

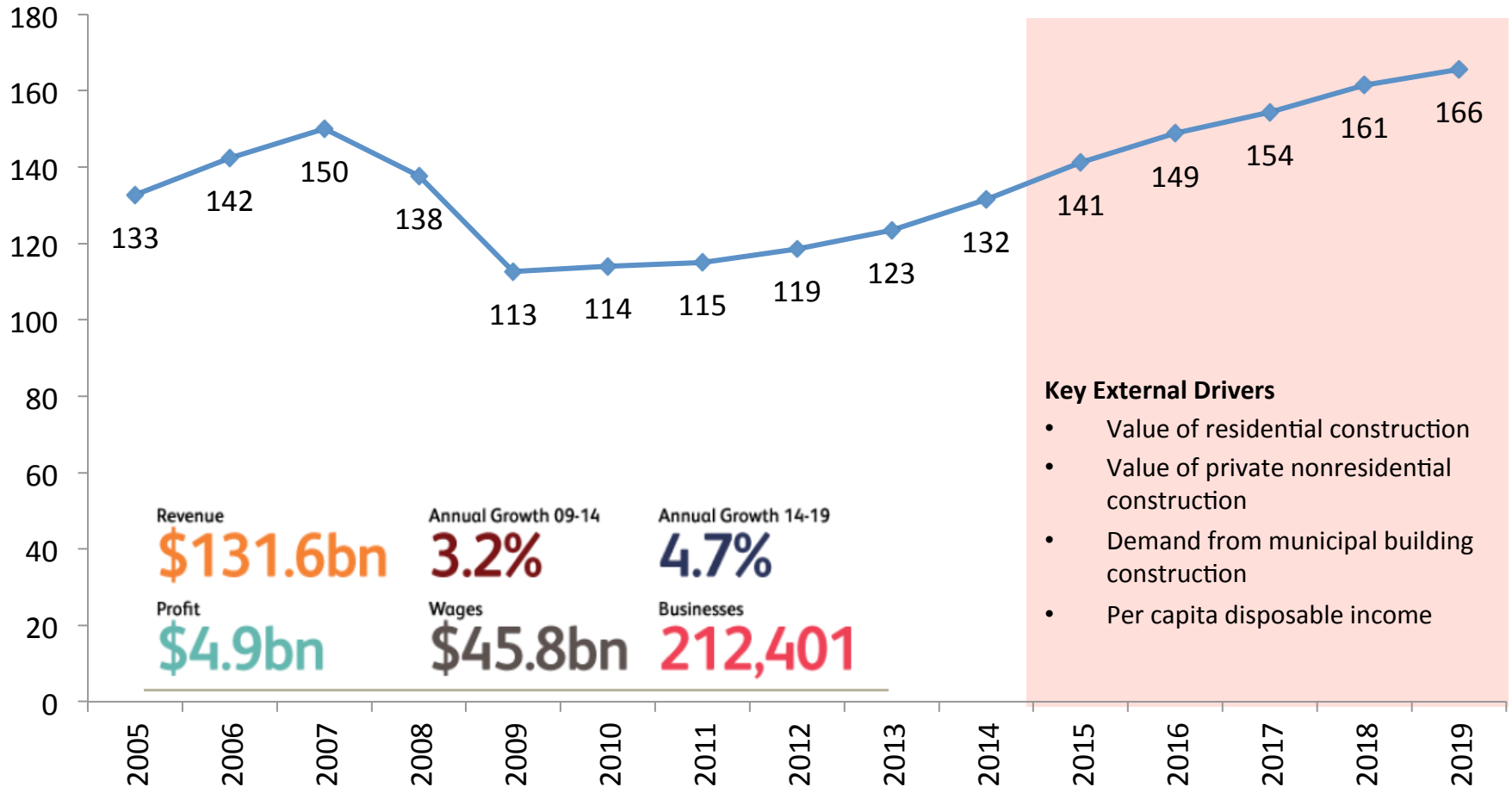
# Electricians in the US

## Market Update NAICS-23821

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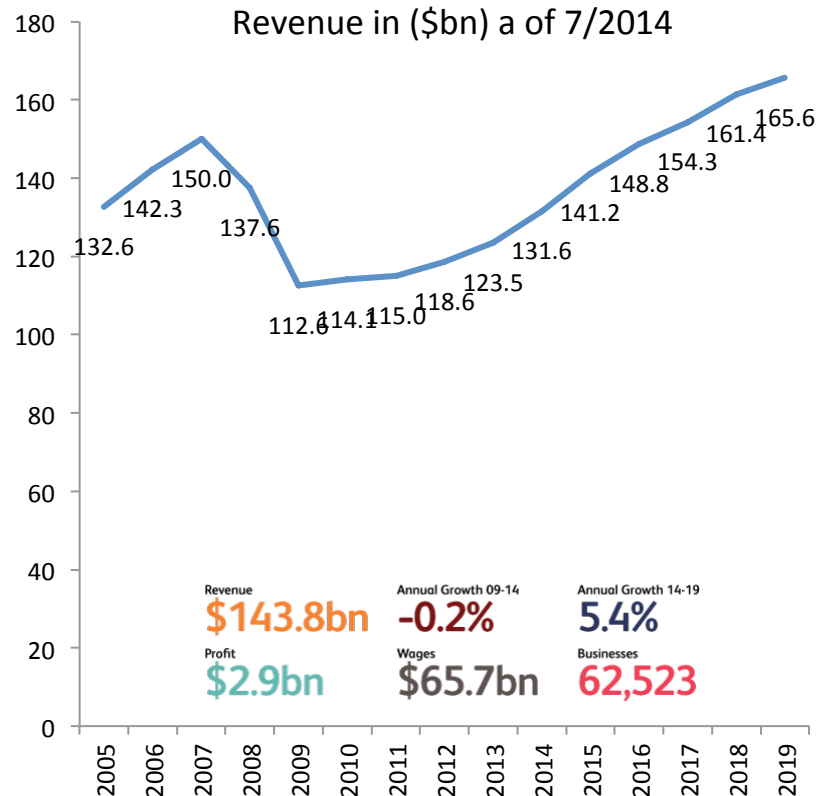
# Electricians in the US

## Revenue and Forecast (\$bn)

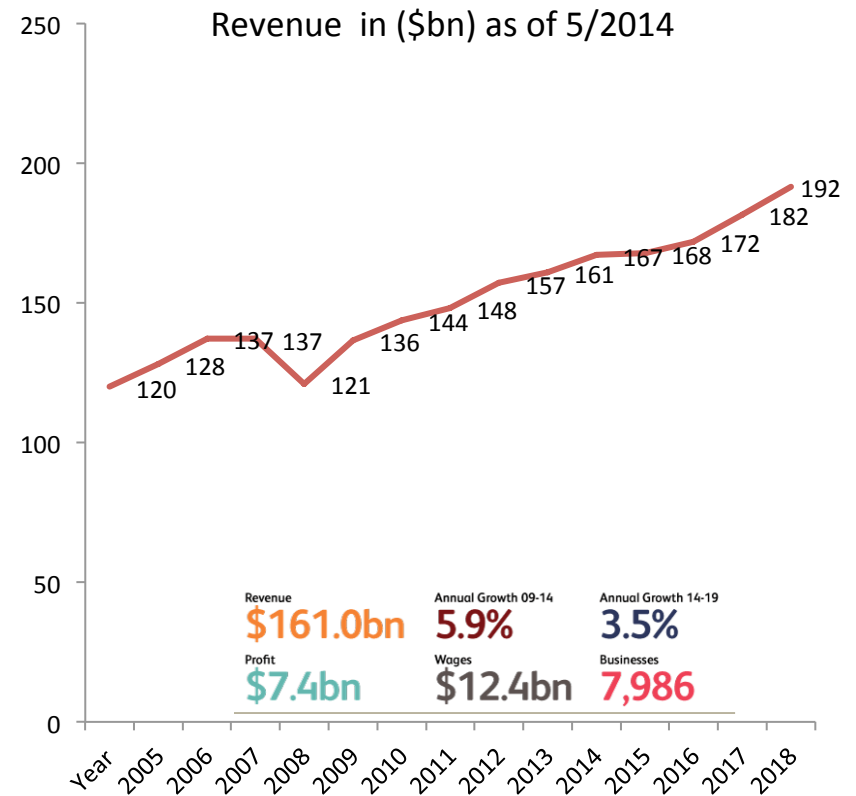


# Electricians in the US and US Electrical Equipment Wholesaling

## US Commercial Building Construction

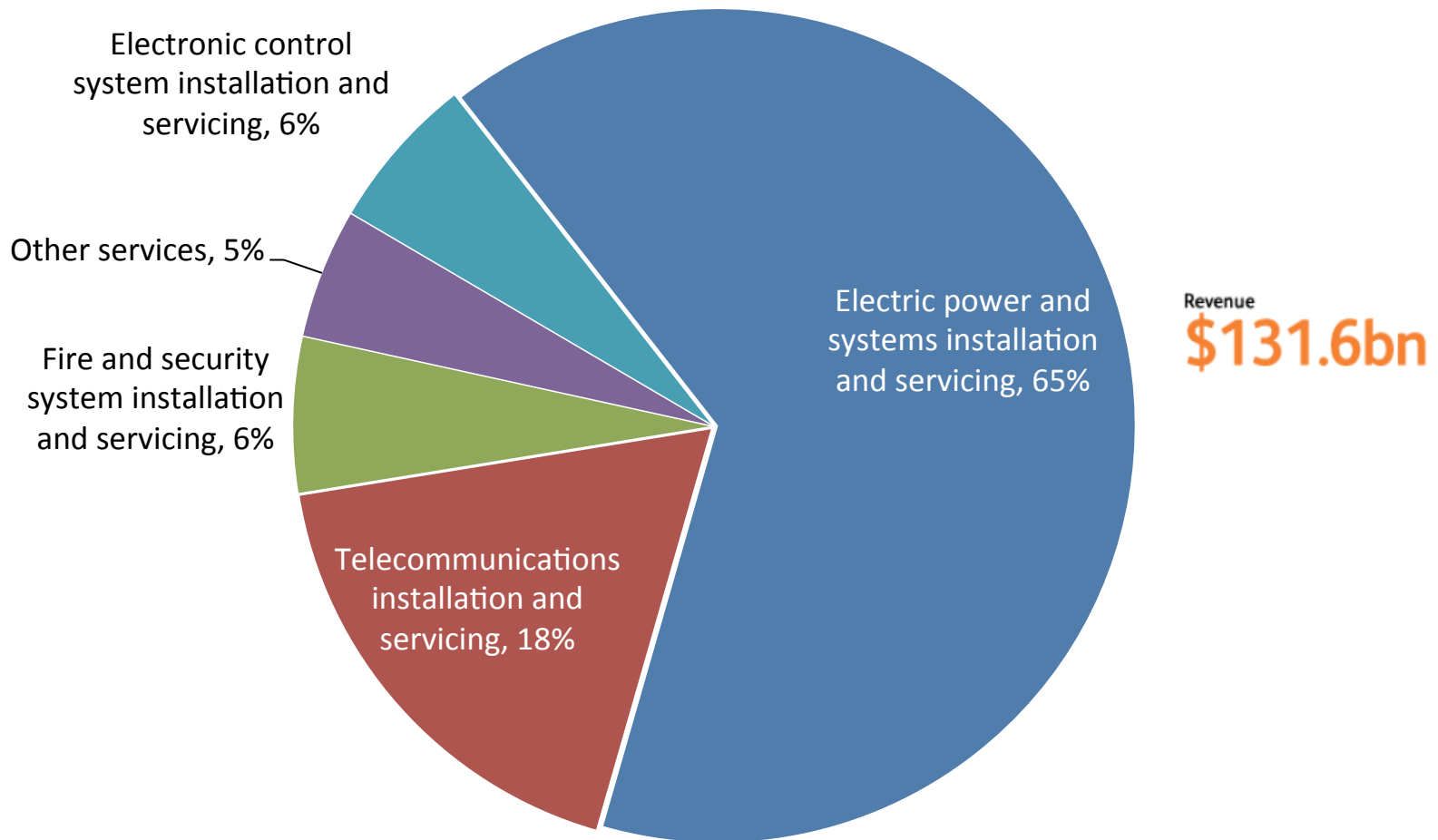


## US Electrical Equipment Wholesaling

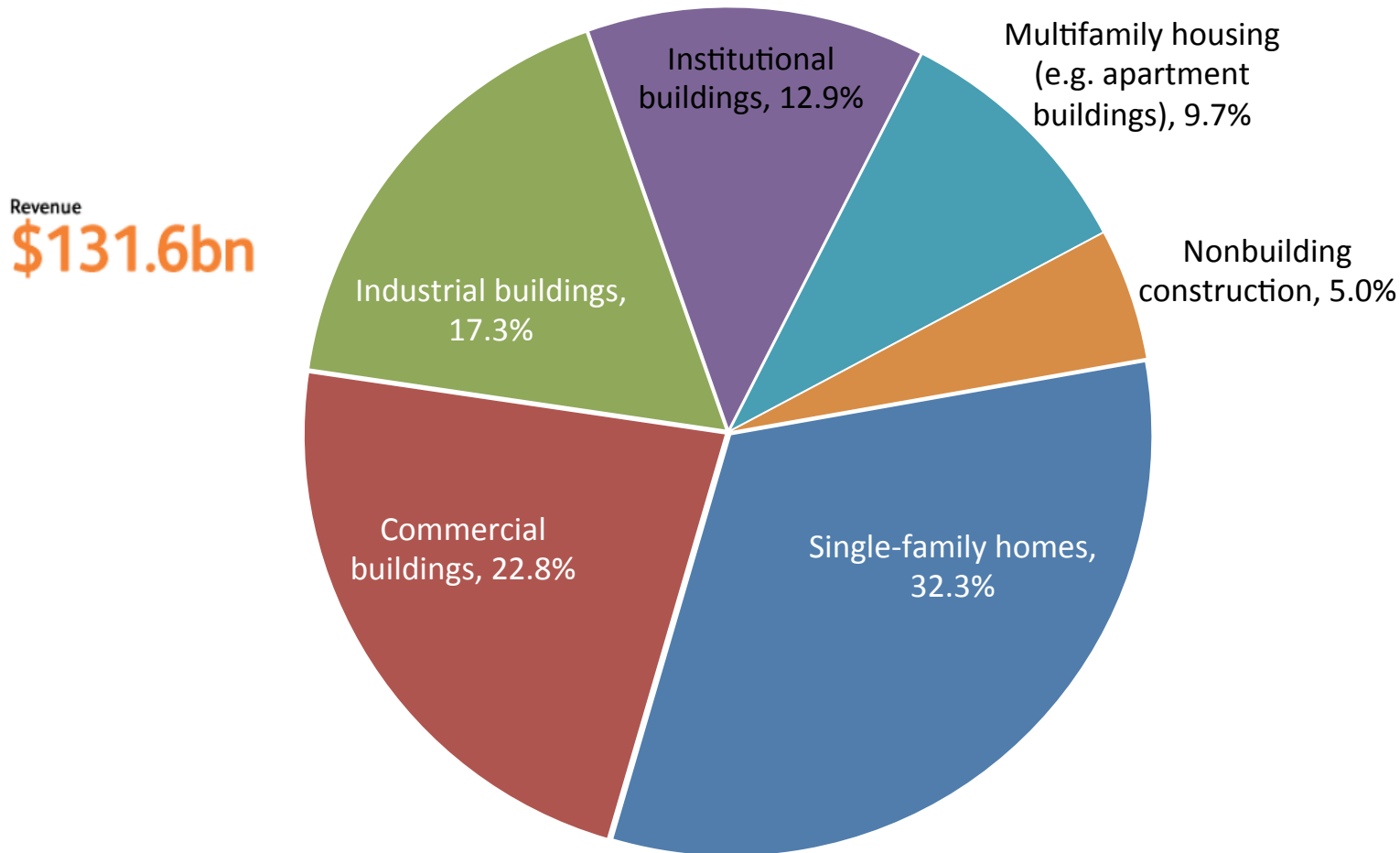


\* Figures are inflation adjusted 2014 Dollars

## Products & Services Segmentation

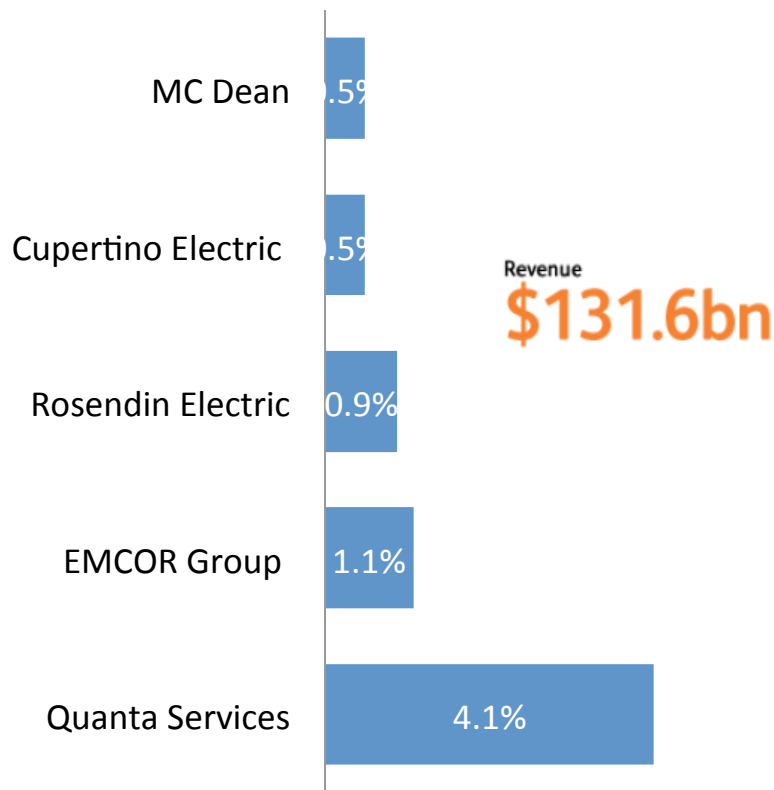


## Major Market Segmentation



## Major Companies

### Market Share



### Major players

- A major player is a company that generates more than 5% of industry revenue.
- Often companies that have less than 5% market share are listed if they are fast growing or have an unique business model.
- Only the revenue earned by the company in this industry is calculated.
- The chart shows the market share of each major player and the collective concentration of all dominant industry players.

## Industry Performance

- Revenue for the Electricians industry, one of the largest subcontracting industries in the United States, has rebounded from its 2009 recessionary low that resulted from massive contractions across its downstream construction markets. Industry operators generate a large portion of revenue from electrical system installations in new residential and nonresidential structures, as well as from repair, retrofit and maintenance work. With the general level of economic activity restrained between 2009 and 2011, developers, home builders and business owners canceled or postponed construction projects that required electrical installation. At the height of the recession in 2009, revenue plummeted 18.2%, representing the industry's steepest revenue decline during the five-year period. However, industry revenue has picked up significantly since 2011 as construction markets have recovered. Given this strong recovery experienced by operators over the last two years, revenue is expected to increase at an average annual rate of 3.2% to \$131.6 billion in 2014.
- As a result of fluctuating demand from downstream construction markets, industry enterprise, establishment and jobs numbers have been volatile during the past five years. Economic pressures initially reduced the pool of available work for electricians and, therefore, intensified competition forced companies to lower prices. Nonemploying companies without the luxury of reducing wages or closing branches struggled to stay in business. However, as construction markets stabilized in 2011 and began growing, small operators returned to the industry. Consequently, the number of industry enterprises is expected to rise at an average annual rate of 1.4% during the five years to 2014.
- Construction markets grew strongly in 2012 and 2013 when the value of residential construction posted growth of 12.9% and 12.2%, respectively. In turn, industry revenue is expected to reflect downstream demand growth, with an increase of 6.5% in 2014. In the five years to 2019, industry revenue is expected to continue rising at an average annual rate of 4.7% to \$165.6 billion, fully recouping its recessionary losses. In addition to new construction, the industry is also expected to benefit from an increase in renovation and retrofitting activity, particularly for green upgrades, such as energy efficiency projects.

## Key Financial Statistics

Year	Revenue (\$m)*	IVA (\$m)**	Establishments (Units)	Enterprises (Units)	Employment (People)	Wages (\$m)	Value of Construction (\$m)
2005	132,631.40	47,306.40	189,717	188,782	874,079	42,531.70	1,104,136.00
2006	142,335.70	52,231.10	197,215	196,195	934,814	45,256.60	1,167,222.00
2007	149,962.10	55,811.10	213,696	212,535	958,693	47,713.20	1,152,353.00
2008	137,556.80	57,098.90	205,916	204,603	988,040	49,258.20	1,067,565.00
2009	112,584.70	48,125.20	198,958	197,688	874,311	42,270.80	903,201.00
2010	114,065.50	43,716.10	197,932	196,591	795,962	39,039.40	804,562.00
2011	115,010.40	43,370.10	198,910	197,920	783,855	39,459.80	788,015.00
2012	118,569.20	45,664.60	203,176	201,716	803,344	40,921.80	856,955.00
2013	123,485.50	50,419.20	208,829	207,145	824,394	43,967.10	898,372.00
2014	131,561.00	52,215.70	214,899	212,401	863,695	45,758.20	998,990.00
2015	141,216.50	54,732.20	223,868	220,378	906,903	48,079.30	1,105,881.60
2016	148,763.20	57,398.60	231,141	225,481	945,300	50,037.60	1,175,552.10
2017	154,344.10	59,206.30	237,947	231,992	971,065	51,873.60	1,231,978.60
2018	161,432.30	62,049.10	245,247	238,921	1,011,512	53,208.70	1,291,113.60
2019	165,558.00	63,208.60	249,819	246,057	1,029,708	54,118.60	1,359,542.60

\* Figures are inflation adjusted 2014 Dollars

\*\* IVA -Industry value added is also called 'industry gross product'. This figure describes the market value of goods and services produced by an industry minus the cost of goods and services used by the industry in the productive process, which leaves the gross product of the industry (also called 'value added'). GDP is obtained by adding the gross product of all industries. This figure is calculated thus: revenue plus the increase (or less the decrease) in the value of stocks, minus purchases, transfers in and selected expenses



- The market size is based on the North American Industry Classification System (NAICS). NAICS is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.
- This report covers NAICS category, 238210 Electrical Contractors .
- This industry comprises establishments primarily engaged in installing and servicing electrical wiring and equipment. Electrical contractors included in this industry may include both the parts and labor when performing work. Electrical contractors may perform new work, additions, alterations, maintenance, and repairs.
- Cross-References. Establishments primarily engaged in--
  - Installing and maintaining telecommunications lines by telecommunications companies--are classified in Subsector 517, Telecommunications;
  - Constructing power and communication transmission lines--are classified in Industry 237130, Power and Communication Line and Related Structures Construction; and
  - Burglar and fire alarm installation combined with sales, maintenance, or monitoring services--are classified in U.S. Industry 561621, Security Systems Services (except Locksmiths).
- The next slide shows a complete list of segments covered in this market size and forecast.

<sup>1</sup> North American Industry Classification System. (2013, September 13). Retrieved January 22, 2014, from census.gov: <http://www.census.gov/eos/www/naics/>

<sup>2</sup> NAICS Association. (2014, January 22). 423610 Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers . Retrieved January 22, 2014, from naics.com: <http://www.naics.com/censusfiles/ND423610.HTM>

## Industry Definition 1,2

<b>Airport runway lighting contractors</b>	<b>Fire alarm system, electric, installation only</b>
Alarm system (e.g., fire, burglar), electric, installation only	Highway, street and bridge lighting and electrical signal installation
Audio equipment installation (except automotive) contractors	Home automation system installation
Building automation system installation contractors	Home theater installation
Burglar alarm system, electric, installation only	Humidity control system installation
Cable splicing, electrical or fiber optic	Intercommunication (intercom) system installation
Cable television hookup contractors	Lighting system installation
Communication equipment installation	Low voltage electrical work
Computer and network cable installation	Private driveway or parking area lighting contractors
Control system (e.g., environmental, humidity, temperature) installation	Public address system installation
Electric contracting	Railroad signalling equipment installation
Electric power control panel and outlet installation	Security and fire system, installation only
Electrical appliance installation	Smoke detection system, installation only
Electrical contractors	Snow melting cable, electric, installation
Electrical wiring contractors	Sound equipment installation
Electrical work	Surveillance system, installation only
Electrician	Telecommunications equipment and wiring (except transmission line) installation c
Electronic containment fencing for pets, installation	Telephone equipment and building wiring installation
Electronic control installation and service	Telephone installation contractors
Electronic control system installation	Temperature control system installation
Environmental control system installation	Traffic signal installation
Fiber optic cable (except transmission lines) installation	Tunnel lighting contractors

1 North American Industry Classification System. (2013, September 13). Retrieved January 22, 2014, from census.gov: <http://www.census.gov/eos/www/naics/>

2 NAICS Association. (2014, January 22). 423610 Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers . Retrieved January 22, 2014, from naics.com: <http://www.naics.com/censusfiles/ND423610.HTM>

## Appendix IV – Frequently Asked Questions about NAICS<sup>1</sup>

### **What is an establishment?**

An establishment is generally a single physical location where business is conducted or where services or industrial operations are performed (e.g., factory, mill, store, hotel, movie theater, mine, farm, airline terminal, sales office, warehouse, or central administrative office). An enterprise, on the other hand, may consist of more than one location performing the same or different types of economic activities. Each establishment of that enterprise is assigned a NAICS code based on its own primary business activity.

### **What is a “primary business activity?”**

Ideally, the primary business activity of an establishment is determined by relative share of production costs and/or capital investment. In practice, other variables, such as revenue, value of shipments, or employment, are used as proxies. The Census Bureau generally uses revenue or value of shipments to determine an establishment's primary business activity.

### **Who assigns NAICS codes to businesses and how?**

There is no central government agency with the role of assigning, monitoring, or approving NAICS codes for establishments. Individual establishments are assigned NAICS codes by various agencies for various purposes using a variety of methods.

The U.S. Census Bureau has no formal role as an arbitrator of NAICS classification.

The U.S. Census Bureau assigns one NAICS code to each establishment based on its primary activity (generally the activity that generates the most revenue for the establishment) to collect, tabulate, analyze, and disseminate statistical data describing the economy of the United States. Generally, the U.S. Census Bureau's NAICS classification codes are derived from information that the business establishment provided on surveys, census forms, or administrative records.

Various other government agencies, trade associations, and regulation boards adopted the NAICS classification system to assign codes to their own lists of establishments for their own programmatic needs. If you question the NAICS code contained on a form received from an agency other than the U.S. Census Bureau, you should contact that agency directly.

### **Can a business have more than one NAICS code?**

In the process of collecting, tabulating, presenting, and analyzing statistical data, the U.S. Census Bureau assigns and maintains only one NAICS code for each establishment based on its primary activity (generally the activity that generates the most revenue for the establishment).

<sup>1</sup> North American Industry Classification System. United States Census Bureau.