Economic Impact Report

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Association of Professional Landscape Designers

APLD®

I. EXECUTIVE SUMMARY

The Association of Professional Landscape Designers (APLD) conducted a survey of current APLD members in February 2016. The purpose of the survey was to assess members' impact on the economy. Data such as demographic information of members and their employers, members' certifications and licenses; their revenue sources and project types; and outsourcing to contractors were collected in the 28-question survey. Following are the highlights of the survey results:

- Nearly half (47%) of APLD members are the primary income earner in the household.
- Nearly one-quarter (22%) of members earn more than $80,000 while another quarter each (27%, 26%) earn $20,000-$40,000 and $40,000-$60,000, respectively.
- Fifty-five percent of respondents practice in the West Census Bureau region.
- Nearly half (44%) of APLD members have advanced degrees or have completed some graduate school.
- Nearly 70% of members hold some type of professional certification or license in the green industry. The most common type held is a landscape contractor license.
- Nearly 9 in 10 members solely own or are a partner in their business.
- 35% of members' companies have a design-only model, 37% are design-build, and 28% are design-project management.
- On average, each company employs 6 people. (1.3 are designers, 3.7 are full-time, and 2.4 are part-time. In total, respondents reported the employment of nearly 2,600 people.) Extrapolated to the entire membership, APLD members employ about 8,100 people.
- Respondents reported that 12,247 designs were produced annually or nearly 40,000 if results are extrapolated to all members. No correlation was found between company revenue and number of designs produced.
- Over half of members' companies utilize other tradespeople in their operations.
- The most frequently used design features were: native plants (89.6%), natural stone (86.6%), soil amendments (79.9%), and irrigation (68.8%). The least used elements were: Eco-lawns (27.5%), mitigation planting design (22.3%), and clay pavers (17.1%).

II. BACKGROUND

On February 2, 2016, the APLD Advocacy Committee launched a survey of current APLD members with the intent of evaluating the economic impact of the industry for the organization's use in its advocacy efforts. It was determined, based upon the response rate, that the sample was statistically valid.

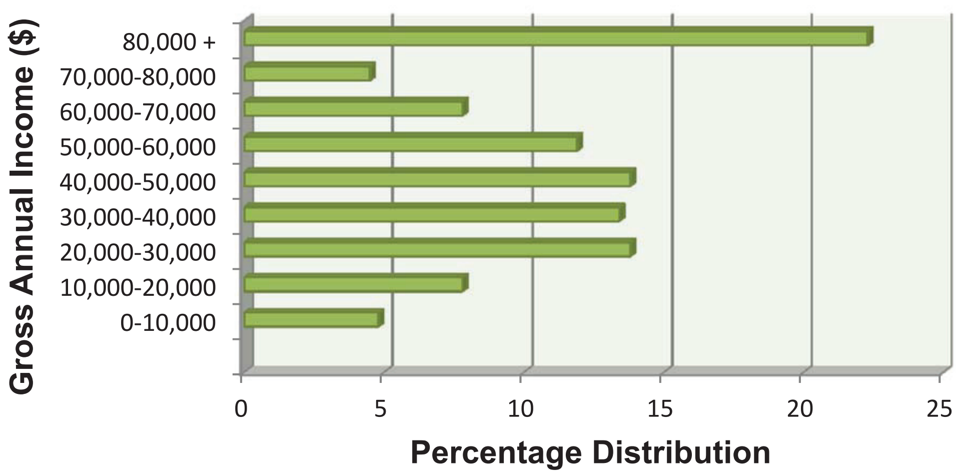
III. MEMBER DEMOGRAPHICS

When asked if they are the primary income earner in their household, 47% of the respondents said "yes" and 53% said "no". Gross annual income was broadly distributed as follows:

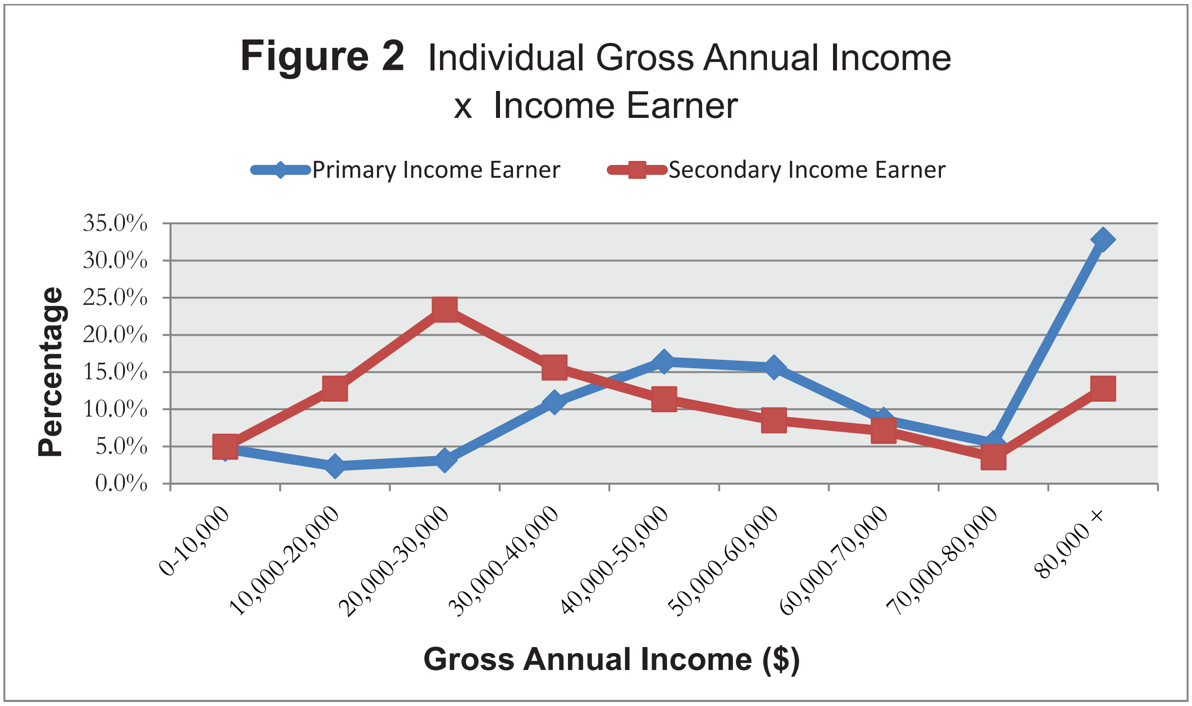
- 13% earned $20,000 or less
- 27% earned $20,000-$40,000
- 26% earned $40,000-$60,000
- 12% earned $60,000-$80,000, and
- 22% earned $80,000 or more.

See Figure 1 below for additional detail.

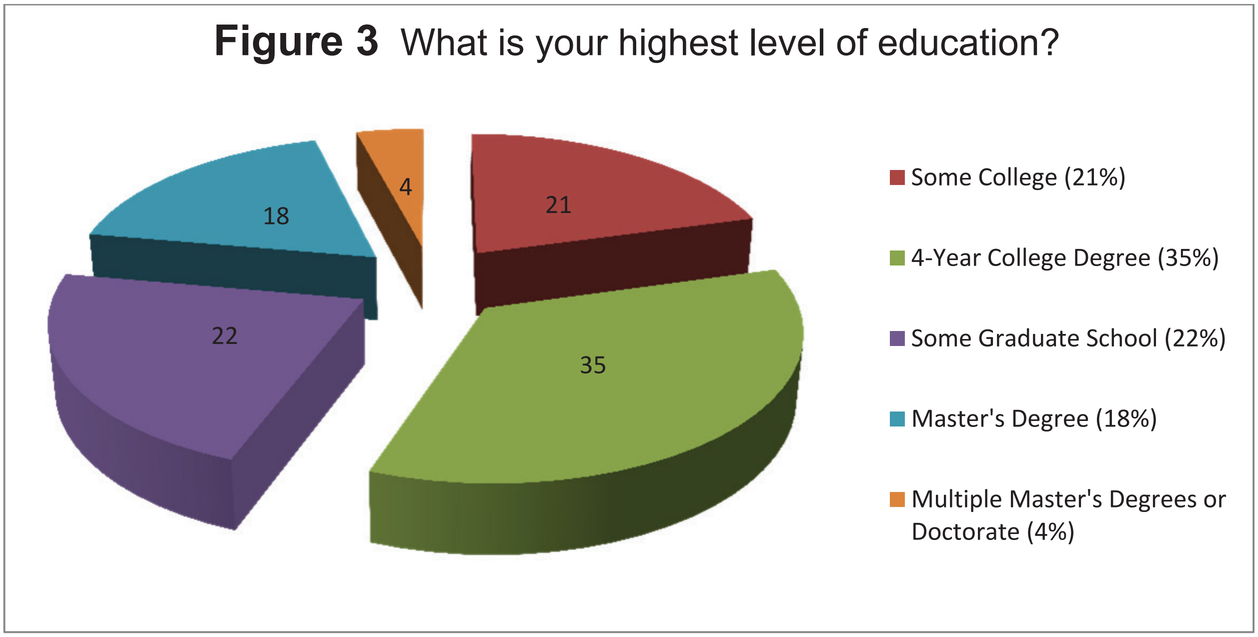
Figure 1 What is your individual gross annual income?



When gross annual income was compared to whether the respondent was the primary income earner we found that just over one-third (37%) of primary earners reported $50,000 or less in income while just under two-thirds (63%) earned more than $50,000. The reverse was true of secondary income earners where two-thirds (68%) earned $50,000 or less and about one-third (32%) earned more than $50,000. Figure 2 below depicts this graphically.

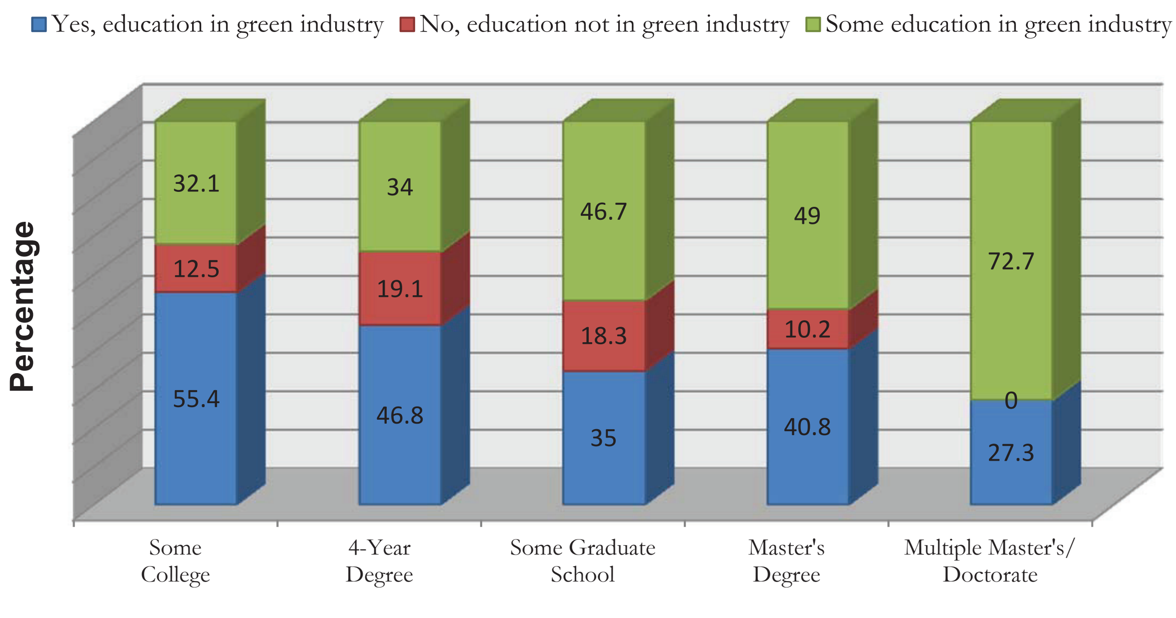


In terms of education, nearly 45% of members said they have advanced degrees or training, with 22% having one or more Master's degrees or a doctorate. One in five respondents (21%) reported attending "some college" but not attaining a 4-year degree. Figure 3 below provides the percentage distribution by education level.



Eighty-five percent (85%) of respondents indicated that all or some of their formal education was in the green industry field. Figure 4 below shows the percentage distribution of education level by green education.

Figure 4 Highest level of education x Green industry field education



All but five respondents said they practice landscape design in the United States. Of those practicing in the US, respondents were asked for their ZIP code, which were then categorized into Census Bureau Regions and Divisions. See Attachment A to see how states are categorized within the groupings. Following is the percentage distribution of the respondents who answered the question:

Census Bureau Regions:

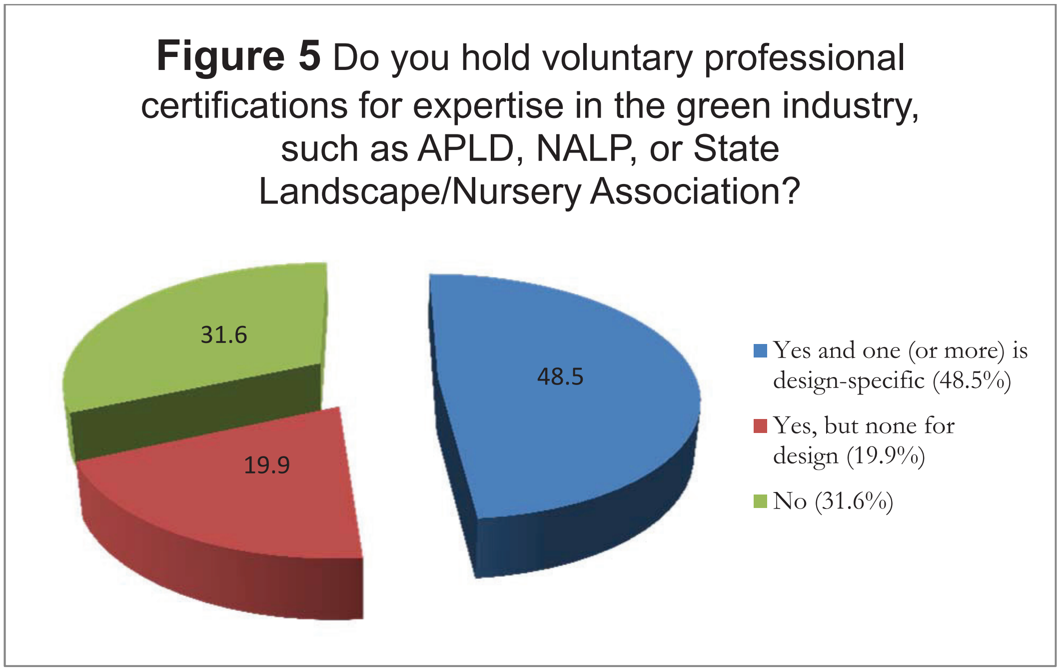
- Northeast—20.4%
- Midwest—10.8%
- South—13.5%
- West—55.4%

Census Bureau Divisions:

- New England—10.8%
- Mid Atlantic—9.6%
- East North Central—6.9%
- West North Central—3.8%
- Mountain—5.0%
- South Atlantic—11.2%
- East South Central—0.4%
- West South Central—1.9%
- Pacific—50.4%

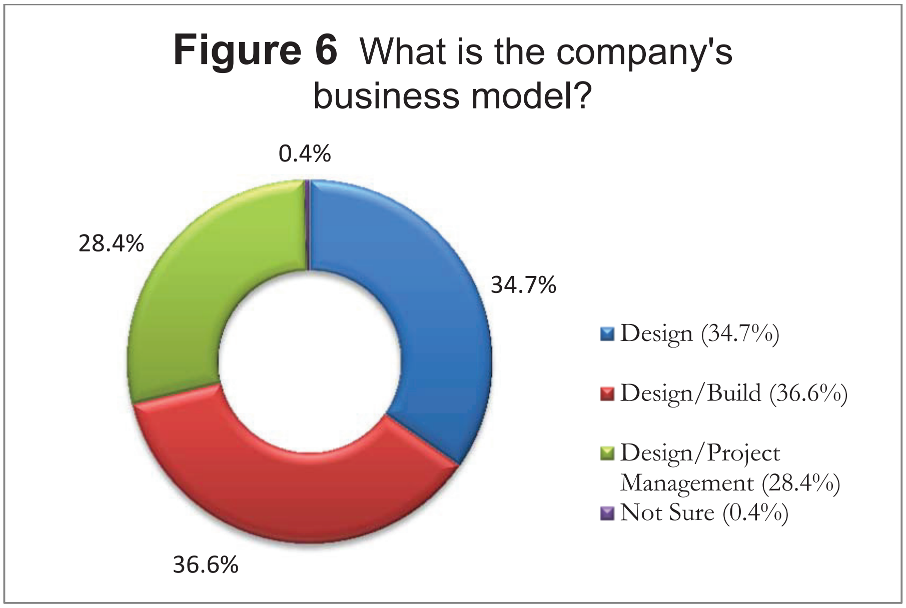
IV. MEMBER CERTIFICATIONS AND LICENSES

Most members (nearly 70%) hold professional certifications or licenses within the green industry. One-third of respondents do not hold any certifications or licenses. Figure 5 below depicts this data graphically. About half of the respondents (49.8%) said they intend to obtain a higher level of professional certification within the next 10 years



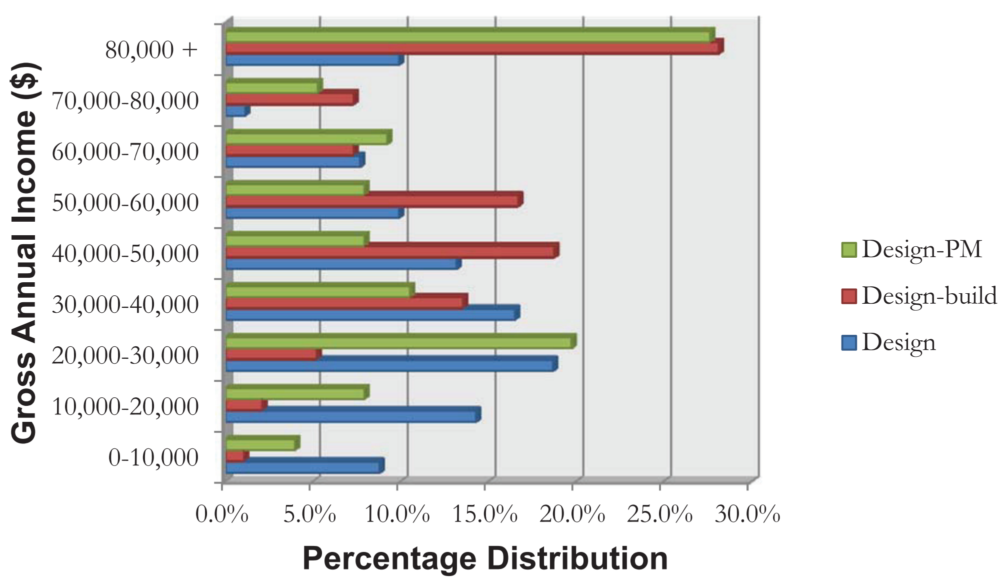
V. EMPLOYER DEMOGRAPHICS

The majority of respondents (88%) said they own their own business either as the majority owner/sole proprietor (81%) or as a partner (7%). The remainder said they are an employee (9%), freelancer (2%), or student (1%). When asked about the company's business model, 36.6% of members said the company does design/build work, 34.7% work for a design-only firm, and 28.4% said the company offers design/project management services. See Figure 6 below.



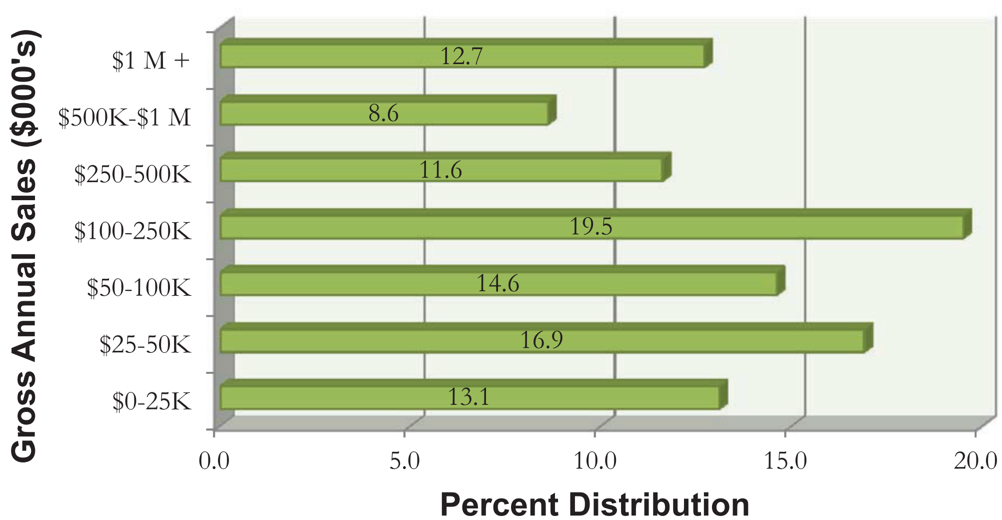
We compared individual gross annual income to the company's business model and found that design-project management and design-build companies were more than twice as likely to earn $70,000 or more than companies offering design-only services. See Figure 7 below.

Figure 7 Individual gross income x Company's business model



Thirty percent (30%) of members' businesses earn $50,000/year or less and 21.3% earn more than $50,000/year. Figure 8 below shows the percent distribution by the annual sales categories provided in the questionnaire.

Figure 8 What are the company's gross sales?



On average, following are the number of employees indicated by respondents:

- Number of employees, 6.1
- Number of designers, 1.3
- Number of full-time employees, 3.7
- Number of part-time employees, 2.4
- Number of permanent (year-round) employees, 3.6
- Number of seasonal employees, 2.8

VI. EMPLOYER OPERATIONS

The survey collected data about members' company revenue sources, costs, outsourcing, geographic location, and the utilization of selected design features. On average, each company produces 26 designs per year. In total, the sum of all respondents' annually-produced designs was 11,297.

Respondents were asked to provide a breakdown of the type of projects (i.e., residential, commercial, institutional/public, industrial/other) their company typically designs. Figure 9 below shows that 90% of respondents produce residential designs at least three-fourths of the time. Of those who design non-residential projects (commercial, institutional/public, or industrial/other), the majority (75%-80%) said these types of projects makeup 10% or less of their work.

Figure 9 What is the percentage breakdown of the types of projects your company typically designs?

	Percentage Categories				
Type of Project	0-10%	10-25%	25-50%	50-75%	75-100%
Residential	0.4%	0.4%	0.7%	8.2%	90.3%
Commercial	77.1%	17.7%	4.2%	1.0%	0.0%
Institutional/Public	74.5%	21.3%	2.1%	0.0%	2.1%
Industrial/Other	80.0%	20.0%	0.0%	0.0%	0.0%

When asked about the source of their company's revenue respondents considered design, construction, materials, project management, maintenance, and other services. Figure 10 below shows that 40% of respondents receive more than half their revenue from landscape design services and slightly more than 40% receive more than half their revenue from landscape construction services. Fewer than 10% of respondents receive more than half of their revenue from:

- The sale of materials (7.7%)
- Fees for landscape project management (8%)
- Property maintenance (9.7%)
- Other green industry services (2.4%)
- Other creative services (1.8%)
- Other services unrelated to design (6.8%).

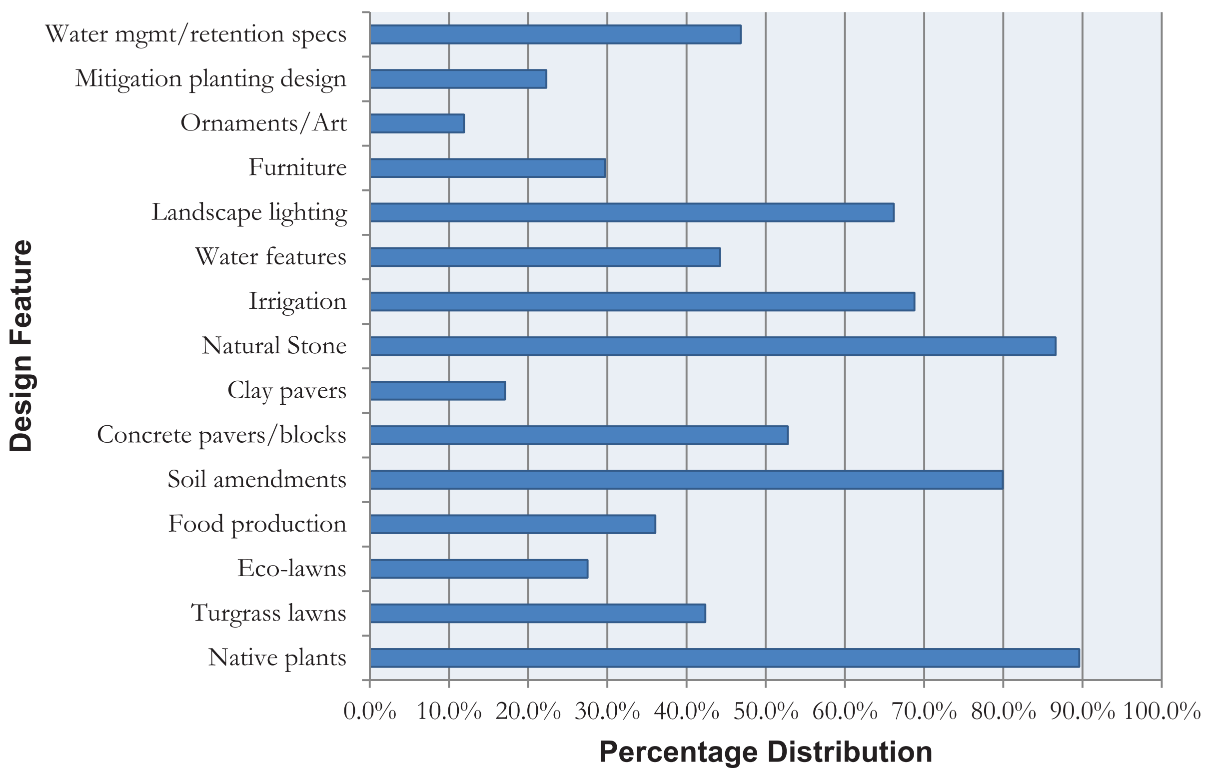
Figure 10 What percentage of your company's gross sales comes from the following categories?

	Percentage Categories				
Sales Categories	0-10%	10-25%	25-50%	50-75%	75-100%
Landscape Design	23.2%	20.5%	16.0%	15.2%	25.1%
Landscape Construction	18.3%	19.1%	20.6%	25.2%	16.8%
Landscape Materials	25.0%	41.7%	25.6%	5.8%	1.9%
Fees for Landscape PM	43.9%	31.0%	17.1%	4.8%	3.2%
Property Maintenance	48.7%	18.8%	22.7%	7.1%	2.6%
Other Green Industry Services	86.4%	7.4%	3.7%	1.2%	1.2%
Other Creative Services	80.9%	13.6%	3.6%	0.9%	0.9%
Other Services Unrelated to Design	79.5%	8.2%	5.5%	2.7%	4.1%

Fifty-five percent (55%) of the designs generated by respondents' companies utilize other tradespeople such as plumbers, electricians, concrete contractors, engineers and landscape contractors. The median answer was 70% and mode (the most frequently recorded answer) was 100%.

Members indicated high use of native plants (89.6%), natural stone (86.6%), soil amendments (80%), irrigation (68.8%), and landscape lighting (66.2%). See Figure 11 below for all design element results.

Figure 11: Which of the following categories are included in 50% or more of your designs?



Respondents were asked about the size of the properties for which they typically design. The overlapping response options made this data difficult to interpret but the following (Figure 12) is a summary of the findings.

Figure 12: What property sizes are most typical of your designs?

	Percentage Categories				
Property Sizes	0-10%	10-25%	25-50%	50-75%	75-100%
< acre	4.9%	12.2%	9.8%	22.0%	51.2%
> acre	29.6%	27.2%	21.9%	12.4%	8.9%
< 5 acres	38.9%	22.1%	17.9%	6.3%	14.7%
5-10 acres	73.1%	11.9%	7.5%	4.5%	3.0%
10-20 acres	85.1%	12.8%	0.0%	0.0%	2.1%
≥ 20 acres	88.9%	4.4%	0.0%	4.4%	2.2%

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