

Who Are NAHB's Associate Members?

Special Studies, May 1, 2018

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Economics and Housing Policy

National Association of Home Builders

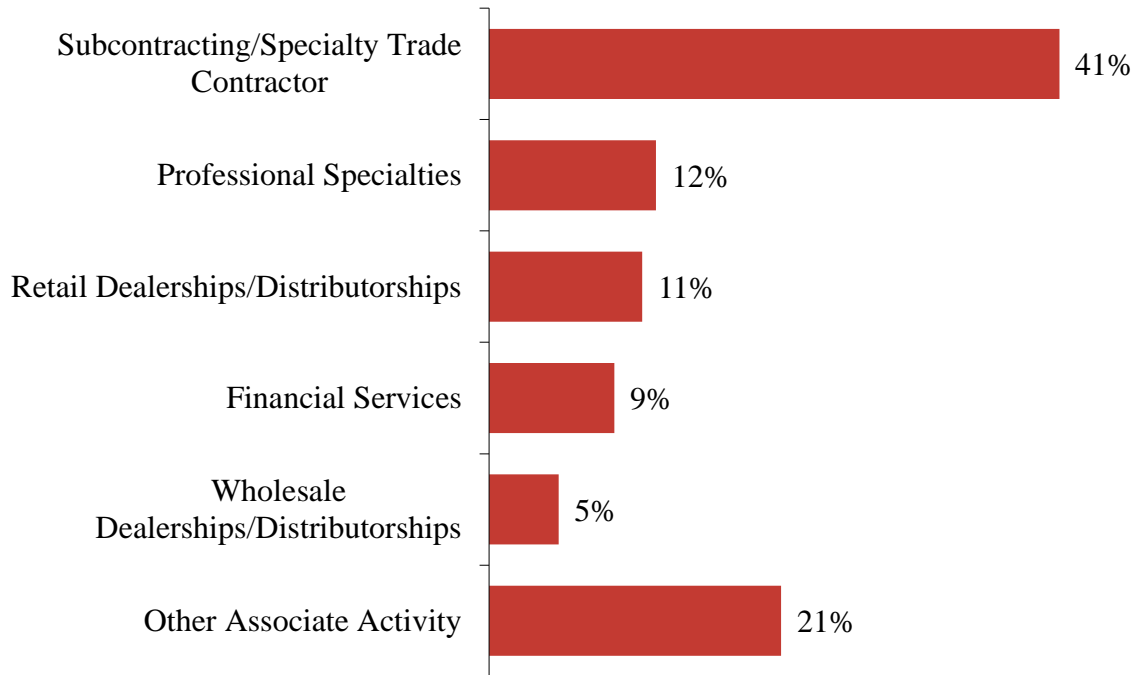
Every year since 2008, the National Association of Home Builders (NAHB) has conducted an annual census that collects company and demographic data from its members. It subsequently publishes these results here in HousingEconomics.com.

This article updates previous studies with results from the 2017 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 2017, 77,733 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 in the April 11, 2018 Special Study.

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 broader categories: 41 percent of associate members are subcontractors/specialty trade contractors, 12 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-one percent of members listed some other associate activity as their primary business activity (Exhibit 1).

Exhibit 1. Share of Associate Members by Primary Business Activity - 2017
(Percent of Respondents)



The share of associate members involved in any one of the 42 activities shifted by 1 percentage point or less from 2016 to 2017 (Exhibit 2). When grouped into the broader categories, it is also clear that the share of associates in each has not shifted by more than one percentage point in recent years, with the exception of “other associates”, which grew from 19 percent in 2015 to 21 percent in 2017.

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

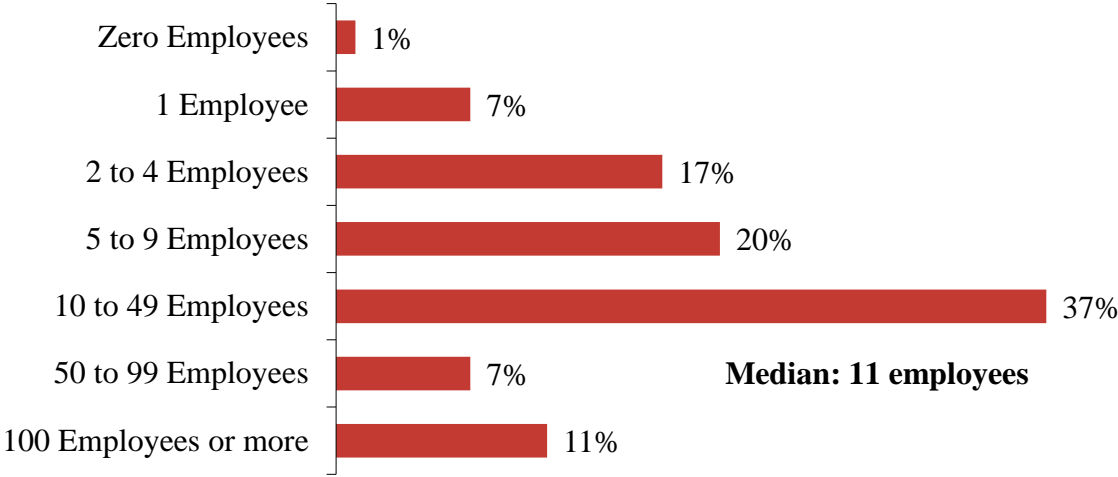
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<i>Subcontracting/Specialty Trade</i>	34%	39%	43%	39%	40%	39%	36%	40%	41%	41%
Carpentry work	3	3	4	4	4	3	3	4	4	3
Electrical work	3	3	4	3	3	3	2	3	3	3
Masonry, Stone Work, Tile Setting and Landscaping	3	3	3	3	3	3	2	2	2	3
Plumbing, Heating and Air conditioning	2	2	2	2	3	2	2	2	2	3
Roofing, Siding and Sheet Metal Work	5	6	7	4	6	7	6	6	7	7
Painting and Paper Hanging	2	2	3	3	3	3	2	2	3	3
Floor Laying and Other Floor Work	2	1	3	2	2	2	2	2	2	2
Concrete Work	1	1	2	2	1	1	1	2	1	1
Excavation Work	2	2	3	2	3	2	2	2	3	2
Insulation Work	2	1	2	2	2	2	1	2	2	2
Drywall Installation	NA	NA	NA	NA	1	1	1	1	1	1
Security Systems	NA	NA	NA	NA	1	1	1	1	1	1
Home Technology	1	*	1	1	1	1	1	1	1	1
Other Subcontracting	NA	NA	NA	NA	NA	NA	NA	1	1	1
	10	14	10	12	8	7	8	8	9	8
<i>Professional Specialties</i>	12	18	12	12	13	13	13	13	13	12
Accounting	1	2	2	1	1	1	1	1	2	1
Architecture	2	2	2	1	2	2	2	2	2	2
Engineering	3	4	3	1	3	3	3	3	3	3
Planning or Designing	2	4	2	4	2	3	3	2	2	2
Legal Services	1	2	1	1	1	1	2	1	2	2
Computer Products and Services	*	*	*	*	*	*	*	*	*	*
Marketing, Advertising or Public Land Surveyor	3	4	2	2	2	2	2	2	2	2
	*	1	*	1	1	1	*	*	*	*
<i>Retail Dealerships/Distributorships</i>	13	11	11	10	11	11	10	12	11	11
Retail Appliances	1	1	1	1	1	1	1	1	1	1
Retail Building Materials/Lumber	4	4	5	3	4	4	4	4	4	4
Retail Floor Coverings	2	1	2	1	2	2	1	2	2	2
Retail Paint/Wall Coverings	1	*	*	1	*	*	*	*	*	*
Other Retail Dealership	5	5	4	5	4	4	4	5	4	4
<i>Financial Services</i>	8	10	8	7	9	10	10	10	9	9
Commercial Banking/Thrift Institution	2	3	2	1	2	2	2	2	2	2
Mortgage Banking	2	2	2	2	2	3	3	3	3	3
Insurance or Title Company	4	5	5	4	5	5	5	5	4	4
<i>Wholesale Dealerships/Distributorships</i>	3	5	5	5	6	5	6	5	5	5
Wholesale Appliances	*	1	1	*	1	*	*	*	*	*
Wholesale Building Materials/Lumber	1	2	2	2	2	2	2	2	2	2
Wholesale Floor Coverings	*	*	1	1	*	1	1	1	1	1
Wholesale Paint/Wall Coverings	*	*	*	*	*	*	*	*	*	*
Other Wholesale Dealership	2	2	2	2	2	2	2	2	2	2
<i>Other Associate Activity</i>	19	15	19	16	21	22	23	19	20	21
Manufacturing	6	3	3	2	4	4	4	3	4	4
Property Management	1	1	1	1	1	1	1	1	1	1
Real Estate	3	3	3	3	3	3	4	3	3	4
Utilities	1	1	2	2	2	2	2	1	1	2
Industry Consultant	NA	NA	NA	1	1	1	1	1	1	1
Trade Associate/Non-Profit	NA	NA	NA	1	1	1	1	1	1	1
Other	7	7	10	7	10	10	11	9	9	9
No Primary Activity Listed	NA	NA	NA	10	1	1	1	1	1	1

*Less than 0.5%

55% of Associates Have 10 or More Employees

In 2017, associate members had a median¹ of 11 employees on payroll, up from 10 in both 2015 and 2016. The 11 employees reported by associate members in 2017 is the highest median ever recorded since the inception of the Associate Census in 2008. Seven percent of associate members had 1 employee, 17 percent had 2 to 4 employees, 20 percent had 5 to 9, 37 percent had 10 to 49, 7 percent had 50 to 99 employees, and 11 percent had 100 or more employees. One percent had no payroll at all (Exhibit 3).

Exhibit 3. Total Number of Employees on Payroll - 2017
(Percent of Respondents)



The median number of employees on an associate member’s payroll varies significantly by the company’s primary activity. For example, wholesale dealership/distributorships had a median of 21 paid employees in 2017, 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 Rises in 2017

The median dollar volume of associate members was \$2.6 million in 2017, up from a median of \$2.4 million in 2016. Twenty-three percent of associate members reported a 2017 dollar volume of less than \$500,000, 14 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 16 percent reported their dollar volume in 2017 at \$15.0 million or more. One percent of associate members reported no business activity in 2017 (Exhibit 4 & 5)

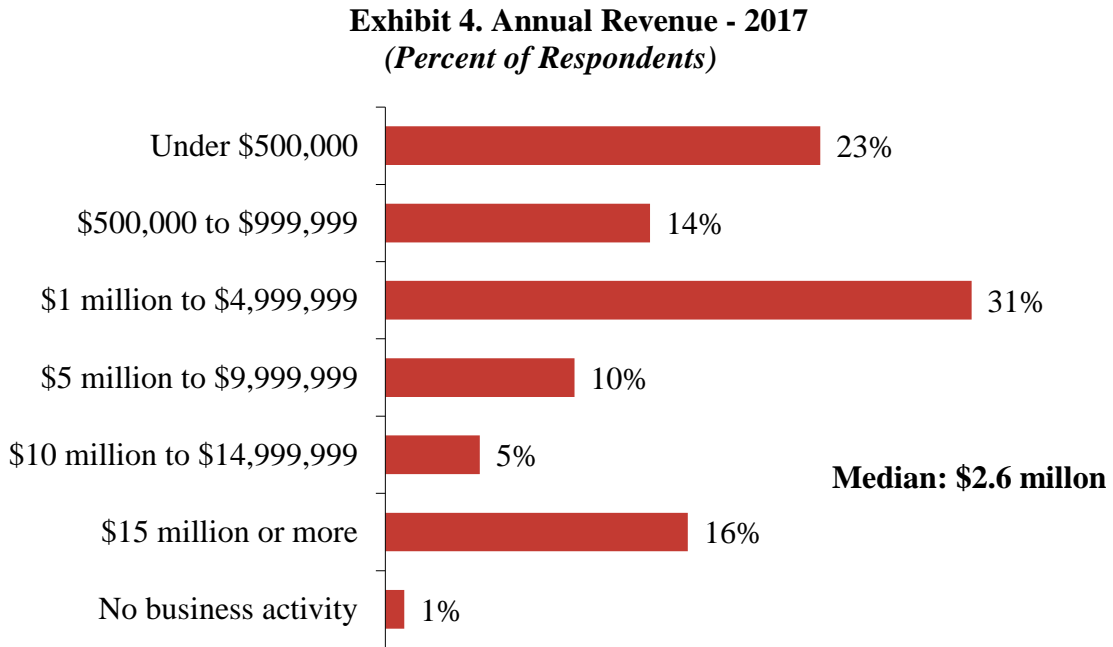
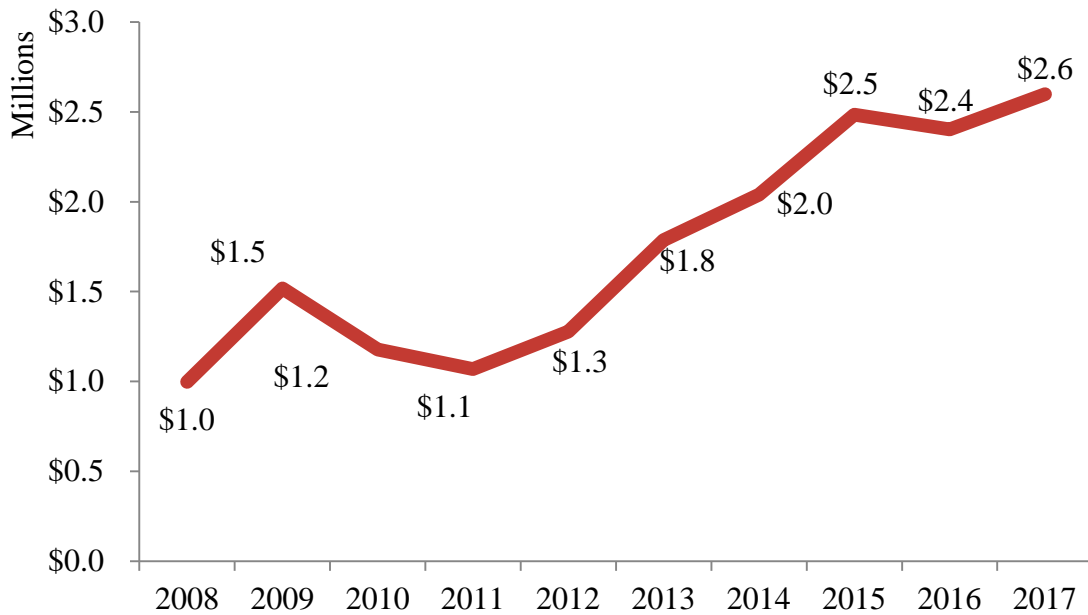


Exhibit 5. Annual Revenue – History
(Median, millions of dollars)



Levels of revenue also vary widely across primary activity categories. For example, financial service and wholesale dealership/distributor members reported medians of \$11.6 million and \$10.1 million in 2017 revenue, respectively, compared to \$1.1 million for professional specialty members, \$1.3 million for subcontractor/specialty trade contractor members, \$3.2 million for members involved in some other associate activity, and \$4.4 million for retail dealership/distributor members.

Age, Race and Ethnicity

The median age of NAHB associate members in 2017 was 56 years. Six percent of associate members were less than 35 years old, 14 percent were 35 to 44, 27 percent were 45 to 54, 37 percent were 55 to 64, and 16 percent were 65 or older (Exhibit 6). The median age of associate members has been trending upwards: it was 50 in 2008, 52 in both 2009 and 2010, 53 in 2011, 54 from 2012 to 2014, 55 in both 2015 and 2016, and 56 in 2017 (Exhibit 7).

Exhibit 6. Age - 2017
(Percent of Respondents)

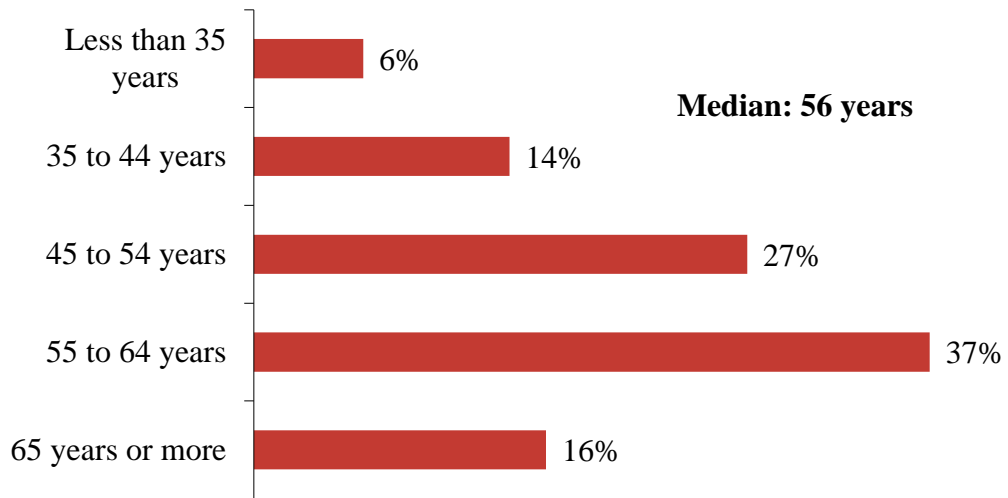
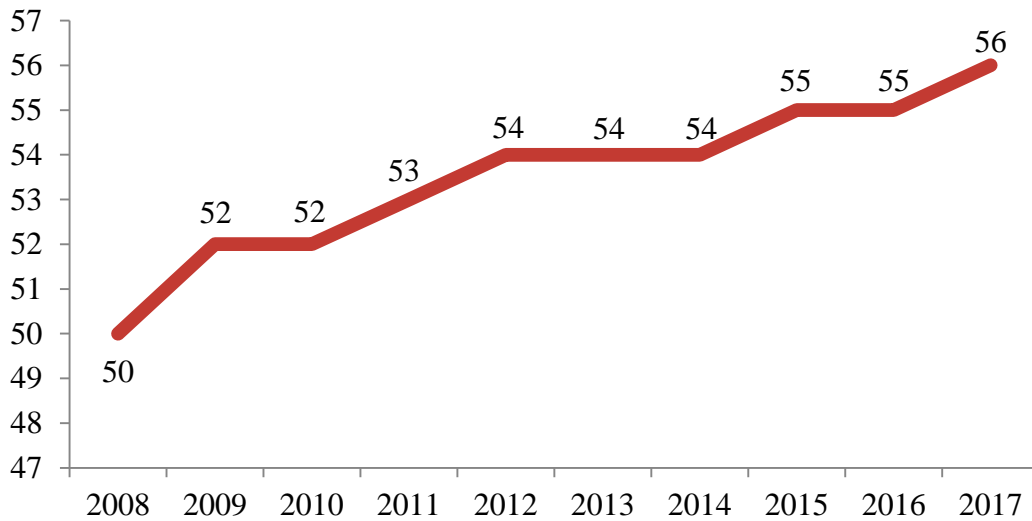
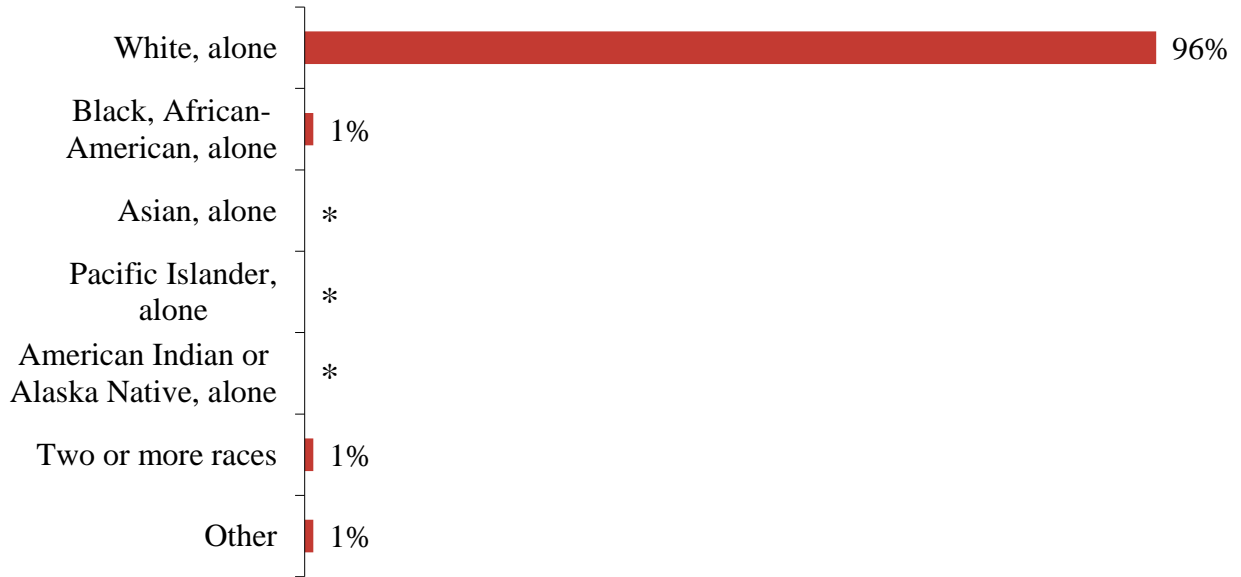


Exhibit 7. Median Age - HISTORY
(Percent of Respondents)



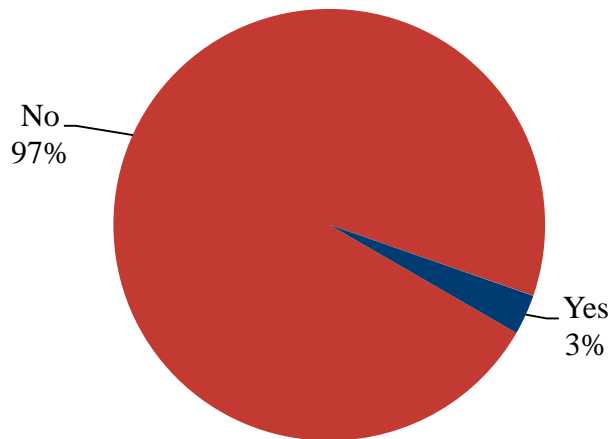
The vast majority of NAHB's associate members are White. Ninety-six percent of associate members identified themselves as White, alone; 1 percent as Black or African-American, alone; and 1 percent as two or more races. Less than half a percent identified as Asian, alone; Pacific Islander, alone; or American Indian or Alaska Native, alone. One percent of associate members identified themselves as some other race (Exhibit 8). In terms of ethnicity, only 3 percent of associates are of Hispanic, Latino, or Spanish origin (Exhibit 9).

Exhibit 8. Race
(Percent of Respondents)



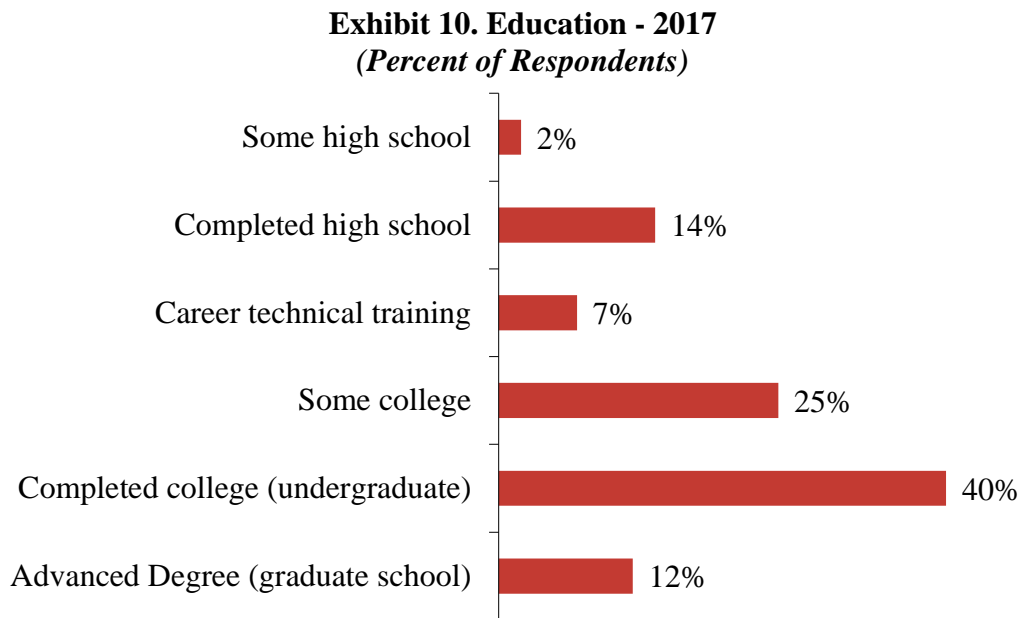
**Less than 0.5 percent reported being either Asian, alone; Pacific Islander, alone; or American Indian or Alaska Native, alone.*

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



52% of Associate Members Have a Bachelor's Degree or Higher

Since 2008, the share of NAHB associate members with a college or advanced degree has been at or above 50 percent. In 2017, 2 percent reported that they did not finish high school. Fourteen percent completed high school, 7 percent have career technical training, 25 percent have had some college education, 40 percent finished college, and 12 percent have an advanced/graduate degree (Exhibit 10).

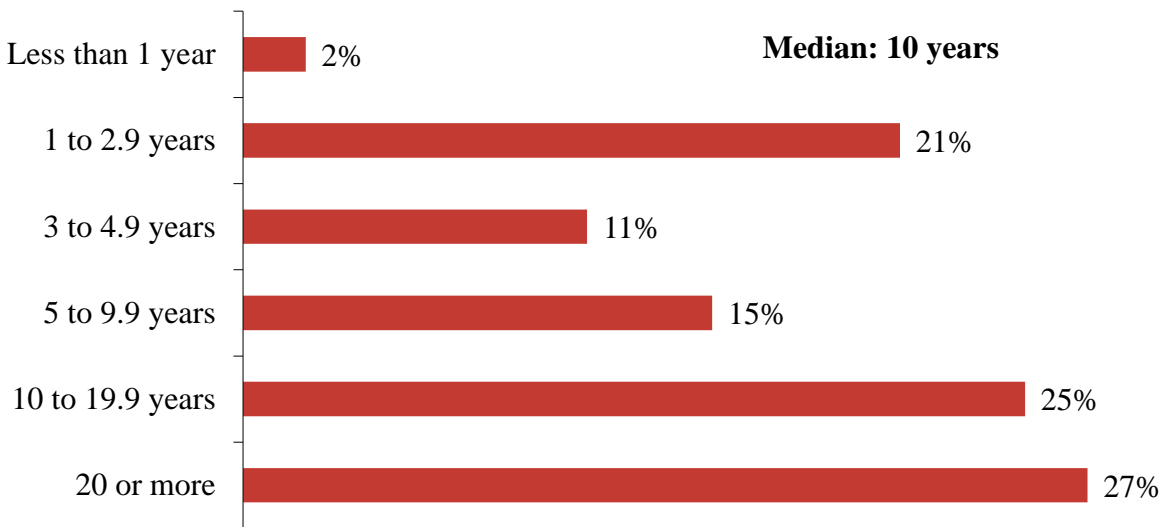


The share of associate members with a college or graduate degree varies across companies' primary activities. Eighty percent of professional specialty members have a degree, compared to 33 percent of subcontractor/specialty trade contractors, 51 percent of retail dealership/distributorship members, 57 percent of wholesale dealership/distributorship members, 64 percent of members in some other associate activity, and 68 percent of members in financial services.

More than Half Have Been Members for a Decade or More

In 2017, associate members reported belonging to NAHB for a median of 10 years, unchanged from both 2015 and 2016. Twenty-three percent have been members for less than 3 years, 26 percent for 3 to 9 years, 25 percent for 10 to 19 years, and 27 percent for 20 years or more (Exhibit 11).

Exhibit 11. Tenure as NAHB Member - 2017
(Percent of Respondents)



A profile for each category of associate member is available in the following pages.

PROFILES BY ASSOCIATE MEMBER CATEGORY

Subcontracting/Specialty Trade Contractors in 2017

Number of Subcontracting /Specialty trade contractor Members	31,639
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Company Profile

1. 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.

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

Construction Employees:	20.6
Non-construction Employees:	9.2
Total:	29.8

(Five percent of the subcontracting/specialty trade contractors have 50 to 99 employees and 5 percent have 100 employees or more.)

3. Dollar volume of company's business activity (Median): **\$1,263,754**

(Seven 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): **12 years**

2. Age (Median): **55 years**

3. Gender: **Male: 85%**
Female: 15%

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

5. Education: **33 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 2017

Number of Professional Specialty Members	9,512
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Company Profile

1. 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.

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

Construction Employees:	9.2
Non-construction Employees:	47.8
Total:	57.0

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

3. Dollar volume of company's business activity (Median): **\$1,068,299**

(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): **12 years**

2. Age (Median): **55 years**

3. Gender: **Male: 71%**
Female: 29%

4. Race/Ethnicity: **White: 94%**
Hispanic: 2%

5. Education: **80 percent of professional specialty members have completed college or have an advanced degree and 13 percent have some college education.**

Retail Dealership/Distributors in 2017

Number of Retail dealership/ distributor Members	8,308
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Company Profile

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

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

Construction Employees:	9.3
Non-construction Employees:	39.0
Total:	48.3

(Eight percent of the retail dealerships/distributors have 50 to 99 employees and 12 percent have 100 employees or more.)

3. Dollar volume of company's business activity (Median): \$4,365,483

(Twenty-one 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): 57 years

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

4. Race/Ethnicity: White: 98%
Hispanic: 1%

5. Education: 51 percent of retail dealerships/distributors have completed college or have an advanced degree and 29 percent have some college education.

Financial Services Members in 2017

Number of Financial Services Members	7,180
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Company Profile

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

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

Construction Employees:	15.7
Non-construction Employees:	195.8
Total:	211.6

(Ten percent of financial services members have 50 to 99 employees and 27 percent have 100 employees or more.)

3. Dollar volume of company's business activity (Median): **\$11,610,906**

(Forty-five 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**

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

3. Gender: **Male: 66%**
Female: 34%

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

5. Education: **68 percent of financial services members have completed college or have an advanced degree and 24 percent have some college education.**

Wholesale Dealerships/Distributors in 2017

Number of Wholesale dealership/distributor Members	3,685
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Company Profile

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

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

Construction Employees:	20.2
Non-construction Employees:	101.1
Total:	121.2

(Thirteen percent of the wholesale dealerships/distributors have 50 to 99 employees and 19 percent have 100 employees or more.)

3. Dollar volume of company's business activity (Median): **\$10,071,070**

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5. Education: **57 percent of wholesale dealerships/distributors have completed college or have an advanced degree and 28 percent have some college education.**

Other Associate Activity Members in 2017

Number of Other Associate Members	16,295
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Company Profile

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

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

Construction Employees:	36.1
Non-construction Employees:	97.8
Total:	133.9

(Nine percent of other associate members have 50 to 99 employees and 15 percent have 100 employees or more.)

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