

# STAYING STRONG

**THIS YEAR'S REPORT SHOWS** similar results from the past few years, with the majority of contractors doing well overall. While median revenue slightly decreased \$4,000 to \$287,000 in 2017 compared to 2016, those who turned a profit slightly increased to 87% in 2017 compared to 86% in 2016.

A dearth of quality labor continues to be the major roadblock for growth with 66% saying it hindered growth a lot or a fair amount compared to 51% answering that way last year.

As far as services provided in 2017, lawn care took the top spot back from maintenance as the most popular service provided.

Confidence continues to uptick also slightly with 79% answering they were either very confident or confident their business will grow in revenue in 2019, compared to 75% saying

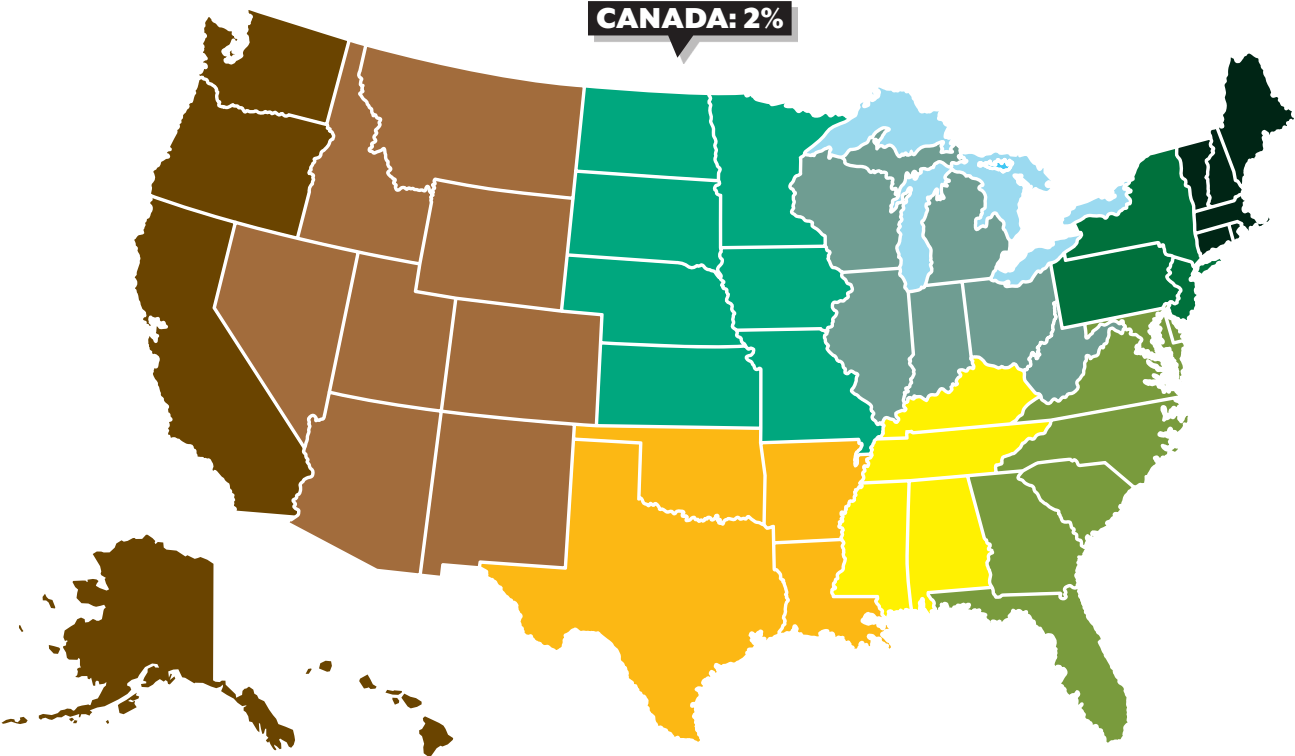
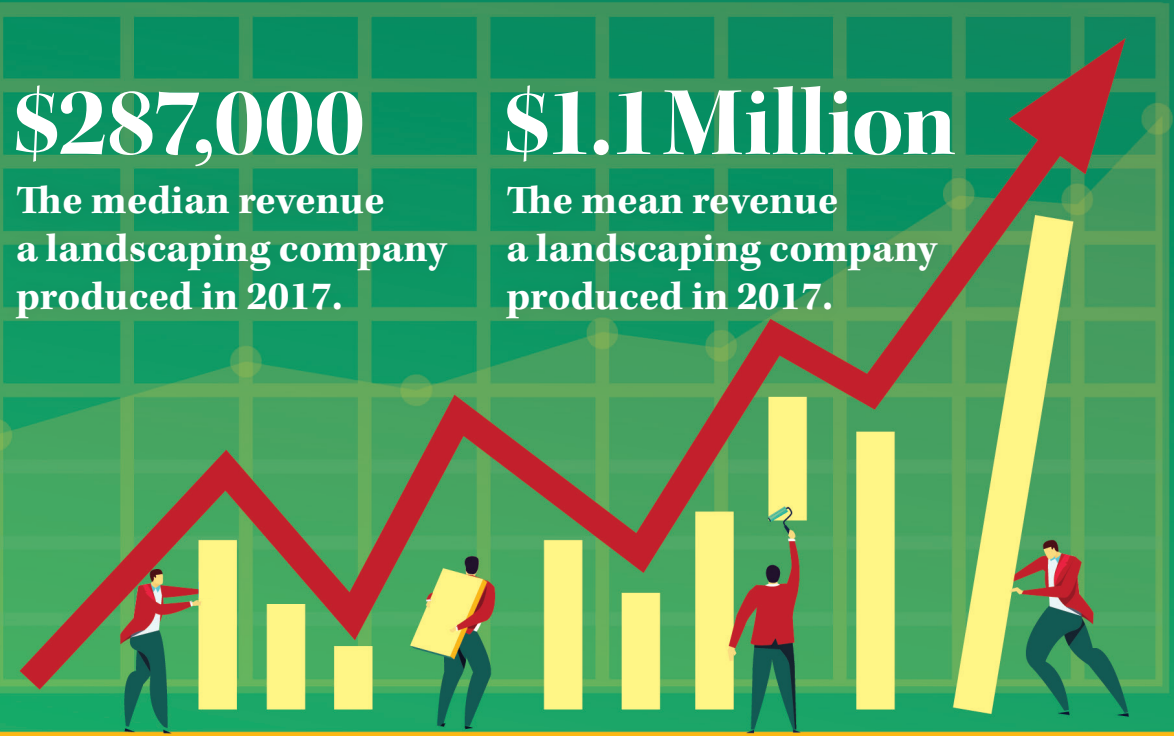
the same for 2018. Contractors are confident in industry growth as well with 78% being either very confident or confident the industry will grow, compared to 75% last year.

Not addressed in this year's State of the Industry report, but still trending is the continued interest from private equity firms in the industry and the amount of mergers and acquisitions activity.

While still not common in the industry, robomowers are becoming more popular with contractors hoping that will relieve some of the need for field labor.

The lack of labor is also causing contractors to become more interested in technology. Contractors are hoping better software and equipment can make the business more efficient with less employees. - Brian Horn

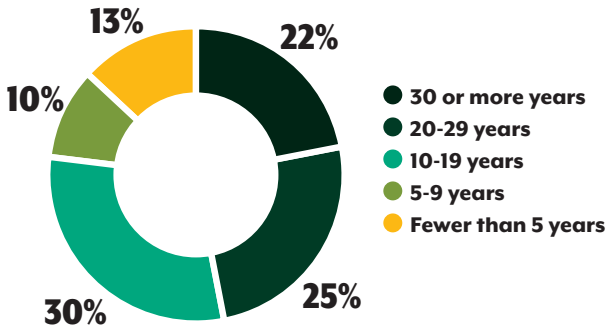
**Median:** The number in the middle where extreme outliers are removed like respondents with extremely high or low revenue.  
**Mean:** The average of all respondents.



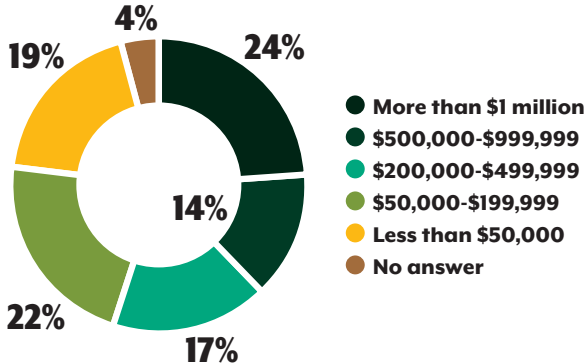
## IN WHICH STATE/PROVINCE IS YOUR COMPANY LOCATED?

NORTHEAST		SOUTH	
■ New England: CT, MA, ME, NH, RI, VT .....	7%	■ South Atlantic: DC, DE, FL, GA, MD, NC, PR/VI, SC, VA, WV ...	24%
■ Middle Atlantic: NJ, NY, PA .....	12%	■ East South Central: AL, KY, MS, TN .....	9%
		■ West South Central: AR, LA, OK, TX.....	11%
MIDWEST		WEST	
■ East North Central: IL, IN, MI, OH, WI .....	15%	■ Mountain: AZ, CO, ID, MT, NM, NV, UT, WY.....	3%
■ West North Central: IA, KS, MN, MO, NE, ND, SD .....	8%	■ Pacific: AK, CA, HI, OR, WA .....	9%

How many years have you been in business?



Approximately what was your location's gross revenue in 2017?



## 19 YEARS: HOW LONG THE TYPICAL LANDSCAPE COMPANY HAS BEEN IN BUSINESS

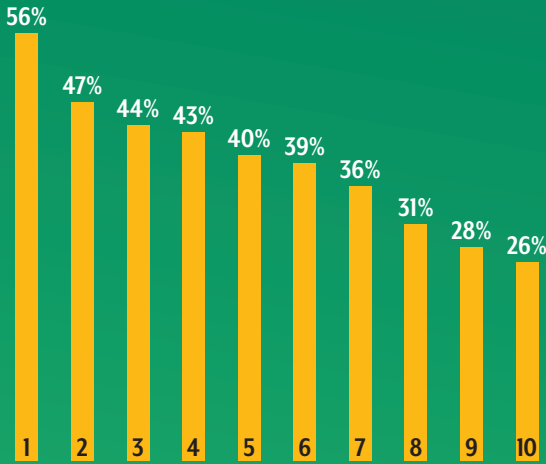
# Fueling concern

**QUALITY LABOR** once again is the number one concern for contractors with even more contractors saying it's a major worry. More than 56% scored labor as a major concern in this year's report compared to 42% in last year's report. High fuel prices saw the largest jump, jumping to 47% this year from 25% last year, moving it from 7th on the list last year, to second this year. In fact, all of these categories increase by different amounts compared to last year with 71% indicating at least one concern last year to 83% doing so this year.

The percentages show how many respondents ranked an issue as a major concern in the next three years by scoring it as an 8, 9 or 10.

- 1. QUALITY LABOR SHORTAGE
- 2. HIGH FUEL PRICES
- 3. LOW-BALL COMPETITORS
- 4. PERSONAL STRESS
- 5. HIGH HEALTH INSURANCE COSTS
- 6. HIGH WORKERS' COMP COSTS

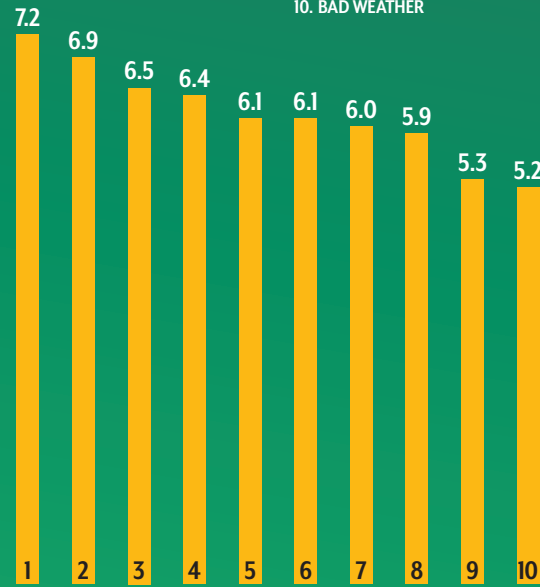
- 7. DIFFICULTY RAISING PRICES FOR WORK
- 8. LOWER MARGINS ON WORK
- 9. REGULATION OF OR BAN ON PESTICIDE/FERTILIZER USE
- 10. REGULATION OF OR BAN ON WATER/IRRIGATION



How would you rate your concern with each of the following issues and their impact on your location's business in the next three years?

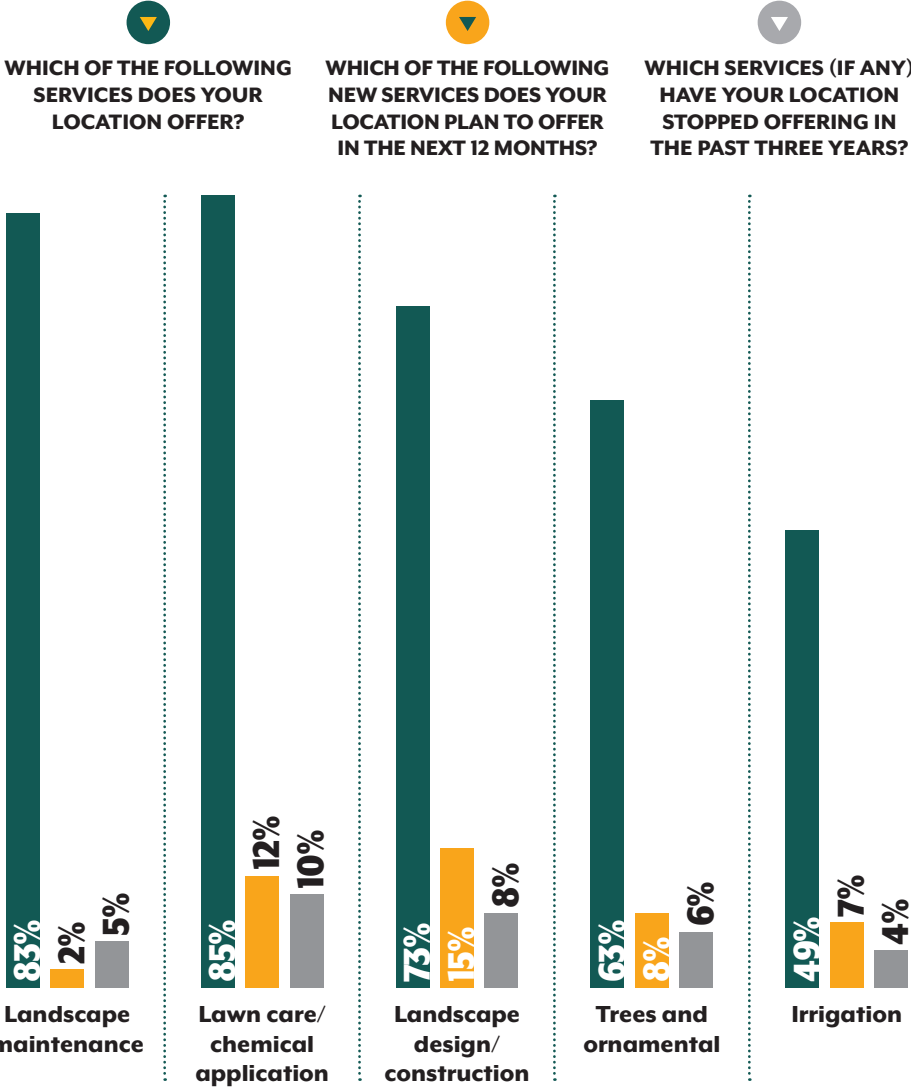
- 1. QUALITY LABOR SHORTAGE
- 2. HIGH FUEL PRICES
- 3. LOW-BALL COMPETITORS
- 4. PERSONAL STRESS
- 5. HIGH WORKERS' COMP COSTS

- 6. DIFFICULTY RAISING PRICES FOR WORK
- 7. HIGH HEALTH INSURANCE COSTS
- 8. LOWER MARGINS ON WORK
- 9. REGULATION OF OR BAN ON PESTICIDE/FERTILIZER USE
- 10. BAD WEATHER

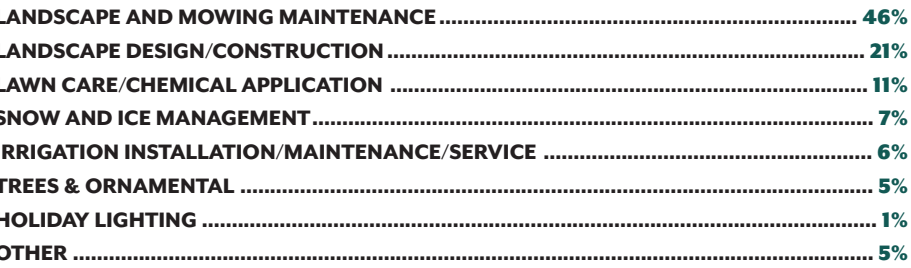


survey methodology

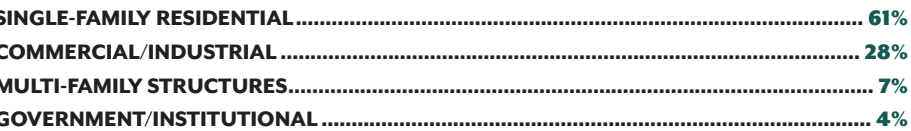
The survey sample of 7,645 was selected in systematic fashion by GIE Media and Readex Research. The sample represented 19,111 individuals at the time of selection. The survey ran from July 9-20, 2018. The margin of error for percentages based on 212 landscape contractors/lawn care operators is ±6.7 percentage points at the 95% confidence level. Some charts do not total 100 percent due to rounding and because not all answers are included with some questions.



Approximately what percentage of your location's 2017 gross revenue came from each of the following services?



Approximately what percentage of your location's 2017 gross revenue came from each of the following property types?



74 vs 26

**IN 2017,** returning customers made up 74% of a company's base while new customers accounted for 26%.

What was your location's fastest-growing service for revenue in 2017?



What do you predict will be your location's fastest-growing service for revenue in 2018?

