



Jobber Home Service Economic Report

2023 Review and 2024 Outlook



Twiggs Transformations
Victoria, BC

Table of Contents

- 03** **Introduction**

- 05** **2023: The Year of Moderation**

- 07** **Consumer Spending Trends and Considerations**

- 10** **Home Service Category Performance**
 - Green Segment 10*
 - Cleaning Segment 12*
 - Contracting Segment 13*
 - Construction Segment 15*

- 16** **Continued Growth in Digital Payments**

- 18** **Future Outlook**

- 19** **Methodology & Data Sources**

Introduction

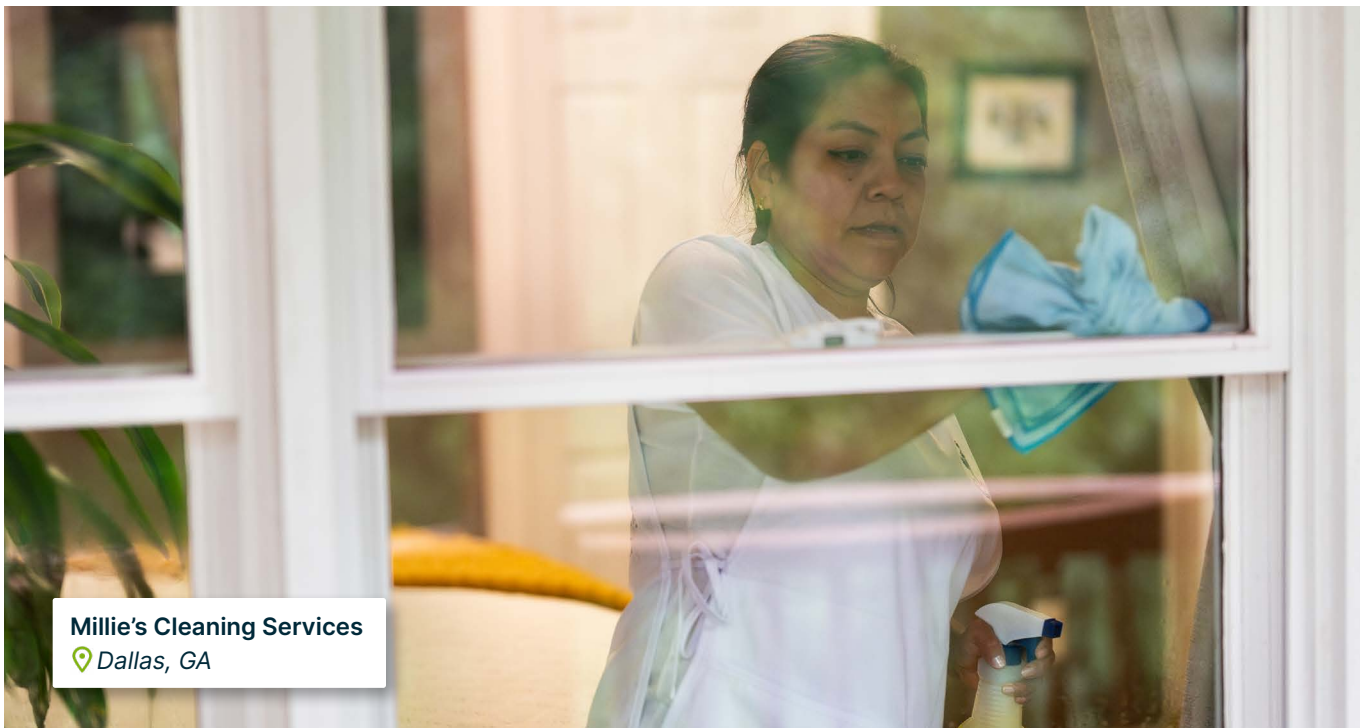
Small businesses employ 61.7 million Americans, totaling 46.4% of private sector employees.¹ As the leading operations management platform for Home Service businesses, Jobber is uniquely positioned to identify aggregate trends and insights in this important small business segment. More than 200,000 residential cleaners, landscapers, HVAC technicians, and more, keep track of jobs and charge their customers for work using Jobber.

2023 was the year that the Home Service economy returned to normal levels. After unbelievable growth in the category since the onset of the pandemic, service pros faced tremendous economic changes in 2023 including inflation, weaker housing market, and a still strong but slowing consumer demand. While inflation did decrease throughout 2023, it was still historically high.

Our analysis of the Home Service economy in 2023 and outlook for 2024 highlight five trends:

1. Moderate growth
2. A rise in consumer spending
3. A resilient Green sector
4. Growth in digital payments
5. A promising 2024

In this Jobber Home Service Economic Report, we will provide a deeper understanding of these themes and the potential impact they may have on Home Service professionals.



Millie's Cleaning Services
📍 Dallas, GA

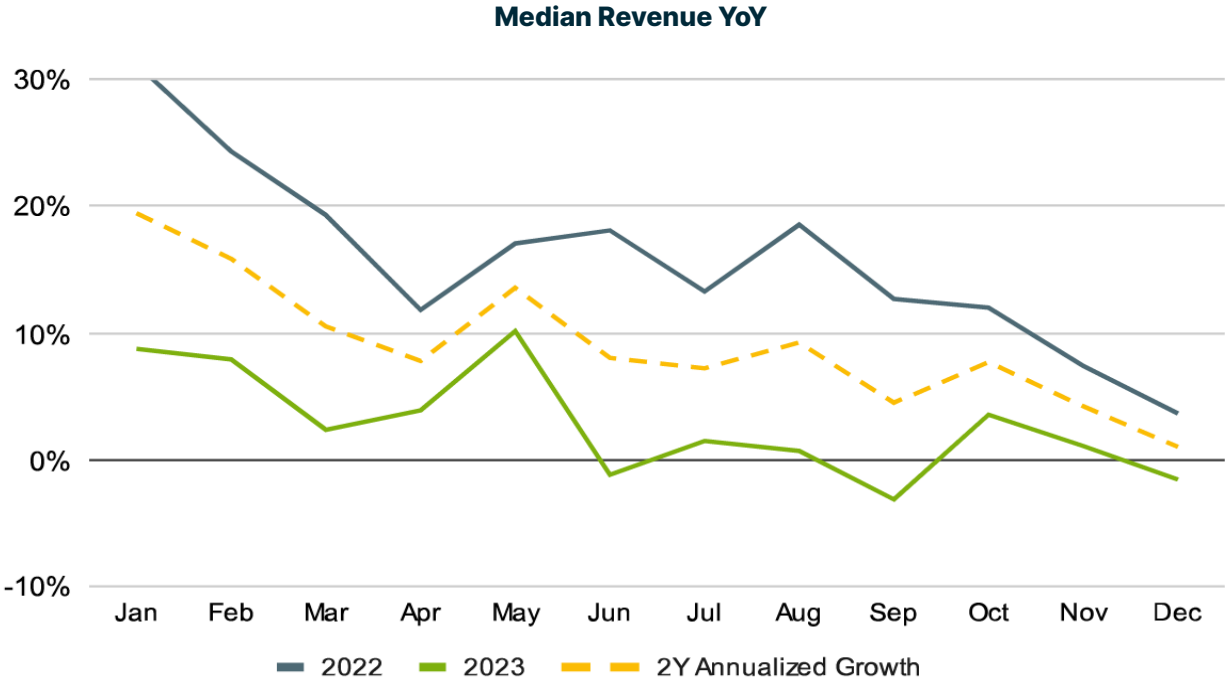


Key Takeaways:

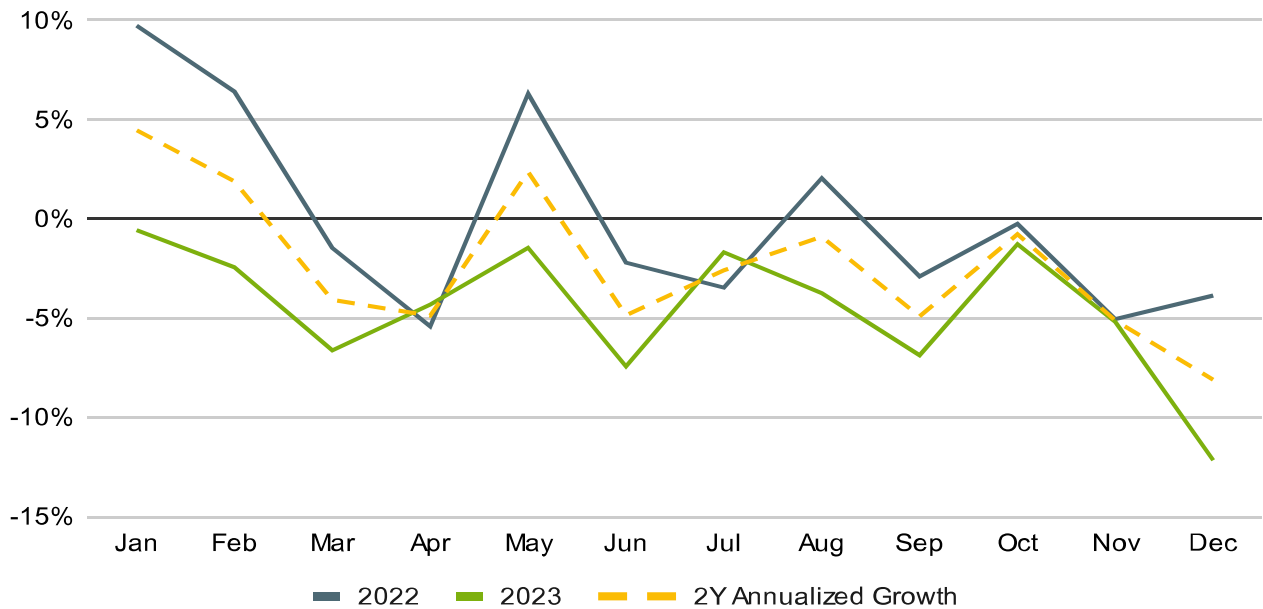
- The growth in median revenue suggests that service providers have maintained their pricing power through 2023, even as the total number of new jobs being scheduled decreased year-over-year.
- Digital payments as the preferred payment option continues to grow in popularity. Our data shows that digital payments have consistently made up ~40% of all transactions with no signs that the trend is reversing.
- Median revenue shows a pattern of stability and strength for the Green segment with 2023 revenues growing relative to the previous year in 10 out of 12 months.
- Cleaning businesses grew revenue by an average of 11% year-over-year from 2021 to 2023.
- Construction businesses witnessed revenues grow despite a 5-10% decrease in new work scheduled throughout 2023 compared to the same period last year.

2023: The Year of Moderation

Revenues were slightly up in 2023, even as the total number of new work being scheduled decreased. The growth in average spending suggests service providers have been able to maintain their pricing power through 2023, whether by increasing service costs or offering add-on services.

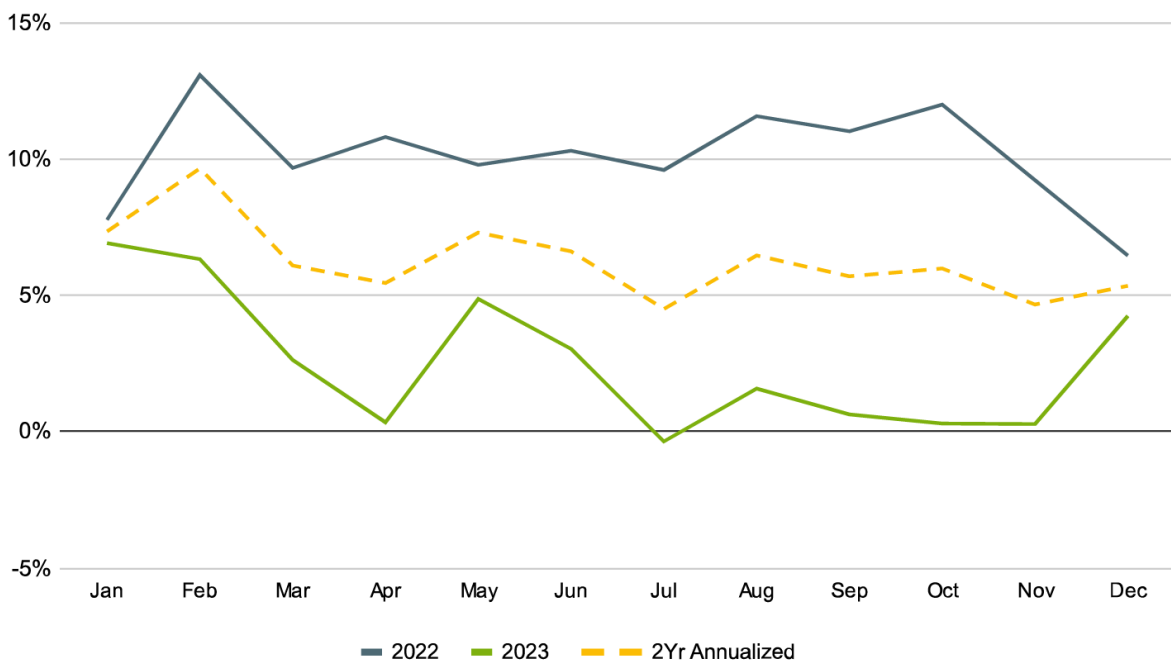


New Work Scheduled YoY

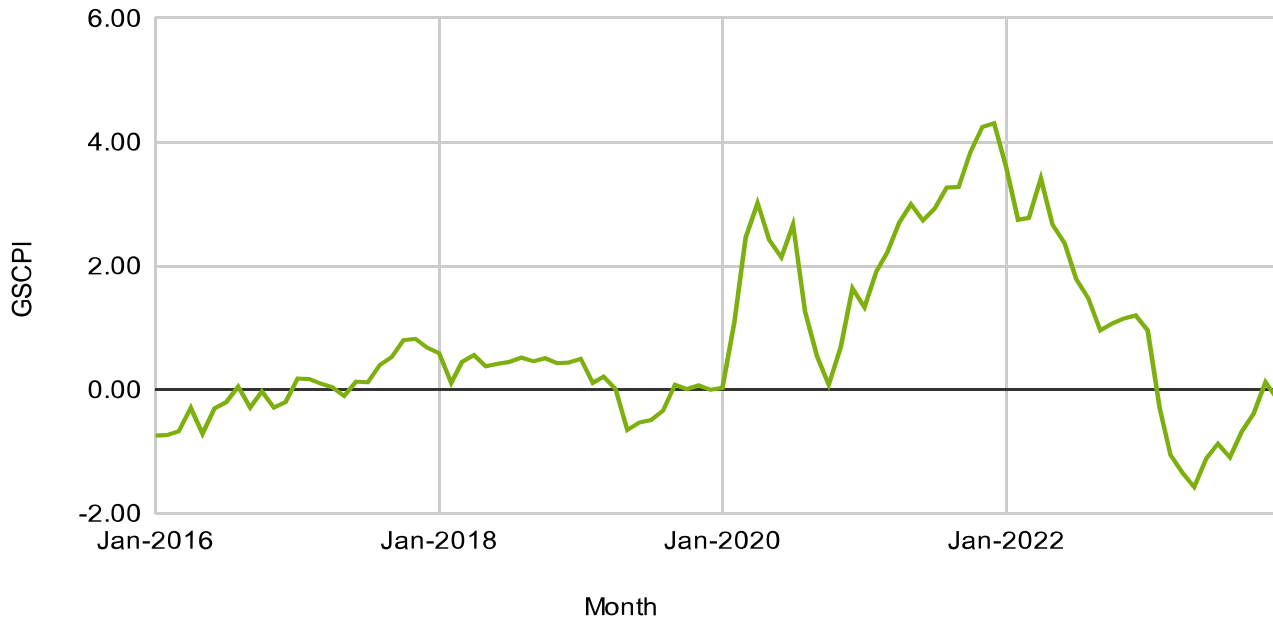


On the cost side, with inflation slowing down, commodity prices came down ~10% for the year and supply chain pressures, as illustrated by the Global Supply Chain Pressure Index, all but went away.^{2,3} Going forward into 2024, Home Service businesses should find it easier to source materials at a fair price, but may also find it harder to raise prices for their own customers.

Average Invoice Size YoY



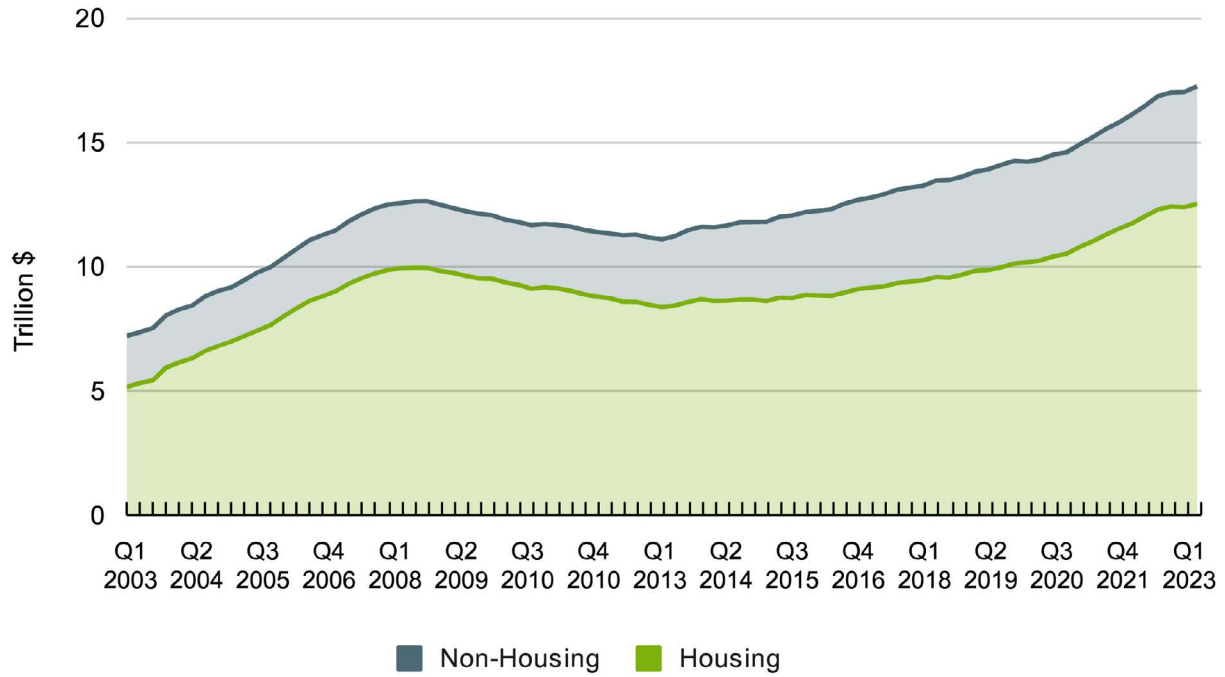
Global Supply Chain Pressure Index³



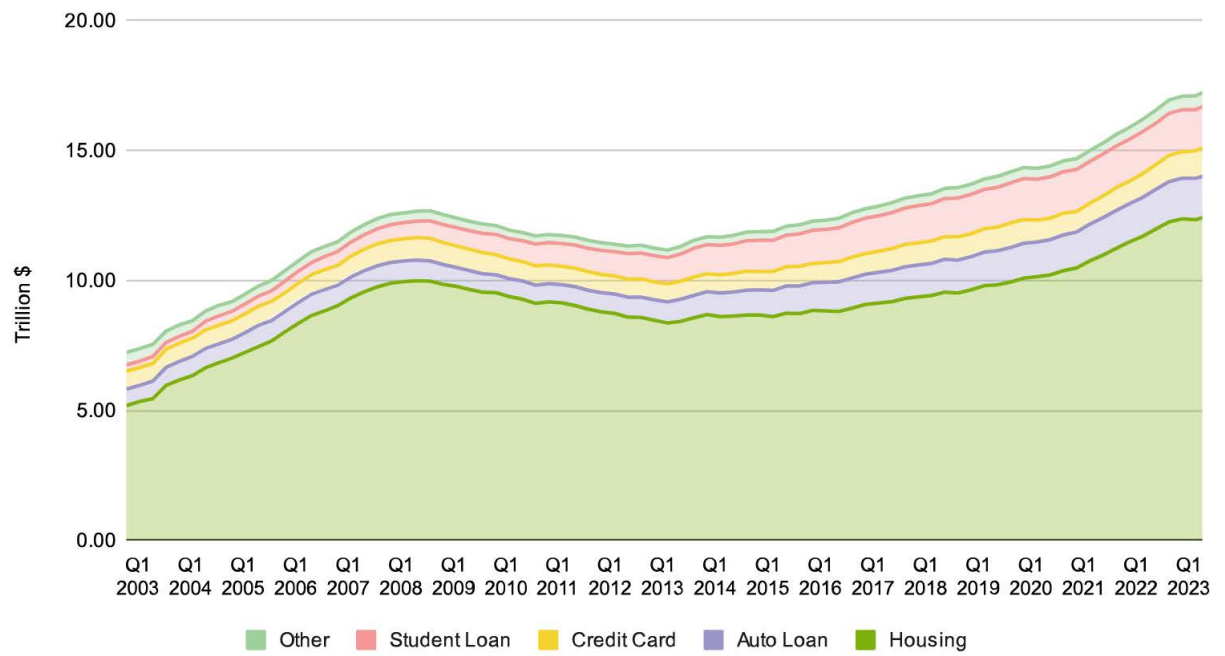
Consumer Spending Trends and Consideration

One of the determinants for Home Service businesses is the strength of consumers and their ability to spend on services to improve and maintain their homes. Households were able to rapidly accumulate savings during the pandemic, but are under considerably more stress recently as nearly all of the \$2.1 trillion in excess savings are depleted.⁵ Consumers are also holding record levels of credit card debt, mortgage debt, and auto-loan debt. At the same time, consumers are increasing the amount of money they bring home as Real Disposable Income (after inflation) has continued to rise throughout the year.

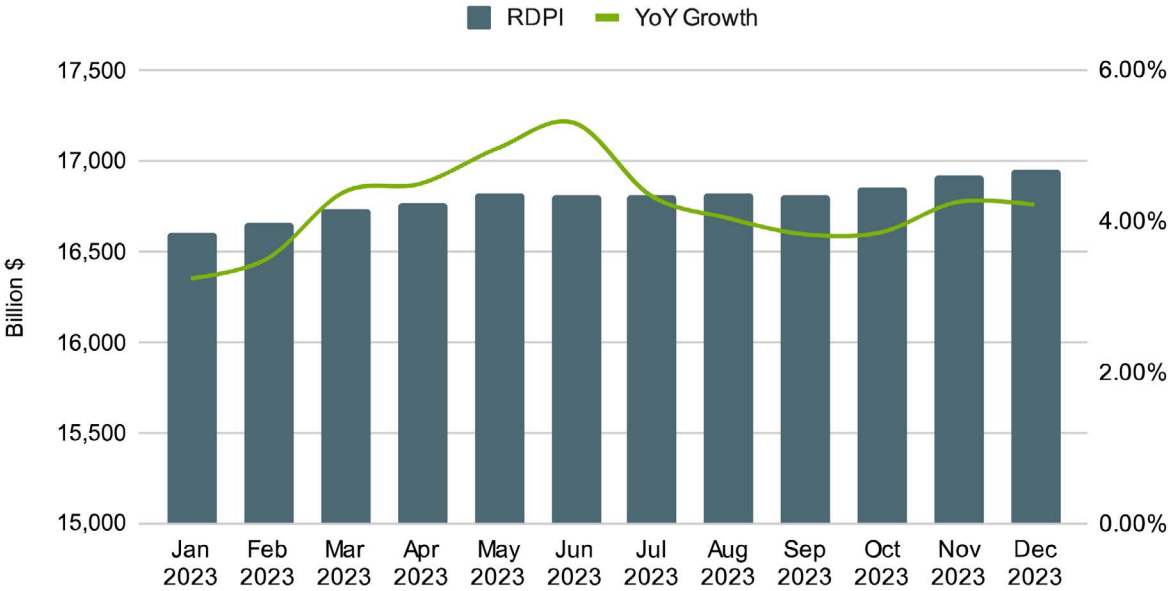
Total Debt Balance (Non-Housing vs. Housing)⁵



Total Debt Balance Category Breakdown³



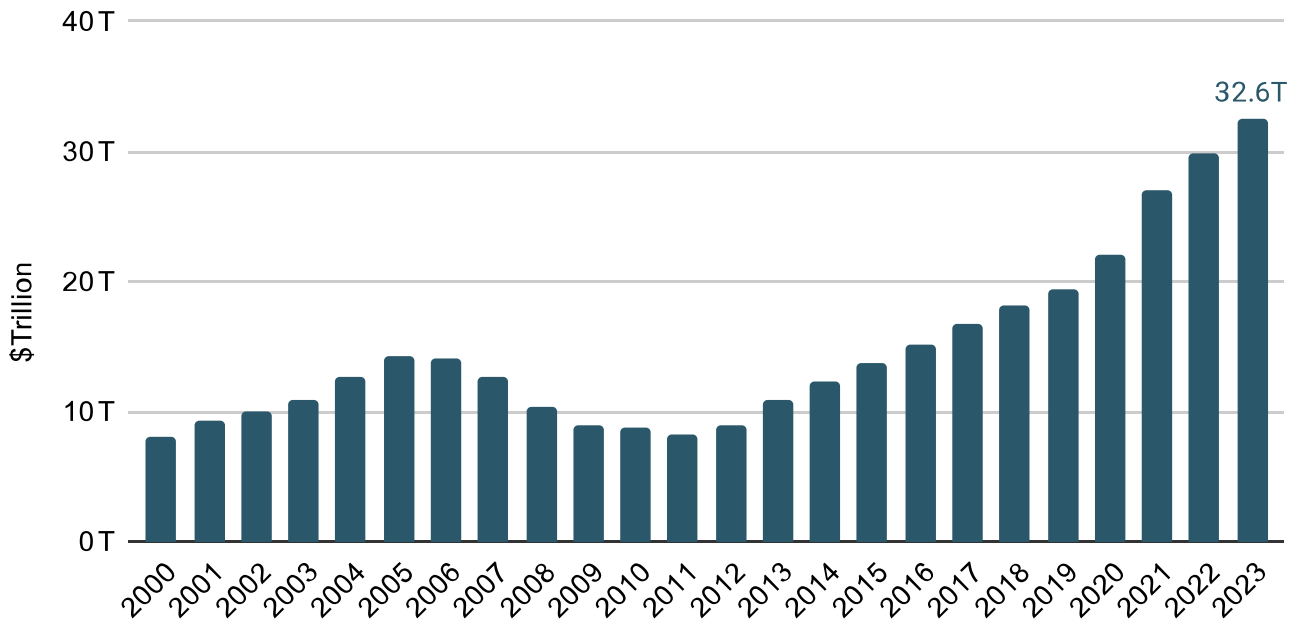
Real Disposable Income YoY⁷



Another consideration for Home Service businesses is the rate of inflation. The slowdown in inflation means businesses will find it harder to raise prices in 2024 and must look at additional ways to increase revenues. For instance, offering additional services beyond their core offerings. As well, the decrease in inflation and easing of supply chain pressures presents an opportunity for Home Service businesses to lower their own material costs by negotiating with suppliers or shopping around.

Home equity values are also at record highs worth over \$32 trillion. This, combined with the aging housing stock in the U.S., are strong drivers of home services as homeowners invest in maintaining or upgrading their home.⁶

Home Equity Values (\$Trillions)⁷



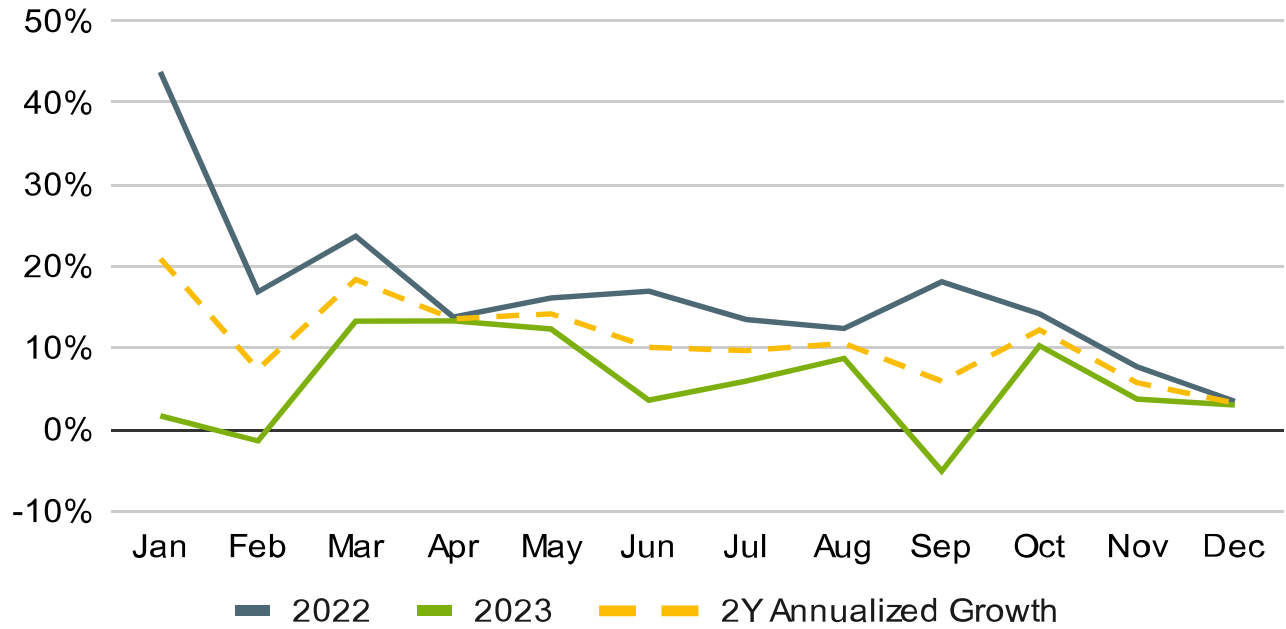
Home Service Category Performance

Green

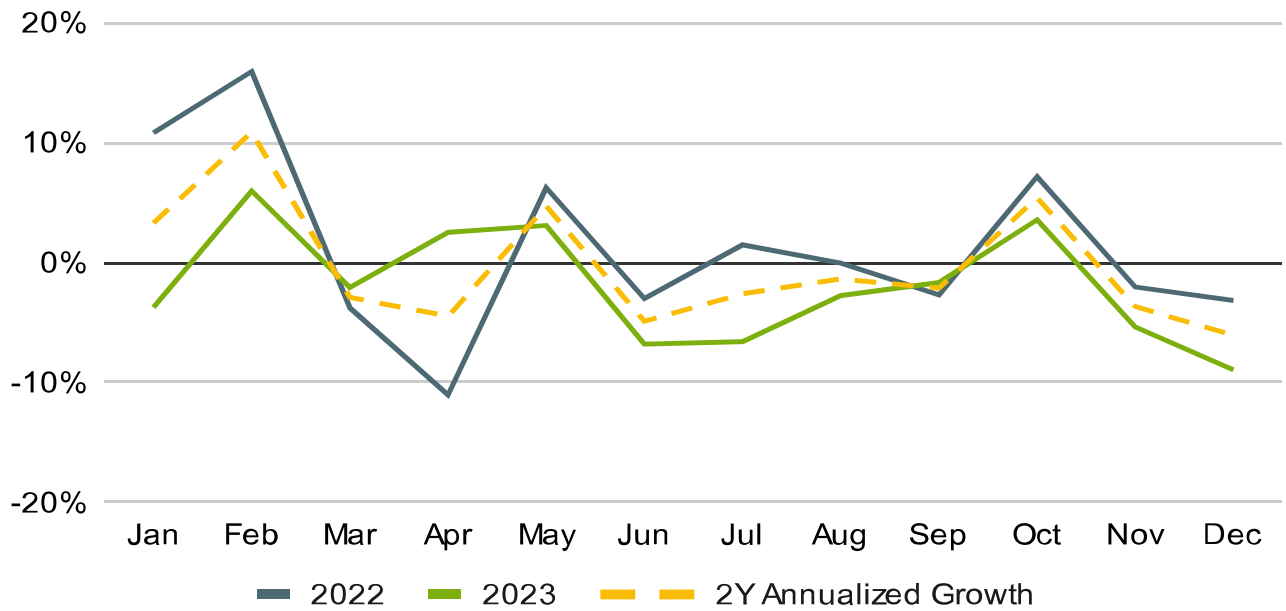
In 2023, the Green segment, encompassing lawn care, landscaping, and a range of associated outdoor services, demonstrated a remarkable capacity to maintain growth despite fluctuating market conditions. The median revenue year-over-year shows a pattern of stability and strength with revenues growing relative to last year 10 out of 12 months. Even more crucial is when analyzing the two-year annualized growth trajectory, the longer term view paints a picture of a sector that, regardless of short-term ebbs and flows, continues to grow incrementally.

This is despite the fact that new work scheduled, a precursor for revenue, has trended lower for Green businesses. Part of this decline may be a result of a cutback in demand, while some of it may be due to Green businesses taking on less work. Unemployment rates have stayed historically low and many industries are facing labor shortages.

Median Revenue YoY — Green

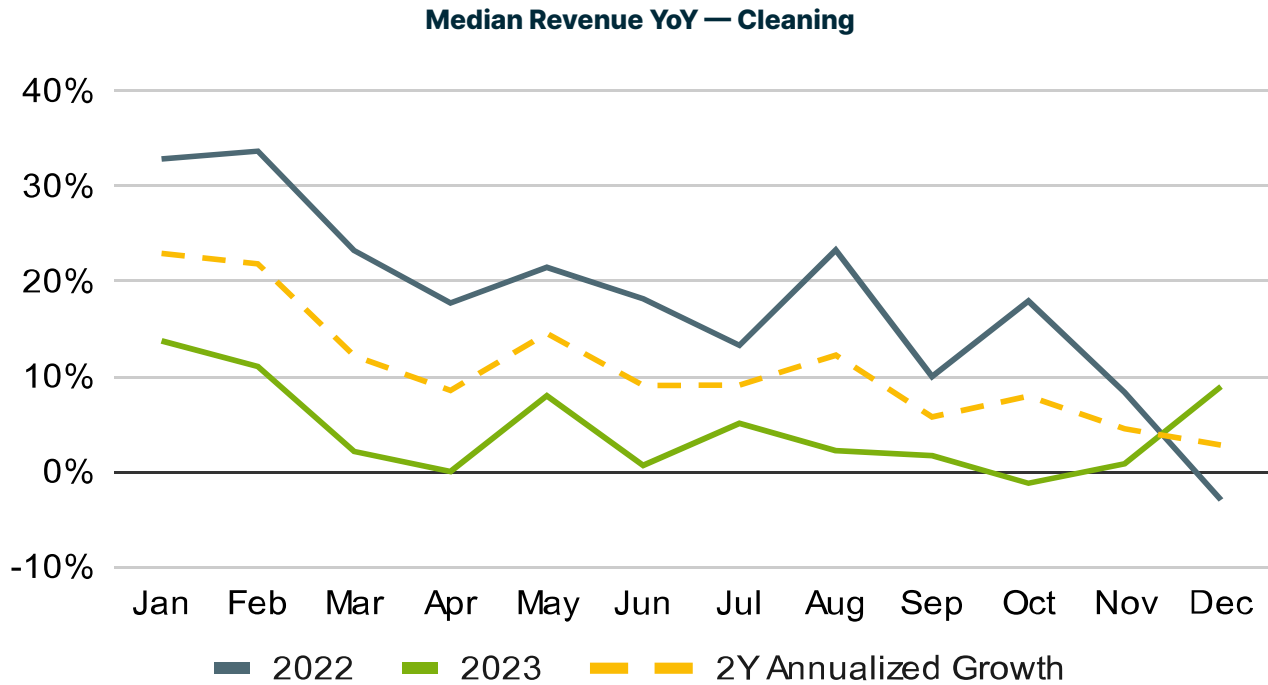


New Work Scheduled YoY — Green

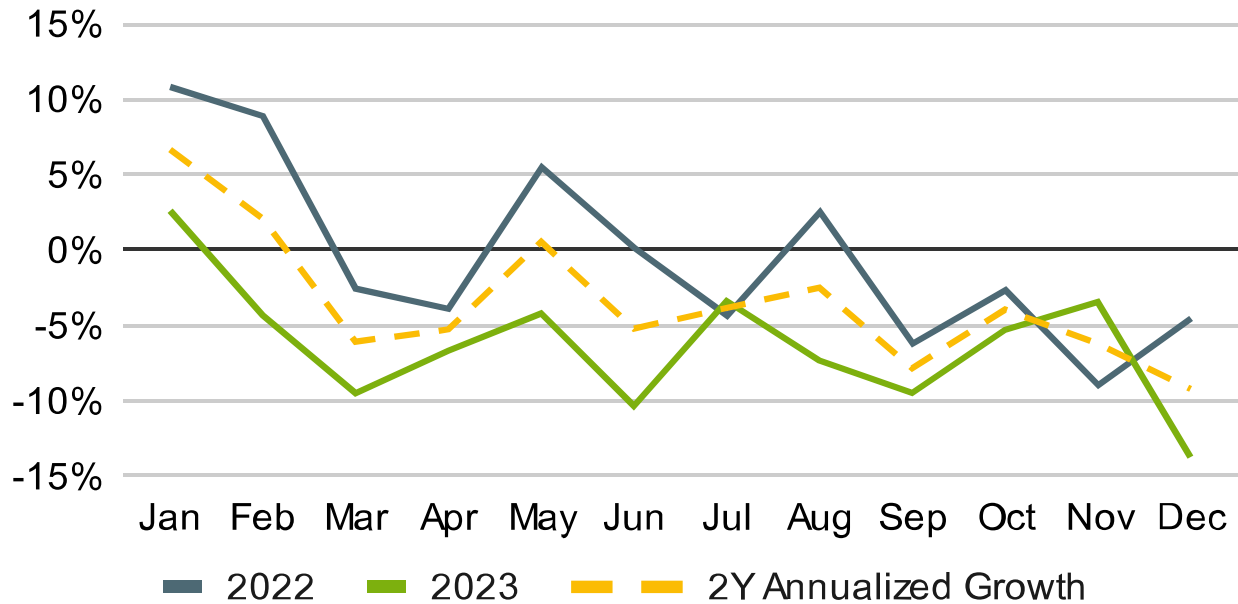


Cleaning

The Cleaning segment encapsulates residential and commercial cleaning, carpet cleaning, junk removal, and other similar services. The segment started the year with a slight uptick in new work being scheduled in January, but this was followed by declines throughout the rest of 2023. Despite the decline in new work, median revenue growth stayed positive. When looking at 2-year annualized growth, Cleaning businesses grew revenue by an average of 11% year-over-year from 2021 to 2023.



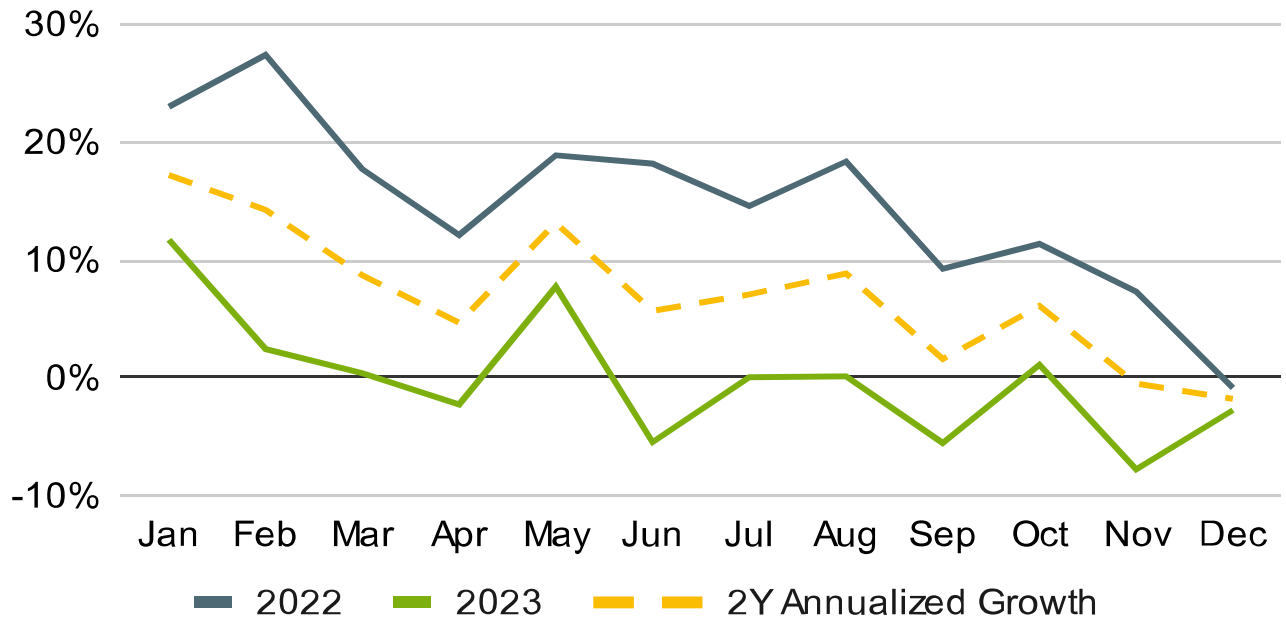
New Work Scheduled YoY — Cleaning



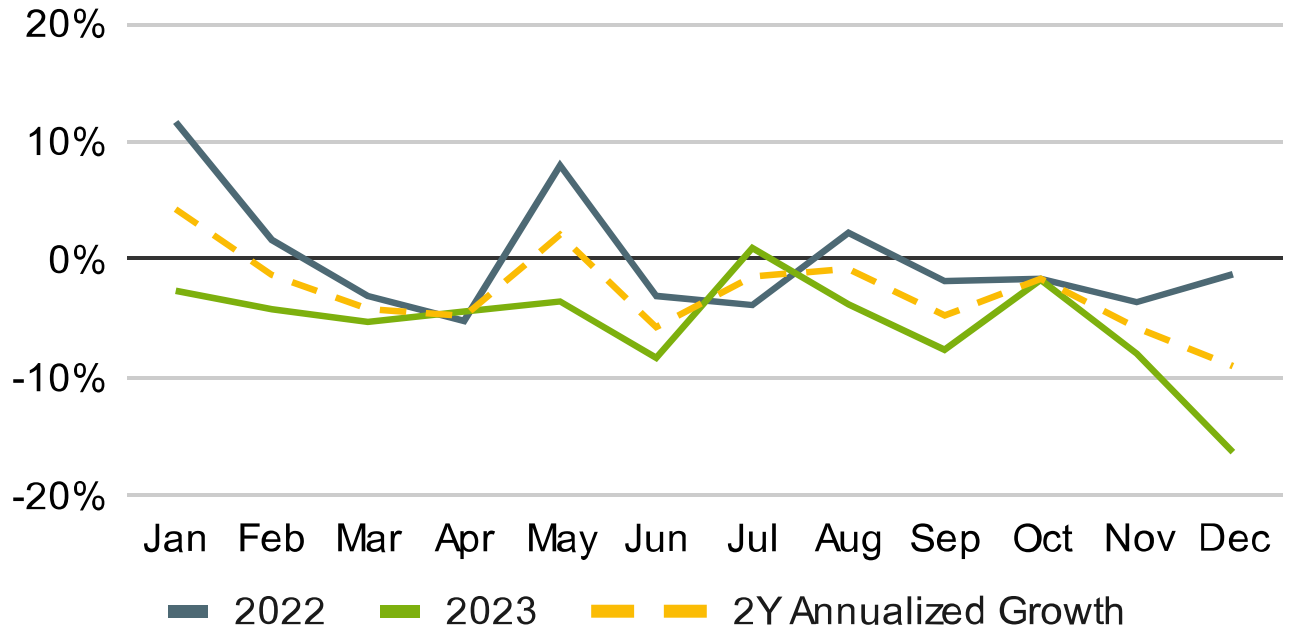
Contracting

The Contracting segment includes arborists, electricians, handymen, HVAC, plumbers and other non-construction contractor services. Much like the overall Home Service trend, the demand for Contracting services saw a decline between 5%-10% relative to last year. However, businesses in this segment were able to leverage increased pricing power, leading to flat revenue growth on a year-over-year basis and positive growth on a 2-year annualized basis.

Median Revenue YoY — Contracting



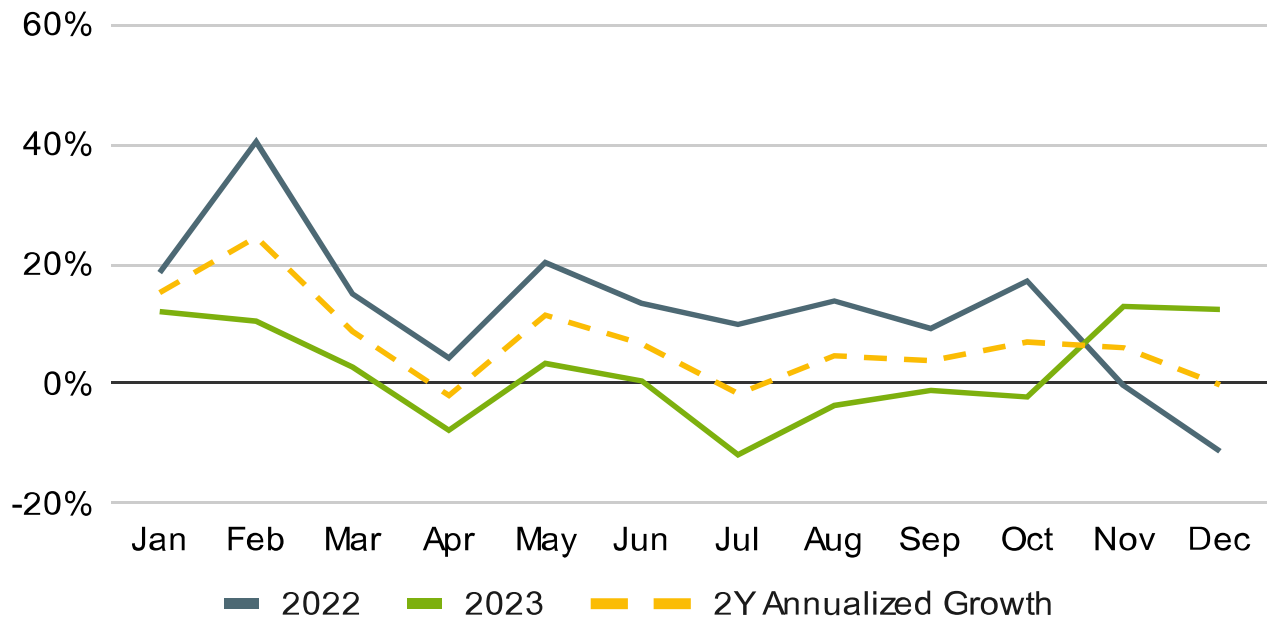
New Work Scheduled YoY — Contracting



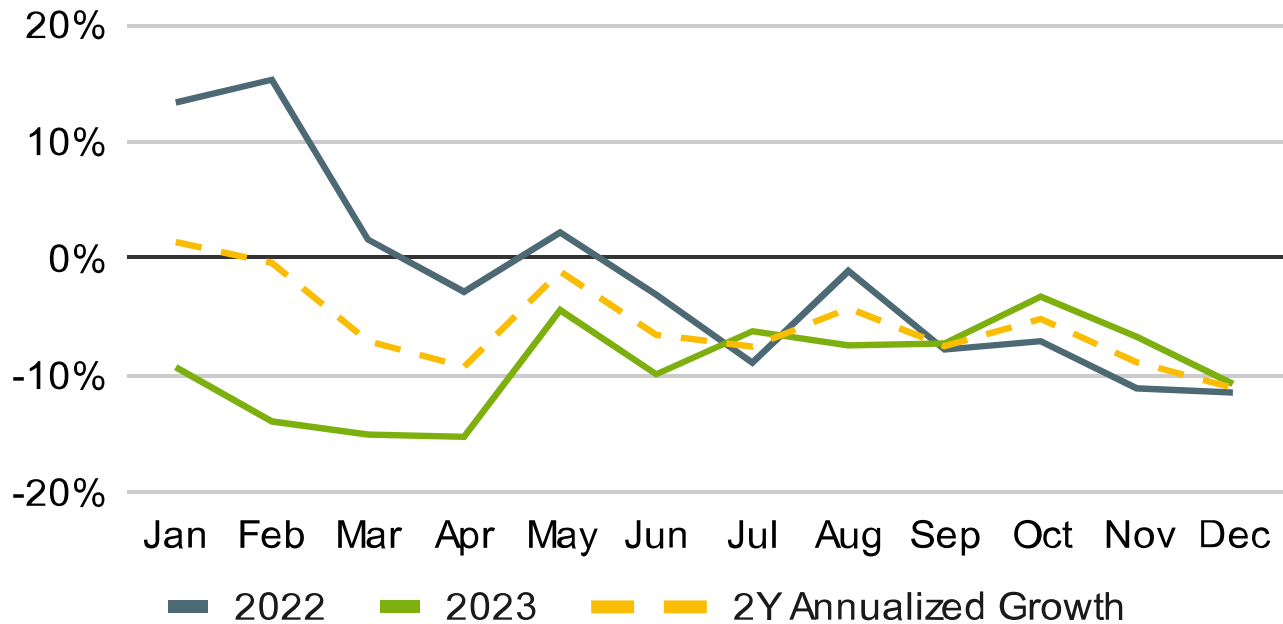
Construction

Construction services include businesses in residential and commercial construction, remodeling, and related industries. Construction businesses saw a 5-10% decrease in new work being scheduled throughout 2023 compared to the same period last year. Despite this, businesses were able to slightly grow revenues for the year. This was likely again driven by price inflation as businesses across the economy raised prices.

Median Revenue YoY — Construction



New Work Scheduled YoY — Construction

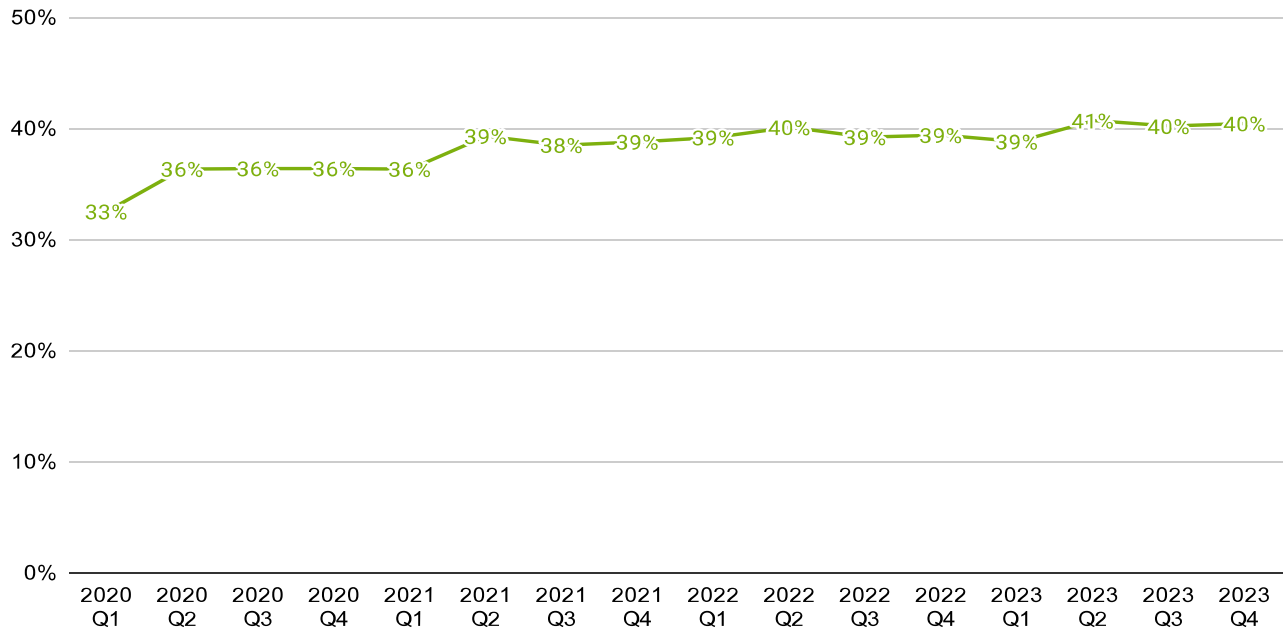


The Home Services category has shown a strong ability to bounce back, even when faced with changing customer needs. Businesses have been flexible, smartly adjusting their prices to keep their earnings growing, even when there's a dip in new jobs being booked. As we go into 2024, it will be interesting to watch how these patterns change and how companies keep finding new ways to succeed.

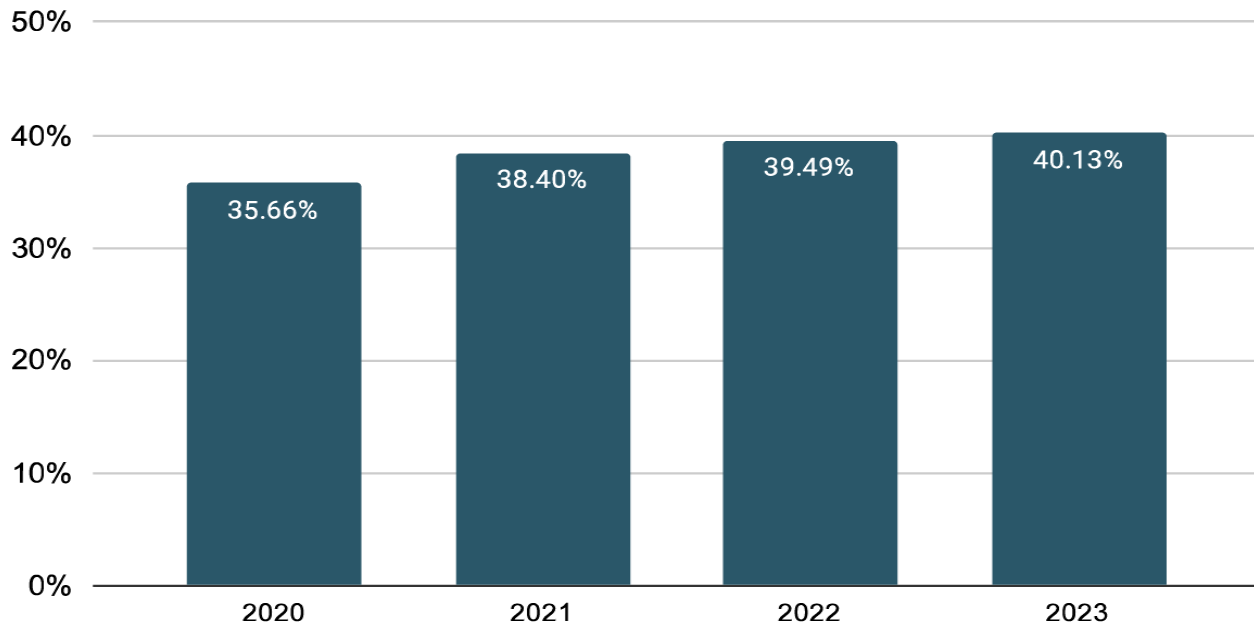
Continued Growth in Digital Payments

Digital payments as the preferred payment option continues to grow in popularity. Even as we move further and further away from the pandemic, it's evident that consumers are continuing to choose digital payments over cash and check. Our data shows that digital payments have consistently made up ~40% of all transactions with no signs that the trend is reversing.⁸

Digital Payments as % of Total Payments Collected (Quarter-over-Quarter)



Digital Payments as % of Total Payments Collected YoY



Future Outlook

As we look into 2024, we find ourselves at an inflection point where home service businesses may see challenges growing their business, but also opportunities to stand out.

As we illustrated in the report, homeowners amassed incredible wealth throughout the past few years and the amount of Real Disposable Income (after inflation) they take home has continued to rise throughout the year. While this may indicate increased spending power on home services, 2024 brings new challenges for service pros. The slowdown of inflation will impact their ability to increase prices overall and they will need to consider alternative ways to grow revenue and save on costs.

Despite these challenges, the long-term outlook for the Home Service category remains positive. Record-high home equity values coupled with an aging housing stock in the U.S., act as robust catalysts for homeowners to invest in home maintenance and upgrades. On the supply side, the increasing enrollment in trade schools, measured by both revenue and apprentice numbers, signifies a growing recognition of the value of a career in the trades.⁹



Stacey Fanagan
SEF The Lawn Surgeon  Henrico, VA

Methodology & Data Sources

[1] The small business data provided is sourced from the [FAQ](#) section of the U.S. Small Business Administration Office of Advocacy

[2] The Bloomberg Commodity Index (BCOM), which reflects commodity futures price movements on an excess return basis and reflects commodity, was sourced via [Yahoo! Finance](#).

[3] The Global Supply Chain Pressure Index (GSCPI) integrates a number of commonly used metrics with the aim of providing a comprehensive summary of potential supply chain disruptions. It's published by the [Federal Reserve Bank of New York](#) every month.

[4] The year-over-year change in median revenue, number of invoices and invoice sizes were calculated by aggregating data from a cohort of businesses using Jobber since January 2020. This doesn't include any new businesses that started using Jobber during that period.

[5] Household savings data was sourced from an article published by the [Federal Reserve Bank of San Francisco](#) on November 8, 2023.

[6] The aging housing stock were referenced from [this article](#) in Bloomberg published on November 27, 2023.

[7] The Home Equity Values (\$Trillion) chart is sourced from the [Federal Reserve Bank of St. Louis](#).

[8] Digital payment trend is calculated based on all businesses using Jobber prior to January 2021. This does include new businesses that started using Jobber during the period.

[9] Apprenticeship data comes from the Department of Labor. Specifically, [apprenticeship.gov](#) releases detailed apprenticeship data quarterly.

[10] GDP forecasts and the US economic condition was summarized from this report published by [The Conference Board](#).

© Jobber 2024. Sharing or republishing of this material in whole or in part must include a credit to Jobber.

For more information, please contact:

Elana Ziluk

Public Relations, Jobber

elana.z@getjobber.com

1-416-317-2633