Surveys Say: Optimistic Business Outlook Builds Among Contractors

Add another nail to the framework for a hopeful economic recovery. The majority of professional contractors have a highly optimistic viewpoint about their opportunity for business growth during both 2002 and 2003.

Ninety-six percent of full-time contractors feel their business will grow or remain stable in 2002, and 97 percent also feel confident about 2003. When asked about 2002, 52 percent of contractors said they expect an increase in business, and 44 percent said they expect the level of business to remain the same. Looking a little further ahead to 2003, 40 percent of contractors anticipate they’ll have more business in 2003, while 57 percent are confident their level of work will remain stable.

These predictions are stronger than the reality of 2001, although the responses show that the recession didn’t hit contractors nearly as hard as some other business segments. When asked about their actual level of business for 2001, 35 percent of contractors said they actually had
more business, although 21 percent saw a drop-off in customers.

This feedback came as part of a survey conducted for Liquid Nails®, the makers of adhesives and caulk, based in Cleveland, Ohio. Liquid Nails® commissioned Market Research Institute to conduct a telephone survey of contractors on its behalf. Two hundred and one full-time contractors were randomly selected and surveyed in the first quarter of 2002. The contractors surveyed by Liquid Nails are experienced in the business, with 78 percent of them having worked in construction and related fields for 10 years or more. Fifty percent have one to four employees, with another 20 percent having five or more employees. Slightly more than half (55 percent) work only on residential projects, but another 40 percent work on residential or commercial jobs.

“Of course we received comments from both ends of the spectrum,” said Pete Appell, vice president of Liquid Nails®. “We had contractors tell us that work is booming and things are almost too good because they are turning work away. Other contractors used words like ‘dis-

Notably, the increase in contractor’s business won’t be a result of higher rates. Only 7 percent of contractors expect to raise rates significantly in 2002, and only 5 percent expect significant hikes for 2003.

The Liquid Nails survey turned up additional information underscoring the relative health of the construction market. When asked about their biggest business headache, none of the contractors surveyed cited lack of business or overall mal’ and ‘just hanging on’. However, the negative responses were really a small minority compared to a solid 60 percent or more of the contractors who were very positive and upbeat.”
financial problems (although 7 percent did cite “collections”). The number one headache named was finding quality employees (32 percent), with government regulations and customer relations (personality conflicts, etc.) trailing at 13 percent and 11 percent.

About the Author
Liquid Nails, based in Cleveland, is manufactured by Macco, a fully owned subsidiary of ICI Paints of North America, and offers a full line of construction adhesives and caulks.