Level

The Level Index

2026

Financial Benchmarks from 2,200+ Contractors across HVAC, Plumbing, Electrical, and Mechanical Trades

2,242	$13.25B	8+	50
COMPANIES	JOB REVENUE	TRADES	STATES

EXECUTIVE SUMMARY

The 8 Numbers That Matter

These are the most striking findings from our analysis of 2,242 contractor companies representing $13.25 billion in job revenue.

~15% median billed share not collected in the measured window

The complement of the 85.1% company-level median is about 15% billed but not collected in the measured window, not necessarily a point-in-time A/R balance, recoverable cash or loss. The median contractor has collected 85.1% of what they've billed (n=464). Some of this is normal AR (invoices not yet due), but the spread is massive — top decile sits at 96.0%. Illustrative: financing an assumed $1M balance for a full year at 8% would cost $80K; this is not measured annual expense or recoverable cash.

$280B industry slow-payment problem (Rabbet 2024)

Rabbet's August 2024 online contractor survey estimated $280 billion in slow-payment costs, about 14% of projected construction spending. Its 82% delay figure is survey-reported, not Level's eligible contractor cohort. The issue isn't just non-payment — it's the cash flow strain of financing your customers' projects.

44.3% median gross margin on completed jobs

Across 1,747,089 completed jobs from 1,791 companies, Level measured a 44.3% median job-level gross margin. A revenue-only job report cannot show a comparable margin.

85.1% company-level median collection ratio

A synthetic illustration with $1M billed at the 85.1% company-level median would show $851K collected and $149K billed but not collected in the assumed comparison window. These are modeled amounts, not one customer's results or an aged receivables balance. The underlying collection cohort contains 464 contractors; billing vintage, credits, retainage and the measurement cutoff require their own reconciliation.

-30% to 70% Service agreement margin range (P10 to P90)

Service agreement profitability has a wide measured spread. The P10-to-P90 band runs -30.4% to 70.3% across 259 contractors. Individual outliers are even wider; some company-level observations are negative and others exceed 90%; this does not describe every agreement within those companies. Pricing, scope, customer mix and cost visibility are candidate explanations; this distribution does not identify a cause.

1.4% → 50% of agreements hold about half of listed annual contract value

In the retained 83,535-agreement snapshot with tracked ACV, the $100K+ band holds 49.9% of listed annual contract value. ACV is a contract-value stock, not the $645.5M realized agreement-revenue research total or a measured retention outcome.

40% of jobs with tracked labor hours exceed estimated hours

Of jobs with both estimated and actual labor hours tracked, 40% exceed their estimated hours. 18.3% exceed it by more than 50%. The retained 179-552% extreme-case range is not a canonical percentile. Posting costs before close can shorten feedback; this hours ratio alone does not establish a dollar loss.

7 days real invoice delay (excluding progress billers)

The often-cited 1-day median is misleading — it includes ~25% who progress-bill before completion. Among post-completion invoicers, the median delay is 7 days. The retained one-in-four-over-two-weeks observation concerns post-completion invoicers; the canonical lower-performing decile is about 30 days, not the raw legacy P90 of 11.2 days.

AT A GLANCE

The Median vs. Top Quartile Gap

These are separate eligible cohorts and denominators. A percentile difference is a comparison point, not a measured recovery, an additive savings total or a guaranteed target.

COLLECTION RATE
% of billed revenue you actually collect as cash

85.1% median

92.7%
top quartile
Gap: 7.6 pts

BILLING SPEED
Days from job completion to first invoice*

1.0d* median

not published, see legacy note
top quartile
Gap: legacy comparison, unreconciled

BILLING CAPTURE*
Hours invoiced ÷ hours LOGGED ON JOBS (n=963). Not 'utilization', which divides by total paid hours — see methodology

97.1% median

100%
top quartile
Gap: 2.9 pts

QUOTE CONVERSION
% of quotes the customer said yes to (decided quotes only)

73.9% median

83.2%
top quartile
Gap: 9.3 pts

AVG BILL RATE
Mixed rate-card reference per hour; customer prices, wages and loaded costs are not fully separated

$79/hr median

$116/hr
top quartile
Gap: +$37/hr

SERVICE AGREEMENT MARGIN
Company-level agreement revenue less direct costs

37.9% median

53.5%
top quartile
Gap: 15.6 pts

AGREEMENT PULL-THROUGH
Additional annual non-agreement revenue from agreement customers divided by agreement revenue, not lifetime value

8.7% median

29.6%
top quartile
Gap: 20.9 pts

*Billing Speed: Raw median is 1 day including ~25% who progress-bill before completion (negative values = invoice sent before job closed). Among post-completion invoicers only, the adjusted median is 7 days. The retained P25 reference of -3.3 days is not reconciled to the current eligible cohort and is not a universal target.

How to Use This Report

1

Find your numbers

Use the operating scorecard section to fill in your own KPIs. If you don't know a number, that's the most important finding.

2

Spot the biggest gaps

Where are you below median? Separate arithmetic illustrations from verified balances before estimating recoverable contribution.

3

Dive into the details

The detailed sections break down each metric with real examples, trade-specific data, and the exact levers to pull.

THE CLEAR FRAMEWORK

Five Pillars of Contractor Financial Health

Every metric in the Level Index maps to one of five pillars. Together they give you a complete picture of where money is made, lost, stuck, or at risk.

C — **Cash** Is your cash flowing — or stuck?
Metrics: Collection Rate · Billing Speed · Billing Capture · Unbilled Work

L — **Labor** Is your workforce generating returns?
Metrics: Rate Card Distribution · Labor Hours vs. Budget · Construction Workforce Churn

E — **Earnings** Are you pricing profitably?
Metrics: Service Agreement Margin · Avg Bill Rate · Est. vs Actual Hours · Job Size Distribution

A — **Accounts** Are you winning new work — and keeping it?
Metrics: Quote Conversion · Pull-Through · Add-On Sales · Customer Concentration

R — **Risk** Are you exposed?
Metrics: Market Contraction · Customer Concentration · Credit Risk

How to use CLEAR: Score yourself on each pillar. A below-median comparison on two pillars is a prompt to investigate, not proof of a six-figure recovery. Job-size buckets are incomplete job counts, not reliable revenue shares. The deep dives on pages 7–17 break down each metric with real examples and the exact levers to pull.

CORE BENCHMARKS

Where Do You Stand?

Nine cohort-specific KPI comparisons. Available published percentiles and explicitly retained legacy references are shown; sample units differ. Compare matching definitions before taking action.

Collection Rate

n = 464 companies

P10	P25	MEDIAN	P75	P90
38.8%	70.7%	85.1%	92.7%	96%

What this means: Collected divided by invoiced in the measured comparison window, n=464 eligible companies. An outstanding balance can be current, overdue or retained, not automatically lost revenue. An 11-point gap on an assumed $10M invoice base illustrates $1.1M billed but not converted to cash in the window, not a measured annual recovery.

Billing Speed

n = 733 companies

P10	P25	MEDIAN	P75	P90
see legacy note	see legacy note	1d	see legacy note	see legacy note

What this means: Days from job completion to first invoice. *Raw median is 1 day including ~25% who progress-bill before completion. Among post-completion invoicers only, the adjusted median is 7 days. The retained one-in-four-over-two-weeks observation is scoped to post-completion invoicers, separate from the legacy raw percentiles. Separate planned progress billing from delayed post-completion billing before diagnosing a cash-flow problem. Separate unreconciled historical cut: P10 -11.9d, P25 -3.3d, P75 5.5d, P90 11.2d. These cannot be combined with the current n=733 median or post-completion figures.

Billing Capture*

n = 963 companies

P10	P25	MEDIAN	P75	P90
66.9%	89.2%	97.1%	100%	102%

What this means: Hours billed ÷ hours logged on jobs. NOT the same as 'utilization' (65-80% commonly cited working range, which includes drive time, admin, training). This measures: of hours a tech logs on a job, how many make it onto an invoice? Ratios over 100% require checking how premium or adjusted hours are recorded; they do not prove more than all paid time was productive.

Quote Conversion*

n = 794 companies

P10	P25	MEDIAN	P75	P90
47.1%	61%	73.9%	83.2%	90%

What this means: The canonical all-quote median is 38.1% (P25 28%, P75 47.7%), a different denominator. Won ÷ (Won + Lost) — decided quotes only. Industry 'close rates' (15-40%) include pending/open quotes in the denominator, which is why our number looks higher. This measures: when a customer makes a decision, how often do you win?

Avg Bill Rate

n = 1,770 companies

P10	P25	MEDIAN	P75	P90
$39	$55	$79	$116	$148

What this means: Mixed rate-card field per tech hour: entries can be customer rates, wages or loaded costs, not the total customer invoice. Variation by state, trade and role does not establish price differences. Commercial-heavy dataset. The legacy state table lists IL $128 and MS $74 as center references; these are not the current national cohort or verified market prices.

KPIs 6–9

Service Agreement Margin

n = 259 companies

P10	P25	MEDIAN	P75	P90
-30.4%	20.5%	37.9%	53.5%	70.3%

What this means: Company-level profit on annual service-agreement revenue after direct costs, not the margin of every individual agreement. The eligible cohort has a commercial-heavy mix. Residential ranges quoted elsewhere use independent populations; this comparison does not isolate why margins differ.

Labor Hours: Actual % of Budget

n = 315,393 jobs

P10	P25	MEDIAN	P75	P90
n/a	70.1%	99.4%	131.1%	n/a

What this means: Actual labor hours ÷ budgeted labor hours, per JOB. 100% = on budget. The median lands on budget (99.4%) but the MEAN is 119%, because 40% of jobs exceed their hour budget and 18.3% run past 150% of it. Read both: the median alone makes estimating look solved, the mean alone makes it look broken. Only jobs carrying both a budget and an actual are counted.

Agreement Pull-Through

n = 386 companies

P10	P25	MEDIAN	P75	P90
0.3%	1.5%	8.7%	29.6%	93.4%

What this means: Additional annual revenue from service-agreement customers divided by annual agreement revenue. This annual revenue ratio does not establish lifetime value, retention, visit conversion or a guaranteed attainable target. P75 is a comparison point, not a causal effect of more maintenance visits.

Agreement Rev / Employee

n = 217 companies

P10	P25	MEDIAN	P75	P90
$5.9K	$11.4K	$28.5K	$64.1K	$150.5K

What this means: Service agreement revenue divided by employee count in the eligible company cohort, n=217. Employee coverage and revenue periods must match before using it as an operating comparison. Directional Level engagement observation, not a universal staffing target.

How to use this data: Circle where you fall on each metric. A below-median comparison is a prompt to investigate definitions and individual transactions, not proof of a six-figure recovery. If you don't know your numbers for a given metric, that's the most important finding of all.

BILL RATES BY STATE

State Rate-Card References

Retained state-level rate-card references. The broad rate-card research includes 1,770 contractors, but the state table counts and percentile cohorts have not been reconciled to that current eligible sample. The field can contain customer rates, wages or loaded costs. These are not clean market-price percentiles or an absolute pricing schedule.

State		Median	P75	P90	Retained n (unit unverified)
IL	Illinois	$128	$148	$172	112
NY	New York	$120	$145	$175	134
HI	Hawaii	$118	$142	$168	30
MA	Massachusetts	$118	$142	$168	76
DC	Washington DC	$118	$144	$170	30
CT	Connecticut	$115	$140	$166	42
NJ	New Jersey	$115	$140	$165	82
WA	Washington	$108	$132	$158	68
RI	Rhode Island	$108	$132	$158	30
AK	Alaska	$105	$130	$155	32
MD	Maryland	$105	$130	$156	61
CO	Colorado	$102	$126	$151	72
NH	New Hampshire	$102	$126	$150	34
OR	Oregon	$102	$126	$152	52
NV	Nevada	$98	$122	$148	48
PA	Pennsylvania	$98	$122	$148	104
DE	Delaware	$98	$122	$146	32
VA	Virginia	$98	$122	$148	74
MN	Minnesota	$96	$118	$142	58
VT	Vermont	$96	$118	$142	30
UT	Utah	$95	$118	$142	48
AZ	Arizona	$95	$118	$142	89
CA	California	$113	$138	$167	187
TX	Texas	$92	$116	$142	168
ME	Maine	$92	$114	$138	34
FL	Florida	$88	$112	$138	156

State		Median	P75	P90	Retained n (unit unverified)
MI	Michigan	$88	$110	$134	78
ID	Idaho	$88	$110	$134	38
MT	Montana	$88	$110	$134	32
WI	Wisconsin	$88	$110	$134	52
WY	Wyoming	$88	$110	$134	30
OH	Ohio	$86	$108	$132	92
GA	Georgia	$85	$108	$132	94
ND	North Dakota	$85	$108	$132	30
MO	Missouri	$84	$106	$130	62
NC	North Carolina	$84	$106	$130	86
IN	Indiana	$82	$104	$128	54
IA	Iowa	$82	$104	$128	42
LA	Louisiana	$82	$105	$130	52
NM	New Mexico	$82	$104	$128	34
TN	Tennessee	$82	$104	$128	64
KS	Kansas	$80	$102	$126	40
SC	South Carolina	$80	$102	$126	52
SD	South Dakota	$80	$102	$126	30
NE	Nebraska	$80	$102	$126	36
AL	Alabama	$78	$98	$121	68
KY	Kentucky	$78	$100	$124	48
OK	Oklahoma	$78	$100	$124	46
AR	Arkansas	$75	$96	$118	38
WV	West Virginia	$75	$96	$120	30
MS	Mississippi	$74	$94	$116	34

How to use this: A lower mixed-field reference does not establish underpricing. State trade mix, field use and cohort definitions differ, and this table does not isolate their effects. Check your actual rate schedule and loaded costs before selecting a price.

Source: retained Level state rate-card references. These retained counts sum beyond the research universe and are not verified distinct contractors per state. Count units and percentile definitions are unverified against the current 1,770-company eligible metric. Trade mix and inconsistent field use affect interpretation. The mixed field is not a verified price distribution or a total invoice rate.

MARGINS BY JOB TYPE

Not All Revenue Is Created Equal

Retained job-type references from different source scopes. These rows are not a single verified matched-job percentile cohort, and they do not establish that service mix causes higher company profit.

Job Type	Lower reference	Center reference	Upper reference	Source-scope reading
Service Calls	35%	**50%**	55%	Review completion-to-invoice timing and direct callback costs. The retained $150-$350 callback estimate is unverified and is not a measured job-type cost distribution.
Maintenance / PM Contracts	32%	**44%**	69%	Review scope, pricing and direct costs. The retained 69% job-type upper reference is separate from the canonical 53.5% company-level agreement-margin P75, n=259.
Time & Materials	30%	**40%**	45%	The retained $2,720/$57K example and under-10% sent-status observation have separate scopes. Check authorized contract terms and estimate versions; a missing sent flag alone does not establish unauthorized work.
Install / Construction	15%	**20%**	25%	Retainage affects working capital until released, not necessarily permanent loss. The retained 5-10% and four-day references do not replace each contract's billing and acceptance terms.
Commercial Projects	10%	**15%**	20%	Check payment terms and accountable ownership. The retained 56% missing project-manager-field observation does not establish that jobs had no manager or that vendor risk is highest.

The takeaway: The retained job-type rows describe independent reference populations, not a matched realized-profit comparison. A retained 60-70% service-mix observation is not a verified universal target. Compare actual direct costs, scope, capacity and cash timing for your own job types.

LABOR VS MATERIALS

Quote-Line Margin by Cost Type

Quoted amounts use a separate quote-line population, not the $13.25B job-revenue base or realized invoice profit. The historical 29-34% material range is unverified; the canonical quote-line material margin is 31.5%.

Cost Category	Total Quoted	Median recorded quote-line margin	Implication
Labor	$19.6B	**47.7%**	Highest retained quote-line margin by cost type; not proof of realized job or company profit.
Materials	$4.6B	31.5%	Lower quoted margin than labor in this population. Check waste and warranty separately; neither is measured here.
Equipment	$620M	25.5%	Low quoted margin in this population. Rental costs, depreciation and realized profit are not measured by this comparison.
Subcontractors	$468M	23.6%	Lowest margin. Compare subcontractor markup with actual coordination costs; this population does not measure management overhead or realized profit.

DEEP DIVE

The Service Agreement Power Law

Retained contract-value snapshot: 83,535 agreements with tracked annual contract value. Shares below use listed ACV, not realized annual service-agreement revenue.

ACV Tier	Count	Total ACV	% of agreements	% of listed ACV
Under $1K	22,196	$9.7M	26.6%	**0.8%**
$1K – $5K	28,589	$74.2M	34.2%	**5.9%**
$5K – $10K	13,622	$95.1M	16.3%	**7.5%**
$10K – $25K	11,879	$184.1M	14.2%	**14.6%**
$25K – $50K	4,268	$147.3M	5.1%	**11.7%**
$50K – $100K	1,770	$120.7M	2.1%	**9.6%**
$100K+	1,211	$630.2M	1.4%	**49.9%**

The headline: 1,211 agreements (1.4% of the tracked-ACV snapshot) hold ~$630M, nearly **half of listed annual contract value.** Average ACV in this tier is about $520K. Assess each account's realized contribution and renewal terms before interpreting a loss as a financial crisis.

DEEP DIVE

Service Agreement Billing Patterns

Retained billing-pattern snapshot of 102,058 records, a different eligible population than the 83,535 tracked-ACV table; counts do not establish current active agreement coverage.

Billing Type	Count	Avg ACV	Companies
Recurring (monthly/quarterly)	65,971	$13,509	898
Bill on completion	33,913	$12,370	826
One-time	1,110	$80,296	80
Non-billable / internal	1,064	$0	117

DEEP DIVE

Invoice Size Distribution

Retained historical invoice-size distribution: 2.5 million invoices totaling $11.6 billion. Rounded table amounts sum to about $11.5B and shares to 98%. It is separate from the job-revenue research universe and is not the current mix of every contractor.

Invoice Size	Count	Revenue	% of Total Revenue
Under $500	920K	$250M	**2%**
$500 – $1K	542K	$387M	**3%**
$1K – $5K	749K	$1.6B	**14%**
$5K – $10K	134K	$936M	**8%**
$10K – $25K	90K	$1.4B	**12%**
$25K – $50K	34K	$1.2B	**10%**
$50K – $100K	19K	$1.3B	**11%**
$100K+	16K	$4.4B	**38%**

The insight: 38% of the retained invoice-table revenue comes from invoices over $100K — but these represent less than 1% of total invoice count. Conversely, invoices under $500 account for 36% of volume but only 2% of revenue. Your AR collection strategy should weight by dollar value, not invoice count.

DEEP DIVE

Job Margin Distribution

Legacy retained cohort: 111,818 costed jobs in incomplete listed bands, not revenue shares or an exhaustive distribution. The retained Avg/Total fields were labeled AR but their definitions are unverified, so they are not certified receivable balances. This snapshot does not reconcile to the canonical 44.3% median across 1,747,089 completed jobs.

Margin Band	Jobs	Retained Avg	Retained Total
Severe loss (< -50%)	644	$4,671	$3.0M
Losing (-50% to 0%)	1,299	$7,022	$9.1M
Thin (0 – 20%)	17,295	—	—
Below avg (20 – 35%)	24,654	—	—
Healthy (35 – 50%)	14,094	—	—
Strong (50 – 65%)	15,965	—	—
Very strong (65 – 80%)	37,867	—	—
No job-level cost data	1,109,204	$11,208	$12.4B

The job-costing test: Across 1,747,089 completed jobs from 1,791 companies, Level measured a 44.3% median gross margin. A report that carries revenue but does not attach labor, material, and subcontractor cost to the same job cannot show a trustworthy job margin. The operational fix is to code every timesheet, PO, receipt, and subcontractor bill to the work before close.

DEEP DIVE

Synthetic Billing and Collection Illustrations

These hypothetical $1M-billed examples apply the published company-level collection percentiles. They are not individual company records, an aged A/R schedule or observed recovery opportunities. Invoice vintage, credits, retainage and cutoff timing can affect collection ratios; the table does not isolate management discipline.

Synthetic Illustration	Assumed Billed	Collected	Billed, Not Collected	Collection %
Hypothetical P10 illustration	$1M assumed	$388K	**$612K**	38.8%
Hypothetical P25 illustration	$1M assumed	$707K	**$293K**	70.7%
Hypothetical median illustration	$1M assumed	$851K	**$149K**	85.1%
Hypothetical P75 illustration	$1M assumed	$927K	**$73K**	92.7%
Hypothetical P90 illustration	$1M assumed	$960K	**$40K**	96%

Important context: Not all outstanding AR is 'lost' revenue. Some is normal working capital (invoices not yet due), retainage (5-10% held on commercial work), or recent billing. But the spread matters: a lower recorded collection ratio represents a larger billed-but-not-collected share in that comparison, not verified recoverable cash. Illustrative: an assumed $1M financed for a full year at 8% costs ~$80K, not a measured annual expense. For an external anchor, the CFMA 2024 Construction Financial Benchmarker reports 56.6 days in accounts receivable (n=1,290).

Credit Risk: The Bad Debt Clock

The retained **1.5-3% of credit sales** bad-debt range is an unverified external reference, not a current Level loss distribution. Collections-industry data has long shown recovery probability falling sharply as a receivable ages past 90 days. Illustrative: 2% of assumed $10M credit sales is **$200K**, not a measured annual write-off. Set escalation rules from actual terms, aging and disputes; this report does not prove a universal 30-day policy minimizes write-offs. Rabbet reported 82% of its August 2024 survey respondents experiencing delays beyond 30 days; this is not a Level-cohort rate. The retained **90,000+ lien** reference attributed to NCS Credit 2024 is not independently re-verified for this edition.

Dollar amounts are hypothetical arithmetic on $1M billed, not anonymized company records. Collection % = total collected / total invoiced at time of measurement. Does not distinguish between AR not yet due and AR past due.

DEEP DIVE

Rate Card Distribution by Role

Retained rate-entry distribution across 1,567 companies and 58,480 entries, a different cohort than the canonical by-role employee medians. The field mixes billing rates, loaded labor costs and wages.

Role	P25	Median	P75	P90	Sample
Superintendent / Foreman	$55	**$80**	$100	$117	3,934
Journeyman	$53	**$79**	$100	$124	9,546
Technician (General)	$42	**$59**	$82	$104	19,662
Electrician	$30	**$50**	$66	$134	1,070
Apprentice	$28	**$42**	$57	$80	5,179
Helper / Laborer	$21	**$29**	$54	$77	1,564

Important caveat: This field is used inconsistently across contractors. Some companies enter their customer billing rate ($100-$200+/hr), others enter loaded labor cost or base wages ($25-$60/hr). The medians reflect a blend. Higher percentiles cannot identify which records are true customer billing rates. For reference, internet consensus for commercial HVAC billing rates is $100-$200/hr; journeyman wages are $25-$45/hr. n=58,480 rate entries across 1,567 companies, regular hours only.

DEEP DIVE

Technician Economics: Mixed-Rate Sensitivity

Retained rate-card figures multiplied by assumed annual hours. These arithmetic illustrations are not verified billed revenue or gross profit because the source field mixes prices, wages and loaded costs.

Role	n	Rate Card*	Rate × Hours†	BLS Wage‡	Unloaded Gap × Hours§
Helper	319	**$34**	**$55K**	$20/hr	**$22K**
Apprentice	2,113	**$39**	**$65K**	$22/hr	**$29K**
Technician	8,168	**$54**	**$100K**	$29/hr	**$50K**
Journeyman	6,000	**$76**	**$145K**	$30/hr	**$87K**
Mechanic	192	**$75**	**$143K**	$30/hr	**$85K**

*Rate card field is used inconsistently — some companies enter billing rates, others enter loaded costs. Medians reflect a blend. †Retained amounts use assumed annual hours with unreconciled historical rounding (the technician $100K and $50K columns do not imply one consistent hourly base); not verified annual revenue. Illustration = rate card × assumed billable hours (1,600 for helpers scaling to 1,900 for journeymen). Foreman/lead-tech and per-tech revenue figures are directional (Level engagement observation), not a published distribution. ‡BLS Occupational Employment data, May 2024. §The retained (rate-card minus reference BLS wage) arithmetic excludes benefits, taxes, travel, equipment and overhead and mixes different populations. It is not annual profit or a verified gross margin.

The revenue story: Retained calculations illustrate ~$55K and ~$145K only under their stated rate and hours assumptions. The quoted $250-350K and 5x compensation observations are unverified historical reference targets, not measured cohort outcomes. Use actual invoices and fully loaded labor on the same period to assess contribution.

The Training Investment

4–5 years

Apprentice to journeyman

8,000–10,000 OJT hours required. Electricians and plumbers: 4–5 years. HVAC: 2–4 years.

$4,500–$12,000+

Legacy replacement-cost estimate

Retained directional estimate, not a SHRM-certified role cohort. Listed components total $3,000-$7,600: recruiting $800-$2,400, onboarding $200-$500, training $400-$900, productivity gap $1,200-$2,800, cover overtime $400-$1,000. The $4,500-$12,000+ headline has unreconciled assumptions and is not a budget guarantee.

~4.0%/mo

Construction separations rate

BLS JOLTS, construction sector, 2025: total separations averaged 4.0% of employment per month. This is a monthly flow rate, not the probability an individual worker leaves during a year. Annual summed flows can count repeated separations. JOLTS does NOT break this out by role, so there is no published skilled-trades rate. Measure your own separations per role. (www.bls.gov/news.release/jolts.t20.htm)

Rate Cards by Pay Type

Role	Regular	Overtime	Double Time
Helper	$34/hr	$57/hr	$73/hr
Apprentice	$39/hr	$57/hr	$82/hr
Technician	$54/hr	$77/hr	$104/hr
Journeyman	$76/hr	$112/hr	$142/hr
Mechanic	$75/hr	$125/hr	$178/hr

DEEP DIVE

Pipeline Review: Draft Quotes and Uninvoiced Work

Retained statuses flag 48,000 draft quotes and 288,319 jobs with logged hours and no recorded invoice at the snapshot. These are review candidates, not verified missed billable revenue: completion, contract terms, progress invoices, warranty/internal work and voids must be checked first.

Quote Funnel — 438,858 Quotes

Status	Count	% of Total
Won (Job Added)	166,087	37.8%
Draft (never sent)	48,000	10.9%
Cancelled	43,469	9.9%
Discarded	30,227	6.9%
Sent (pending)	25,524	5.8%
Customer Viewed	23,376	5.3%
Rejected	20,168	4.6%
Approved	12,175	2.8%
Other / Expired	69,832	15.9%

Job Billing Status — 3.84M Jobs

Status	Jobs	% of Total
Fully Invoiced	1,753,401	46%
In Progress / Open	~1,110,000	29%
Partial / Other	~780,000	20%
Internal / Warranty	~195,000	5%

48,000 draft-status quotes in a retained snapshot do not prove that all were ready or intended to send. The old $144M-$240M illustration assumed $3K-$5K each; it is not verified quote value or recoverable pipeline. The quoted 60% timing uplift is unverified and is not a promised outcome.

46%

of jobs fully invoiced

Only 46% of 3.84M jobs across 2,242 contractors reach 'Fully Invoiced' status. The rest are a mix of in-progress, internal, warranty, partial, and unverified possible missed billing; completion and contract checks are required.

15–25%

legacy T&M reference, unverified

The retained vendor-attributed 15-25% and $100K-$500K figures lack a verified matched denominator here. They are not current industry loss estimates or recoverable revenue.

$75K–$180K

legacy recovery illustration, unverified

The old $75K-$180K and 3-7 weekly figures are not measured outcomes. A weekly closeout review should verify billable scope, completion and existing invoices before assigning any recovery value.

5%

retained internal/warranty reference

The retained 5% (~195K jobs) category has not been reconciled to a verified status population. Check actual warranty, internal and no-charge authorization before calling any uninvoiced record lost revenue.

DEEP DIVE

Customer Concentration Risk

The eligible cohort median is 31.0% of revenue from its largest account (P25 18.5%, P75 54.6%). This alone does not determine loan eligibility, valuation or whether a deal closes. Data from 959 contractors. Our dataset skews commercial — commercial contractors typically show higher concentration than residential due to fewer, larger accounts. Note: 'customer' = account level. A property management company with 50 buildings counts as one customer.

Concentration in the Eligible Cohort

Top 1 customer (median)
Legacy mean: 39.8% (not current canonical)
31.0%

Legacy top-5 reference (unverified)
Retained P90: 100% (unverified)
69.2%

Top 1 customer (P90)
Most revenue from one client
82.4%

Illustrative Buyer Review Framework

Top Customer %	Risk Level	Impact
<10%	Low risk	No prescribed discount
10–24%	Moderate	Review contract terms
25–35%	High risk	Legacy up-to-10% discount illustration, unverified
36–50%	Serious	Legacy 15-20%/earnout illustration, unverified
>50%	Highest review concern	Legacy 25-35% discount illustration, unverified

Illustrative diligence questions: The retained 7-9x versus 4-5x and $4M-$8M examples are not a matched transaction study or a certified concentration discount. Contract duration, termination rights, common ownership and receivable quality affect buyer review. The retained threshold table is an unverified engagement reference, not an SBA rule or guaranteed valuation schedule.

Dated External Payment References

56.6 days
Days in AR, construction
CFMA 2024 (n=1,290), retained reference

56 days
Sub wait after pay app
Billd 2025, retained survey reference

$280B
Annual cost of slow payments
Rabbet August 2024 survey

82%
Report delays beyond 30 days
Rabbet August 2024 survey

DEEP DIVE

The Add-On Sales Gap

For every $1 in service agreement revenue, the median contractor generates $0.09 in additional work. Top quartile: $0.30. This annual portfolio ratio does not establish a 3-5x lifetime value multiplier or a maintenance-visit effect. P90 (93.4%) includes project work from service agreement accounts, P75 (29.6%) is a cohort comparison point, not a guaranteed operating target. 386 contractors for portfolio-level; 240 with trade breakdowns.

Pull-Through Revenue Distribution

P10 (Bottom) — 0.3%
Low retained annual revenue ratio; practice not observed by this statistic

P25 — 1.5%
Ratio alone does not observe recommendations or follow-up

Median — 8.7%
$8,700 add-on per $100K maintenance

P75 — 29.6%
Higher ratio; no causal workflow effect isolated

P90 (Top) — 93.4%
Includes relationship-driven project revenue; not visit conversion

Pull-Through by Trade

Trade	Agreements	Pull-Through %	Avg Maint Rev	Completion
Mechanical	588	45.9%	$9,958	56.2%
HVAC	11,244	29.7%	$8,108	63.1%
Electrical	174	25.3%	$6,254	7.2%
Controls	928	11.1%	$11,030	56.1%
Refrigeration	444	7.1%	$9,090	39.2%
Plumbing	276	5.5%	$4,148	65.4%

Service Agreement Presence and Revenue Association

1,361 plus 472 classifies 1,833 of the broad 2,242-company research universe. Different sizes and eligibility can explain the association; this does not show that agreement visits caused higher revenue.

1,361
Companies with service agreements
Avg $6.3M revenue

472
Companies without service agreements
Avg $1.3M revenue

The revenue flywheel: Retained unverified attachment reference (under 50%, attributed to Contracting Business) → Pull-through (8.7% median → 29.6% top quartile in our data) → Retained unverified replacement references (25-40% and 40-55%, different unknown populations) → Referral hypothesis (no measured replacement-provider share established here). The ratio difference is not a measured intervention on the same customer base. The retained replacement-conversion and attachment figures are unverified reference observations, not a revenue forecast.

Retained Upsell References (Unverified)

$150-$300
Avg ticket (service-only tech)
Level engagement observation

$400-$700
Avg ticket (trained selling tech)
Level engagement observation

25-40%
Replacement win rate (typical)
Level engagement observation

3-5x
Lifetime value of service agreements vs. one-time customers
Operator literature (directional)

DEEP DIVE

Market Conditions: Mixed Permit Signals

Retained historical source vintages, not a current demand forecast. Multifamily permits fell 16.1% nationally in 2024 (Census/NAHB). Single-family was up 6.7%. FL multifamily: -26.5%, CA: -24.1%, TX: -18%. On a lag-safe matching-vintage basis, total tracked permits were down 1.6% in 2024, not a verified decline across every permit type. ConstructConnect projects total starts +1.1% in 2025, residential -8.8%. A retained 499,000-worker estimate is attributed to AGC for 2026; that attribution has not been re-verified.

What the complete national series shows

Do not compare incomplete permit-record vintages. Reporting lag made the partial 2024 file look like a collapse. The lag-safe national series showed total tracked permits down 1.6%, while Census full-year housing permits separated sharply by type: single-family up 6.7% and multifamily down 16.1%.

National Permit Trend

2024 total tracked Lag-safe series permits	**-1.6%**
2024 single-family Census full-year permits	**+6.7%**
2024 multifamily Census full-year permits	**-16.1%**

The tracked-permit comparison uses matching reporting vintages. Census/NAHB figures are full-year housing permits and are shown separately because they measure a different series.

Competitive Landscape

365,584 Trades companies $1-25M nationally	**149,010** HVAC/Plumb/Elec HVAC/plumbing/electrical, $1-$25M
64.7% 16+ years old 16+ years in operation	**48,000** 100+ permits/yr 100+ permits per year

What this means: Multifamily permits fell 16.1% nationally in 2024 (Census/NAHB). Single-family was up 6.7%, but the net picture is mixed. ConstructConnect projects total starts +1.1% in 2025, with residential -8.8%. A retained 499,000-worker estimate is attributed to AGC for 2026; that attribution has not been re-verified — a tight labor market on top of softer demand. These source vintages and different series do not certify the current demand outlook. Monitor actual local backlog, unit economics and collected cash rather than assuming they prove which contractors will take share.

Seasonality: Monthly Permit Volume by Trade (2023)

HVAC	Plumbing	Electrical	Roofing
+34%	**+38%**	**+34%**	**+80%**
Peak: Oct (188K)	Peak: Aug (197K)	Peak: Aug (340K)	Peak: Oct (88K)
Low: Feb (140K)	Low: Jan (143K)	Low: Feb (254K)	Low: Jan (49K)

THE PROFITABILITY SCORECARD

Five Real Contractors, Five Different Stories

Same industry. Same trades. Wildly different financial profiles. Each row is a rounded historical profile from Level research, with names omitted. Revenue periods, employee scopes and retained ratio columns are not reconciled for a matched productivity comparison.

Profile	Agree. Rev	Margin	Pull-Thru	Collection	Employees	Retained Ratio	Quote Conv
Deep accounts, high value	~$80M	**~42%**	~33%	~91%	~95	~$830K	~75%
Broad base, strong margins	~$55M	**~44%**	~25%	~94%	~70	~$770K	~80%
Volume play, thin margins	~$35M	**~19%**	~20%	~68%	~125	~$280K	~46%
Concentrated, premium	~$15M	**~37%**	~54%	~92%	~5	~$1.6M	~74%
Negative-margin agreement book	~$16M	**~-23%**	~0%	~100%	~20	~$775K	~91%

How to read this:

- **Row 1 vs Row 3:** The rounded profiles show different revenue and margin levels. They do not isolate customer quality or management practice as a causal explanation.
- **Row 5:** 100% collection and 91% quote conversion — but -23% agreement margins. The rounded snapshot is not a 100% outcome: a negative agreement margin prompts a pricing, scope, direct-cost and period review, without isolating underpricing as its cause.
- **Row 4:** The retained five-employee count and $1.6M ratio have unreconciled employee and period scopes; $15M divided by five would be $3M, not the retained ratio. Do not read this as verified per-head productivity. Check whether employee and revenue scopes match before treating this as a productivity or buyer-quality comparison.

Your Scorecard: Fill In Your Numbers

Metric	Your Number	Median	Top Quartile
Service Agreement Margin	_____	37.9%	53.5%
Collection Rate	_____	85.1%	92.7%
Quote Conversion	_____	73.9%	83.2%
Avg Bill Rate	_____	$79/hr	$116/hr
Agreement Pull-Through	_____	8.7%	29.6%
Billing Speed (state progress-billing method)	_____	7d post-completion	not published; legacy -3.3d is not a target
Billing Capture*	_____	97.1%	100%
Revenue per Truck (unverified planning scenario)	_____	~$310K scenario	$450K+ scenario

INDUSTRY CONTEXT

Retained Market and Buyer References

Private equity activity, valuation multiples, and what financial visibility means for your exit or growth.

7–9x

EBITDA multiple, service-heavy

Contractors with 60%+ recurring service revenue. Retained Level M&A engagement reference, not a verified current transaction distribution or an isolated effect of service mix. The older 6-8x comparison has unmatched source populations.

4.5–7x

EBITDA multiple, balanced mix

Contractors with ~50/50 service/install mix. Retained engagement reference, not a universal buyer rule. The legacy 52% sale-failure assertion attributed to First Page Sage 2025 is unverified and cannot alone support a sale forecast.

$280B

Slow payment cost

Annual cost of payment delays to the U.S. construction industry in 2024. Up from $208B in 2022. (Rabbet 2024 Construction Payments Report)

$3.2B

Legacy CFO-market estimate, unverified

Retained $3.2B, 12.4% CAGR and $6.4B-by-2028 estimates attributed to Eagle Rock CFO lack a verified primary series here. Their time bases are unreconciled; this is not a current market-size or growth forecast.

Retained Buyer-Diligence Checklist (Illustrative)

- ✓ Recurring revenue (agreement book size and renewal rates)
- ✓ Job-level profitability tracking (not just top-line P&L)
- ✓ Diversified customer base (no single account > 15% of revenue)
- ✓ Clean financials (proper chart of accounts, timely close)
- ✓ Collection rate above 90% with DSO under 45 days
- ✓ Overhead below 25% of revenue with clear allocation methodology

The bottom line: Financial visibility isn't just about running a better business today. It helps buyers understand a business, but this report does not isolate it as the largest driver of enterprise value. An assumed 4.5x versus 8x on $2M EBITDA illustrates $7M in enterprise value before debt, fees, taxes and deal terms; it is not guaranteed seller proceeds.

METHODOLOGY & DISCLAIMERS

How We Built the Level Index

Data Sources

The primary quantitative backbone is Level's proprietary contractor benchmark research: recorded invoices, job costs, payroll records, quotes and service agreements across the broad research universe. This is supplemented by direct financial reviews during private equity due diligence, operations analytics work with PE-backed contractor portfolios, and ongoing profitability audits at Level.

Dataset Scale

2,242 unique contractor companies. $13.25 billion in total job revenue. $645.5 million in service agreement revenue. $4.0 billion in accounts payable. 50,753 active employees tracked. 2.5 million+ invoices totaling $11.6 billion. Coverage across all 50 U.S. states plus Canada. These are research-universe totals, not the sample for any single metric; each benchmark uses its own eligible cohort, shown as n.

Trades Covered

HVAC, Plumbing, Electrical, Mechanical, Refrigeration, Fire Protection, Controls/Building Automation, and Landscaping. The dataset skews toward commercial and light-commercial contractors in the $3M–$50M revenue range, with representation from $1M to $300M+.

Limitations

This dataset represents contractors with digitized operational records, which may skew toward more digitally mature operations. Self-selection bias applies. Data completeness varies by company — not all contractors report all metrics. Sample sizes are noted for each KPI. Percentile calculations exclude companies with insufficient data for that metric.

Data Source Notes

Most KPIs are from our contractor dataset. Exceptions: **Workforce churn** (BLS JOLTS, construction sector, 2025, reported at the INDUSTRY level only, never by role), **replacement costs** (retained directional estimate, not a verified SHRM cohort), **permit data** (public county and state building-permit records, 2024 is partial-year due to reporting lag; supplemented by Census Bureau / NAHB housing permit data and ConstructConnect construction starts forecasts), **company counts** (public business registries and company records), **labor outlook** (retained estimate attributed to AGC for 2026, attribution not re-verified). **Rate cards** are used inconsistently across companies — some enter customer billing rates, others enter loaded labor costs or wages. **Pull-through P90** (93.4%) includes relationship-driven project revenue — P75 (29.6%) is a comparison point, not a proven attainable target.

METHODOLOGY (CONTINUED)

How Our Metrics Compare to Industry Benchmarks

Several of our metrics differ from commonly cited industry numbers. Denominators and independent populations differ. The retained external references are not universally reconciled or certified for this edition.

Metric	Our Number	Internet Consensus	Why They Differ
Service Agreement Margin	37.9% median	55-75% (residential)	Our data blends commercial + residential service agreements. These independent reference populations are not a matched percentile comparison.
Quote Conversion	73.9% median	15-40% close rate	We measure decided quotes only (Won / Won+Lost). Industry includes pending quotes in denominator.
Billing Capture	97.1% median (n=963)	65-80% utilization	Hours invoiced / hours LOGGED ON JOBS. Denominator is job-assigned hours only, which is why it reads high. Industry 'utilization' divides by TOTAL PAID hours including drive, admin, training. Not comparable.
Rate Cards	$79/hr median	$100-200/hr billing	Field used inconsistently. Our P75-P90 ($116-148) falls within the commonly cited range; percentiles cannot confirm which entries are billing rates.
Agreement Cancellation	~14% (retained, not canonical)	35-45% lapse	We measure explicit cancellations only. Industry 'lapse' includes silent non-renewals.
Job Cost Data	44.3% median margin	1,747,089 completed jobs	Comparable only when direct costs are tied to the same job as revenue.

Legal Disclaimers

The Level Index is provided for informational purposes only and does not constitute financial, investment, tax, or legal advice. All company data has been anonymized. Published figures omit names and use aggregates or rounded profiles to reduce re-identification risk; this does not guarantee that a profile is unidentifiable. Past performance data does not guarantee future results. The benchmarks should be used as general reference points, not as specific targets for any individual business. Consult with your CPA, financial advisor, or attorney before making business decisions based on this data. Level is not a registered investment advisor, CPA firm, or law firm.

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Canonical KPI data SHA256 c0d4bbed5951e5ea1c4a47ca43be6e80999db484449affdefa8b230b5bb981d2
PDF renderer SHA256 2f5862263bc6df9864d5e5479d23c5574161ba96746eaf145768acb385ff794e
Edition content reviewed October 7, 2026. Canonical metric dates remain in the JSON; this date does not certify every historical external reference.

Historical distributions, state rows and engagement estimates outside the canonical KPI data retain independent populations and may be unverified. They cannot alone support a current pricing, valuation, recovery or hiring decision.

Primary external sources: Rabbet Construction Payments Report 2024 (August 2024 online survey, mostly subcontractors); BLS JOLTS annual-average separations table (2025 construction monthly flow average, not annual worker turnover).

Level

Want to know your exact numbers?

We'll connect to your books, benchmark you against the Level Index, and target a first profitability review within 48 hours after agreed read access and confirmed scope. Free, no strings attached.

Book Your Free Audit
levelcfo.com

Email
sam@levelcfo.com

Web
levelcfo.com

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