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WMABA UNVEILS LABOR RATE RESULTS

HOW DOES **YOUR** SHOP RANK?

\$42-45

\$42-6

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Turn the page for the results of the WMABA Labor Rate Survey (as well as detailed information on the locations represented in each region).

REAL SHOPS, REAL DATA: WMABA UNVEILS LABOR RATE RESULTS

HOW DOES YOUR SHOP RANK?

THE RESULTS ARE IN.

In an effort to provide its members with genuine market data on the Washington Metropolitan region, WMABA partnered with CSi Complete in late 2011 to strategize and implement an extensive Labor Rate Survey. The announcement of this first-ever undertaking led to an outpouring of excitement from the WMABA community, as shops throughout the region enthusiastically participated when asked to do so. Launched in January of this year, the survey asked hundreds of repair shops the following questions:

- What is your retail hourly body Labor Rate?;
- What is your retail hourly frame/structural Labor Rate?;
- What is your retail hourly paint/refinish Labor Rate?;
- What is your retail hourly paint material rate?;
- Do you use a Paint & Material Calculator such as PMC

Logic, Mitchell RMC or Paint Logic? (yes/no);

- What is your retail hourly mechanical Labor Rate?;
- Do you have a certified aluminum structural repair area?;
- If yes, what is your retail hourly structural aluminum rate?;
- What is your daily storage rate?
Inside
Outside; and
- What is the total number of technicians employed (body, paint and mechanical)?

The compelling data derived from the survey was tallied and organized by the following regions: Baltimore Area, Annapolis Area, Hagerstown Area, Washington DC, Virginia Beach Area, Charlottesville Area, Richmond Area and Roanoke Area.

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REGION 3 HAGERSTOWN AREA

ALLEGANY COUNTY, MD
CLARKE COUNTY, VA
FREDRICK COUNTY, MD
FREDRICK COUNTY, VA
GARRETT COUNTY, MD
LOUDOUN COUNTY, VA
WARREN COUNTY, VA
WASHINGTON COUNTY, MD

Range

Body Labor	\$40 - \$52
Frame Labor	\$44 - \$99
Paint Labor	\$28 - \$52
Paint Material	\$24 - \$44
Mechanical Labor	\$44 - \$105
Structural Labor	\$42 - \$85
Inside Storage	\$20 - \$85
Outside Storage	\$20 - \$65
Number of Techs	1 - 20

Average

Body Labor	\$43.59
Frame Labor	\$55.27
Paint Labor	\$42.92
Paint Material	\$29.08
Mechanical Labor	\$81.57
Structural Labor	\$63.50
Inside Storage	\$49.43
Outside Storage	\$39.86
Number of Techs	8.16

% "YES"

Paint Calc.	22.9%
Structural Area	19.4%

REGION 4 WASHINGTON DC AREA

ALEXANDRIA CITY, VA
ARLINGTON, VA
CHARLES COUNTY, MD
CULPEPPER COUNTY, VA
FAIRFAX COUNTY, VA
FAUQUIER COUNTY, VA
KING GEORGE COUNTY, VA
MONTGOMERY COUNTY, MD
PRINCE GEORGE'S COUNTY, MD
PRINCE WILLIAM COUNTY, VA
RAPPAHANNOCK, VA
SPOTSYLVANIA COUNTY, VA
STAFFORD COUNTY, VA
ST. MARY'S COUNTY, MD
THE CITY OF WASHINGTON DC
WESTMORELAND COUNTY, VA

Range

Body Labor	\$38 - \$50
Frame Labor	\$38 - \$90
Paint Labor	\$25 - \$50
Paint Material	\$18 - \$95
Mechanical Labor	\$28 - \$128
Structural Labor	\$42 - \$125
Inside Storage	\$16 - \$100
Outside Storage	\$25 - \$100
Number of Techs	1 - 57

Average

Body Labor	\$43.35
Frame Labor	\$51.67
Paint Labor	\$42.80
Paint Material	\$28.89
Mechanical Labor	\$92.44
Structural Labor	\$62.54
Inside Storage	\$55.02
Outside Storage	\$45.67
Number of Techs	9.96

% "YES"

Paint Calc.	14.4%
Structural Area	25.4%

REGION 1 BALTIMORE AREA

THE CITY OF BALTIMORE, MD ■ BALTIMORE COUNTY, MD ■
CARROLL COUNTY, MD ■ CECIL COUNTY, MD ■
HARFORD COUNTY, MD ■ HOWARD COUNTY, MD

Range

Body Labor	\$40 - \$75
Frame Labor	\$40 - \$88
Paint Labor	\$26 - \$60
Paint Material	\$20 - \$42
Mechanical Labor	\$65 - \$129
Structural Labor	\$42 - \$125
Inside Storage	\$25 - \$150
Outside Storage	\$15 - \$75
Number of Techs	1 - 15

Average

Body Labor	\$43.64
Frame Labor	\$51.04
Paint Labor	\$42.42
Paint Material	\$27.26
Mechanical Labor	\$90.30
Structural Labor	\$63.62
Inside Storage	\$46.04
Outside Storage	\$36.07
Number of Techs	5.75

% "YES"

Paint Calc. 16% Structural Area 26.6%

REGION 2 ANNAPOLIS AREA

ANNE ARUNDEL COUNTY, MD ■ CALVERT COUNTY, MD ■
CAROLINE COUNTY, MD ■ DORCHESTER COUNTY, MD ■
KENT COUNTY, MD ■ QUEEN ANNE'S COUNTY, MD ■ TALBOT
COUNTY, MD

Range

Body Labor	\$40 - \$52
Frame Labor	\$42 - \$85
Paint Labor	\$40 - \$52
Paint Material	\$16 - \$32
Mechanical Labor	\$50 - \$140
Structural Labor	\$45 - \$119
Inside Storage	\$25 - \$100
Outside Storage	\$20 - \$60
Number of Techs	1 - 25

Average

Body Labor	\$43.51
Frame Labor	\$51.41
Paint Labor	\$43.44
Paint Material	\$27.11
Mechanical Labor	\$91.33
Structural Labor	\$75.25
Inside Storage	\$44.86
Outside Storage	\$35.13
Number of Techs	7.31

% "YES"

Paint Calc. 15.4% Structural Area 23.7%

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REGION 7 RICHMOND AREA

AMELIA COUNTY, VA ■ BRUNSWICK COUNTY, VA ■ CAROLINE COUNTY, VA ■ CHARLES CITY COUNTY, VA ■ CHARLOTTE COUNTY, VA ■ CHESTERFIELD COUNTY, VA ■ CUMBERLAND COUNTY, VA ■ DINWIDDIE COUNTY, VA ■ ESSEX COUNTY, VA ■ GOOCHLAND COUNTY, VA ■ GREENS COUNTY, VA ■ HANOVER COUNTY, VA ■ HENRICO COUNTY, VA ■ JAMES CITY COUNTY, VA ■ KING AND QUEEN COUNTY, VA ■ KING WILLIAM COUNTY, VA ■ LANCASTER COUNTY, VA ■ LUNENBURG COUNTY, VA ■ MECKLENBURG COUNTY, VA ■ NEW KENT COUNTY, VA ■ NORTHUMBERLAND COUNTY, VA ■ NOTTOWAY COUNTY, VA ■ POWHATAN COUNTY, VA ■ PRINCE EDWARD COUNTY, VA ■ PRINCE GEORGE COUNTY, VA ■ THE CITY OF RICHMOND, VA ■ RICHMOND COUNTY, VA ■ SUSSEX COUNTY, VA

Range

Body Labor	\$42 - \$65
Frame Labor	\$44 - \$75
Paint Labor	\$32 - \$65
Paint Material	\$15 - \$45
Mechanical Labor	\$52 - \$106
Structural Labor	\$42 - \$75
Inside Storage	\$25 - \$85
Outside Storage	\$15 - \$56.25
Number of Techs	1 - 19

Average

Body Labor	\$45.34
Frame Labor	\$57.64
Paint Labor	\$44.96
Paint Material	\$32.86
Mechanical Labor	\$80.98
Structural Labor	\$52.80
Inside Storage	\$43.82
Outside Storage	\$35.63
Number of Techs	6.68

% "YES"

Paint Calc.	24.3%	Structural Area	16.2%
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REGION 6 CHARLOTTESVILLE AREA

ALBEMARLE COUNTY, VA ■ AUGUSTA COUNTY, VA ■ BUCKINGHAM COUNTY, VA ■ FLUVANNA COUNTY, VA ■ GREENE COUNTY, VA ■ LOUISA COUNTY, VA ■ MADISON COUNTY, VA ■ NELSON COUNTY, VA ■ ORANGE COUNTY, VA ■ ROCKINGHAM COUNTY, VA ■ SHENANDOAH COUNTY, VA

Range

Body Labor	\$42 - \$45
Frame Labor	\$50 - \$80
Paint Labor	\$35 - \$45
Paint Material	\$28 - \$35
Mechanical Labor	\$50 - \$95
Structural Labor	\$44 - \$65
Inside Storage	\$25 - \$75
Outside Storage	\$20 - \$65
Number of Techs	1 - 18

Average

Body Labor	\$44.28
Frame Labor	\$58
Paint Labor	\$43.72
Paint Material	\$31.83
Mechanical Labor	\$70.33
Structural Labor	\$54.71
Inside Storage	\$46.88
Outside Storage	\$38.13
Number of Techs	5.61

% "YES"

Paint Calc.	16.7%	Structural Area	38.9%
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REGION 8 ROANOKE AREA

ALLEGHANY COUNTY, VA ■ AMHERST COUNTY, VA ■ APPOMATTOX COUNTY, VA ■ BATH COUNTY, VA ■ BEDFORD COUNTY, VA ■ BLAND COUNTY, VA ■ BOTETOURT COUNTY, VA ■ BUCHANAN COUNTY, VA ■ CAMPBELL COUNTY, VA ■ CARROLL COUNTY, VA ■ DICKENSON COUNTY, VA ■ FLOYD COUNTY, VA ■ FRANKLIN COUNTY, VA ■ GILES COUNTY, VA ■ GRAYSON COUNTY, VA ■ HALIFAX COUNTY, VA ■ HENRY COUNTY, VA ■ HIGHLAND COUNTY, VA ■ LEE COUNTY, VA ■ MONTGOMERY COUNTY, VA ■ PAGE COUNTY, VA ■ PATRICK COUNTY, VA ■ PITTSYLVANIA COUNTY, VA ■ PULASKI COUNTY, VA ■ ROANOKE COUNTY, VA ■ ROCKBRIDGE COUNTY, VA ■ RUSSELL COUNTY, VA ■ CITY OF SALEM, VA ■ SCOTT COUNTY, VA ■ SMYTH COUNTY, VA ■ TAZEWELL COUNTY, VA ■ WASHINGTON COUNTY, VA ■ WISE COUNTY, VA ■ WYTHE COUNTY, VA

Range

Body Labor	\$27.50 - \$50
Frame Labor	\$44 - \$75
Paint Labor	\$27.50 - \$50
Paint Material	\$28 - \$44
Mechanical Labor	\$27.50 - \$92
Structural Labor	\$42 - \$96
Inside Storage	\$20 - \$100
Outside Storage	\$10 - \$50
Number of Techs	1 - 11

Average

Body Labor	\$43.34
Frame Labor	\$55.54
Paint Labor	\$42.64
Paint Material	\$32.38
Mechanical Labor	\$63.55
Structural Labor	\$62.19
Inside Storage	\$44.82
Outside Storage	\$30.52
Number of Techs	3.86

% "YES"

Paint Calc.	18.4%
Structural Area	32.7%

REGION 5 VIRGINIA BEACH AREA

ACCOMACK COUNTY, VA ■ CHESAPEAKE COUNTY, VA ■ GLOUCESTER COUNTY, VA ■ ISLE OF WIGHT COUNTY, VA ■ MATHEWS COUNTY, VA ■ NORTHAMPTON COUNTY, VA ■ PORTSMOUTH COUNTY, VA ■ SOMERSET COUNTY, MD ■ SOUTHAMPTON COUNTY, VA ■ SUFFOLK CITY COUNTY, VA ■ SURRY COUNTY, VA ■ VIRGINIA BEACH COUNTY, VA ■ WICOMICO COUNTY, MD ■ WORCESTER COUNTY, MD ■ YORK COUNTY, VA

Range

Body Labor	\$42 - \$55
Frame Labor	\$42 - \$85
Paint Labor	\$32 - \$55
Paint Material	\$25 - \$44
Mechanical Labor	\$30 - \$108
Structural Labor	\$25 - \$90
Inside Storage	\$15 - \$100
Outside Storage	\$15 - \$85
Number of Techs	1 - 20

Average

Body Labor	\$44.41
Frame Labor	\$56.63
Paint Labor	\$44.17
Paint Material	\$30.28
Mechanical Labor	\$82.50
Structural Labor	\$60.20
Inside Storage	\$42.69
Outside Storage	\$33.54
Number of Techs	6.95

% "YES"

Paint Calc.	22%
Structural Area	22%

WMABA Executive Director Jordan Hendler is pleased that the association is able to provide this rate data to the industry.

“So many of our members tell us that they are very rarely, if ever, surveyed by any insurer,” she explains. “When they attempt to tell the carrier their new rates, they are often stonewalled or referred to another manager. In many cases, the shop is told that their rates are not competitive, and they will have to inform all of the customers not to go to their shop or risk paying the difference. This type of threat seems to be the unnecessary approach that most insurers take with any Labor Rate request or needed repair procedure. It’s no coincidence that, in most of our markets, it has been years – in some areas, *five-plus years* – since any rate increases have gone through. This is why WMABA has started this statically-valid, third-party administered, yearly Labor Rate Survey to combat many years of carriers telling repairers, ‘You are the only one who asks for this.’”

Happy to finally see the Labor Rate Survey come to fruition, WMABA Board member Kris Shannon is hopeful that the results will ultimately lead to improved financial conditions within the industry.

“Things in the industry are not very good from a Labor Rate standpoint or with being able to recoup rising costs, give employees raises and help pay for training and state-of-the-art equipment as the technology in these vehicles is advancing,” he explains. “If something isn’t done, it’s going to eventually result in shops out there performing repairs that they should *not* be performing, because they don’t have employees who are educated to do things properly or the equipment to properly do the repairs.

“[Insurers] look at [the situation] as dollars saved,” he adds. “They’re artificially restricting the Labor Rates within markets by basically trying to pit us against each other and saying they are paying the prevailing market Labor Rates when... they are *not*.”

In addition to showcasing posted Labor Rates throughout the WMABA region, the project uncovered other important information – namely, the surprisingly small number of shops that actually utilize paint and material (P&M) cost accounting programs.

“I think mostly it’s a lack of understanding or going against the norm,” opines WMABA President Barry Dorn on the P&M

results. “I know that many insurers do not and will not recognize [a cost accounting program]. The old method of using a multiplier as a method of reimbursement is antiquated at best. Petroleum prices – and thus paint prices – continue to escalate; for some reason, the rates do not. The calculators take all arguments away from everyone. They are accurate and something this industry *needs* to embrace.”

The reality that hundreds of shops participated in the Labor Rate Survey process is certainly cause for celebration. Considering that so many shops *did* take the survey and offer their valuable input, what message would Dorn send to those shops that refused to participate out of fear of the unknown?

“I don’t understand the logic behind their decision,” he admits. “Without this survey, you are forced to ‘go it alone,’ balance bill the customer or complain to anyone who will listen – none of which is a solution. I do not remember the last time a carrier surveyed *me*, but if you ask them, they do surveys all of the time. Your association did this to get a real, factual and third-party perspective rather than hearsay. I would rather focus on the repairers who *did* the survey; these are the men and women who will be in business in the future.”

Thanks to the participation and support of the shops that volunteered to take the survey, WMABA is now armed with much-needed rate information – something that Dorn believes will help the industry.

“Understanding what is happening in our industry is truly a game changer,” he says. “[The survey participants] are the professionals who understand that and have made commitments for the future.”



Executive Director's Thoughts

It is very rewarding to have a project like this come to fruition and have the participation of our industry in the inaugural year. I have high hopes for the participation levels next year after the industry has seen that our follow-through was there. Skepticism in our industry is high for any kind of new thing. After this, I know they will be more eager to get their information included next time. For those who came in right out of the gate, I salute you. You are truly the ones who see the benefit of data and how it can help the industry in the future.

- Jordan Hendler