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Technician Shortage Still Plagues Industry

Oak Brook, Ill. – Despite an industry downturn, the technician shortage remains a significant industry challenge, according to a recent AED survey.

The AED Foundation has released its fifth annual Workforce Needs Survey, which focuses on the status of the equipment dealer technician workforce and recruitment efforts. AED member dealers were surveyed from March to July of 2008. Of the roughly 650 dealer surveys mailed, 108 were returned for a response rate of 17 percent.

In some regional areas, poor business conditions have resulted in numerous technician layoffs. Consequently, the downturn may well contribute to a larger technician shortage in the long term. When the industry enters the recovery phase, technician staffing will mean both attaining pre-downturn staffing levels and staffing for future growth.

Even prior to the financial and credit crisis that hit in August 2008, there were an estimated 2,400 job openings for technicians in North America. Equipment dealers lose an average of \$3,100 billable hours per week when they have a technician job opening, according to the study.

Additional key findings:

- 43 percent of technicians are over 40 years old, and respondents expect 6.9 percent of their technicians to retire during the next 5 years.
- The average reported U.S. shop customer labor rate rose to \$86.05 in 2008 from \$80.83 in 2007. The field labor rate rose to \$93.69 from \$85.98.
- 32 percent of dealers hire their technicians from other equipment dealers and competitors.
- An experienced shop technician in the U.S. earns an average of \$21.29 per hour, while the average field technician wage is \$24.04 per hour.
- More than half (61 percent) of respondents indicate that they are working with their local technical schools in community-based school-to-work programs. Half of dealer respondents also indicated that they have hired new technicians via their local school partnerships.

About AED

AED is an association of independent distributors, manufacturers and other organizations involved in the distribution of construction equipment and related products and services in North America and throughout the world. AED members sell, service and rent equipment to markets that include heavy and light construction, mining, agriculture, forestry, aggregates, engines and industrial.

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