



HOME SERVICE

—MARKET REPORT—



HOME SERVICES: **\$500 BILLION AND GROWING**

An exclusive first look into the size and impact of America's home services market — and how it's poised for significant growth in 2020 and beyond

A JOURNEY THROUGH HOME SERVICES

2	.....Table of contents
3	.....Introduction & Executive Summary
4	.....Key Takeaways

SECTION 1

5	.....Profiling the Market (1)
5	.....Three Big Categories, Two Less Studied (1.1)
7	.....Distinguishing Discretionary from Non-Discretionary (1.2)
8	.....The Home Services Market is Not the Housing Market (1.3)
9	.....How Do Home Services Respond to an Economic Downturn? (1.4)
10	.....How Big Is the Market? (1.5)
10	.....Estimating Market Size is Difficult (1.5.1)
11	.....How We Model (1.5.2)
12	.....What's a Market This Size Mean? (1.5.3)
12	.....Comparisons to Other Estimates (1.5.4)
13	.....Economic Multipliers & Indirect Economic Effects (1.6)

SECTION 2

15	.....Who Buys Home Services? (2)
15	.....The Biggest Story in Housing Economics (2.1)

SECTION 3

17	.....Understanding Home Service Professionals (3)
17	.....How Many People? (3.1)
20	.....How Many Tasks? (3.2)
21	.....Summary (4)
22	.....Technical Appendix (5)

WHAT IS HOME SERVICES AND WHY IS IT IMPORTANT TO OUR ECONOMY?

Employing more than **5 million** service professionals and generating more **than \$506 billion in direct** spending in the United States alone, the home services market is both thriving and growing — a broad-based driver of not only employment, manufactured goods sales and product innovation, but also improved cultural and mental health.

Unlike home sales and home construction, which produce temporary boosts to employment and economic growth the year homes are constructed or sold, the home services market stands apart as a stable source of economic activity that continues long past the initial point of sale, **with continued demand for services growing over time as homes require upkeep, remodeling, and maintenance.**

The home services market produces tangible improvements in people's lives. Cleaner, better designed, more modern, problem-free homes can be a source of health and happiness for consumers; and for professionals, the industry offers a range of well-paying career opportunities, providing millions of people a stable source of income that rewards a mastery of technical skills.

In this first of what will be our annual series profiling the home services market, we've combined official U.S. statistical data with internal HomeAdvisor research data to provide the nation's first-ever estimate of its kind of the full market size for home services, broken down by project category. In addition, we've defined the market's economic scale and scope, profiled consumers and suppliers of home services, and made some important predictions about the future.

KEY TAKEAWAYS

1. Home services is a \$506 billion-dollar market in the United States, roughly the same size as our total combined exports to Canada and the United Kingdom.¹ Totalling an estimated \$23.3B in home emergency spending, \$61.9B in home maintenance spending, and \$420.8B in home improvement and renovation spending.
2. The market **supports approximately 5 million direct individual jobs**, across over two dozen broad categories of skilled tradespeople, creating a path to debt-free wealth and entrepreneurship for millions of Americans. This talent pool composes approximately 3% of the national workforce and is roughly equal to the entire population of South Carolina.
3. Americans are completing approximately **511,345,000** home service jobs each year, **about 16 jobs per second**.
4. The home service industry provides the rest of the national economy with a healthy boost from the strong economic multiplier effect of home services, which provides an average of **1.8 times** additional economic output, while creating **\$320.1 billion in additional household income**, and **732,844 additional jobs** in adjacent or supporting industries like manufacturing, marketing, and transportation. This is around the same contribution to the U.S. economy as the entire state gross domestic product of Connecticut.
5. As the more than 90 million Americans currently at or below typical home buying age start to age into a position to buy homes, both financially and socially, **the home service industry is poised to continue growing at a rapid pace**.

¹ <https://ustr.gov/countries-regions/europe-middle-east/europe/united-kingdom>, <https://ustr.gov/countries-regions/americas/canada>

SECTION 1:

PROFILING THE MARKET: WHAT ARE HOME SERVICES IN AMERICA?

When we turn on the TV or check the internet for financial or economic news, we see no shortage of stories about home prices and mortgage rates. But rarely do we see any insight or analysis into what goes on with the over 120 million houses, townhouses, condos, and apartments we've already built and live in every day.

Yet, homes are an essential element of the American identity; and as people make improvements, perform maintenance, and mitigate emergencies in their homes, a large source of economic activity drives a distinct home services market with unique characteristics, strengths, and dynamics.

We've constructed nearly 140 million housing units in the United States, and over 120 million of them are currently occupied. Preserving and protecting these assets as financial investments — as well as optimizing them to stay up to date with our needs, lifestyles, and family attributes — is not only a vital part of our national economy, but it's also a critical part of living healthier, happier, and ultimately better lives. Our homes are intimately connected to how we live our lives on a daily basis and we've created this report to bring their true impact to the forefront.

1.1 THREE BIG CATEGORIES; TWO LESS STUDIED

What is the home service market?

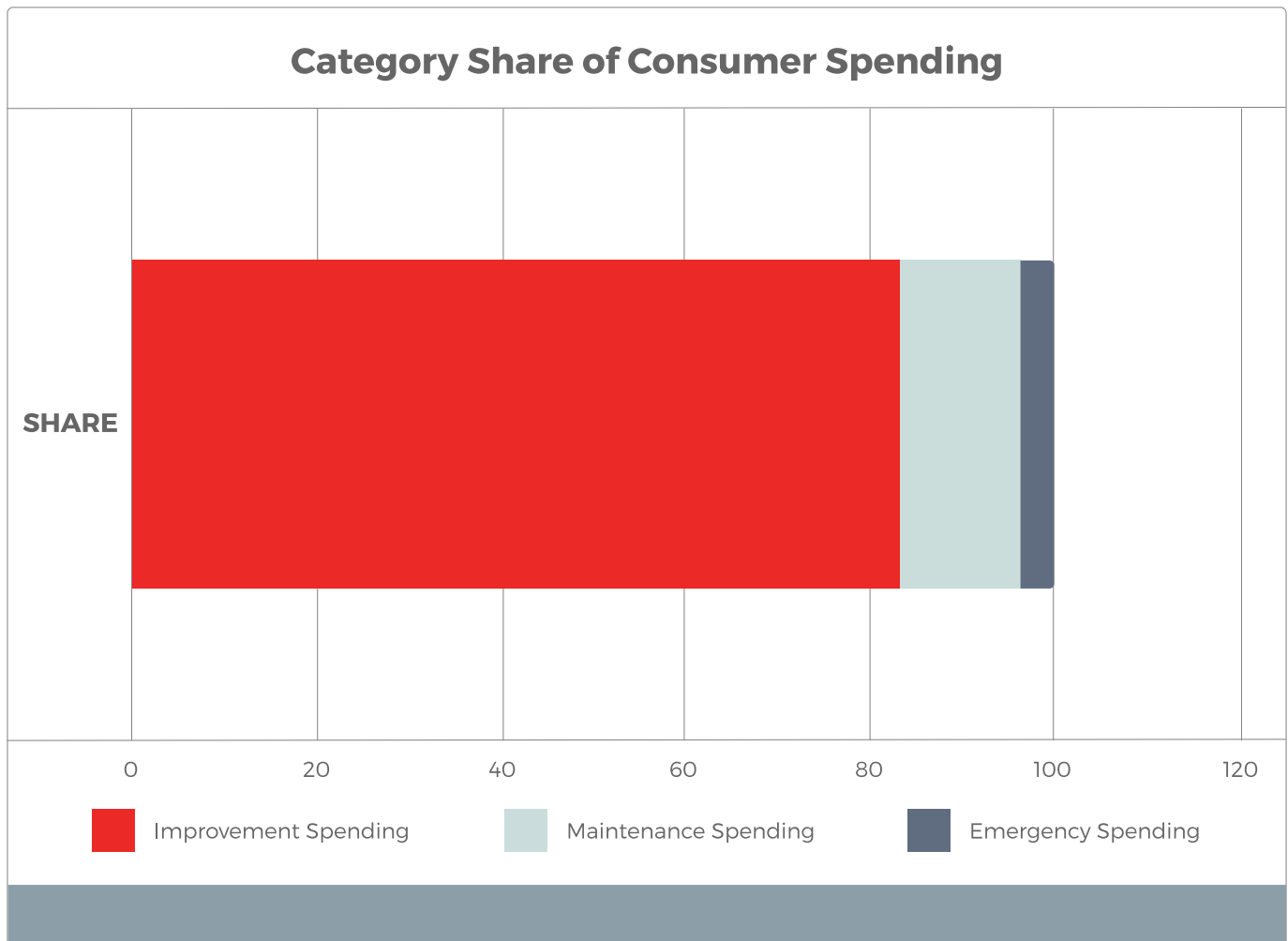
The market can broadly be viewed in three different categories: home improvement, home maintenance and upkeep, and home emergency spending and emergency repair.

Home improvement is the best understood of these categories. The improvement and remodeling subset represents a large and closely tracked industry boasting a strong cultural following in both business and entertainment. The improvement category represents projects ranging from minor bathroom updates to major kitchen remodels, to adding a new outdoor kitchen to home additions.

Home improvements can also be product-focused improvements like new flooring, new windows, new countertops, installing new appliances or adding pavers to your yard. Improvements can be aesthetic projects like refreshing siding, landscape projects or installing wainscoting to mention a few.

Home maintenance does not have the same shiplap veneered pop-culture following, but it is no less relevant and essential. These are the services we focus on to keep up with seasonal changes, protect our residential investments, prevent more costly emergency repairs and keep the systems in our homes in working shape. Blowing out an irrigation system, upkeeping HVAC systems, regular landscaping and home cleaning all fall into this category.

Finally, home emergency spending captures the home services we use as a last resort when plumbing has been backed up, the hot water tank ruptures, hail has destroyed part of the roof, or a tree branch comes through the living room window.



Home improvement spending is the largest category of spend, taking over 80% of what Americans spend yearly in the home service market. Maintenance is second, coming in at approximately 12% of what we spend on housing.

While remodeling and improvement get the lion's share of focus and understanding from economists and media alike, maintenance and emergency activity are no less important on a fundamental level. Consistent home maintenance protects and preserves the financial investment

we make in our homes. Often, a home is the largest financial investment Americans make in their lifetimes. Emergency repairs can be costly; they require the immediate attention of a home service professional and cannot be ignored. Both maintenance and emergency repair are critical to the economy because of their market sizes, their employment effects, and most importantly, the role they play in protecting the trillions of dollars we've collectively invested into the housing market.

1.2 DISTINGUISHING DISCRETIONARY FROM NON-DISCRETIONARY

There is established language surrounding the home service market that describes tasks and categories of tasks, however there is still some ambiguity about what it is we're measuring. In addition to viewing the overall market across the three categories of task-based spending, there is also an additional dimension of understanding how discretionary the spending of each project happens to be.

Discretionary vs. non-discretionary – or, optional vs. not optional – spending varies across not only each category of spending, but also within each category. For example, within improvement and remodeling, adding a new roof is non-discretionary for consumers with failing or aged systems, but a discretionary project could be adding an outdoor kitchen.

Similarly within maintenance, tasks like maintaining your furnace and replacing parts to ensure its continued function is non-discretionary or completing HOA- mandated landscaping work is non-discretionary but having your house cleaned can be discretionary. Finally, in terms of emergency repair: most emergency work, like fixing an air conditioning unit that suddenly failed or fixing the pipe that froze and burst in your basement, is non-discretionary.

Research from the Harvard Joint Center for Housing Studies in 2017 estimated about 1/3rd of the remodeling/improvement market is discretionary.²

Discretionary vs. non-discretionary can also be useful way to look at a homeowners need-state when making a home service decision.

		JOB TYPE	
		Discretionary	Non-Discretionary
TASK TYPE	Remodeling/Improvement	<i>Discretionary improvements</i>	<i>Non-discretionary improvements</i>
	Maintenance/Upkeep	<i>Discretionary maintenance</i>	<i>Non-discretionary maintenance</i>
	Emergencies/Repair		<i>Non-discretionary emergencies/repairs</i>

² https://www.jchs.harvard.edu/sites/default/files/harvard_jchs_2017_remodeling_report_chap1.pdf

1.3 THE HOME SERVICES MARKET IS NOT THE HOUSING MARKET

Home construction and home sales are highly visible sectors of the economy because of their large market sizes, the cyclical nature of those businesses, and the ease of understanding them as economic indicators. After all, we all must live someplace, and all those places must first be built and then be sold.

However, while housing construction and new and existing home sales are widely monitored as important components of the economy and key economic indicators for the above reasons, they both represent one-off transactions that peak the year a home is built or bought.

Why is this distinction between the housing market and the home service market important?

Because it means different fundamentals for employment based on economic growth and cycles. This can be illustrated by looking at the number of jobs created by constructing a new home – estimated to be about three jobs by the *National Association of Home Builders*³ – relative to our model of annual full-time employment per home, which we estimate to be about 0.05 full time jobs per home.

The primary distinction then is that even though new home construction requires more upfront labor in a given year – three full-time jobs versus 1/20th of a job, the number of existing homes is in turn itself much larger than the number of new homes being constructed each year. Additionally, the existing stock of homes is a very stable series, which means the work required to maintain them can serve as a mitigating effect to large- scale employment swings we see in more cycle sensitive industries.

Furthermore, constructing a new home has the capacity to be less labor intensive than fixing up an existing home, as standardization and large-scale projects lend themselves well to using less labor. Home improvement, maintenance, and emergency spending by contrast are typically one-off jobs that don't lend themselves well to scale economies. As a result, they have the capacity to create more jobs as a share of total per-project spending.

Likewise, home sales are also closely followed as a major component of the economy. But while the topline value of those sales is measured in the trillions, most of that value is simply debt changing hands, with only a small fraction of the total transacted value resulting in new wages to professionals (realtors, mortgage brokers, home inspectors, etc.).

³Jobs generated by new home construction, National Association of Home Builders Analysis: <http://www.nahbclassic.org/generic.aspx?genericContentID=103543>



Home service by contrast lacks the large topline numbers generated by new home construction and home sales; however, it does represent a persistent and predictable employment base given the stability and growing age of the nation's overall housing stock.

In contrast to the sale of a home, where the topline is debt changing hands, within home services a large portion of the overall expenditure is turned into the wages of the home service professional,

regardless of whether the cost is a large-scale remodel or a relatively cheap house cleaning.

Because of the stable nature of housing, the lack of capacity for easy scale economies, and the conversion of a large share of the transacted value converting directly in to professional wages, the home service market stands apart from the housing market as its own critical part of the economy.

1.4 HOW DO HOME SERVICES RESPOND TO AN ECONOMIC DOWNTURN?

While considerably less volatile than home building or home sales, home services also have a relationship tied to the macroeconomic business cycle, with elements that move in correlation with upturns and downturns, as well as those components that act countercyclically.

As a result of the upward and downward effects found in Figure 4, the home service market has some distinct economic attributes that serve as counter-cyclical buffers during economic downturns.

	Downturn Anti-Cyclical Effects	Downturn Cyclical Effects
Service Professionals	<ul style="list-style-type: none"> • Lower interest rates in response to negative cycles makes capital investments cheaper for professionals investing in their business • Less competitive labor markets reduce the cost of subcontractors and laborers • The high incidence of companies run by sole practioners means revenue may go down, but nobody is layed off and negative employment effects are mitigated • As consumer demand softens, companies invest in driving new demand through marketing 	<ul style="list-style-type: none"> • More price sensitivity among existing consumers makes bidding more competitive and jobs less profitable • Greater uncertainty for business investment means less hiring of subcontractors and investment in new capital equipment • Fewer customers overall as some consumers lose discretionary income or their homes.
Consumers	<ul style="list-style-type: none"> • Less likely to move to a new home, increases need for remodeling • Less likely to replace equipment, increases need for preventative maintenance • Lower interest rates in response to negative cycles makes project financing easier 	<ul style="list-style-type: none"> • Less discretionary income for remodeling activity and maintenance activity means less spending on these categories • Less home movement and job mobility lowers moving related home services activity • More discretionary time may lead to higher rates of DIY home tasks

1.5 HOW BIG IS THE MARKET FOR HOME SERVICES?

The home services market is an important part of our economy because it promotes healthy and happy homes, provides well-paying jobs, and offers potentially strong counter-recessionary strengths. It also makes it possible to improve and protect the large investments we all make in choosing a home.

For these reasons, it's important to have a good sense of exactly how large a market home services represents. Unfortunately, a consensus of the total market size has previously not existed.

Estimating Market Size is Difficult

Because mortgages are high-value, highly regulated financial products — and because homes require street addresses, permits and a lengthy construction process — we have concrete

estimates telling us how many homes exist in the United States at any given point, as well as how many existing homes are sold and built each year.

Despite these clear estimates, there is a lack of precise consensus estimates on the size of the market for home services. This is primarily because of the data constraints inherent in any estimation of a market whose full scope isn't measured, or even formally defined, by any of the official statistical agencies of the United States Government.

There are also difficult measurement challenges inherent in the process due to differing definitions and delineations of the start of work. For example, if someone has a burst plumbing pipe requiring immediate emergency spending that then leads to a voluntary upgrade of their hot water system,

the spending effects would be difficult to break down between the two separate categories, improvement and emergency spend.

This report, for the first time, offers a clear estimate of the full market size for home services.

By combining official U.S. statistical agency data on national demographic characteristics with our internal HomeAdvisor research data on consumer spending, for the first time we provide a formal estimate of the market size broken down by each project category.

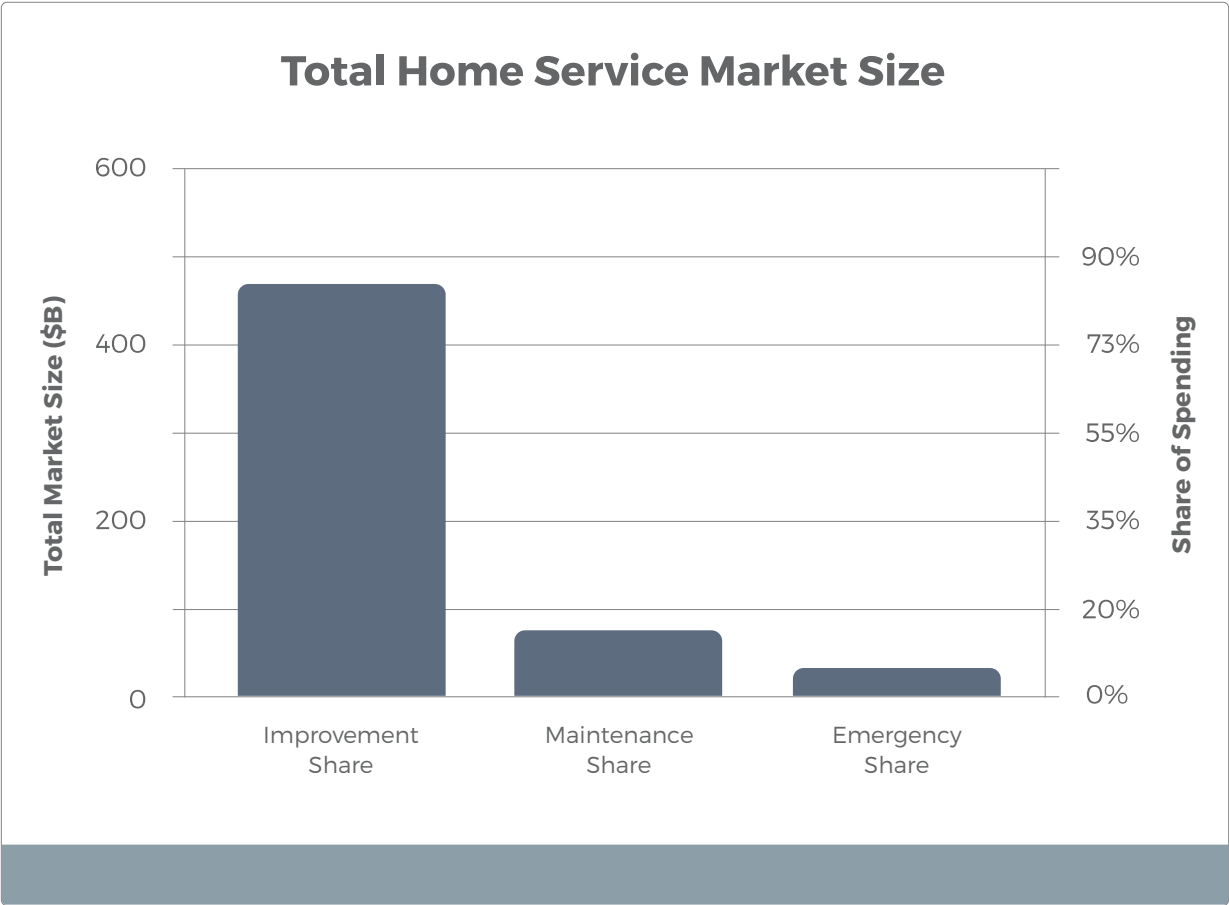
How We Model

To solve for the data limitations above, the HomeAdvisor research team developed a new estimation technique to understand overall spending behavior.

The first step in our method is to estimate a model of total consumer spending behavior based on housing attributes. We looked at which household characteristics (size, age, etc.) predict overall home spending on the three main categories of home improvement, then focused on a handful of those categories with strong predictive power of total annual spending per household. (See technical appendix for additional details.)

A selection of household attributes that predict spending from this model was applied against individual micro data observations from the American Community Survey's Public Use Microdata files (ACS PUMS) to capture the most recent national household characteristics available.

This data covers 1.5M household observations and 3.19M individual observations, representing approximately 1% of all households and individuals in the United States.



Through our methodology, we estimate total nationwide home service spending at \$506.9 billion across each of the three categories.

It captures a wide variety of quantitative housing and household statistics, which allows us to make market size predictions with a higher degree of confidence than using smaller survey data.

After predicting spending across each household in the 1% sample, the proper ACS weights were applied to ensure spending predictions were accurate across the country, and results were scaled back to control for some households not completing any home projects and some not paying service professionals to work on the home projects they did complete.

Our estimates also likely include a broader range of home service spending categories and emergency spending than that found in the American Housing Survey microdata, reflecting HomeAdvisor's strong track record of monitoring consumer spending as the largest marketplace platform for home services.

What's a Market This Size Mean?

This combined figure means home services has been hiding in plain sight as a large source of economic activity, with total spending equal to the combined value of all U.S. exports to both Canada and the United Kingdom.¹

These are billions of dollars spent on improving homes, preserving investments, and making our lives easier and more hassle free, while supporting the careers and livelihoods of tens of millions of well-trained and dedicated service professionals.

Comparisons to Other Estimates

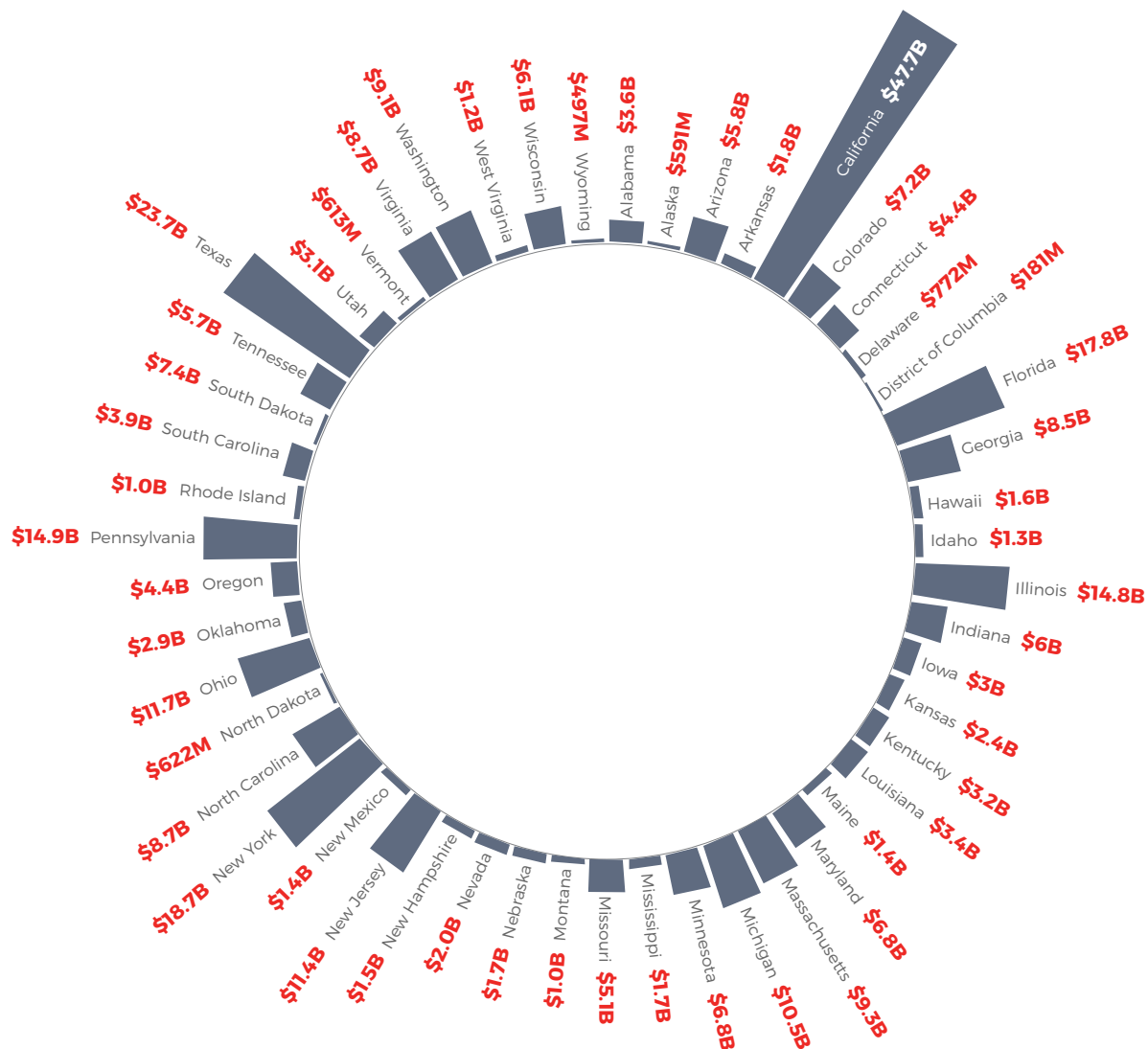
While our total market size estimate of \$506 billion is larger than the current estimate for remodeling and maintenance from Harvard University's Joint Center for Housing Studies, the discrepancy is explainable.

The Harvard data is based on 2017 American Housing Survey data, while ours is based on 2019 spending data. This means overall levels of spending have had the opportunity to grow in real terms. For example, Harvard's estimate of \$425B total maintenance and improvement spending in 2019 could have grown to approximately \$480B, assuming a 6% compound annual growth rate, remarkably close to our estimate

1.6 ECONOMIC MULTIPLIERS & INDIRECT ECONOMIC EFFECTS

While home services is a robust economic engine in its own right, no industry sits in isolation, and the home services industry is no exception.

In order to properly appreciate the market's force for good, we want to understand how much additional economic output is created, how much additional household income is realized, and how many additional jobs are created in adjacent industries, all as a result of home service market activity.



This additional economic activity manifests as new jobs, income, and expenditures that appear in manufacturing, transportation, food and restaurants, and other professional services that are created because of the economic demand surrounding home services.

With our newly established estimate of total spending, and using the modeling tables from the *Bureau of Economic Analysis' Regional Input-Output Modeling System (RIMS)*, we can get a better understanding of the positive spillover effects from the home services industry across each state.

RIMS files do not of course perfectly measure any industry; however, by combining the modeling tables for both construction maintenance and repair (23030A) as well as personal and household goods maintenance and repair (811400), we can get a better understanding of the impact the

home services market has on other sectors of the economy.

After analyzing the data, we find that the home services industry has an **average multiplier across all states of 1.8X for additional economic output, while creating an additional \$320.1 billion in household income and 732,844 additional jobs in adjacent or supporting industries.**

To appreciate the scale of this added benefit, this is approximately equal to the entire state GDP of Connecticut.⁴

The added economic impact has the greatest effect in Texas, Illinois, and Tennessee (2.16, 2.07, and 2.05x multipliers respectively), and the lowest impact in Alaska, Wyoming, and the District of Columbia (1.58, 1.55, and 1.13 respectively).



⁴ https://www.bea.gov/system/files/2020-01/qgdpstate0120_2.pdf Pg. 7

SECTION 2:

WHO BUYS HOME SERVICES?

With a clear sense of the market size and its positive spillover effects, we can take a look at who purchases home services and one of the most important trends in home services: the massive exchange of homes that is starting to take place

between baby boomers and younger generations.

A deep dive into total consumer spending can be found in our 2019 consumer spending report: *The State of Home Spending*.

2.1 THE BIGGEST STORY IN HOUSING ECONOMICS

Age and consumer demographics are key driving factors in housing economics looking forward over the next 20 years. Upcoming changes in consumer age are going to have profound impacts not only for the housing market, but also for the home services market, where homeowners represent the dominant share of the client base.

A shift in homeownership will determine the nature of consumer purchasing, home service employment, product innovation and the nature of the entire market for the next 20 years.

Currently, homeownership rates by generational cohort are dominated by the baby boomers, who own 42% of homes, while millennials own only 15% of homes.

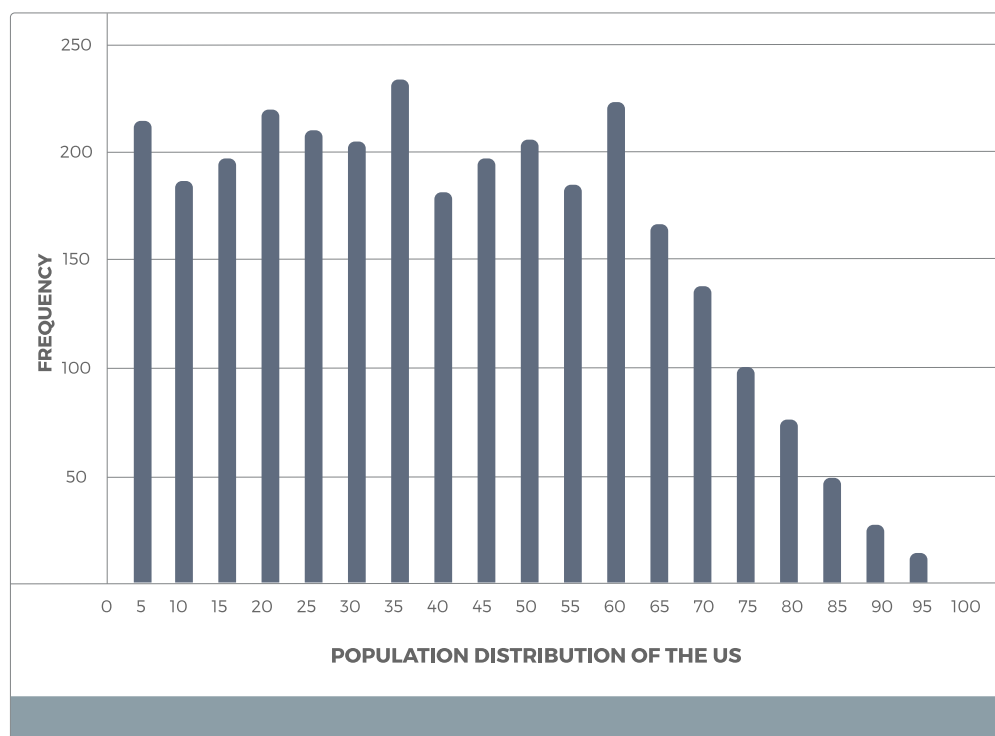
This may be a large current imbalance, but we are already seeing the beginning of a major shift as we look at which cohorts are currently buying the most homes. And on this level, millennials are the dominant force.

Currently, 37% of homebuyers are millennials; this is a 16% greater share than baby boomers, a 54%

greater share than GenX, and over 300% greater share than the silent generation. What's more, this gap is likely to grow wider and accelerate over the coming years. This is because the average homebuyer today is in their early forties and the massive cohort of millennials are just now coming into peak homebuying age.⁵

A full 28% of the U.S. population, more than 90 million people, are currently between the ages of 20 and 40.

⁵ <https://www.nar.realtor/newsroom/real-estate-story-ideas/median-age-of-home-buyers-trending-upward>



This great shift in housing ownership will have profound effects on the home services market, where millennial consumer preferences are considerably more primed for instant, on-demand service provision than their parents' generation.

Looking at the adoption rates of another on-demand sector of the economy, ride sharing, we can see this difference in consumer preference quite clearly: 18- to 29-year-olds use these services at twice the rate of 50- to 64-year-olds.⁶

This shift in preferences is going to have a pronounced effect in how tomorrow's consumers view and demand home services. In addition to expecting more on demand service, younger homebuyers also exhibit other market shaping habits:

- **Younger homebuyers have a greater need for a return on their investment, and they will focus heavily on ROI in remodeling (in HomeAdvisor's own data, millennials are more than twice as likely as GenX and boomers to list financial ROI as the primary reason for their remodel).⁷**
- **Millennials also report a greater tendency than any other generation to remodel and personalize their homes.⁸**
- **Finally, younger generations are entering lower-priced fixer uppers to get more affordable access to homeownership.⁹**

⁶ <https://news.gallup.com/poll/237965/snapshot-uses-ride-sharing-services.aspx>,
<https://www.pewresearch.org/fact-tank/2019/01/04/more-americans-are-using-ride-hailing-apps>

⁷ <https://www.homeadvisor.com/r/true-cost-report/>

⁸ <https://www.homeadvisor.com/r/2018-true-cost-report/>

⁹ <https://www.homeadvisor.com/r/2017-true-cost-report/>

SECTION 3:

WHO BUYS HOME SERVICES?

For the final section of our home service market report, we look at how many jobs are supported by the ongoing need to improve, maintain, and service our homes, and a breakdown of which skillsets these professionals possess.

Home services and the trades that make up home services are not as well understood as they could be, and there's a concern among many tradespeople in the industry that the career path is under-represented as a viable option for students.

There is also concern by some that entry into the trades is stymied by negative perceptions and potential lack of educational opportunities.

A deeper dive on the dynamics of the skilled labor sector will be the subject of future HomeAdvisor research; however, a preliminary look at the composition of the people doing the work in our homes and communities every day is a necessary part of understanding the overall home service market.

3.1 ESTIMATING THE NUMBER OF HOME SERVICE PROFESSIONALS

Estimating the size of the service professional base of the home services industry is important – these are the millions of service professionals who improve, repair and maintain our homes.

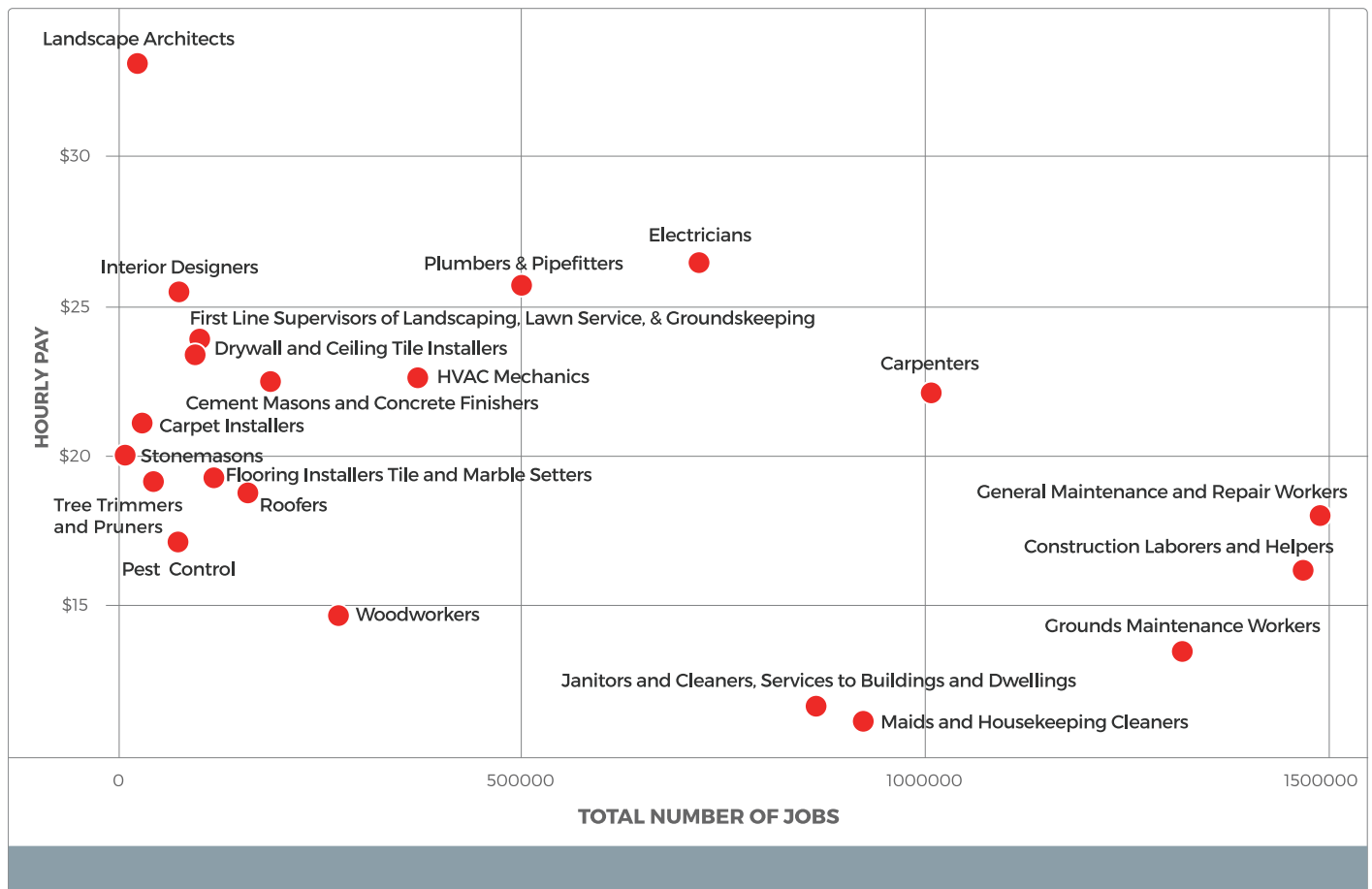
CATEGORY	HOURLY PAY	ANNUAL PAY	TOTAL NUMBER OF JOBS
Carpenters	\$22.40	\$46,590	1,006,500
Carpet Installers	\$21.42	\$44,550	26,100
Cement Masons & Concrete Finishers	\$22.76	\$47,350	186,400
Construction Laborers & Helpers	\$16.74	\$34,810	1,465,700
Drywall & Ceiling Tile Installers	\$23.68	\$49,250	96,550
Electricians	\$26.53	\$55,190	715,400
First Line Supervisors of Landscaping, Lawn Service, & Groundskeeping	\$24.05	\$50,020	100,320
Flooring Installers Tile & Marble Setters	\$19.63	\$40,830	119,500
General Maintenance & Repair Workers	\$18.42	\$38,300	1,488,800
Grounds Maintenance Workers	\$14.13	\$29,400	1,314,200
HVAC Mechanics	\$22.89	\$47,610	367,900
Interior Designers	\$25.66	\$53,370	75,400
Janitors & Cleaners, Services to Buildings & Dwellings	\$12.33	\$25,640	862,990
Landscape Architects	\$33.00	\$68,230	23,500
Maids & Housekeeping Cleaners	\$11.84	\$24,630	922,660
Pest Control	\$17.60	\$36,610	75,130
Plumbers & Pipefitters	\$25.92	\$53,910	500,300
Roofers	\$19.22	\$39,970	160,600
Stonemasons	\$20.37	\$42,370	11,990
Tree Trimmers & Pruners	\$19.47	\$40,510	42,440
Woodworkers	\$15.17	\$31,550	272,200

We know the number of people working in manufacturing (12.8 million¹⁰), software development (1.4 million¹¹) and real estate (465,000¹²), but these are more precisely defined categories by the official statistical agencies of the U.S. government.

For home services, we also have government data, but there is a looser correlation between the definition of the trade and the skillset required to perform various home services. Without a precise statistical agency definition of a home services worker, we have to infer from existing data, which has the limitation of some definitional overlap – for instance, between roofers, carpenters, framers, and skilled construction laborers, all of whom could be

working on new home construction at one stage of their careers or on renovations of existing homes at other stages.

There are many factors that currently complicate measurement, for example the lack of transparency and analysis surrounding how laborers switch between commercial and residential jobs. A single plumber could often be switching between installing a new plumbing system at a housing construction site, rerouting or modernizing systems in existing homes during improvements or renovations, and working emergencies at rental apartments, all during the course of his or her work week or the passing of the seasons.



¹⁰ <https://fred.stlouisfed.org/series/MANEMP>

¹¹ <https://www.bls.gov/ooh/computer-and-information-technology/software-developers.htm>

¹² <https://www.bls.gov/ooh/sales/real-estate-brokers-and-sales-agents.htm>

By combining a range of professions tracked closely by the Bureau of Labor statistics ranging from carpenters and electricians, to landscapers and pest control (figure 8), that possess a strong skillset or accreditation overlap with home services work, we get a total minimum qualified talent pool of around 9 million skilled tradespeople. For a baseline preliminary estimate, we will assume approximately half of the skilled trades people spent at least part or all of their time completing home services jobs, which produces an estimate of 4.3 million home service professionals in the well-documented trades field.

Looking at separate Bureau of Labor Statistics industry subsector data for specialty trades contractors, we get a similarly close estimate of 4.765 million.

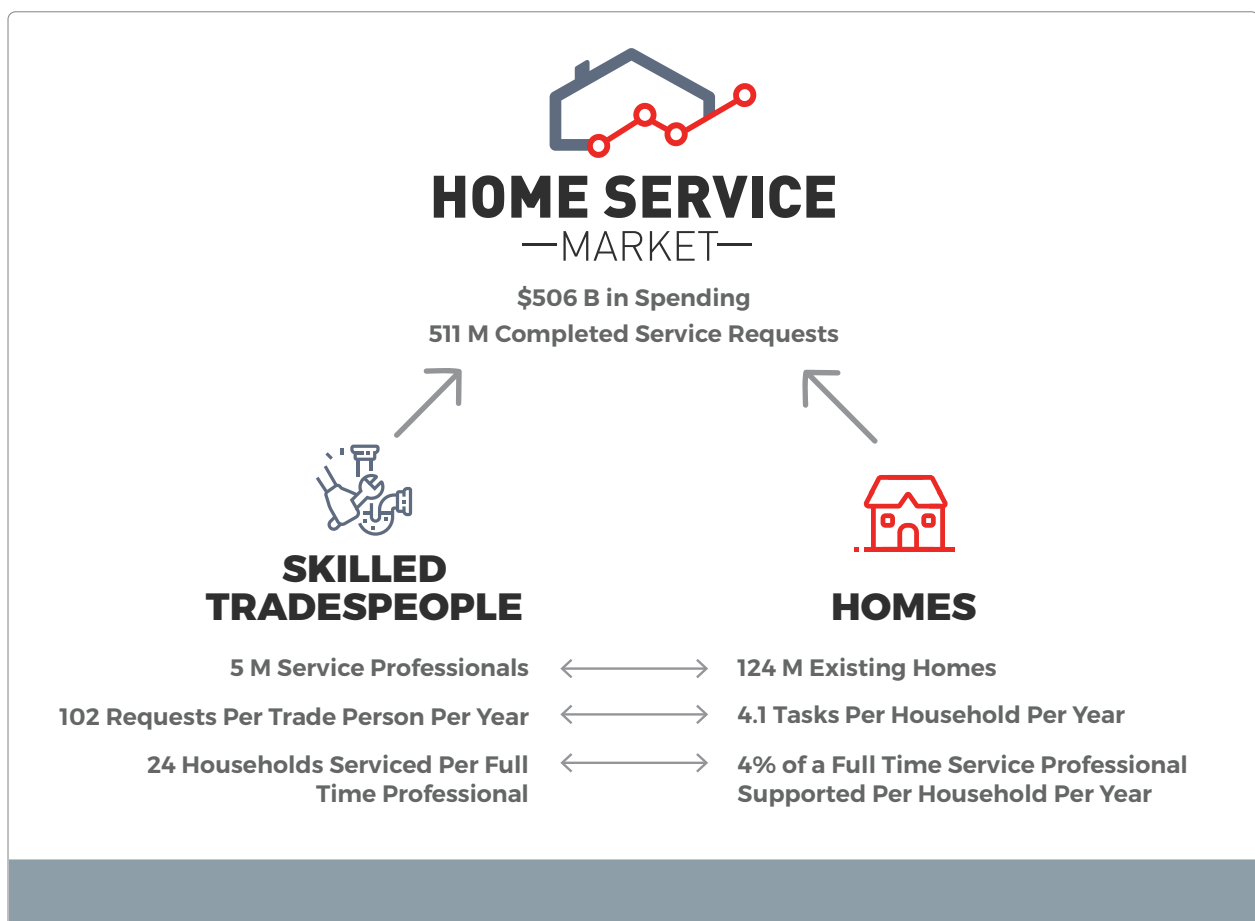
Assuming the truth for these sorts of tradespeople lies somewhere in the middle, and assuming that there's another 10% of home service professionals who fall into

other non-classified categories, we end up with a working estimate of about 5 million active service professionals working within the home services marketplace.

This is a big number; it constitutes more than 3% of the total U.S. workforce, and if it were representing population it's approximately equal to the entire population of South Carolina.

Furthermore, the average forecasted growth in demand for these professions by the Bureau of Labor Statistics is 9%, between now and 2028. This reflects a significantly higher expected demand for new jobs than the national average expected for growth across all jobs, which expects to see total overall growth at only about half that level.¹³

This means we need to train approximately 500,000 thousand net new workers over the next 10 years to keep up with the growth in demand for home services.



¹³ U.S. Bureau of Labor Statistics, Employment Projections program

3.2 HOW MANY TASKS ARE COMPLETED EACH YEAR?

With a working estimate of the total number of home service professionals, we can circle back and finalize our last missing metric of the overall home service market: How many jobs are being placed and completed?

Using the methodology in the service task estimation table (see technical appendix), we come up with a final estimate of **511 million** home service tasks completed in 2019. Dividing the estimated number of tasks completed by the estimated number of service professionals, or the actual number of occupied housing units in the U.S. (respectively) results in an average of about **102 tasks completed per service professional**, and about **4 tasks per household in the United States**. These figures are aggregate estimates averaged across all occupied housing units, so we should expect a high degree of variance between a 20 year old renting an apartment and a 50 year old in a single family home (the latter of whom may on average complete double this average number of tasks per household). Collectively, these statistics mean that the average service professional's job is supported by about **24 households**, and conversely any given household supports on average about **5% of a home service job**.

SUMMARY

This year's inaugural report on the home service market represents our research team's first comprehensive look at the dynamics of the market for what will be an annual analysis of the market's size, health, status, attributes and outlook.

Across dozens of work categories, the home services market employs approximately 5 million service professionals completing \$506 billion in direct economic activity across 511 million service jobs ranging from a quick yard trim to an expensive kitchen remodel. The industry boosts its direct economic activity with robust job creation in all 50 states, and economic spillover effects that create another 732,000 indirect jobs.

This makes the value of the industry about the same size as total combined American exports to Canada and the United Kingdom; it means there are more than 16 home service tasks completed each second of every single day and it supports about 3% of the total national workforce and as many jobs as the entire population of South Carolina.

There are nascent challenges in the marketplace too and as demand for services grows, there will need to be a constant flow of talent entering the trades and it will be important to address the current trend. Additionally, the current education and workforce training pipeline could require some examination, including the degree to which we prepare students for a broad career range and the development new strategies to make students more aware of the skilled trades. There are also macroeconomic policy challenges around the potential for tariffs to raise the costs of installed goods and equipment, and the impact of health care costs and student loan debt which could potentially reduce the capacity for consumers to spend on things they would otherwise enjoy like a home remodel.

Despite these nascent challenges, the outlook for home services is strong. Demographic trends as household ownership shifts from older to younger generations, combined with a housing stock that itself is continuing to age, necessitate more maintenance and improvement spending, and this means the \$500 billion home service market will continue to grow ever larger in the decade to come.

TECHNICAL APPENDIX

All the work included here represents our best estimates using current methods and data; we expect both quality and quantity of data to improve, and models to be further refined and improved in future editions.

Specifically, there are a number of areas where the data collection methods between the ACS and HomeAdvisor's research team differ, some of the variables are captured categorically in one survey and cardinally in another requiring conversions that may distort some results; furthermore, differing statistical modeling techniques can produce different estimates of slope coefficients or different findings of significant or insignificant predictor variables.

While our research team views the results contained in this report as best current estimates, they are of course subject to upward or downward revision, change, and continued refinement in the future.

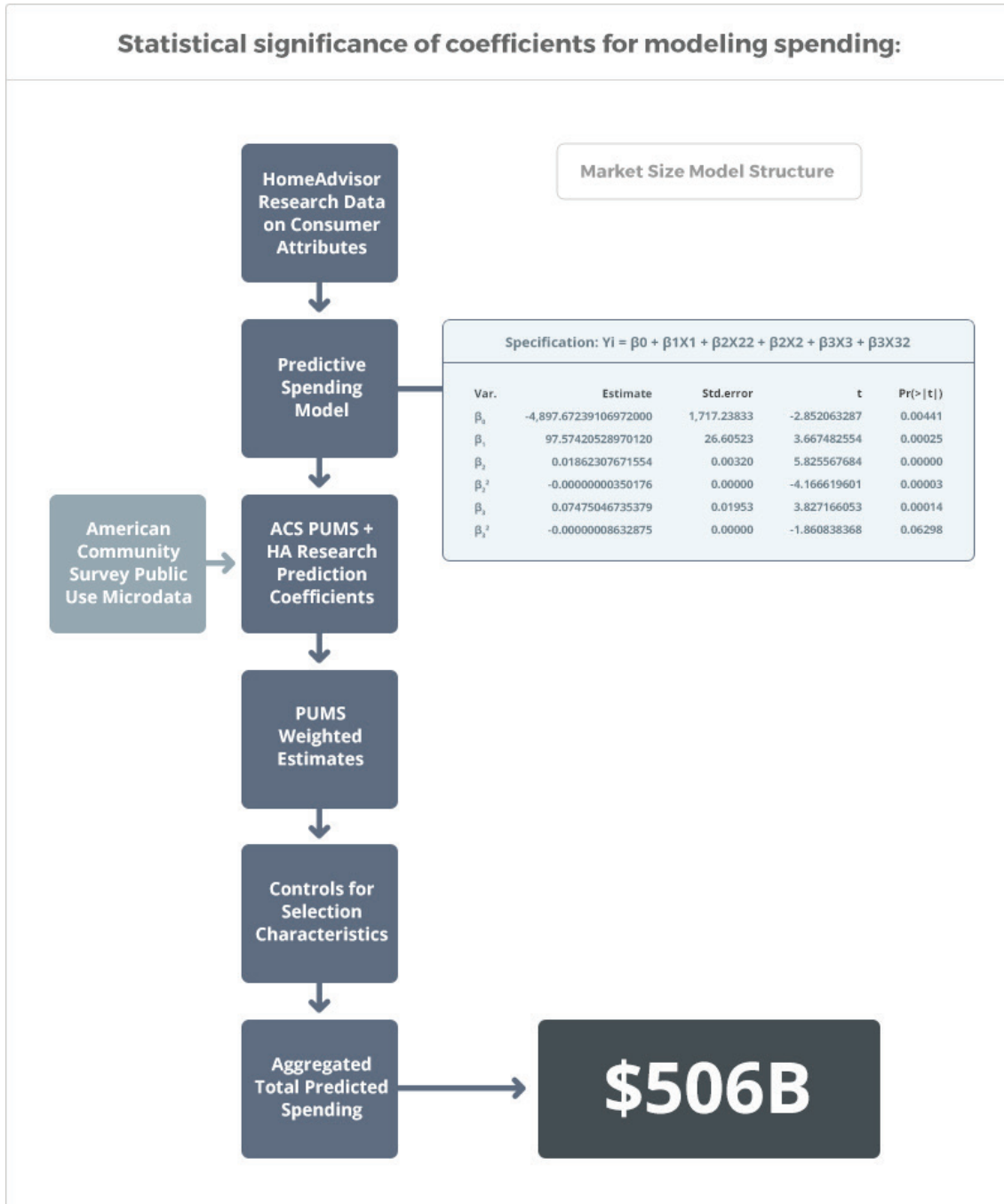
Primary Data Sources for Original Research and Analysis

- ✓ American Community Survey, PUMS 2018
(nh = 1,538,871, np = 3,214,539)
- ✓ Bureau of Labor Statistics, National Industry-Specific Occupational Employment and Wage Estimates
- ✓ Economic multipliers, Regional Input-Output Modeling System (RIMS II), Regional Product Division, Bureau of Economic Analysis
- ✓ HomeAdvisor Survey Data, spending estimate coefficients, fielded spring 2019, n=1,488
- ✓ HomeAdvisor Survey Data, controls for rental spending propensity, fielded spring, 2018, n = 980
- ✓ HomeAdvisor Survey Data, controls for DIY and non-hiring projects, fielded Fall, 2019, n = 1,012
- ✓ U.S. Census Bureau, Housing Inventory Estimate: Total Housing Units for the United States [ETOTALUSQ176N], Federal Reserve Bank of St. Louis;
- ✓ U.S. Census Bureau and U.S. Department of Housing and Urban Development, New Privately-Owned Housing Units Under Construction: Total [UNDCONTSA], Federal Reserve Bank of St. Louis.

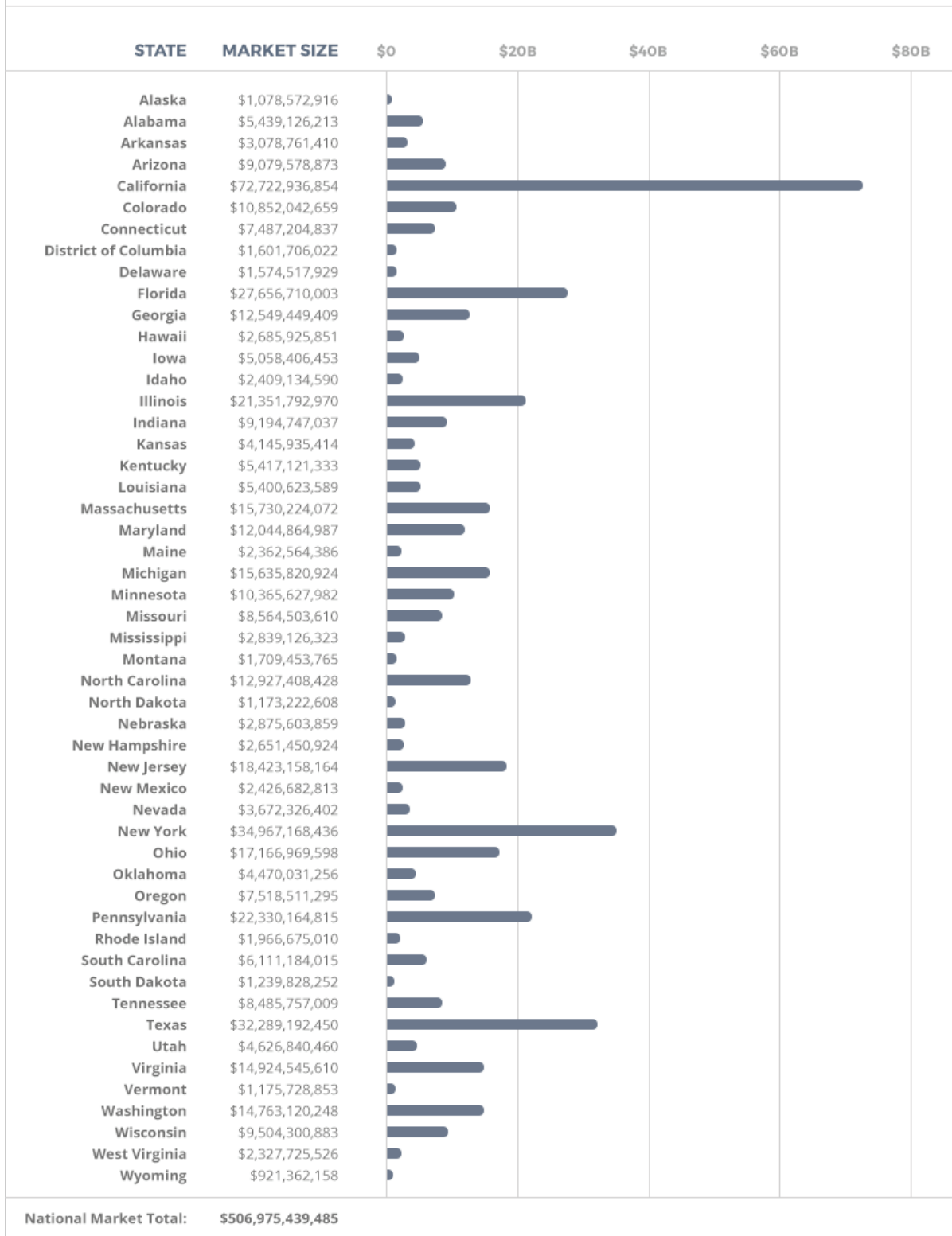
External References

- ✓ Jobs generated by new home construction, National Association of Home Builders Analysis: <http://www.nahbclassic.org/generic.aspx?genericContentID=103543>
- ✓ Aggregate estimate of Home improvement and maintenance markets, Harvard Joint Center for Housing Studies, Improving America's Housing 2019 Data Tables, Table A-3. Improvement and Maintenance Expenditures to Owner and Rental Housing Stock
- ✓ <https://censusreporter.org/profiles/01000us-united-states/>
- ✓ <https://news.gallup.com/poll/237965/snapshot-uses-ride-sharing-services.aspx>

Statistical significance of coefficients for modeling spending:



Market Size by State



CONTACTS

For information about this report or other research or analysis questions, you can contact the HomeAdvisor Research team:

[HomeAdvisor.com/research](https://homeadvisor.com/research)

Mallory Micetich

Director, Corporate Communications
ANGI Homeservices, HomeAdvisor, Angie's List
publicrelations@homeadvisor.com

Mischa Fisher

Chief Economist
HomeAdvisor
research.economics@homeadvisor.com

ANGI
HOMESERVICES

 **Home**Advisor

Angie's list.

