

2022 Houzz State of the Industry

U.S. Residential Renovation & Design



Big Ideas

Confidence in 2022

The majority of residential construction and design companies surveyed¹ (71% to 77%) predict that 2022 will be a good or very good year. For the first time since 2018, architects have the most positive outlook, with nearly 4 in 5 expecting a good or very good year (77%). They're followed closely by general contractors (73%), design-build companies (73%), and specialty building and renovation firms (71%).

Hiring Is on the Rise

More residential renovation and design companies (18% to 34%) hired employees in 2021 than in 2020 (9% to 24%). Design-build firms were the most likely to hire in 2021 (34%), followed by general contractors, builders and remodelers (28%), and landscaping and outdoor firms (27%). The hiring trend is expected to continue across all industry groups in 2022, with 18% to 40% of firms expecting to add employees.

¹The Houzz State of the Industry study focuses on seven industry groups: architects, interior designers, general contractors (GCs)/remodelers/builders, design-build firms, building/renovation specialty firms, landscape/outdoor specialty firms and decorating specialty firms.

Higher Demand Anticipated

More companies across all seven industry groups (41% to 54%) believe that demand for their services will increase in 2022, rather than decrease (6% to 11%). Interior designers are the most confident that demand for their services will increase (54%).

Top Challenges: Price Volatility and Availability of Products and Materials

All industry groups cite price volatility of products and materials as one of their top challenges.

Availability of products and materials also is among the top challenges for 6 of the 7 industry groups. General contractors, design-build firms, and building and renovation specialists cite price volatility (47% to 55%) and availability of products and materials (37% to 40%) as the leading challenges they faced in 2021, followed unsurprisingly by an increased cost of doing business (28% to 35%). More than half of companies (53% to 72%) across the seven industry groups expect product and material costs to rise in 2022.






Revenue Growth Surpassed Expectations in 2021

Businesses reported the highest year-over-year revenue growth of the previous four years in 2021. Revenue growth rates were 9% to 12%, with 5 of the 7 industry groups reporting growth percentages in the double digits. For three-quarters of companies (71% to 77%) across all sectors, 2021 revenue growth was at or above their initial expectations. Businesses across all industry groups anticipate continued growth of 5% to 9% in 2022.

Labor Shortages Impact Cost

More companies across all industry groups expect labor availability to worsen this year than those who did in 2021 (41% to 55% in 2022 versus 34% to 45% in 2021). Construction businesses are particularly concerned. The percentages of general contractors, design-build companies, and building and renovation specialists expecting labor availability to worsen in 2022 have increased by 11, 10 and 11 points, respectively, compared with expectations a year ago. And as shortages affect the cost of labor, more companies across all seven industry groups (49% to 64%) expect labor costs to increase in 2022 compared with those who expected it a year ago (42% to 52%).

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2022 Outlook

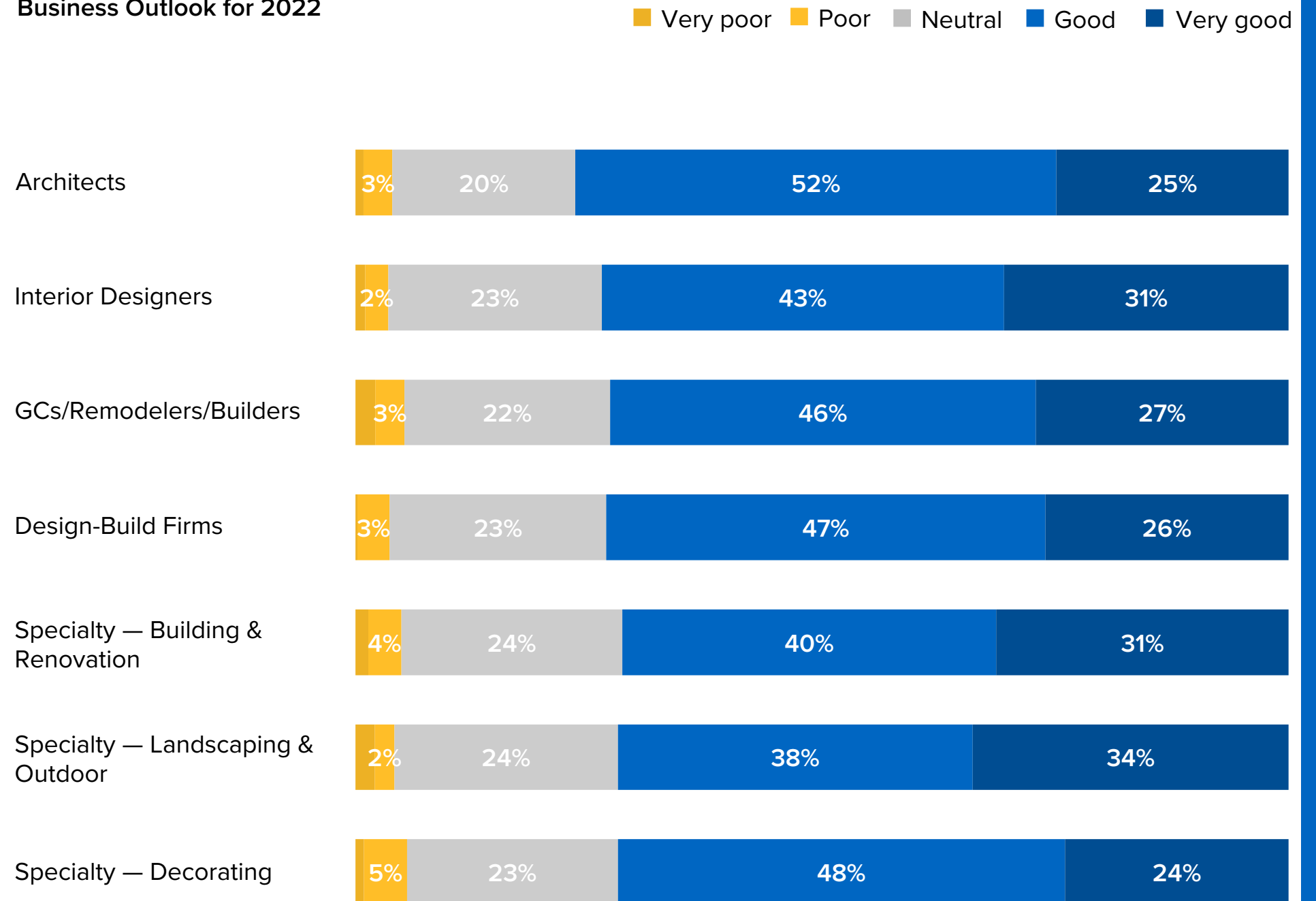


2022 Outlook: Overwhelmingly Positive

The majority of residential construction and design businesses have a positive outlook for 2022. More than 2 in 3 firms report expecting it to be a good or very good year for their business.

For the first time since 2018, architects have the most positive outlook, with nearly 4 in 5 (77%) expecting a good or very good year. General contractors (GCs) and design-build companies have the most optimistic outlook among residential construction firms, with 73% of each expecting a good or very good year, while 71% of specialty building and renovation firms expect the same.

Firms (%) Reporting Their Overall Business Outlook for 2022



Tempered Growth Predictions for 2022

Following the highest year-over-year revenue growth in the previous four years, businesses across all seven industry groups anticipate continued growth in 2022 (5.3% to 9%), albeit at a lower rate than in 2021 (7.3 to 12.9%).

Architects have the most conservative growth estimates (5.3%), while construction businesses (GCs, design-build companies, and building and renovation specialists) anticipate growth in the high single digits for 2022.

The actual average revenue growth in 2021 outpaced expectations across all seven industry groups except for building and renovation as well as decorating specialists.²

² See Appendix A for additional information on expected and actual revenue growth for 2021.

Expected Average Annual Rates of Revenue Growth, as Reported by Firms

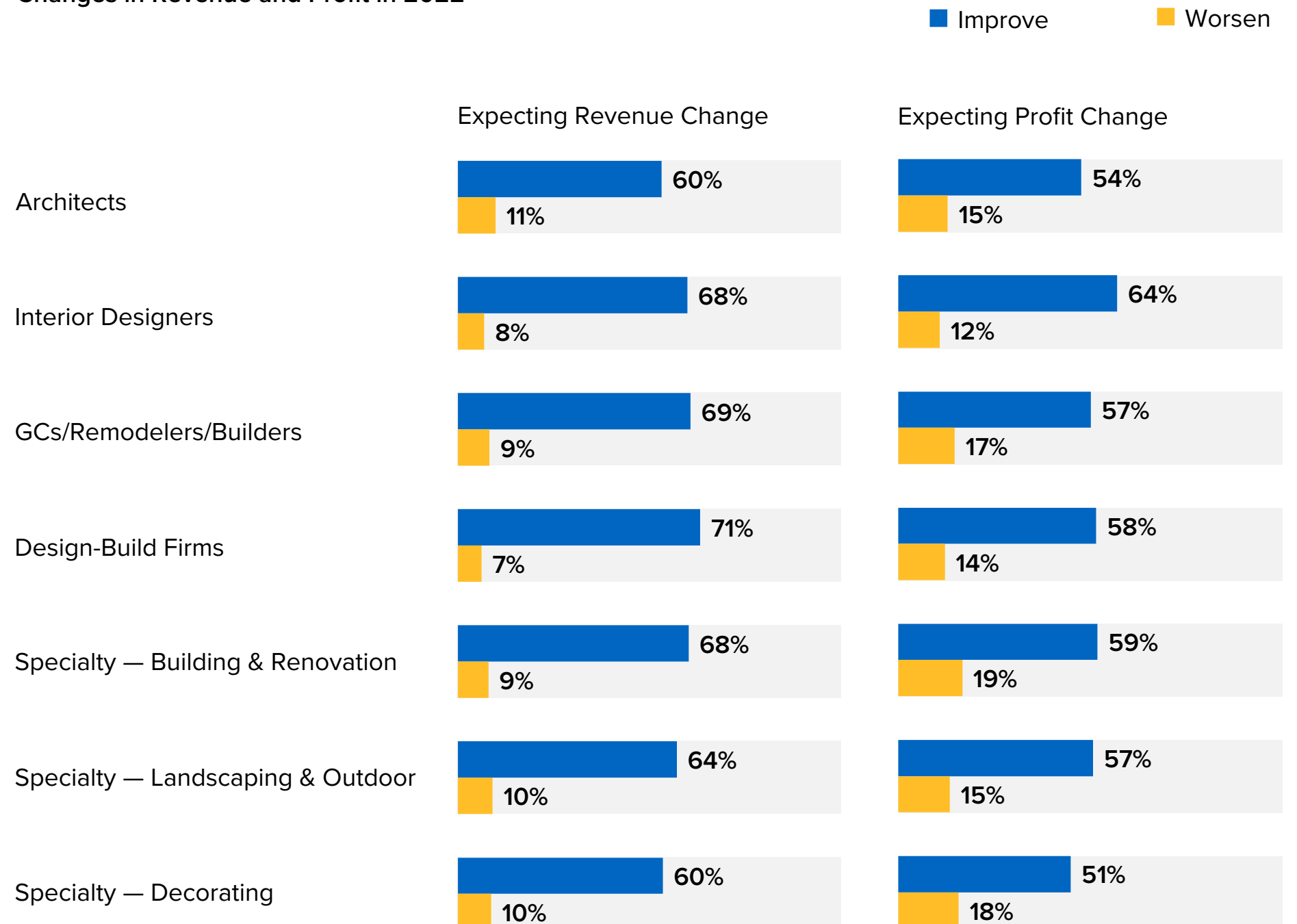
	2017E	2018E	2019E	2020E	2021E	2022E
Architects	6.9%	6.9%	5.1%	4.2%	7.3%	5.3%
Interior Designers	11.3%	11.1%	9.4%	8.2%	9.5%	8.1%
GCs/Remodelers/Builders	10.3%	10.5%	8.7%	7.6%	8.9%	8.8%
Design-Build Firms	10.5%	9.9%	8.4%	8.9%	9.7%	9.0%
Specialty — Building & Renovation	10.9%	10.9%	9.0%	8.5%	8.8%	8.6%
Specialty — Landscaping & Outdoor	10.0%	11.4%	8.2%	6.9%	8.3%	6.1%
Specialty — Decorating	11.6%	12.3%	9.1%	9.1%	12.9%	7.8%

Major Upswing Expected for Profit and Revenue

More businesses across all seven industry groups expect revenue and profit to increase than to decrease in 2022. Among those groups, 60% to 71% of firms expect revenue growth, while 51% to 64% expect profit growth. Despite this optimism, more companies expect profit to decline this year (ranging from 12% to 19% of firms) than those expecting a decline in 2021 (10% to 17%).

Across the seven industry groups, interior designers have the highest expectations for profit growth, with 64% predicting it, and have the lowest share predicting a decline (12%). Among construction businesses, slightly more building and renovation specialists (59%) expect profit growth than do GCs (57%) and design-build companies (58%).

Firms (%) Expecting Year-Over-Year Changes in Revenue and Profit in 2022

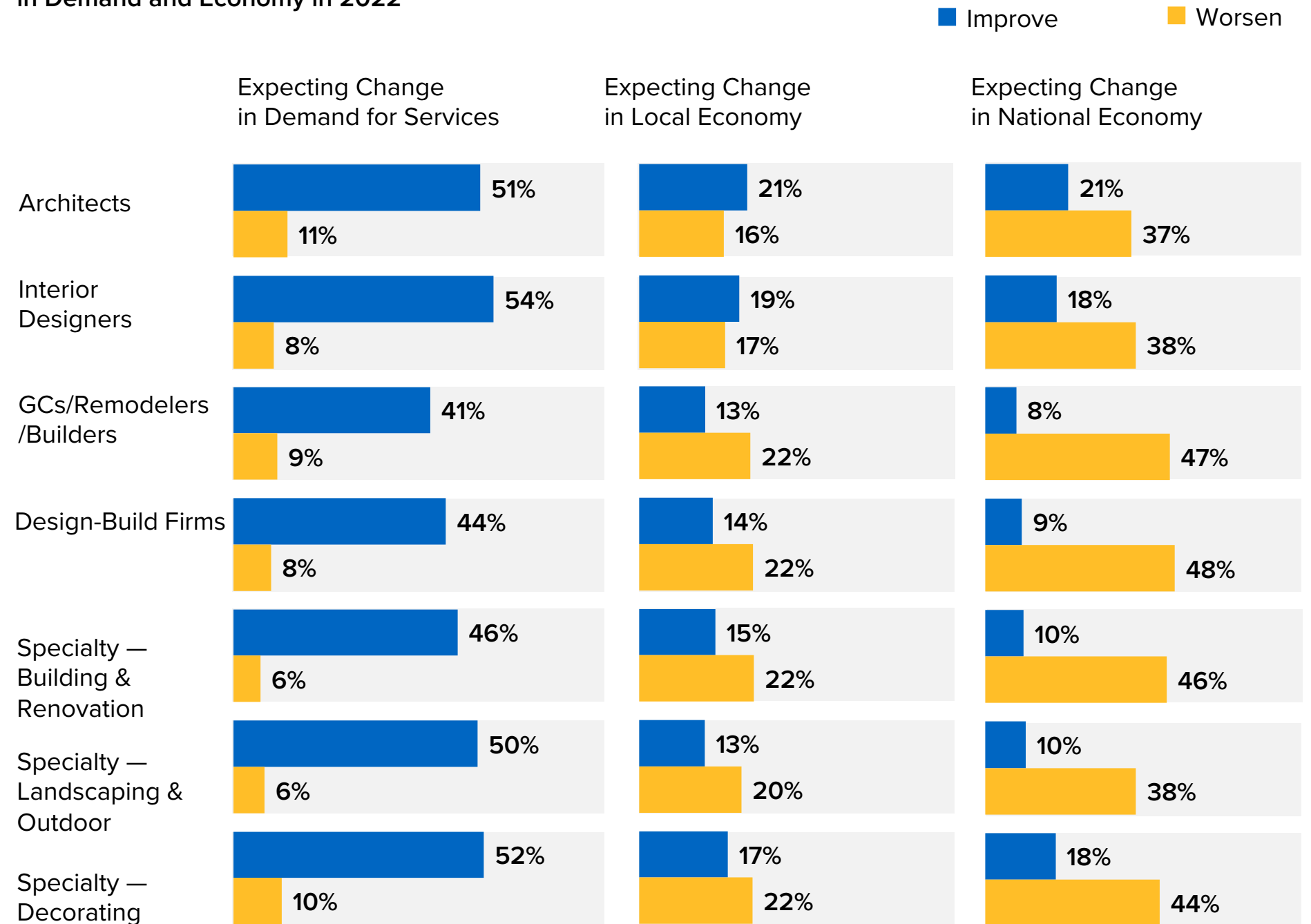


High Expectations for Demand for Services

While their optimism is more tempered than in 2021, more companies across all seven industry groups (41% to 54%) believe that demand for their services will increase in 2022, rather than decrease (6% to 11%).

For the first time since Houzz began tracking expectations among residential remodeling and design businesses, expectations that the national economy will decline (37% to 48%) have surpassed expectations that it will improve (8% to 21%). Sentiments for the local economy are fairly uniform, with the majority of businesses (61% to 67%) expecting no major changes in 2022.

Firms (%) Expecting Year-Over-Year Changes in Demand and Economy in 2022



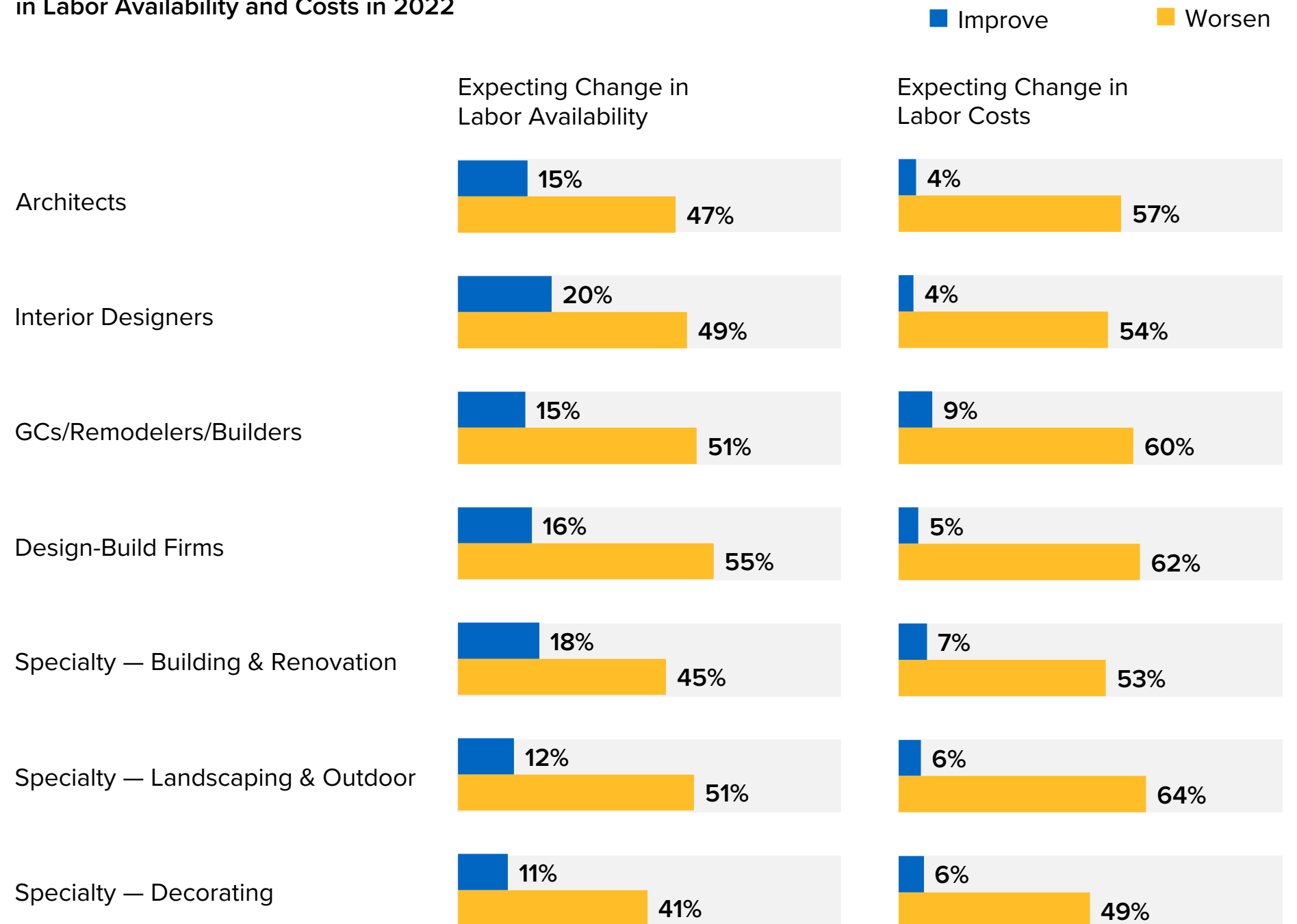
Labor Shortages Expected to Persist

More companies across all industry groups expect labor availability to worsen this year than expected it in 2021 (41% to 55% in 2022 versus 34% to 45% in 2021). As shortages affect the cost of labor, more companies across all seven industry groups (49% to 64%) also expect labor costs to increase in 2022 compared with those who expected it a year ago (42% to 52%).

The worsening outlook for labor shortages is especially pronounced among construction businesses. The percentages of GCs, design-build companies, and building and renovation specialists that expect labor availability to worsen in 2022 have increased by 11, 10 and 11 points, respectively, compared with expectations a year ago.³

³ See Appendix B for additional information on expected hiring in 2022.

Firms (%) Expecting Year-Over-Year Change in Labor Availability and Costs in 2022



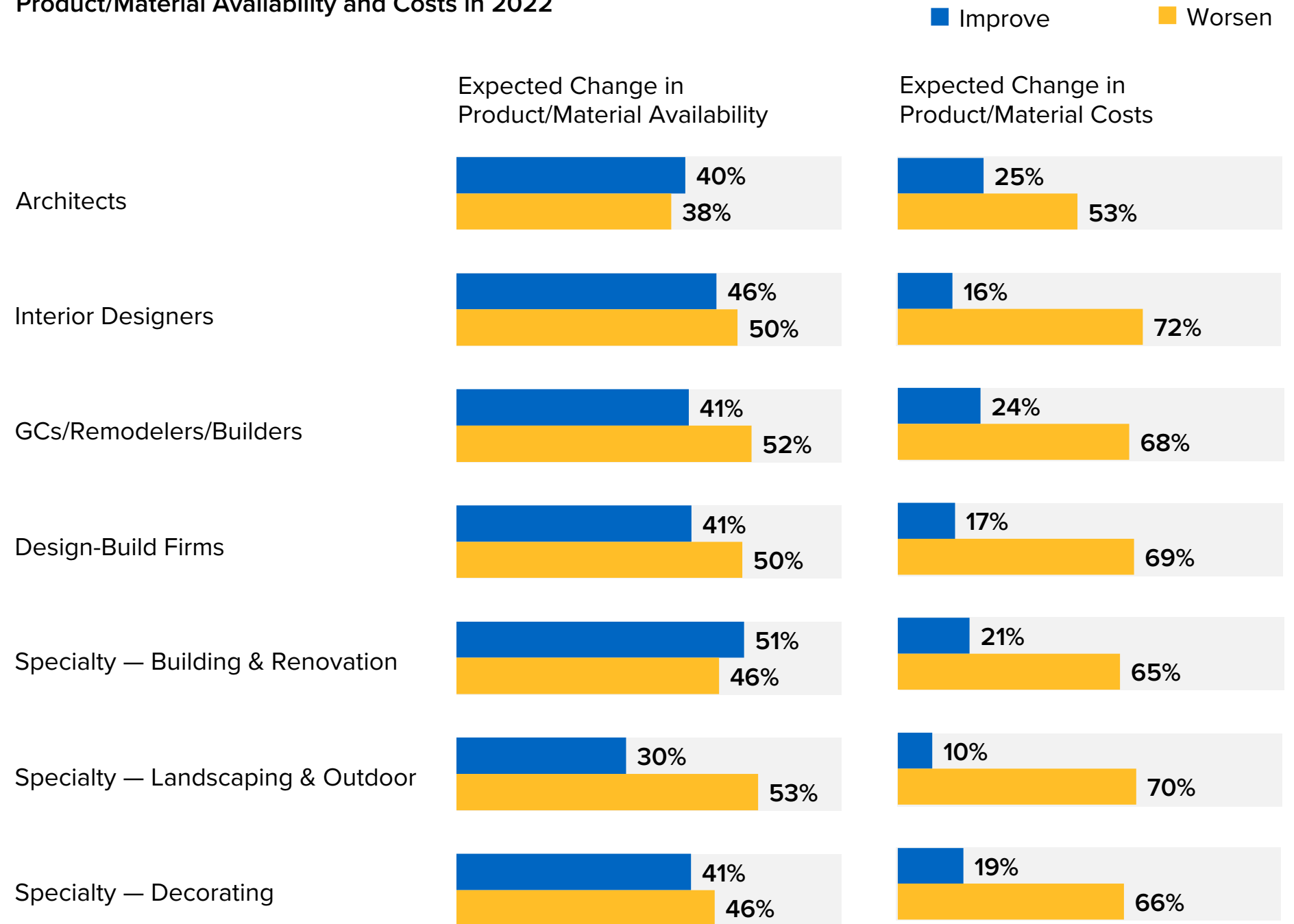
High Costs, Low Availability Predicted

More than half of companies across the seven industry groups expect product and material costs to rise in the coming year, and the percentages are higher than in 2021. For 2022, 53% to 72% are predicting these cost increases; in 2021, 57% to 69% expected them.

Expectations for product and material availability this year vary by industry. Five groups predict that availability will worsen (46% to 53%), while a large share of architects (40%) and building and renovation specialists (51%) are forecasting an improvement. Among the two latter groups, 38% and 46% of businesses, respectively, expect availability to worsen.⁴

⁴ See Appendix B for additional information on expected changes in the cost of doing business in 2022.

Firms (%) Expecting Year-Over-Year Change in Product/Material Availability and Costs in 2022



2021 in Focus



Revenue Growth Is at a 4-Year High

Average annual rates of revenue growth reached a four-year high in 2021 (8.6% to 11.9%). In fact, 5 out of 7 industry groups saw double-digit revenue growth in 2021. About 3 in 4 companies (71% to 77%) across all seven business groups report that 2021 revenue growth was at or above their expectations.⁵

Among residential design companies, revenue growth for both architects and interior designers significantly improved this year (10.3% in 2021 versus 1% in 2020 for architects, and 11.9% versus negative 0.5% for designers).

For GCs, design-build firms, and building and renovation specialists, revenue growth accelerated by more than 8 percentage points each (8.5, 8.8 and 8.3 percentage points, respectively) in 2021 compared with 2020.⁶

⁵ See Appendix D for additional information on revenue growth rate in 2021.
⁶ See Appendix C for additional information on revenue growth rates in 2021.

Average Annual Rate of Revenue Growth, as Reported by Firms

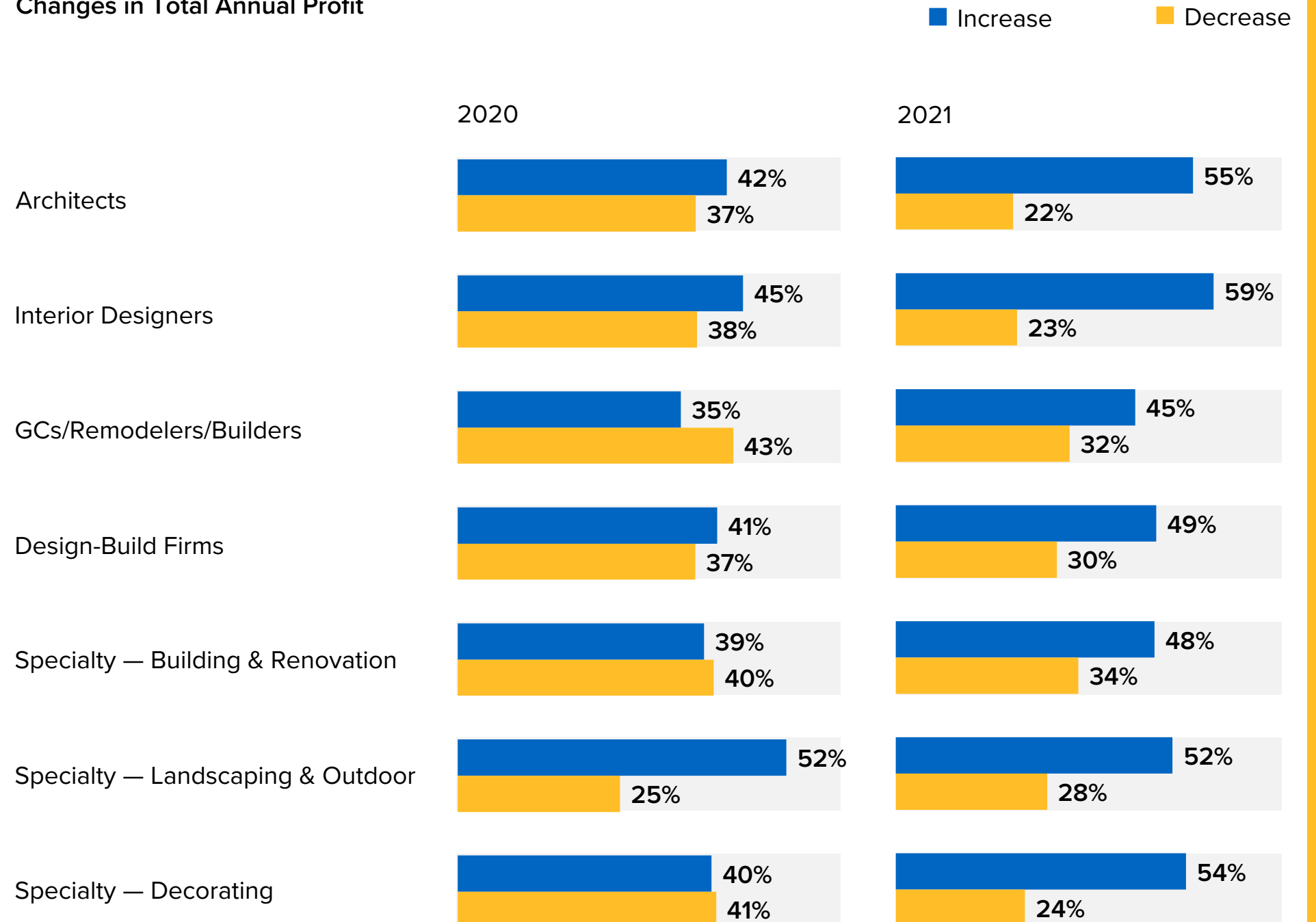
	2016	2017	2018	2019	2020	2021
Architects	6.7%	8.3%	5.6%	3.1%	1.0%	10.3%
Interior Designers	8.0%	7.4%	7.0%	5.1%	-0.5%	11.9%
GCs/Remodelers/Builders	9.1%	10.6%	7.3%	5.3%	0.5%	9.0%
Design-Build Firms	8.3%	11.3%	8.2%	5.7%	1.4%	10.2%
Specialty — Building & Renovation	9.5%	8.9%	6.5%	6.1%	0.3%	8.6%
Specialty — Landscaping & Outdoor	8.7%	9.0%	6.6%	5.7%	3.0%	10.0%
Specialty — Decorating	7.9%	7.2%	6.3%	5.0%	-2.9%	10.7%

More Widespread Profit Increases

Year-over-year profit increases were more widespread (45% to 59%) in 2021 than in 2020 (35% to 52%) for all seven industry groups. More than half (52%) of landscaping and outdoor specialists report that profits increased in 2021, in line with 2020's percentage.

The percentages of GCs, design-build firms, and building and renovation specialists reporting positive profit changes in 2021 increased by 10, 8 and 9 points, respectively, compared with 2020. Still, about 1 in 3 design-build companies and building and renovation firms (30% and 34%, respectively) saw profit decreases compared with the prior year.

Firms (%) Reporting Year-Over-Year Changes in Total Annual Profit



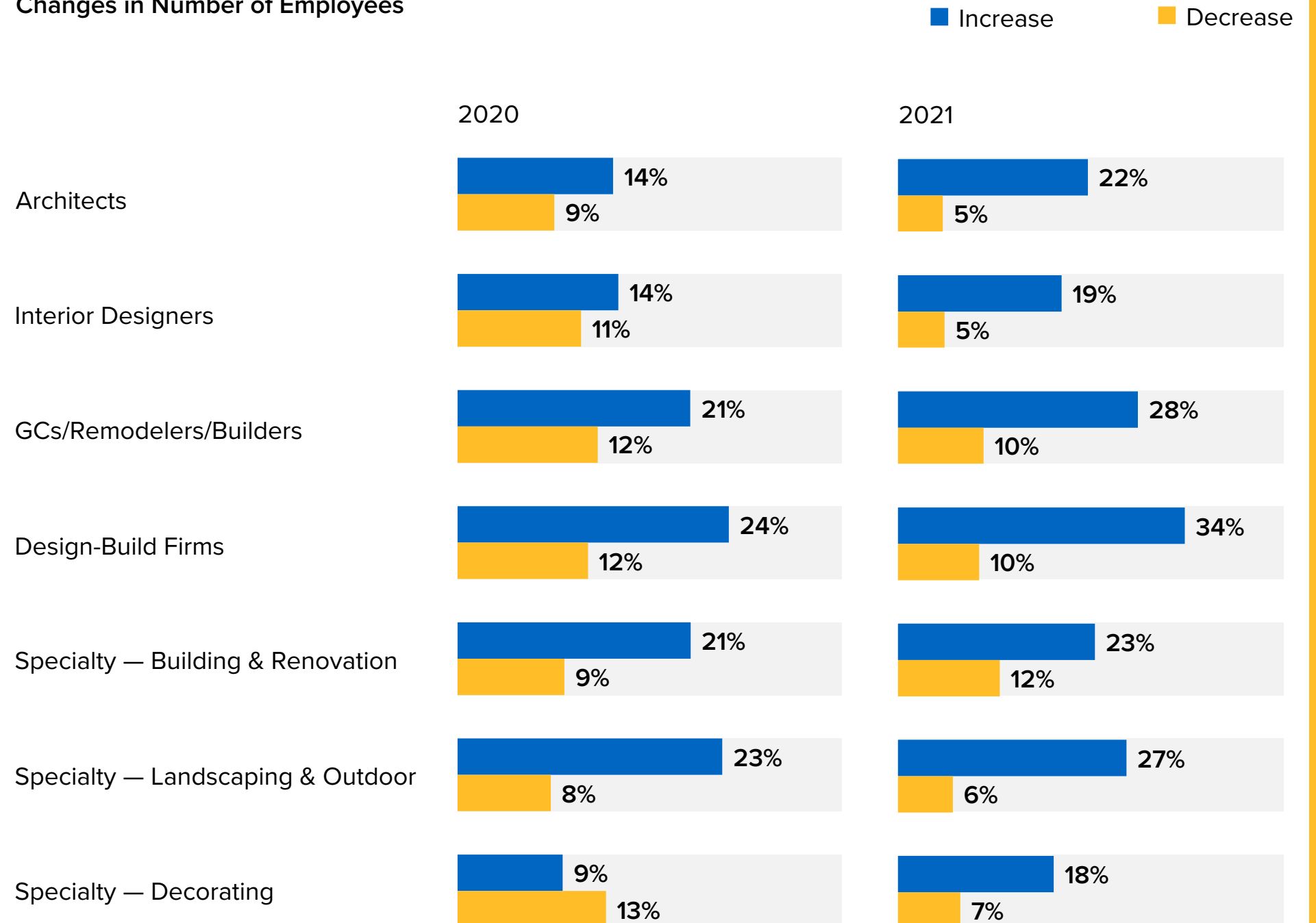
Hiring Is on the Rise

More residential renovation and design companies (18% to 34%) hired employees in 2021 than in 2020 (9% to 24%). Five out of 7 industry groups (design-build firms, decorating specialists, architects, GCs and interior designers) reported 5 or more percentage point increases (10, 9, 8, 7 and 5 points, respectively) in hiring in 2021, compared to 2020.

Even though more design-build firms increased the number of employees in 2021 than they did in 2020 (34% in 2021 compared with 24% in 2020), nearly 2 in 5 businesses expect to hire more staff in 2022.⁷

⁷ See Appendix B for additional information on expected changes in staffing in 2022.

Firms (%) Reporting Year-Over-Year Changes in Number of Employees

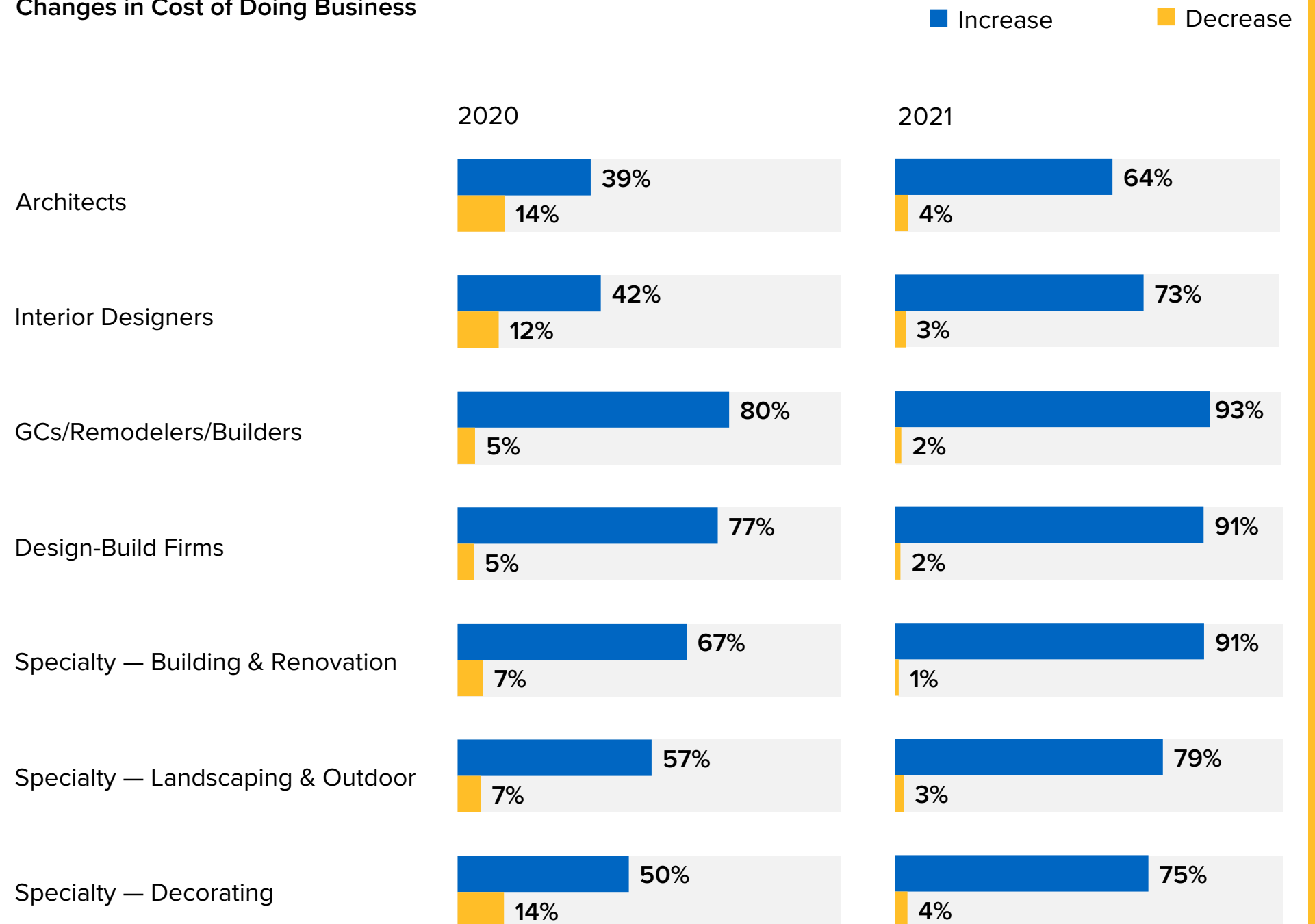


Cost of Doing Business Soared

The cost of doing business increased for an even greater share of businesses (64% to 93%) across the seven industry groups in 2021 compared with 2020 (39% to 80%).

An increase in the cost of doing business is especially pronounced for residential construction firms. More than 9 in 10 GCs, design-build firms, and building and renovation specialists report that it was more expensive to conduct business in 2021 compared with 2020.

Firms (%) Reporting Year-Over-Year Changes in Cost of Doing Business



Rising Material Costs Eroded Profits

While the mix of cost drivers remained largely unchanged in 2021 compared with previous years, the share of businesses citing product and material costs as a driver increased notably (ranging from 81% to 92% of companies). Subcontractor costs and employee wages/benefits were among the top three drivers of profit erosion for 6 of the 7 industry groups in 2021.

Firms (%) Reporting Top 3 Drivers of Increase in Cost of Doing Business in 2021*

	No. 1 Cost Driver	No. 2 Cost Driver	No. 3 Cost Driver
Architects	Employee wages or benefits costs (47%)	Software costs (40%; -5pp YOY)	Office equipment costs (30%)
Interior Designers	Product or material costs (81%; +18pp YOY)	Subcontractor costs (45%; +5pp YOY)	Employee wages or benefits costs (31%)
GCs/Remodelers/Builders	Product or material costs (92%; +5pp YOY)	Subcontractor costs (71%; +10pp YOY)	Employee wages or benefits costs (48%; +14pp YOY)
Design-Build Firms	Product or material costs (91%; +8pp YOY)	Subcontractor costs (71%; +9pp YOY)	Employee wages or benefits costs (46%; +7pp YOY)
Specialty — Building & Renovation	Product or material costs (92%; +10pp YOY)	Employee wages or benefits costs (47%)	Subcontractor costs (41%; +7pp YOY)
Specialty — Landscaping & Outdoor	Product or material costs (85%; +22pp YOY)	Employee wages or benefits costs (58%)	Subcontractor costs (38%)
Specialty — Decorating	Product or material costs (86%; +19pp YOY)	Subcontractor costs (40%; +15pp YOY)	Employee wages or benefits costs (27%)

* Table includes year-over-year changes of 5 or more percentage points.

Shortages and Price Volatility Pose Big Challenges

Price volatility of products and materials was among the top three challenges across all seven industry groups in 2021. Availability of products and materials was among the top challenges for 6 of the 7 industry groups.

Challenges for architects in 2021 included managing the workload, keeping up with price changes and managing customer expectations (cited by 41%, 31% and 25% of respondents, respectively).

GCs, design-build firms, and building and renovation specialists cite price volatility (47% to 55%) and availability of products and materials as the top two challenges they faced in 2021. It's no surprise, then, that an increased cost of doing business is the No. 3 challenge these three groups faced in 2021.⁸

⁸ See Appendix H for additional information on business challenges in 2021.

* Due to the addition of three new survey options for challenges this year, year-over-year comparisons cannot be provided.

Firms (%) Reporting Top 3 Business Challenges in 2021*

	No. 1 Challenge	No. 2 Challenge	No. 3 Challenge
Architects	Managing the current workload (41%)	Price volatility of products and materials (31%)	Managing consumer expectations (25%)
Interior Designers	Availability of products and materials (45%)	Shortage of subcontractors (34%)	Price volatility of products and materials (32%)
GCs/Remodelers/Builders	Price volatility of products and materials (55%)	Availability of products and materials (37%)	Increased cost of doing business (35%)
Design-Build Firms	Price volatility of products and materials (48%)	Availability of products and materials (40%)	Increased cost of doing business (28%)
Specialty — Building & Renovation	Price volatility of products and materials (47%)	Availability of products and materials (37%)	Increased cost of doing business (32%)
Specialty — Landscaping & Outdoor	Price volatility of products and materials (36%)	Difficulty hiring/being understaffed (30%)	Availability of products and materials (28%)
Specialty — Decorating	Availability of products and materials (37%)	Price volatility of products and materials (34%)	Restrictions related to COVID-19 (24%)

2021 Business Characteristics



Residential Services in Focus

Projects for existing homes account for the largest share of 2021 annual gross revenue (49% to 74%) for all firms surveyed. The share of gross revenue from commercial services (7% to 16%) remained mostly unchanged in 2021 compared with 2020 (7% to 17%).

Firms (%) Reporting Average Share of 2021 Gross Revenue From Residential vs. Commercial Services

	Residential Services			Commercial Services
	Existing Homes	New Custom Homes	New For-Sale Homes	
Architects	49%	30%	4%	16%
Interior Designers	74%	15%	4%	7%
GCs/Remodelers/Builders	60%	21%	7%	12%
Design-Build Firms	70%	18%	5%	7%
Specialty — Building & Renovation	70%	11%	5%	14%
Specialty — Landscaping & Outdoor	70%	12%	6%	12%
Specialty — Decorating	65%	13%	8%	14%

Project Activity Increases

Despite product and material shortages, price volatility and the increased cost of doing business, a large share of firms (25% to 60%) across all seven industry groups worked on 30 or more projects in 2021, compared with 16% to 58% who did so in 2020.

Firms (%) Reporting Total Number of Projects and Projects From Online Inquiries in 2021

	Number of Projects			Number of Projects From Online Inquiries		
	<10	10-29	30+	<10	10-29	30+
Architects	21%	46%	32%	79%	16%	5%
Interior Designers	30%	45%	25%	76%	20%	4%
GCs/Remodelers/ Builders	30%	38%	32%	73%	17%	9%
Design-Build Firms	22%	44%	34%	67%	23%	10%
Specialty — Building & Renovation	9%	31%	60%	53%	22%	25%
Specialty — Landscaping & Outdoor	17%	35%	48%	55%	22%	23%
Specialty — Decorating	22%	28%	50%	62%	16%	22%

Midsize Project Revenue Grows

More companies across all seven industry groups (36% to 91%) earned \$10,000 or more in gross revenue for a typical midsize project in 2021 versus 2020 (34% to 87%).

More GCs and design-build firms also earned \$50,000-plus in gross revenue per midsize project in 2021 (61% and 66%, respectively, versus 50% and 57% in 2020), as well as earned \$10,000 or more in gross profit per midsize project (60% and 63% in 2021, respectively, versus 53% and 58% in 2020).

Firms (%) Reporting Gross Revenue and Gross Profit From a Typical Midsize Project in 2021

	Midsize Project Gross Revenue			Midsize Project Gross Profit		
	<\$10K	\$10K-\$50K	>\$50K	<\$5K	\$5K-\$10K	>\$10K
Architects	32%	38%	30%	34%	25%	41%
Interior Designers	28%	33%	38%	31%	21%	48%
GCs/Remodelers/ Builders	15%	24%	61%	24%	16%	60%
Design-Build Firms	10%	25%	66%	17%	19%	63%
Specialty — Building & Renovation	43%	37%	20%	54%	21%	24%
Specialty — Landscaping & Outdoor	40%	29%	31%	43%	24%	33%
Specialty — Decorating	65%	16%	20%	65%	10%	25%

Annual Gross Revenue Increases

Compared with 2020, the share of companies reporting \$3 million or more in annual gross revenue increased for 5 of the 7 industry groups in 2021; the share of architects remained the same and declined among the decorating specialists.

GCs and design-build companies were the most likely industry groups to meet or exceed \$3 million in gross revenue (23% and 25%, respectively) and to have five or more employees (37% and 41%, respectively).⁹

⁹ See Appendix F for additional information on number of employees in 2021.

Firms (%) Reporting Annual Gross Revenue in 2020 and 2021

	2020			2021		
	<\$500K	\$500K-\$2.9M	\$3M+	<\$500K	\$500K-\$2.9M	\$3M+
Architects	79%	20%	1%	76%	23%	1%
Interior Designers	80%	17%	4%	68%	27%	5%
GCs/Remodelers/ Builders	44%	40%	16%	27%	50%	23%
Design-Build Firms	34%	45%	21%	29%	46%	25%
Specialty — Building & Renovation	49%	40%	10%	54%	32%	13%
Specialty — Landscaping & Outdoor	58%	34%	7%	59%	29%	12%
Specialty — Decorating	76%	16%	8%	69%	27%	4%

Methodology

The Houzz U.S. State of the Industry study is conducted annually and represents views of companies on Houzz that offer services primarily related to residential renovation and/or design. The study was fielded December 30, 2021, to January 26, 2022. N = 2,805 (463 architects, 499 interior designers, 525 general contractors/remodelers/builders, 511 design-build firms, 381 building/renovation specialty firms,¹⁰ 197 landscape/outdoor specialty firms,¹¹ and 229 decorating specialty firms¹²).

¹⁰ Building/renovation specialty firms include replacement contractors (e.g., carpenters) and product installers/manufacturers/resellers (e.g., of cabinetry).

¹¹ Landscape/outdoor specialty firms include landscape architects, designers and contractors; outdoor replacement trades (e.g., pavers); and outdoor product installers/manufacturers/resellers (e.g., of pools and spas).

¹² Decorating specialty firms include interior decorators and providers of window coverings, furniture, accessories, lighting, upholstery and other decorating-related products.



Appendixes



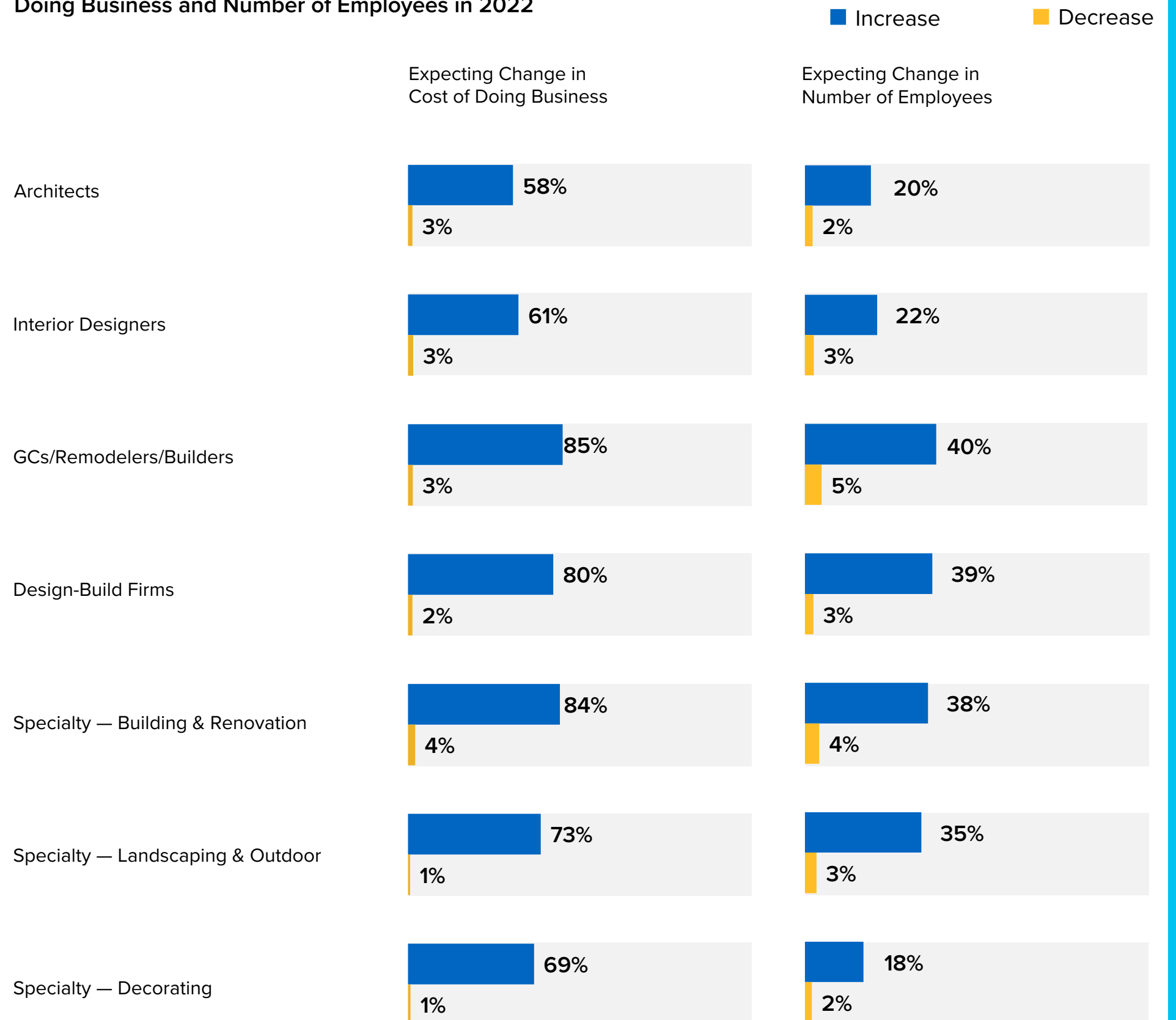
A. Average Expected Revenue Growth Relative to Actual for 2017 to 2022

Average Expected Annual Rate of Revenue Growth Relative to Actual, as Reported by Firms

	Expected 2017 Actual 2017	Expected 2018 Actual 2018	Expected 2019 Actual 2019	Expected 2020 Actual 2020	Expected 2021 Actual 2021	Expected 2022 Actual 2022
Architects	6.9% 8.3%	6.9% 5.6%	5.1% 3.1%	4.2% 1.0%	7.3% 10.3%	5.3% N/A
Interior Designers	11.3% 7.4%	11.1% 7.0%	9.4% 5.1%	8.2% -0.5%	9.5% 11.9%	8.1% N/A
GCs/Remodelers/Builders	10.3% 10.6%	10.5% 7.3%	8.7% 5.3%	7.6% 5.3%	8.9% 9.0%	8.8% N/A
Design-Build Firms	10.5% 11.3%	9.9% 8.2%	8.4% 5.7%	8.9% 0.5%	9.7% 10.2%	9.0% N/A
Specialty — Building & Renovation	10.9% 8.9%	10.9% 6.5%	9.0% 6.1%	8.5% 0.3%	8.8% 8.6%	8.6% N/A
Specialty — Landscaping & Outdoor	10.0% 9.0%	11.4% 6.6%	8.2% 5.7%	6.9% 3.0%	8.3% 10.0%	6.1% N/A
Specialty — Decorating	11.6% 7.2%	12.3% 6.3%	9.1% 5.0%	9.1% -2.9%	12.9% 10.7%	7.8% N/A

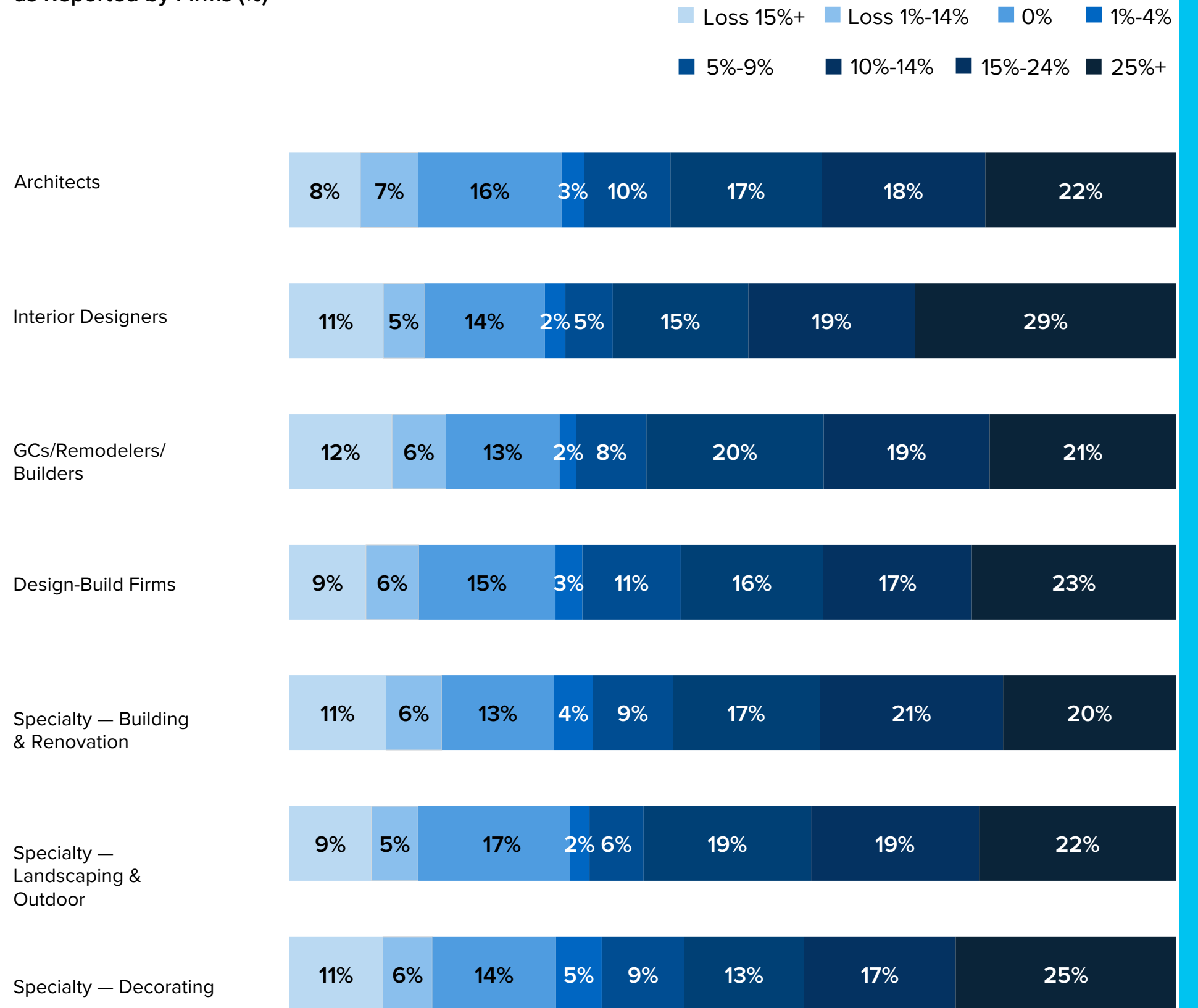
B. Expected Changes in Costs and Staffing in 2022

Firms (%) Reporting Expected Increase or Decrease in Cost of Doing Business and Number of Employees in 2022



C. 2021 Revenue Growth Breakdown

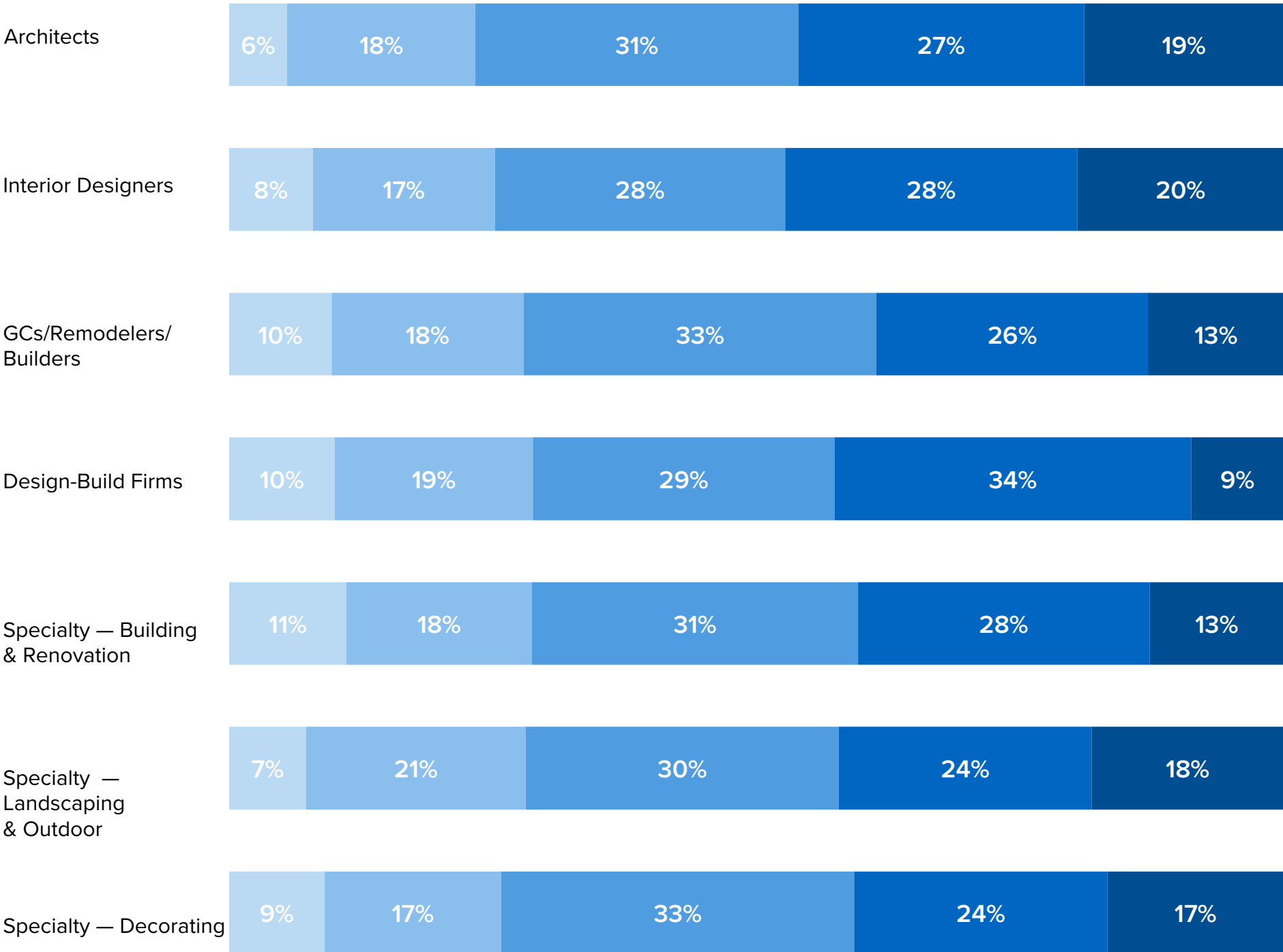
Annual Rate of Revenue Growth in 2021, as Reported by Firms (%)



D. Revenue in 2021 Relative to Expectations

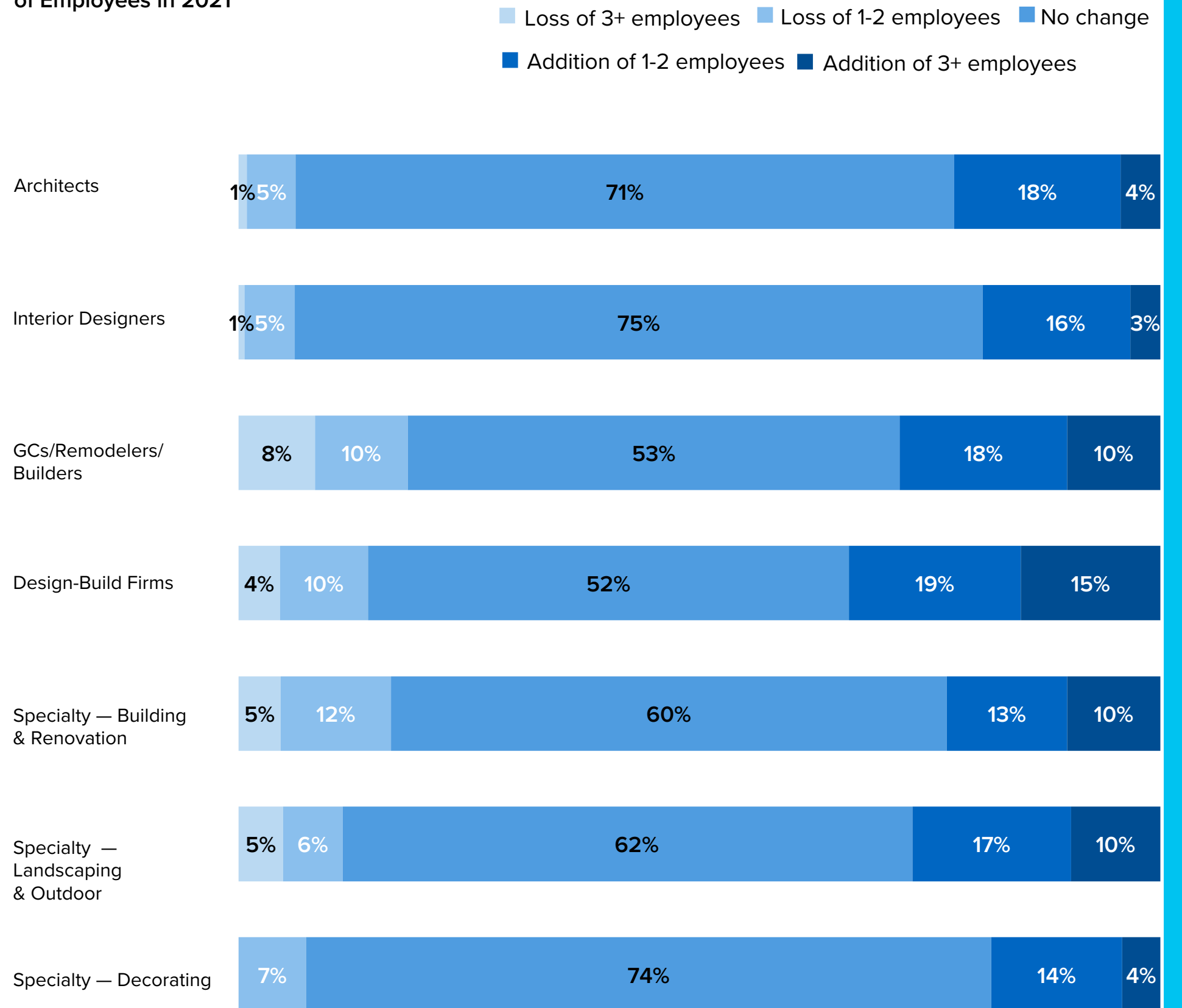
Firms (%) Reporting Revenue Below, at or Above Expectations in 2021

- Significantly below
- Somewhat below
- At
- Somewhat above
- Significantly above



E. Changes in Staff in 2021

Firms (%) Reporting Change in Number of Employees in 2021



F. Number of Employees in 2021

Firms (%) Reporting Number of Employees in 2021

	Number of Employees		
	None	1-4	5+
Architects	33%	51%	15%
Interior Designers	41%	50%	10%
GCs/Remodelers/ Builders	19%	44%	37%
Design-Build Firms	20%	39%	41%
Specialty — Building & Renovation	19%	46%	36%
Specialty — Landscaping & Outdoor	30%	41%	29%
Specialty — Decorating	40%	48%	12%

G. Cost Drivers in 2021

Firms (%) Reporting Drivers for Increase in Cost of Doing Business in 2021 (Limit 3)

	Architects	Interior Designers	GCs/ Remodelers/ Builders	Design-Build Firms	Specialty — Building & Renovation	Specialty — Landscaping & Outdoor	Specialty — Decorating
Advertising/ marketing costs	22%	22%	7%	10%	12%	15%	19%
Business insurance costs	23%	8%	18%	14%	25%	25%	12%
Employee wages or benefits costs	47%	31%	48%	46%	47%	58%	27%
Legal/accounting fees	14%	8%	4%	3%	4%	5%	5%
Licensing fees	7%	2%	1%	2%	2%	1%	2%
Office equipment costs	30%	12%	3%	3%	3%	8%	7%
Office lease/ utilities costs	19%	12%	5%	6%	10%	7%	12%
Permitting requirements/fees	8%	2%	10%	9%	6%	7%	2%
Product or material costs	22%	81%	92%	91%	92%	85%	86%
Software costs	40%	14%	3%	5%	2%	9%	4%
Subcontractor costs	27%	45%	71%	71%	41%	38%	40%
Other costs	5%	12%	8%	7%	13%	9%	18%

H. Business Challenges in 2021

Firms (%) Reporting Business Challenges in 2021 (Limit 3)

	Architects	Interior Designers	GCs/ Remodelers/ Builders	Design-Build Firms	Specialty — Building & Renovation	Specialty — Landscaping & Outdoor	Specialty — Decorating
Managing the current workload	41%	25%	15%	27%	17%	25%	16%
Price volatility of products and materials	31%	32%	55%	48%	47%	36%	34%
Managing consumer expectations	25%	14%	12%	9%	9%	12%	8%
Managing consumer concerns about costs	21%	10%	9%	7%	8%	6%	14%
Difficulty hiring/being understaffed	18%	7%	27%	28%	30%	30%	8%
Increased building regulation	16%	2%	3%	4%	1%	5%	0%
Restrictions related to COVID-19	16%	18%	14%	10%	17%	11%	24%
Availability of products and materials	13%	45%	37%	40%	37%	28%	37%
Shortage of subcontractors	13%	34%	31%	28%	20%	26%	24%
Difficulty finding prospective customers	10%	9%	4%	4%	4%	5%	12%
Increased cost of doing business	10%	14%	35%	28%	32%	27%	22%
Difficulty staying organized	7%	5%	2%	4%	3%	5%	5%
Weak/uncertain national economy	7%	5%	5%	5%	5%	4%	10%
Weak/uncertain local economy	5%	4%	2%	2%	3%	5%	4%
Increased business competition	4%	4%	2%	3%	4%	3%	6%
Difficulty collecting payments	4%	1%	3%	1%	4%	2%	0%
Increased popularity of DIY	3%	7%	1%	3%	2%	3%	7%
Difficulty increasing or maintaining profit margin	3%	9%	9%	8%	12%	9%	10%
Tight business lending	0%	0%	1%	1%	0%	2%	1%
Other challenges	8%	6%	5%	4%	6%	9%	8%