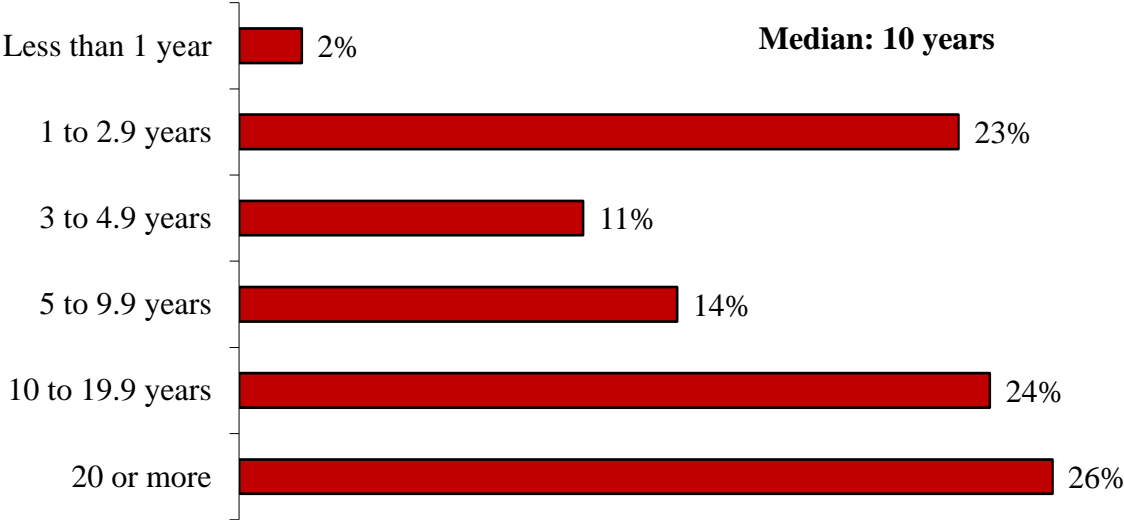


The share of associate members with a college or advanced/graduate degree varies across companies' primary activities. Eighty-two percent of professional specialty members have a degree, compared to 32 percent of subcontractor/specialty trade contractors, 50 percent of retail dealership/distributorship members, 56 percent of wholesale dealership/distributorship members, 61 percent of members in some other associate activity, and 69 percent of members in financial services.

Half Have Been Members for a Decade or More

In 2016, associate members reported belonging to NAHB for a median of 10 years. Twenty-five percent have been members for less than 3 years, 25 percent for 3 to 9 years, 24 percent for 10 to 19 years, and 26 percent for 20 years or more (Exhibit 11).

Exhibit 11. Tenure as NAHB Member - 2016
(Percent of Respondents)



A profile for each category of associate member is available below.

PROFILES BY ASSOCIATE MEMBER CATEGORY

Subcontracting/Specialty Trade Contractors in 2016

Company Profile

- 1. No. of Subcontracting/Specialty Trade Contractors:** **33,795**
- 2. Primary business activities covered are:** Carpentry work, Electrical work, Masonry, Stone work, Tile setting and Plastering, Landscaping, Plumbing, Heating and Air Conditioning, Roofing, Siding and Sheet Metal Work, Painting and Paper Hanging, Floor laying and other Floor work, Concrete work, Excavation work, Insulation work, Drywall Installation, Security Systems, Home Technology, and Other Subcontracting.
- 3. No. of employees on payroll (Average):**
- | | |
|-----------------------------|-------------|
| Construction Employees: | 15.9 |
| Non-construction Employees: | 8.7 |
| Total: | 24.6 |

(Four percent of the subcontracting/specialty trade contractors have 50 to 99 employees and 4 percent have 100 employees or more.)

- 4. Dollar volume of company's business activity (Median):** **\$991,788**

(Only 4 percent of the subcontracting/specialty trade contractors had \$15 million or more in business activity.)

Member Profile

- 1. No. of years as a member of NAHB (Average):** **11 years**
- 2. Age (Median):** **53 years**
- 3. Gender:** **Male: 87%**
Female: 13%
- 4. Race/Ethnicity:** **White: 95%**
Hispanic: 5%
- 5. Education:** **32 percent of subcontracting/special trade contractors have completed college or have an advanced degree and 29 percent have some college education.**

Professional Specialty Members in 2016

Company Profile

1. No. of Professional Specialty Members: **10,261**

2. Primary business activities covered are: Accounting, Architecture, Engineering, Planning or Designing, Legal Services, Computer Products and Services, Marketing, Advertising or Public Relations, and Land Surveyor.

3. No. of employees on payroll (Average):

Construction Employees:	6.3
Non-construction Employees:	38.9
Total:	45.1

(Eight percent of the professional specialty members have 50 to 99 employees, and another 8 percent have 100 employees or more.)

4. Dollar volume of company's business activity (Median): **\$992,924**

(Eight percent of the professional specialty members had \$15 million or more in business activity.)

Member Profile

1. No. of years as a member of NAHB (Average): **13 years**

2. Age (Median): **56 years**

3. Gender: **Male: 75%**
Female: 25%

4. Race/Ethnicity: **White: 95%**
Hispanic: 2%

5. Education: **82 percent of professional specialty members have completed college or have an advanced degree and 12 percent have some college education.**

Retail Dealership/Distributors in 2016

Company Profile

1. No. of Retail Dealership/Distributor Members: **8,790**

2. Primary business activities covered are: Retail Appliances, Retail Building Materials/Lumber, Retail Floor Coverings, Retail Paint/Wall Coverings and Other Retail Dealerships.

3. No. of employees on payroll (Average):

Construction Employees:	12.6
Non-construction Employees:	44.6
Total:	57.2

(Six percent of the retail dealerships/distributors have 50 to 99 employees and 10 percent have 100 employees or more.)

4. Dollar volume of company's business activity (Median): **\$4,275,919**

(Eighteen percent of retail dealerships/distributors had \$15 million or more in business activity.)

Member Profile

1. No. of years as a member of NAHB (Average): **14 years**

2. Age (Median): **56 years**

3. Gender: **Male: 81%**
Female: 19%

4. Race/Ethnicity: **White: 98%**
Hispanic: 2%

5. Education: **50 percent of retail dealerships/distributors have completed college or have an advanced degree and 31 percent have some college education.**

Financial Services Members in 2016

Company Profile

1. No. of Financial Services Members: **7,714**

2. Primary business activities covered are: Commercial Banking/Thrift Institution, Mortgage Banking and Insurance or Title Company.

3. No. of employees on payroll (Average):

Construction Employees:	10.7
Non-construction Employees:	263.3
Total:	274.0

(Ten percent of financial services members have 50 to 99 employees and 25 percent have 100 employees or more.)

4. Dollar volume of company's business activity (Median): **\$12,673,818**

(Forty-six percent of financial services members had \$15 million or more in business activity.)

Member Profile

1. No. of years as a member of NAHB (Average): **13 years**

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3. Gender: **Male: 71%**
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5. Education: **69 percent of financial services members have completed college or have an advanced degree and 25 percent have some college education.**

Wholesale Dealerships/Distributors in 2016

Company Profile

1. No. of Wholesale Dealership/Distributor Members: **3,889**

2. Primary business activities covered are: Wholesale Appliances, Wholesale Building Materials/Lumber, Wholesale Floor Coverings, Wholesale Paint/Wall Coverings and Other Wholesale Dealerships.

3. No. of employees on payroll (Average):

Construction Employees:	57.3
Non-construction Employees:	77.1
Total:	134.4

(Eleven percent of the wholesale dealerships/distributors have 50 to 99 employees and 20 percent have 100 employees or more.)

4. Dollar volume of company's business activity (Median): **\$9,246,086**

(Thirty-eight percent of wholesale dealerships/distributors had \$15 million or more in business activity.)

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Other Associate Activity Members in 2016

Company Profile

1. No. of Other Associate Members: **16,115**

2. Primary business activities covered are: Manufacturing, Property Management, Real Estate, Utilities, Industry Consultant, Trade Association/Non-Profit, and Other Associate Activities

3. No. of employees on payroll (Average):

Construction Employees:	36.5
Non-construction Employees:	74.8
Total:	111.3

(Seven percent of other associate members have 50 to 99 employees and 14 percent have 100 employees or more.)

4. Dollar volume of company's business activity (Median): **\$2,816,436**

(Nineteen percent of other associate members had \$15 million or more in business activity.)

Member Profile

1. No. of years as a member of NAHB (Average): **11 years**

2. Age (Median): **56 years**

3. Gender: **Male: 73%**
Female: 27%

4. Race/Ethnicity: **White: 96%**
Hispanic: 3%

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