AWCI Members Well Positioned For Growth

According to a Recent Membership Survey, The Future Looks Bright for the Wall and Ceiling Industry

By William I. Knopf, Jr.

The Association of the Wall and Ceiling Industries has recently completed a major membership needs assessment survey—the most extensive membership survey that the trade association has conducted in the past three years.

The sixteen page survey was sent to the 922 contractor and supplier firms who were fully paid members of the association at that time. AWCI received 170 usable responses for a response rate of 18.4%. Following are some of the survey’s findings:

Approximately 45% of the contractor respondents identified their firms as exclusively union, while nearly 41% said that they were open shop. The remaining firms said they were double-breasted.

The average respondent said that he had been an AWCI member for 12 of the 23 years he had been in business. Member firms reportedly averaged 81.8 employees in 1980 and 91.7 in 1985. Average annual volume by sales in 1980 for the total list of respondents was $3.63 million. Dropping the six responses under $500,000 and the average 1985 volume shot up to $7.78 million. In terms of 1985 revenues, 59% of the respondents claiming they used it, while the percentage of completion and the cash method both tied with usage rates of 17%.

The accounting method of choice in the wall and ceiling industry is obviously the completed contract method (which has been under IRS attack in recent years) with 40% of the survey respondents saying they used it. The accrual method of accounting was the next most popular method with 25% of the respondents claiming they used it.

While 83% claimed they did some government contracting, only 11% reported that this area accounted for more than 30% of their sales. Nearly 55% of the respondents claimed that they were dissatisfied with such relationships or reluctant to expand their government contracting activities. Excessive paperwork, followed by slow pay, were identified as the most prevalent problems in government contracting.

The industry is clearly becoming more marketing-oriented. Survey respondents said that their best sources of new leads were referrals from previous customers, followed by negotiated work, general bidding, word of mouth, and direct mail/leafletting.

Other sources included yellow pages advertising, homeshows, Dodge Reports, and news articles in local trade publications.

Contractors entered the wall and ceiling industry from a diverse background. While most entered an existing family business, one contractor said, “I was the local dart-throwing champion. The man I beat was in the acoustical business and offered me a job in 1946. Now I own the company.”

Another stated, “I got tired of sitting in a bar, drinking beer and chopping mud in a box.” A third honestly replied, “I was too poor a mechanic to keep a steady job, so I started my own company.”

In terms of expansion, respondents generally felt that before entering a new line of work, they would open additional offices in other geographic areas, or just increase their current work volume. Of specific areas that did receive mention, the asbestos abatement field was the most often cited.

Interestingly, although contractors reported that the cost and availability of insurance were the most important factors affecting their operations this year, only 60.5% indicated that their firms had a safety program already in place.

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average hourly labor rate before fringes was reported at $16.17, and $20.26 after fringes. For merit-shop personnel working for contractors who responded to the survey, the average hourly before-tax labor rate before fringes was reported at $11.07, and $12.22 after fringes. Over 73% of all respondents reported using a piecework compensation plan.

Many firms reported using a bonus system for management personnel. Average annual bonuses ranged from $6,945 for chief superintendents, to $9,013 for chief estimators, to $36,438 for presidents. Salaries for these positions, as well as the other positions surveyed, widely varied. Nearly 9% of the company presidents responding indicated base salaries of over $100,000. However, 25% reported salaries of less than $50,000 per year.

Other areas investigated by the survey include salary information (both base compensation and bonuses) for staff estimators, controllers, business development managers, and vice presidents. Eighteen questions investigated retirement programs and company insurance programs prevalent in the wall and ceiling industry.

AWCI Ranks High . . .

When compared to associations serving other industries, over 61% of our admittedly biased sample said that AWCI ranked above other associations in representing our industry. Over 73% said that our industry has a generally favorable public image.

AWCI members are active in other construction associations as well, including (in order of memberships held) the Associated General Contractors, the American Subcontractors Association, the Associated Builders and Contractors, the Ceiling and Interior Systems Construction Association, and the National Association of Home Builders.

When compared to these associations, AWCI’s publications, conven-
tion, educational seminars, and other member services came out well ahead of those offered by the Ceiling and Interior Systems Construction Association and the American Subcontractors Association, according to those members who indicated they held dual memberships.

For instance, comparing our convention to CISCA’s, 12 respondents said that the CISCA convention was not as good as AWCI’s, one said it was somewhat better, four said it was about the same, and one ranked it superior to AWCI’s.

AWCI offers its members a long menu of membership services and activities. Judged most valuable was AWCI’s annual convention, followed by the association’s legislative representation, educational programs, and technical services. In terms of AWCI’s publications, 71% of the respondents ranked *Construction Dimensions* as “good” or “excellent”.

In terms of public policy and governmental affairs, 73% of the respondents indicated that they would support an amendment to the U.S. Constitution that would mandate a balanced federal budget. This is in keeping with the membership’s political views. A resounding 55% characterized themselves as “conservative”, 32% as “moderate”, and only 3% as “liberal”.

Respondents predicted a 5.3% inflation rate for the U.S. in 1986-87, and a 4.5% rate for Canada. An overwhelming 92% of the respondents are currently registered to vote in either the United States or Canada, and 51% of the American respondents have made contributions to WAC/PAC—AWCI’s Wall and Ceiling Political Action Committee—in the past.

For a copy of the results, including all compensation information, write to AWCI’s Member Service Department at 25 K Street NE, Washington, DC, 20002. Please enclose a check made payable to AWCI—International for $5.00 for postage and handling.

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