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U.S. Design Industry Benchmark Report for 2023

Report Published January 2023

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2023 METHODOLOGY

At ThinkLab, our goal is to leverage data to help you harness the exponential specification power of A&D to grow your business.

To do this, we developed a year-over-year benchmark of the A&D industry by surveying over 1,100 U.S.-based architects and designers with the help of our esteemed partners.

This report is designed to help you understand the differences between the residential and non-residential sectors of design and calls out changes over the years to help readers understand how the industry is evolving and what that means for your business.

**For access to benchmark reports that are specific to product categories within the industry (furniture, flooring, fabric, etc.), become a [ThinkLab Insider](#).*

Want more? Have questions you want answered next year (or now)? We'd love to chat!

KEY SHIFTS FROM 2021 TO 2022

01 There has been a 2.7% increase in the total number of firms since last year, and the number of designers in the U.S. has risen by 7.2%, suggesting a **rebound post-pandemic. This could be attributed to multiple factors, including more people starting second careers as designers due to the residential boom in the industry, or designers who might have been laid off due to the pandemic starting businesses as well.**

02 During the pandemic, work-from-anywhere realities meant an influx of designers to Florida, Texas, Utah, and Colorado. **The South remains particularly strong in terms of economic strength, project activity, and opportunity for designers.**

03 Per the U.S. Bureau of Labor Statistics, the demographic mix of designers has remained relatively stable year over year, with the exception that **the number of white designers working in the field has increased nearly 10%. This could be attributed to an increase in second careerists or due to the pandemic's negative impact on women, including those of color.**

04 ThinkLab has been measuring back-to-work trends quarterly since the onset of the pandemic, and the research remains consistent: **74% of non-residentially focused A&D and 70% of residentially focused A&D say their employer's policy is either hybrid or fully remote.** Regardless of design focus, most A&D would prefer to be hybrid as well. This will continue to impact how manufacturers engage with them.

KEY DIFFERENCES BETWEEN RESIDENTAL AND NON-RESIDENTIAL A&D

01 **Residentially focused A&D specifiers do fewer projects** than non-residentially focused specifiers (23 vs. 42, on average).

02 Even though residential project budgets are typically below $250K and non-residential budgets are typically $1M–$5M, the breakdown of how those dollars are spent is very similar. **One interesting thing to note is that furniture and fixtures spending outpaced construction spend for both sectors this year.**

03 Non-residentially focused A&D spend most of their time **creating design visuals,** whereas residentially focused A&D spend most of their time **sourcing/selecting products.**

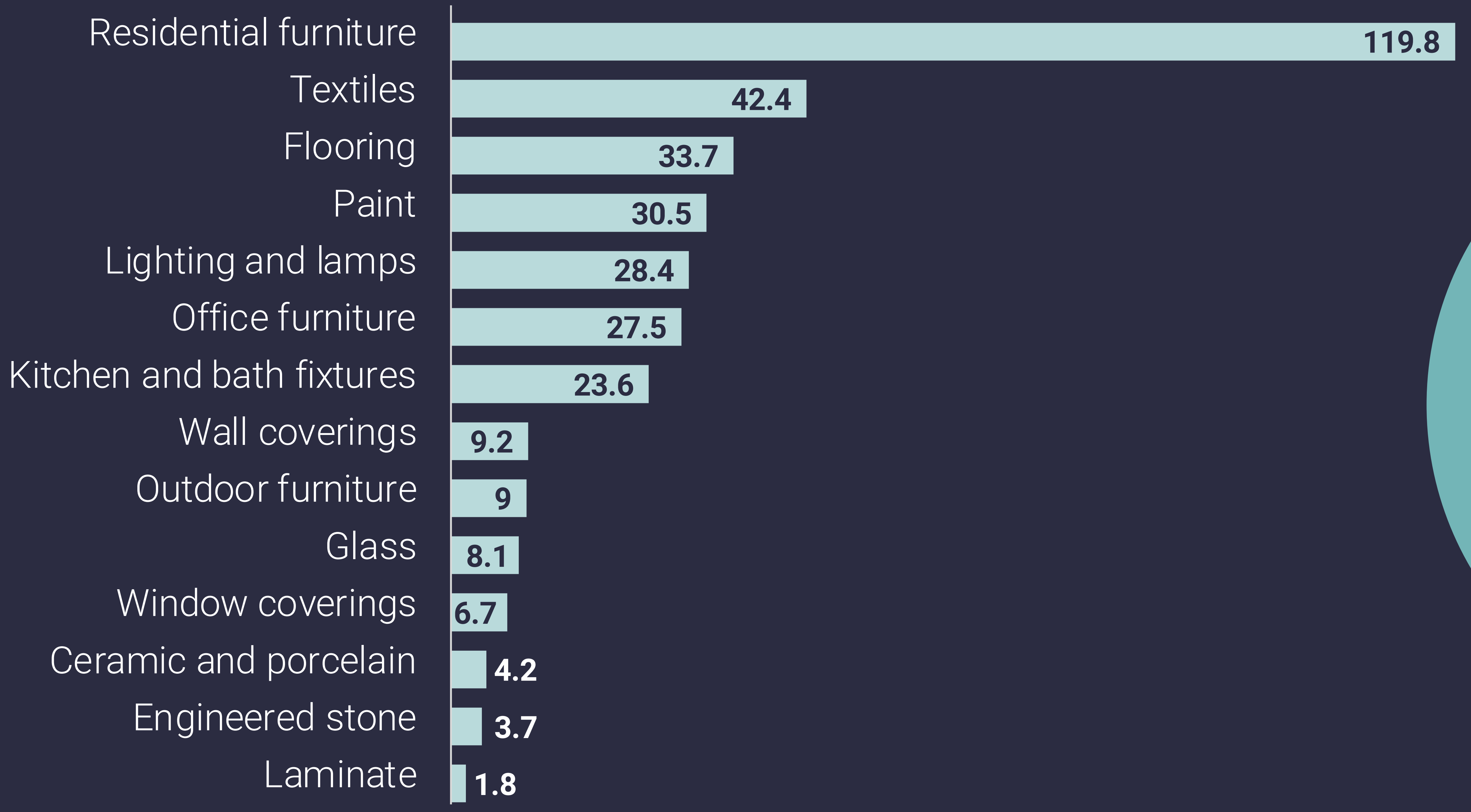
04 Since technology has such an impact on how this industry searches for and visualizes product, we asked each audience to name their top tools. **Revit, Material Bank, and AutoCAD top the list for non-residential A&D, whereas AutoCAD, SketchUp, Material Bank, and Studio Designer top the list for residential A&D.**

05 One area residential and commercial A&D do not differ this year is in the product attributes they consider most important. Both audiences continue to rank **durability/quality, price, and aesthetics as their top 3 priorities.**

01 THE ECONOMIC POWER OF DESIGN

01 THE ECONOMIC POWER OF DESIGN

Total Available U.S. Market for Commercial and Residential Products in $B USD



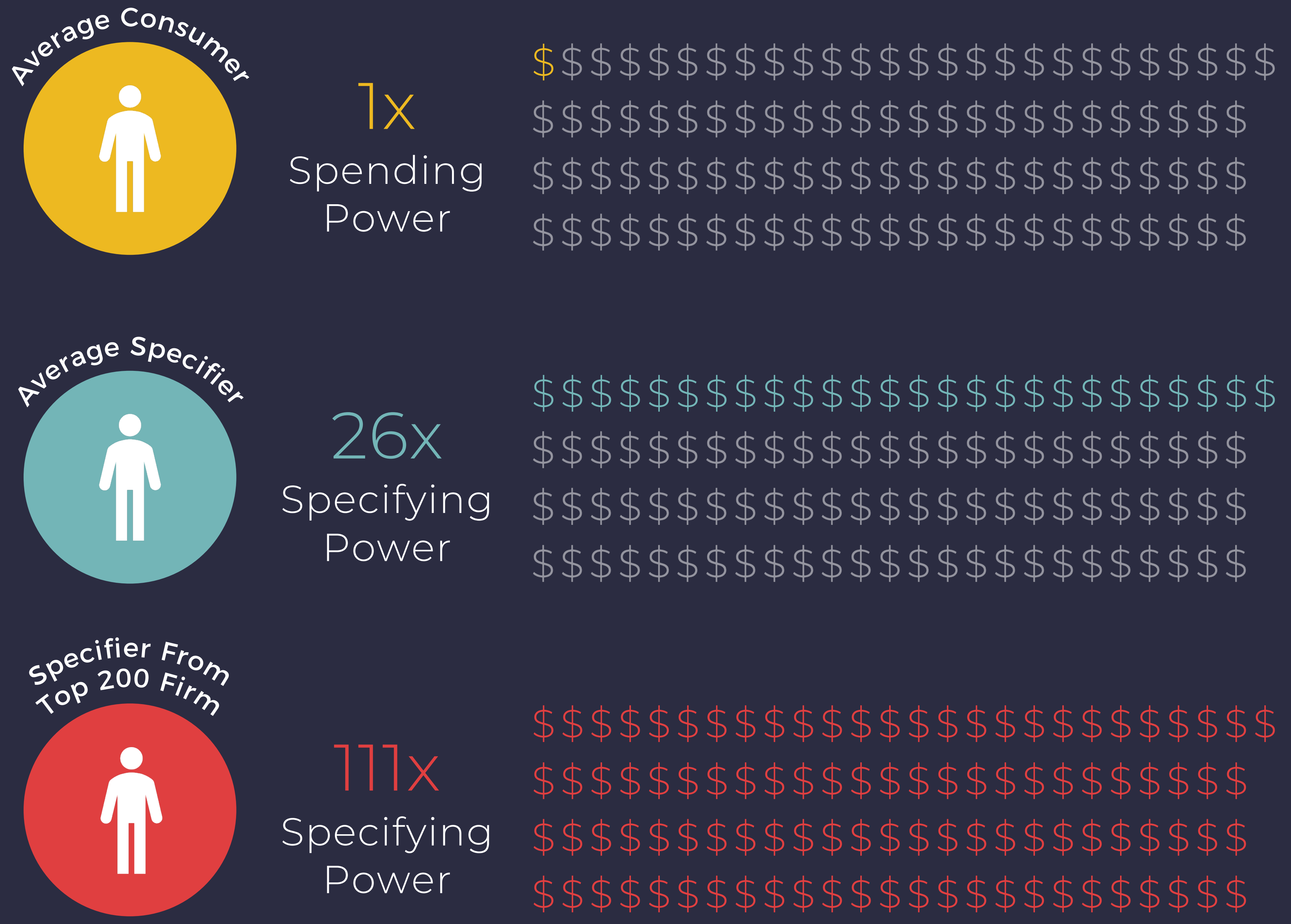
$348.6B

total available U.S. market

Source: See appendix.

01 THE ECONOMIC POWER OF DESIGN

Specification Power vs. Buying Power



The average designer has **26 times as much specification power** as the average American has buying power.

That number can be up to **111 times** for *Interior Design* Giants of Design specifiers.

But even if you are not directly calling on those in the A&D community, **they are the trend influencers that drive where product design is headed.**

Source: See appendix.

02 PROFILE OF THE U.S. INTERIOR DESIGN PROFESSION

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Number of Design Firms in the U.S.

13,812 firms

a 2.7% year-over-year increase ▲

Source: U.S. Bureau of Labor Statistics, NAICS Detailed Employment, updated February 2022

02 PROFILE OF THE U.S. INTERIOR DESIGN PROFESSION

Number of Specifiers in the U.S.

93,300
designers

a 7.2% year-over-year increase ▲

125,500
architects

a 1% year-over-year decrease ▼

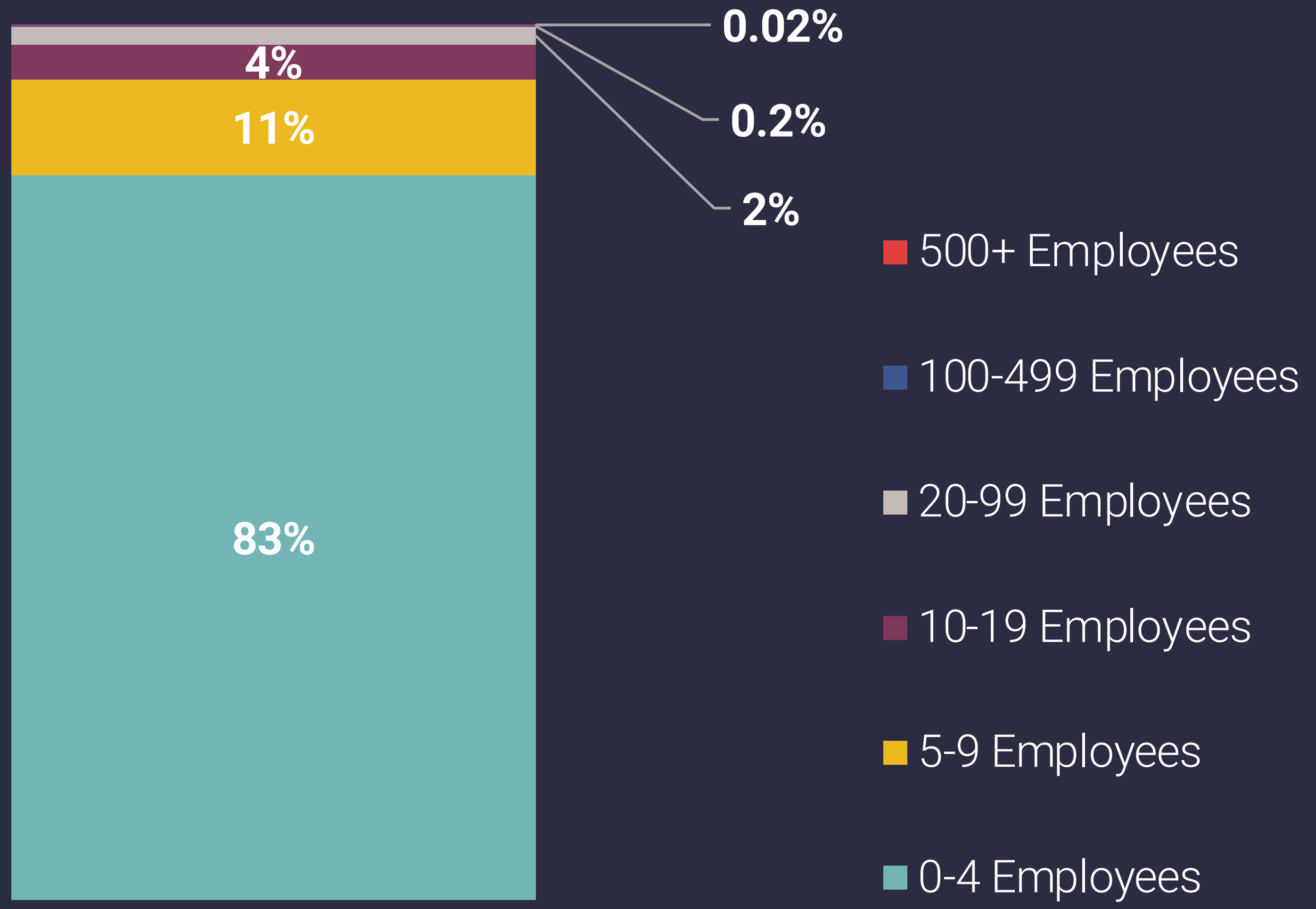
"Designers" includes self-employed designers' projected employment growth of 1%, 2021-2031.
"Architects" includes self-employed architects' projected employment growth of 3%, 2021-2031.

Source: U.S. Bureau of Labor Statistics, Occupational Employment and Wages, updated February 2022

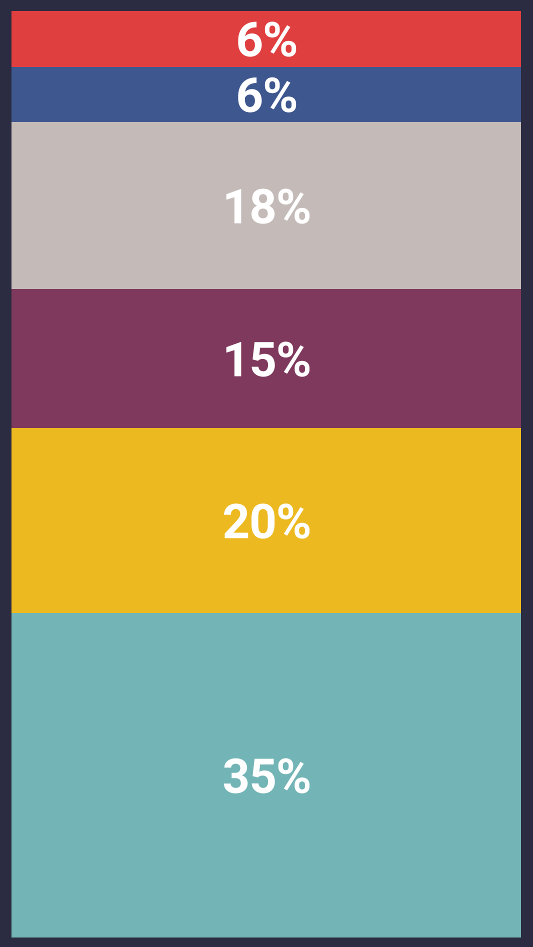
02 PROFILE OF THE U.S. INTERIOR DESIGN PROFESSION

Breakdown of Design Firms in the U.S.

FIRM DISTRIBUTION BY SIZE



DISTRIBUTION OF INTERIOR DESIGNERS BY FIRM SIZE



Currently, **nearly 33% of designers who are employed within firms** work at *Interior Design* Giants of Design.

Source: U.S. Bureau of Labor Statistics, NAICS Detailed Employment, updated May 2021

02 PROFILE OF THE U.S. INTERIOR DESIGN PROFESSION

Metropolitan Areas with Above-Average Designer Employment

METROPOLITAN AREA	LOCATION QUOTIENT
Naples, Immokalee, Marco Island, FL	5.65
Fayetteville, Springdale, Rogers, AR–MO	4.58
Southwest Montana	2.88
Miami–Fort Lauderdale–West Palm Beach, FL	2.41
St. George, UT	2.35
North Port–Sarasota, Bradenton, FL	2.12
Denver, Aurora, Lakewood, CO	2.07
Cape Coral, Fort Myers, FL	2.00
Sebastian, Vero Beach, FL	1.98
Wilmington, NC	1.97

Location quotients compare employment in a specific market to the national average. Here you see the location quotient for designers in Naples, FL is 5.65, meaning employment of interior designers is 5.65 times higher than the national average. In other words, the **concentration of designers is above the national average in each of these top markets.**

WHAT'S CHANGED SINCE 2021?

A rise in designers in select tertiary markets has moved San Francisco and Los Angeles off the top 10 list of designer-dense cities per capita. The South remains strong as the economy there is leading the strongest recovery.

Source: U.S. Bureau of Labor Statistics, Occupational Employment and Wages, updated November 2022

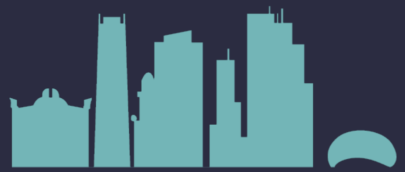
02 PROFILE OF THE U.S. INTERIOR DESIGN PROFESSION

Metropolitan Areas with Highest Designer Employment

New York City: 5,670
▲ +17%

Los Angeles: 3,450
▼ −28%

Miami: 2,600
▲ +66%



Chicago: 2,080
▲ +20%

San Francisco: 1,930
▼ −25%

Dallas: 1,850
▼ −7%

Washington, D.C.: 1,680
▲ +1%

Atlanta: 1,650
▼ −3%

Boston: 1,650
▲ +17%

Denver: 1,330
▼ −14%

This graphic shows the top 10 cities with the **highest overall designer employment** and their growth/decline since last year.

WHAT'S CHANGED SINCE 2021?

There has been some shifting within the top 10. Leading the charge is Miami, up six spots from #9 to #3 on the list. Chicago moves up two places to overtake San Francisco and Dallas as well. Washington, D.C. and Atlanta switch places, and Boston enters the list in 8th place, bumping Houston from the list this year.

Source: U.S. Bureau of Labor Statistics, Occupational Employment and Wages, updated November 2022

03 PROFILE OF INTERIOR DESIGN FIRMS

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Average # of Projects Worked on Per Designer, Per Year, Per Firm Type

Residential projects per year in residential firms

23

Projects by firms who do an equal mix of residential and non-residential work

18

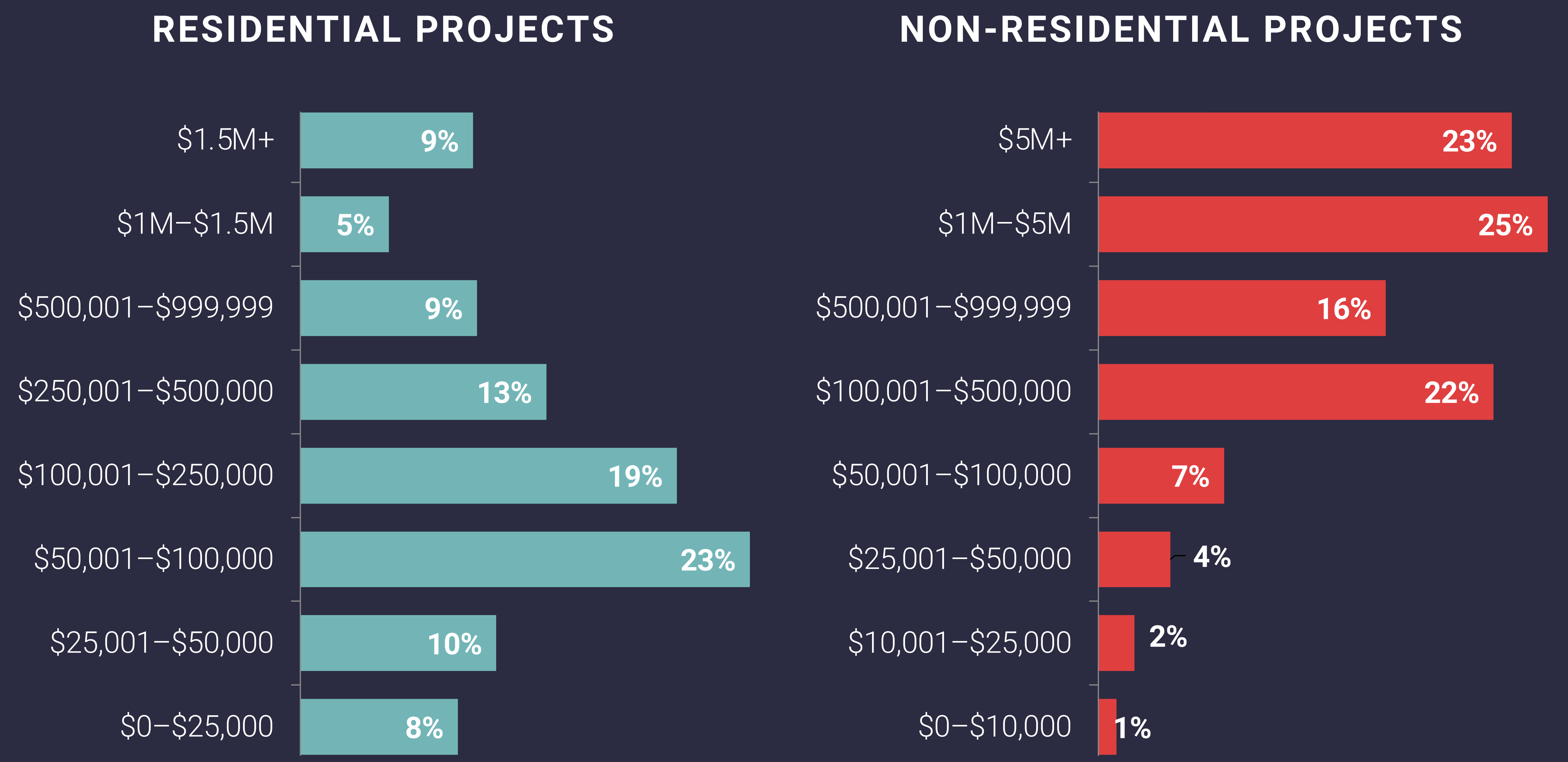
Non-residential projects per year in non-residential firms

42

Source: ThinkLab U.S. Design Industry Benchmark Survey, 2022

03 PROFILE OF INTERIOR DESIGN FIRMS

Average FF&E* Spend Per Project



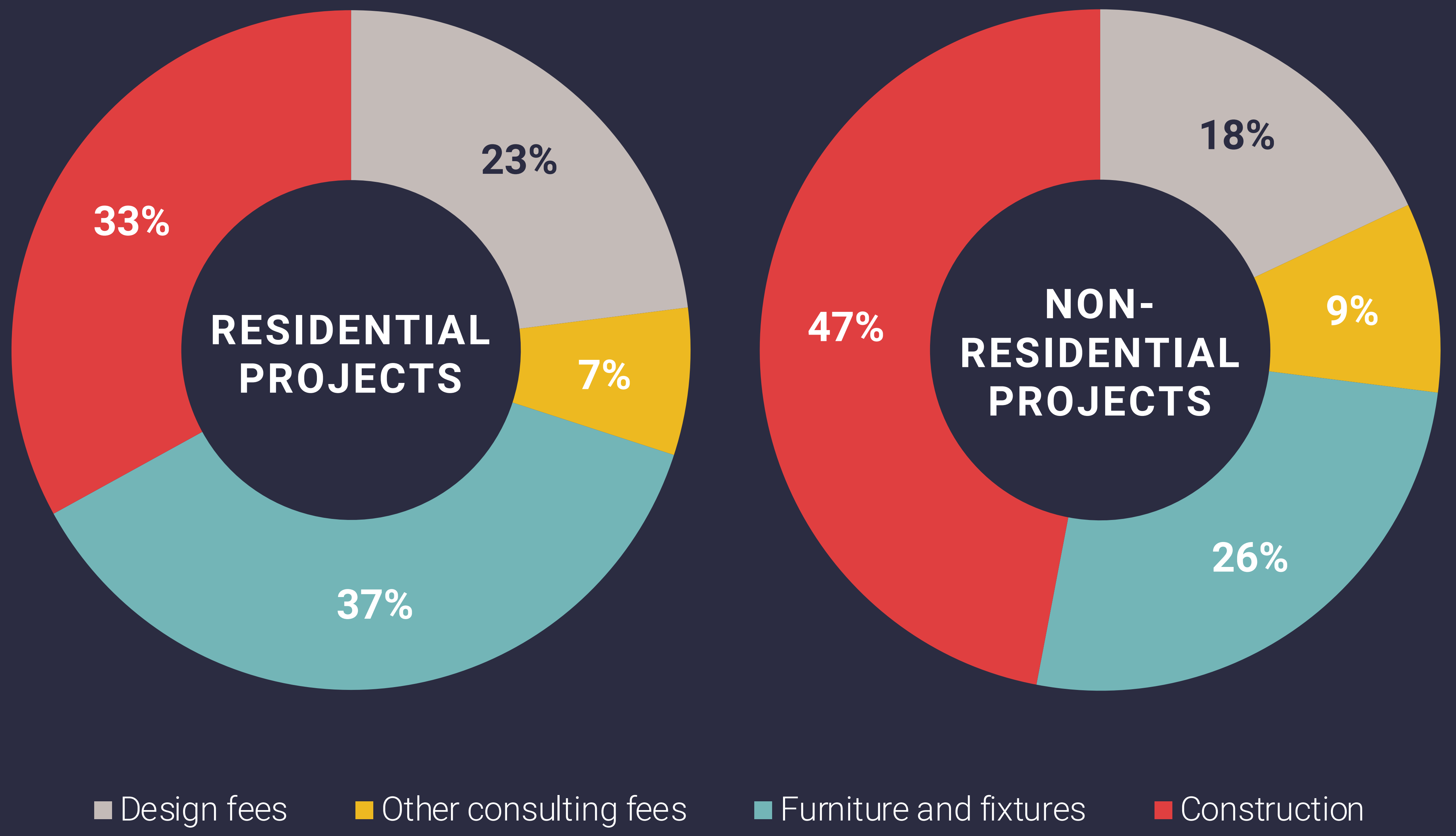
Most residential project budgets are between 50K–100K (compared to last years average of $25,000) whereas **most commercial project budgets are between $1M–$5M, similar to 2022.**

*FF&E: Furniture, Fixtures, and Equipment

Note: Some charts do not sum to 100% due to rounding.
Source: ThinkLab U.S. Design Industry Benchmark Survey, 2022

03 PROFILE OF INTERIOR DESIGN FIRMS

Budget Breakdown Per Project Type



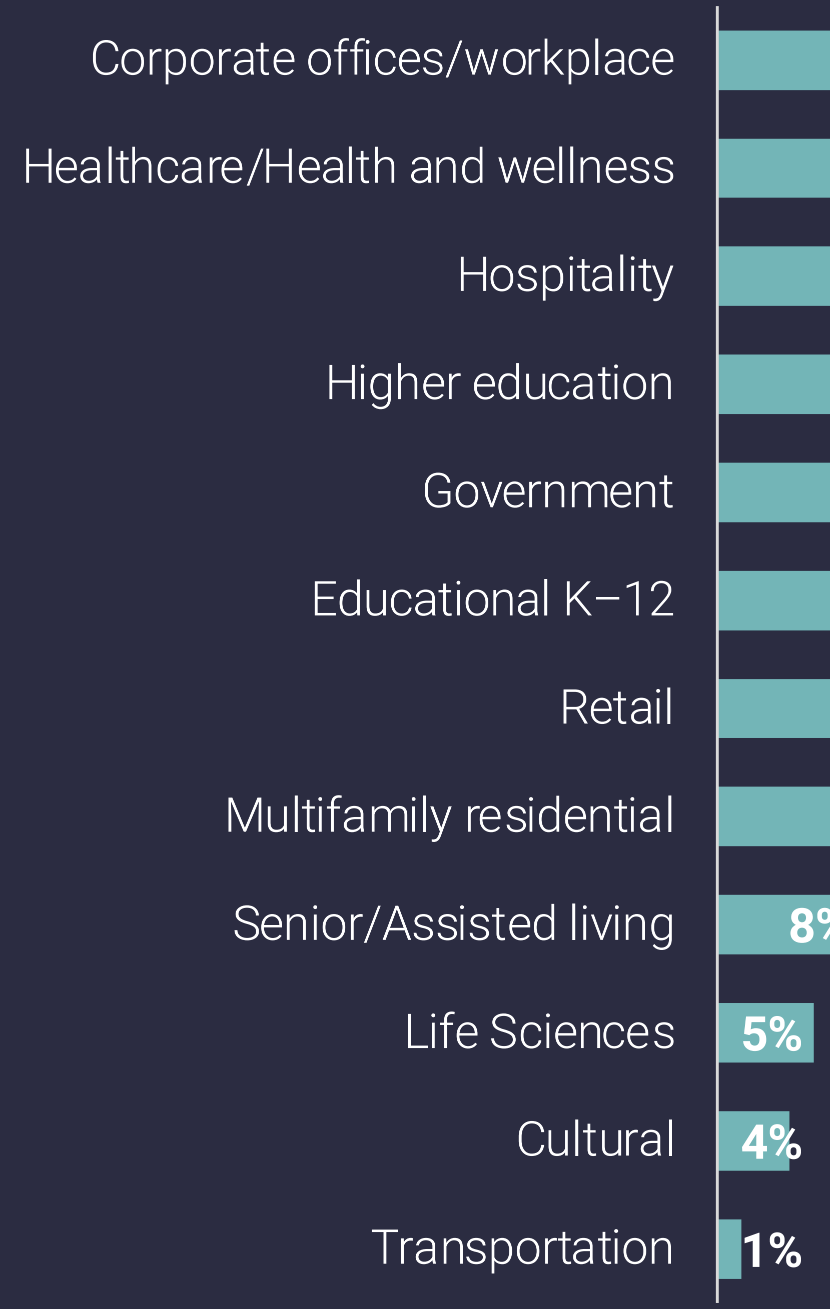
Regardless of vertical market focus, budget spending remains largely proportionate between residential and non-residential projects.

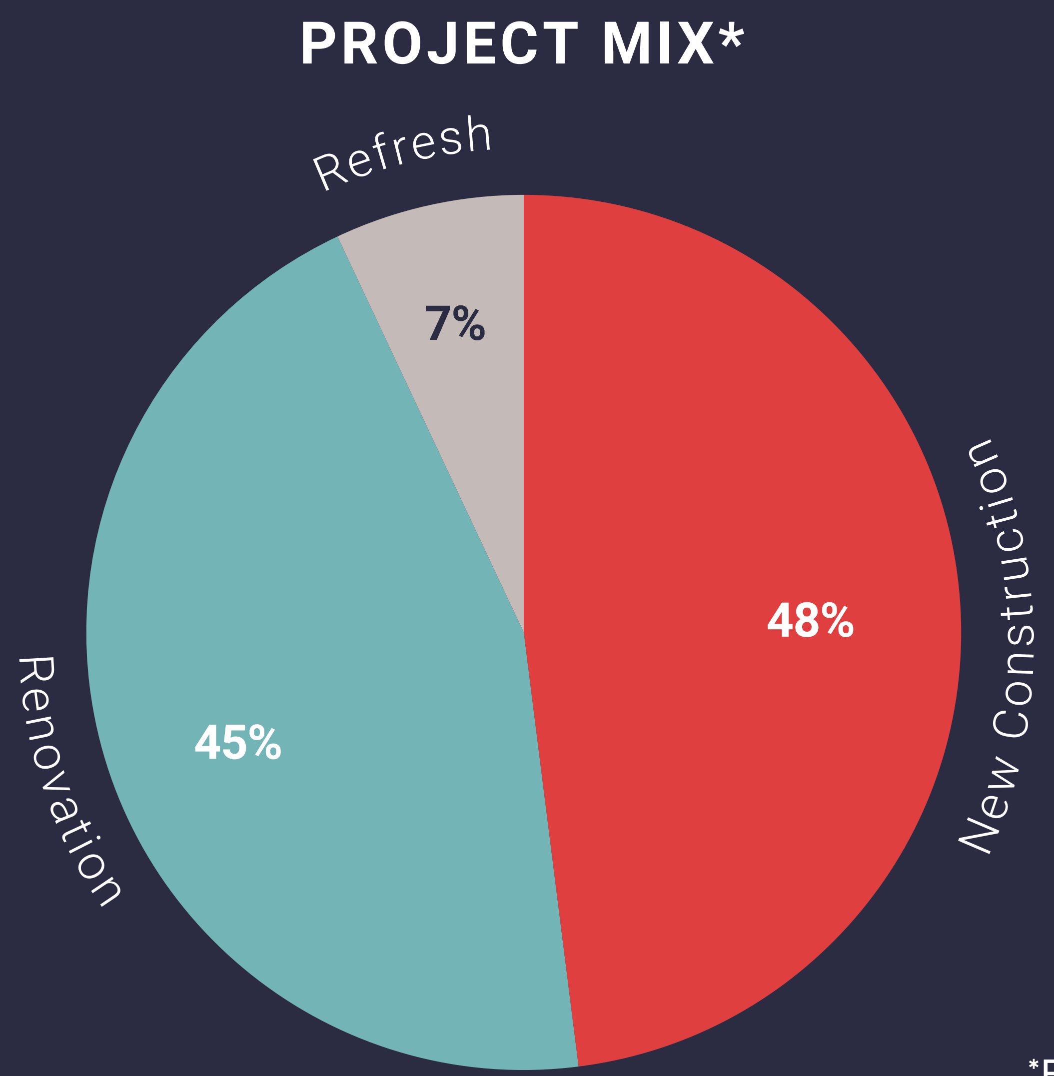
The difference this year is that **furniture and fixtures have surpassed construction fees for residential A&D,** likely due to the boom in remodeling.

Source: ThinkLab U.S. Design Industry Benchmark Survey, 2022

03 PROFILE OF INTERIOR DESIGN FIRMS

Vertical Market Focus for Non-Residential Firms





The clear focus for non-residential work is the corporate environment, followed by healthcare and hospitality, which is concurrent with *Interior Design* Giants of Design data.

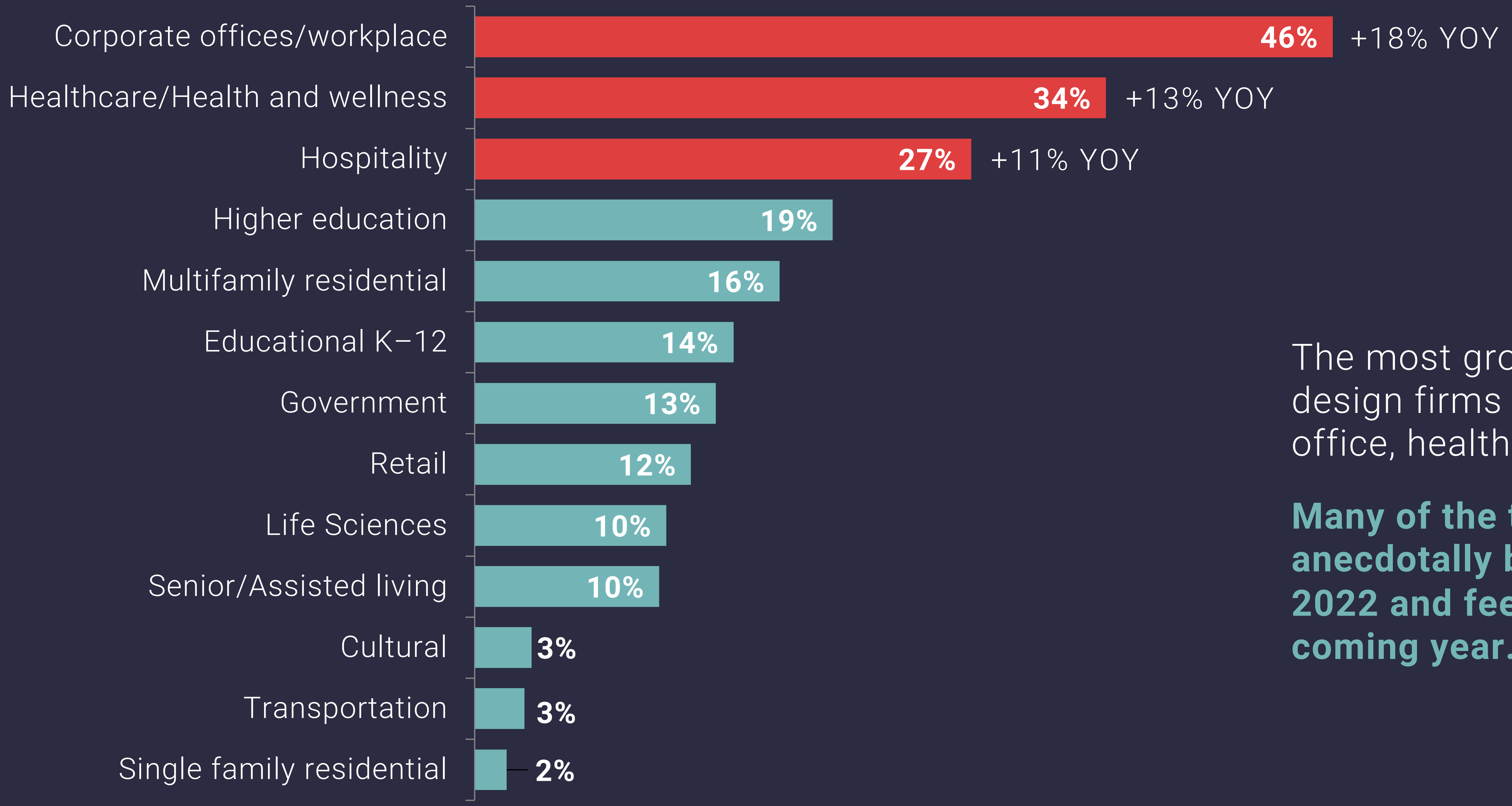
Since last year, **more firms are focusing on more places, indicating a diversification of their portfolio.**

*Renovation applies to projects with wall removal and construction. Refresh applies to projects with only cosmetic changes.

Source: ThinkLab U.S. Design Industry Benchmark Survey, 2022

03 PROFILE OF INTERIOR DESIGN FIRMS

Greatest Growth Potential Projection For Non-Residential Firms in the Next 12 Months



The most growth for non-residential design firms is projected in corporate office, healthcare, and hospitality.

Many of the top 200 firms were anecdotally busier than expected in 2022 and feel positive about the coming year.

Source: ThinkLab U.S. Design Industry Benchmark Survey, 2022

04 PERSONAL PROFILE OF INTERIOR DESIGNERS

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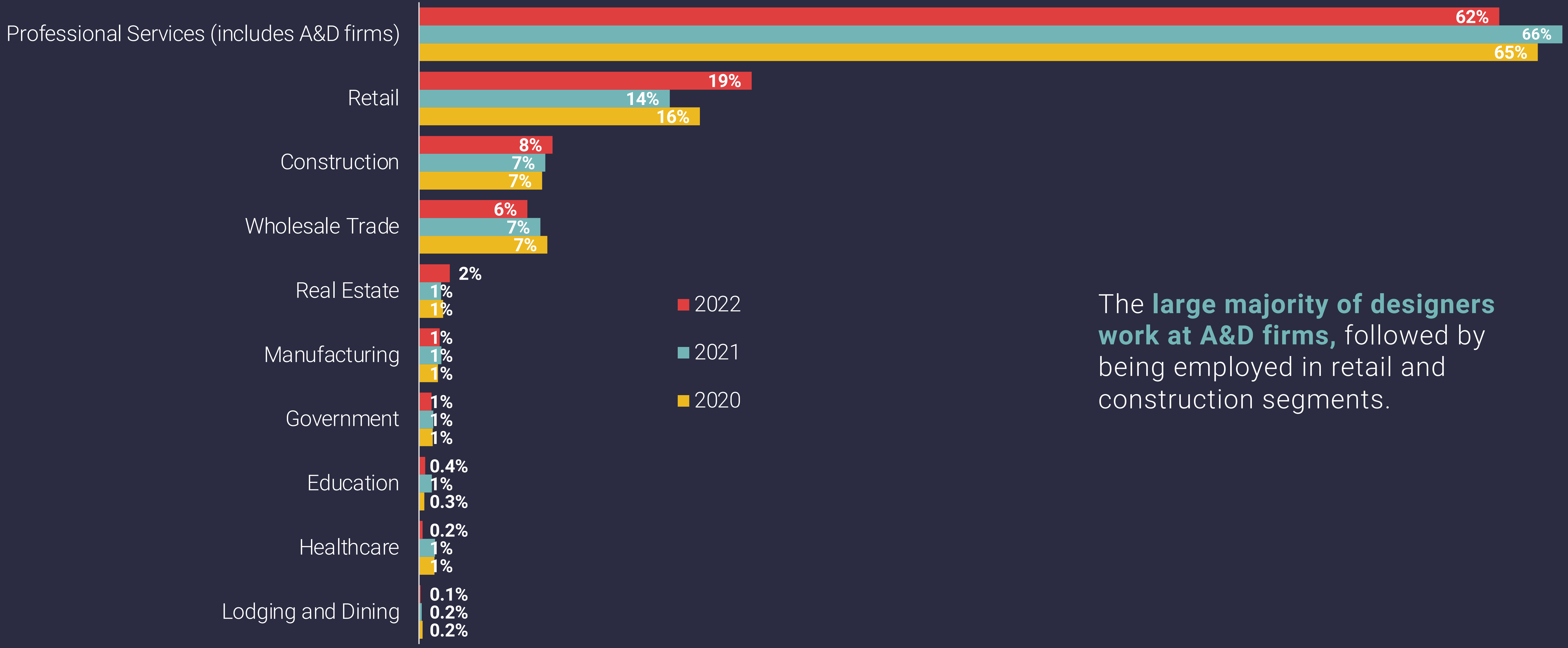
Where Designers Work

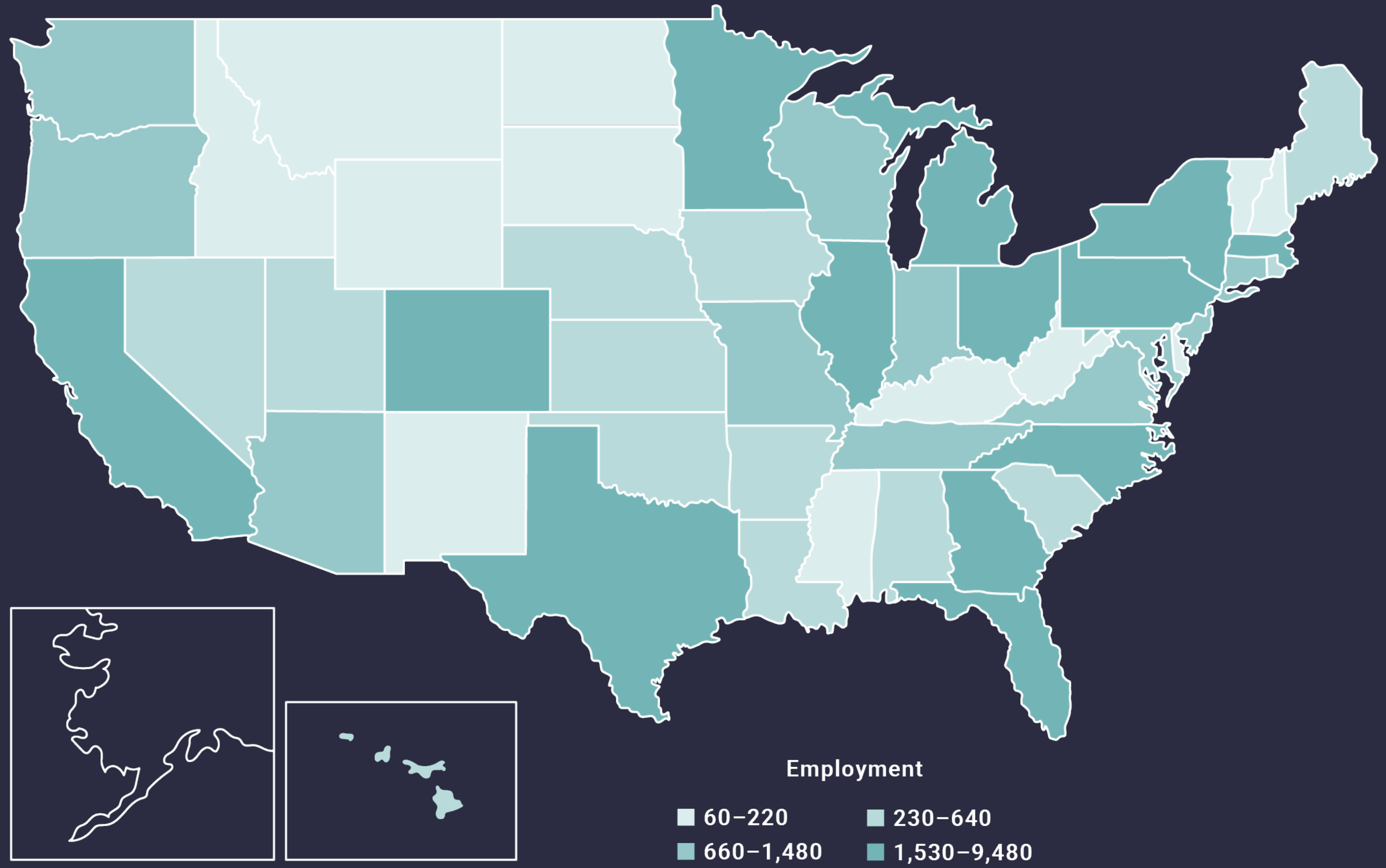


The **large majority of designers work at A&D firms,** followed by being employed in retail and construction segments.

Source: U.S. Bureau of Labor Statistics, Occupational Employment and Wages, 2021

04 PERSONAL PROFILE OF INTERIOR DESIGNERS

Employment of Designers by State



The top 5 states with the **highest level of interior design employment** are:

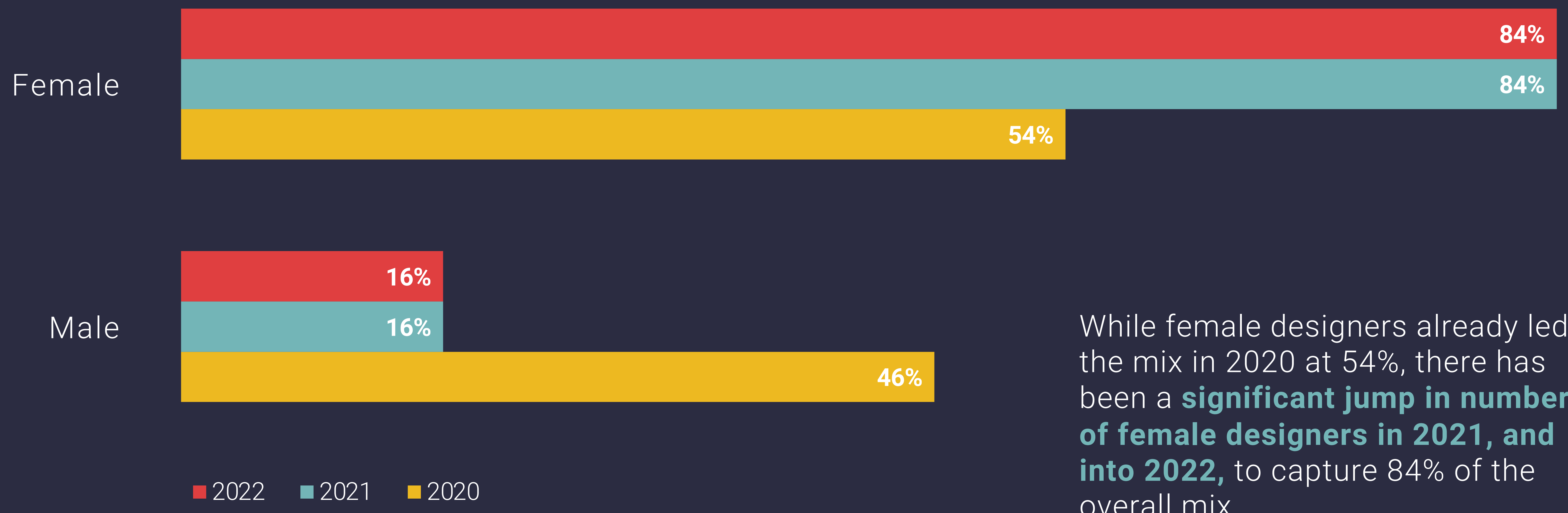
	2022	2021
California	#1 =	#1
Florida	#2 ▲	#4
New York	#3 =	#3
Texas	#4 ▼	#2
Illinois	#5 ▲	—

Note: Blank areas indicate data not available.

Source: U.S. Bureau of Labor Statistics, Occupational Employment and Wage Statistics

04 PERSONAL PROFILE OF INTERIOR DESIGNERS

Demographics: Gender

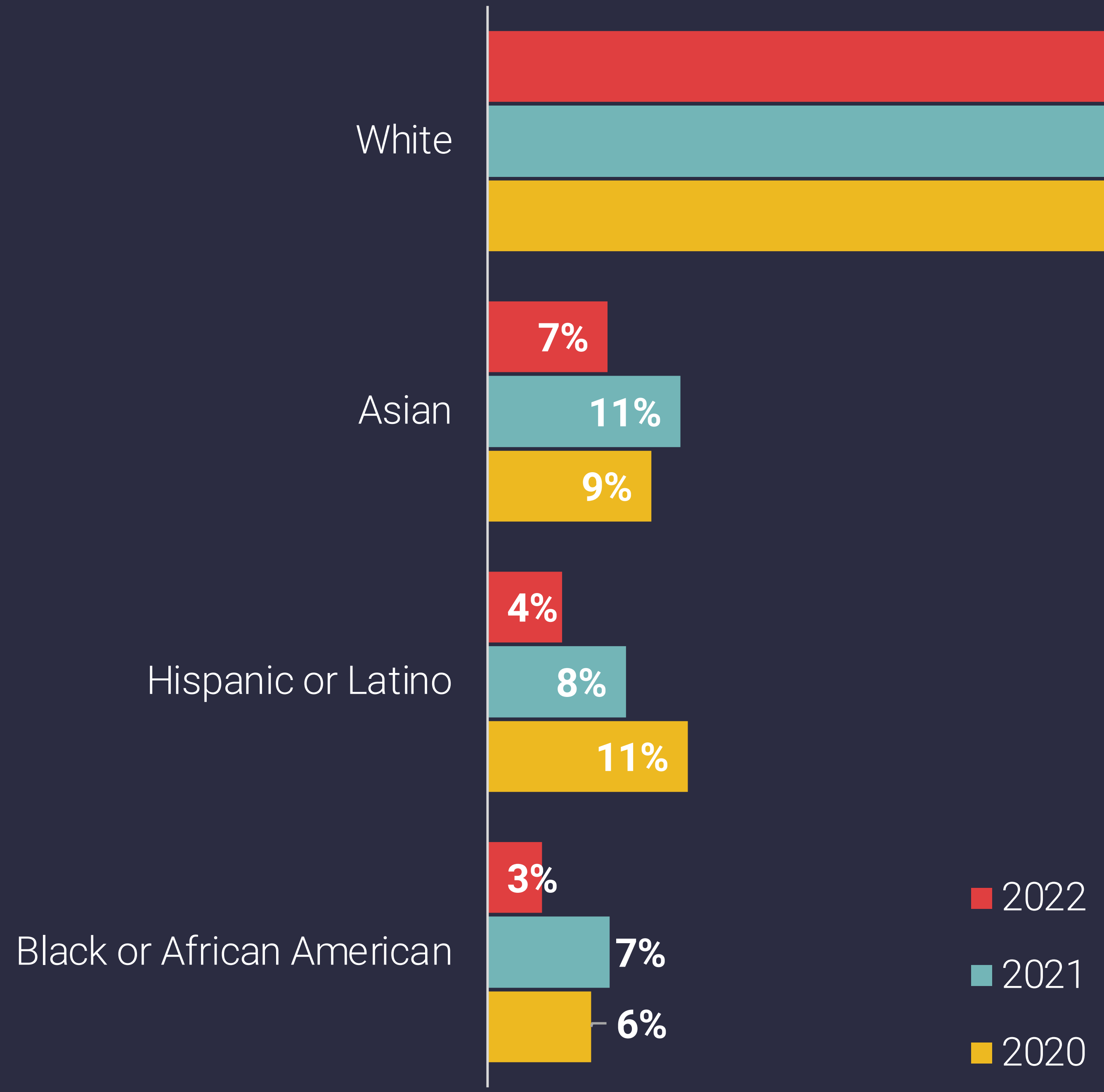


While female designers already led the mix in 2020 at 54%, there has been a **significant jump in number of female designers in 2021, and into 2022,** to capture 84% of the overall mix.

Source: U.S. Bureau of Labor Statistics, Employed persons by detailed occupation, 2021

04 PERSONAL PROFILE OF INTERIOR DESIGNERS

Demographics: Race & Ethnicity



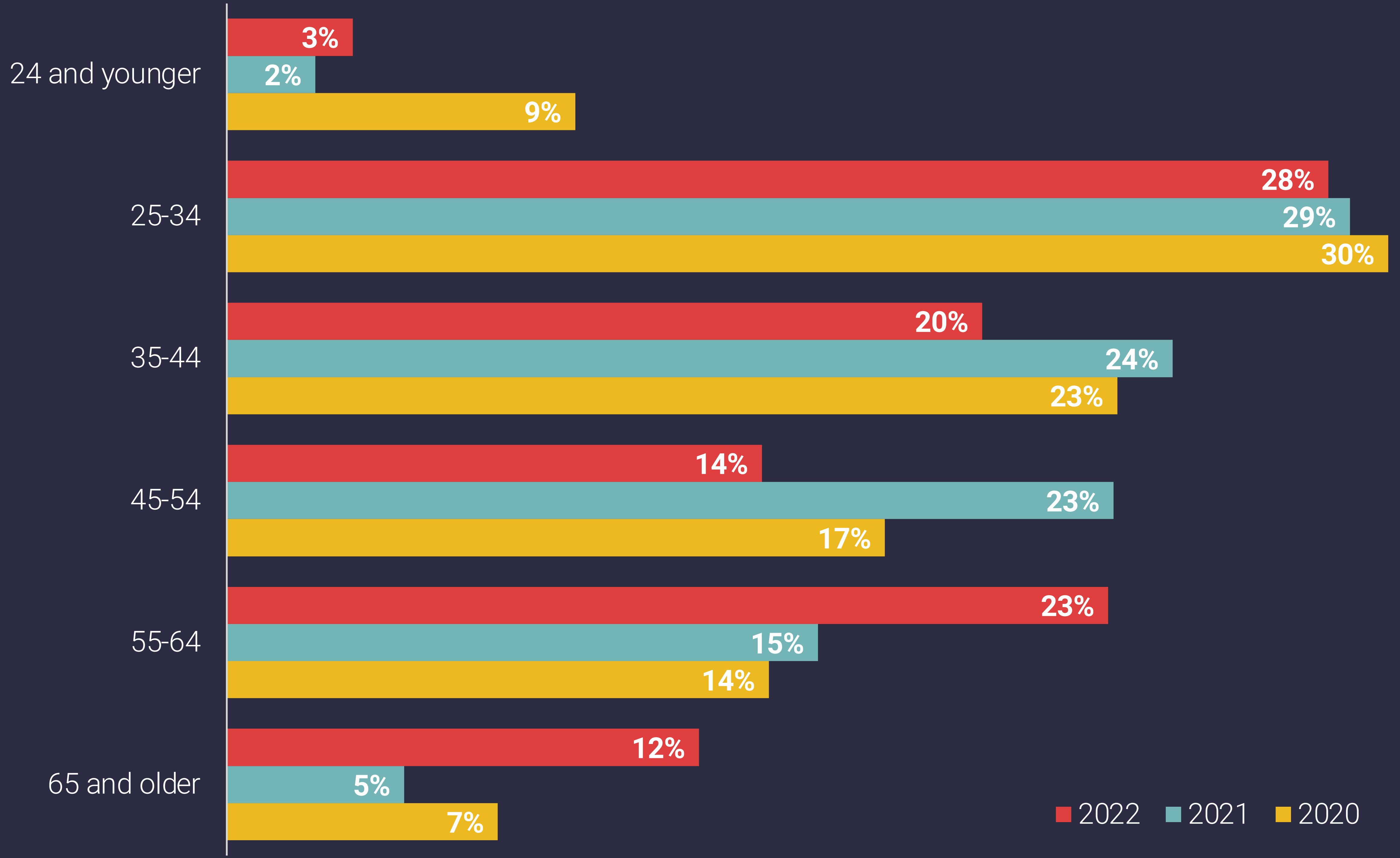
In terms of changes in race and ethnicity, there has been **almost 10% growth in the overall percentage of white designers** in the profession since last year. This includes new designers as well as career changers entering the industry at all ages/experience levels.

Note: Percentages of race and ethnicity do not sum to 100%, as they are not mutually exclusive.

Source: U.S. Bureau of Labor Statistics, Employed persons by detailed occupation

04 PERSONAL PROFILE OF INTERIOR DESIGNERS

Demographics: Age

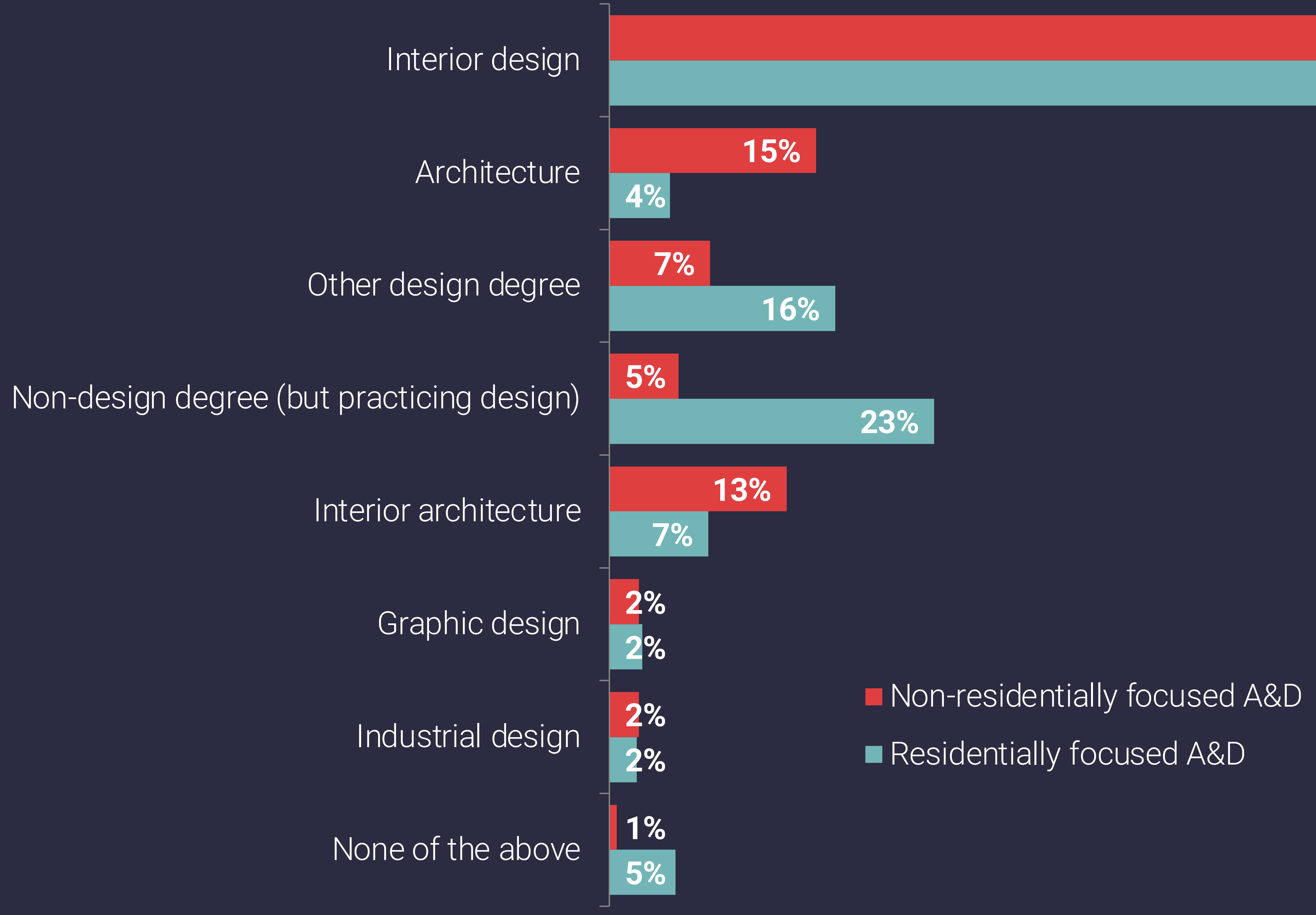


The median designer age in 2022 is 44, up from 43 last year. Similar to 2021, **the majority of designers in the profession are aged 25–34.** But we see a rise in designers in the range of 55–64, as well as 65 and older, which could be attributed to professionals starting second careers in design during the residential boom driven in part by the pandemic.

Note: Some charts do not sum to 100% due to rounding.
Source: U.S. Bureau of Labor Statistics, Employed persons by detailed occupation

04 PERSONAL PROFILE OF INTERIOR DESIGNERS

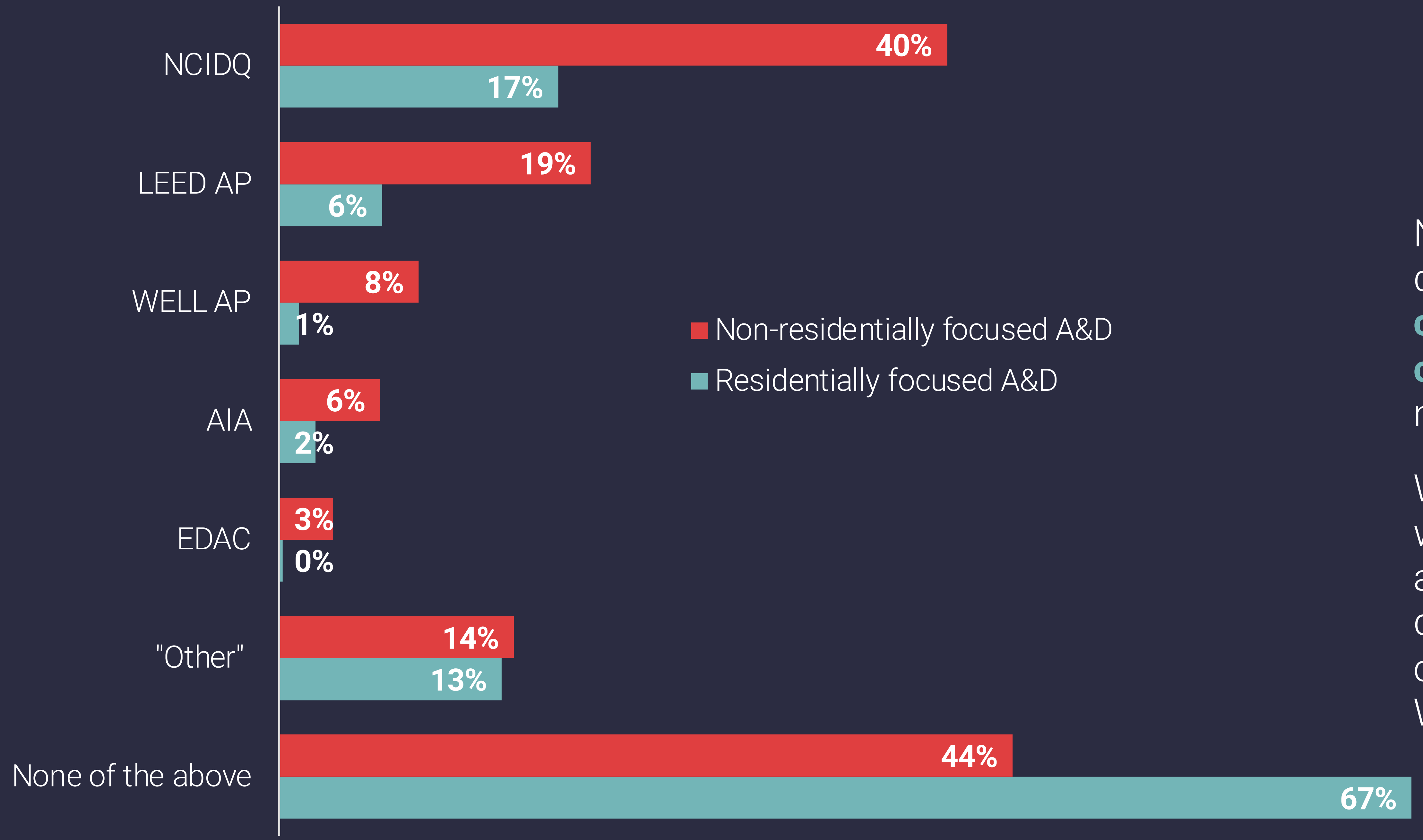
Education: Degrees Held



Similar to last year's benchmark report, most practicing respondents have an interior design or architecture degree. **Specifiers who work in the residential sector are more likely to be practicing without a degree** — or with a degree that is not specific to interior design or architecture.

Note: Charts do not sum to 100% because respondents may have more than one degree.
Source: ThinkLab U.S. Design Industry Benchmark Survey, 2022

Education: Design Credentials Held



Non-residential architects and designers hold **more design credentials than their residential counterparts,** who are also more likely not to hold any credentials at all.

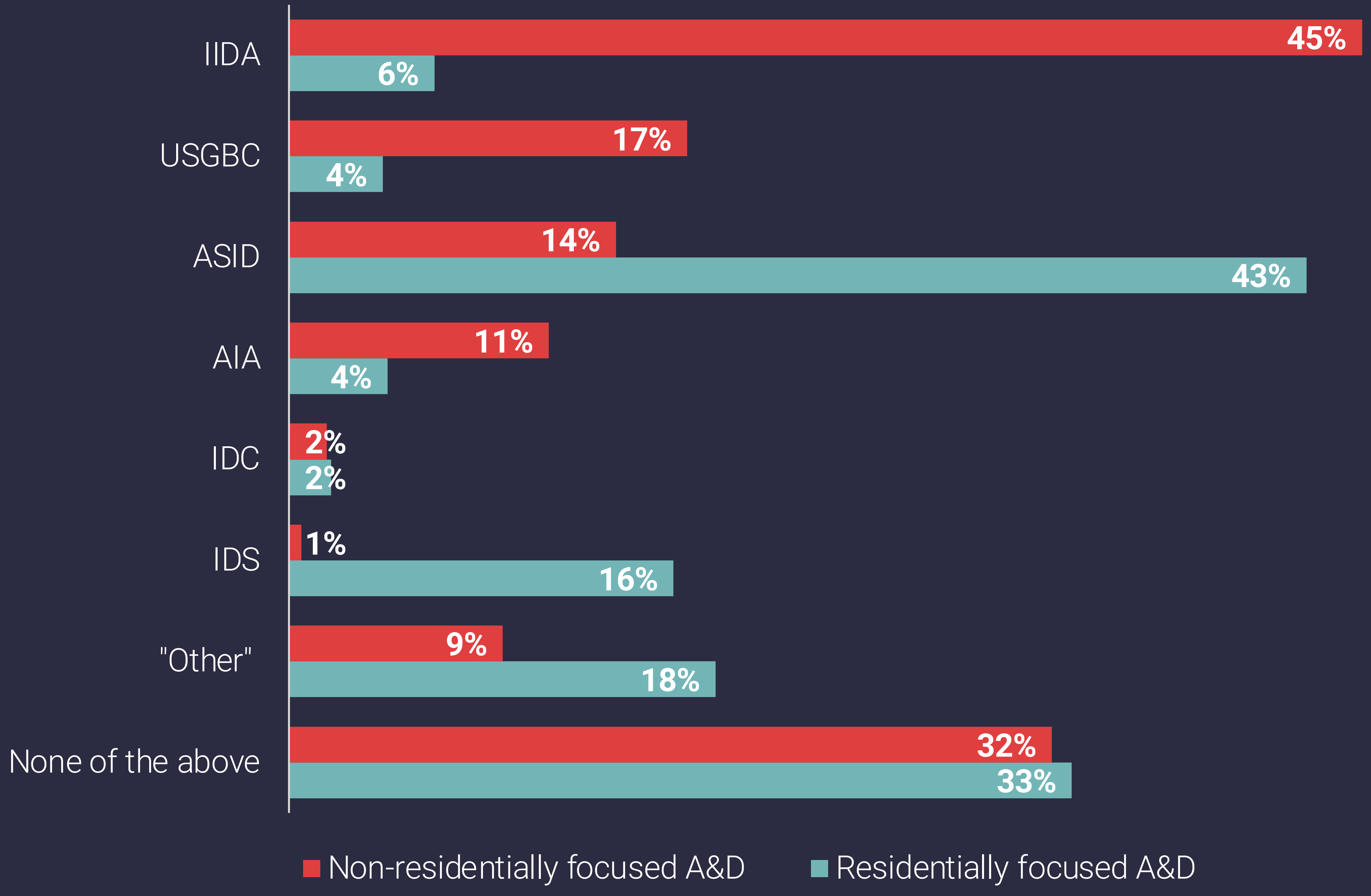
Which credential is more popular with which audience? NCIDQ certificates are held primarily by interior designers, while architects primarily comprise those holding LEED and WELL AP credentials.

*For residentially focused A&D: LEED GA, CQRID
For non-residentially focused A&D: NEWH, NCARB

Note: Charts do not sum to 100% because respondents may have more than one credential.
Source: ThinkLab U.S. Design Industry Benchmark Survey, 2022

04 PERSONAL PROFILE OF INTERIOR DESIGNERS

Professional Association Membership



Non-residentially focused A&D are more likely to be IIDA members, whereas residential A&D are more likely to be members of ASID.

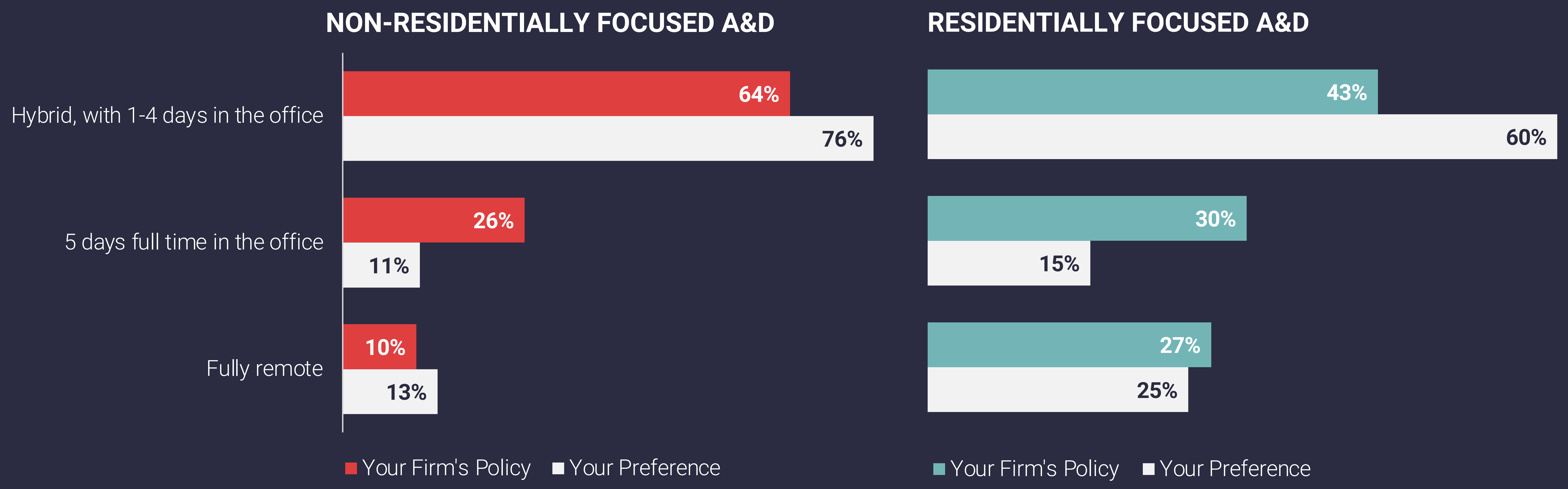
After that, **the majority of both groups of specifiers are not members in many of the industry's most popular associations.** This data has not changed since last year.

*For residentially focused A&D: NKBA
For non-residentially focused A&D: NEWH

Note: Charts do not sum to 100% because respondents may have more than one membership.
Source: ThinkLab U.S. Design Industry Benchmark Survey, 2022

04 PERSONAL PROFILE OF INTERIOR DESIGNERS

Work Status Predictions



ThinkLab has been measuring back-to-work sentiment quarterly since the onset of the pandemic, and **roughly 75% of the A&D community consistently estimated they'd be somewhere on the remote work spectrum.** As of Q3 2022, that estimate remains true: 74% of non-residentially focused A&D and 70% of residentially-focused A&D say their employer's policy is either hybrid or fully remote. Regardless of design focus, most would prefer to be hybrid as well.

Sources: ThinkLab Hackathon Survey, Dec. 2020; U.S. Design Industry Benchmark Survey, May 2021; *Metropolis* Survey Poll, July 2021; Hackathon 2 Survey, Aug. 2021, U.S. Design Industry Benchmark Survey 2022

05 HOW INTERIOR DESIGNERS WORK

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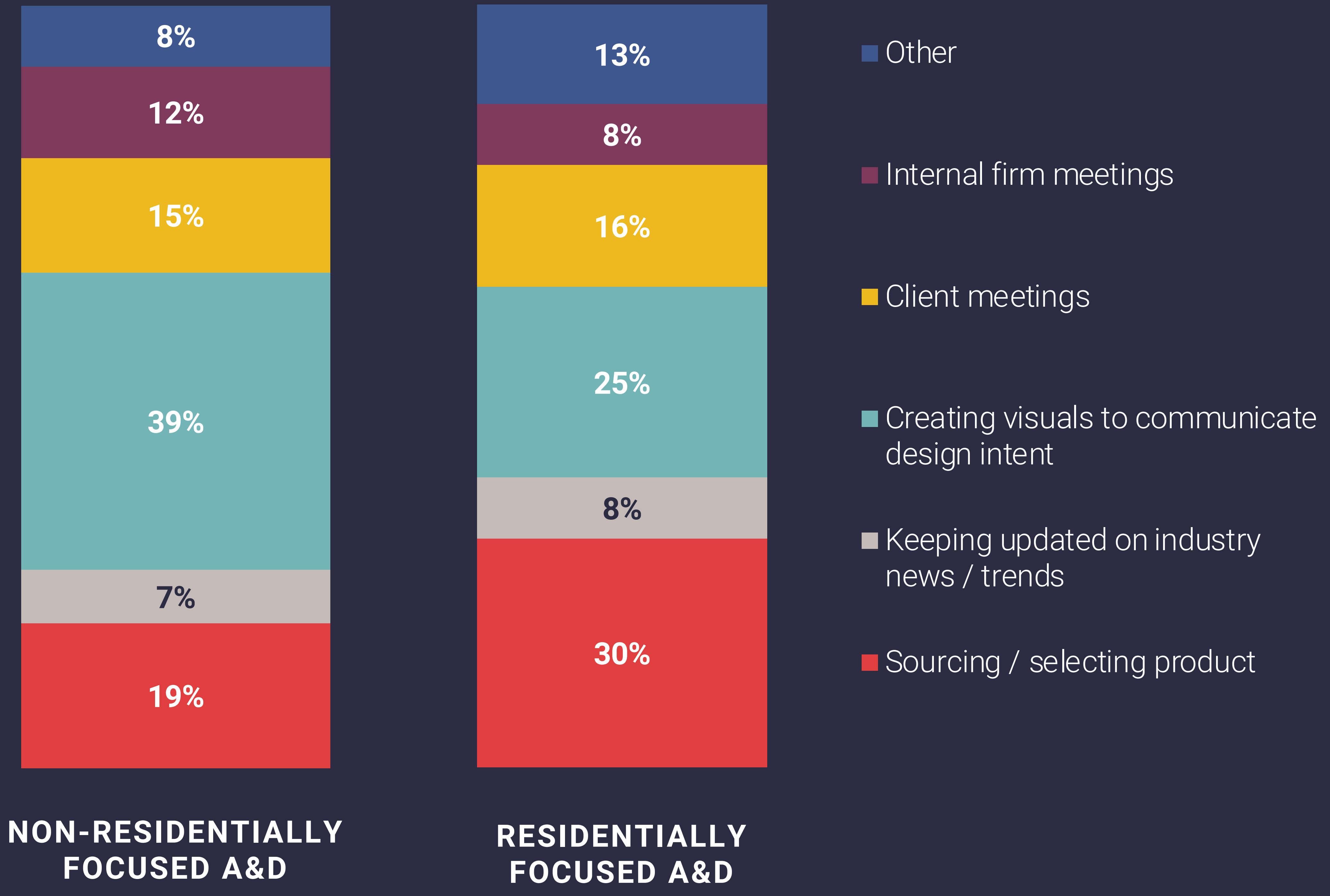
Primary Job Responsibilities



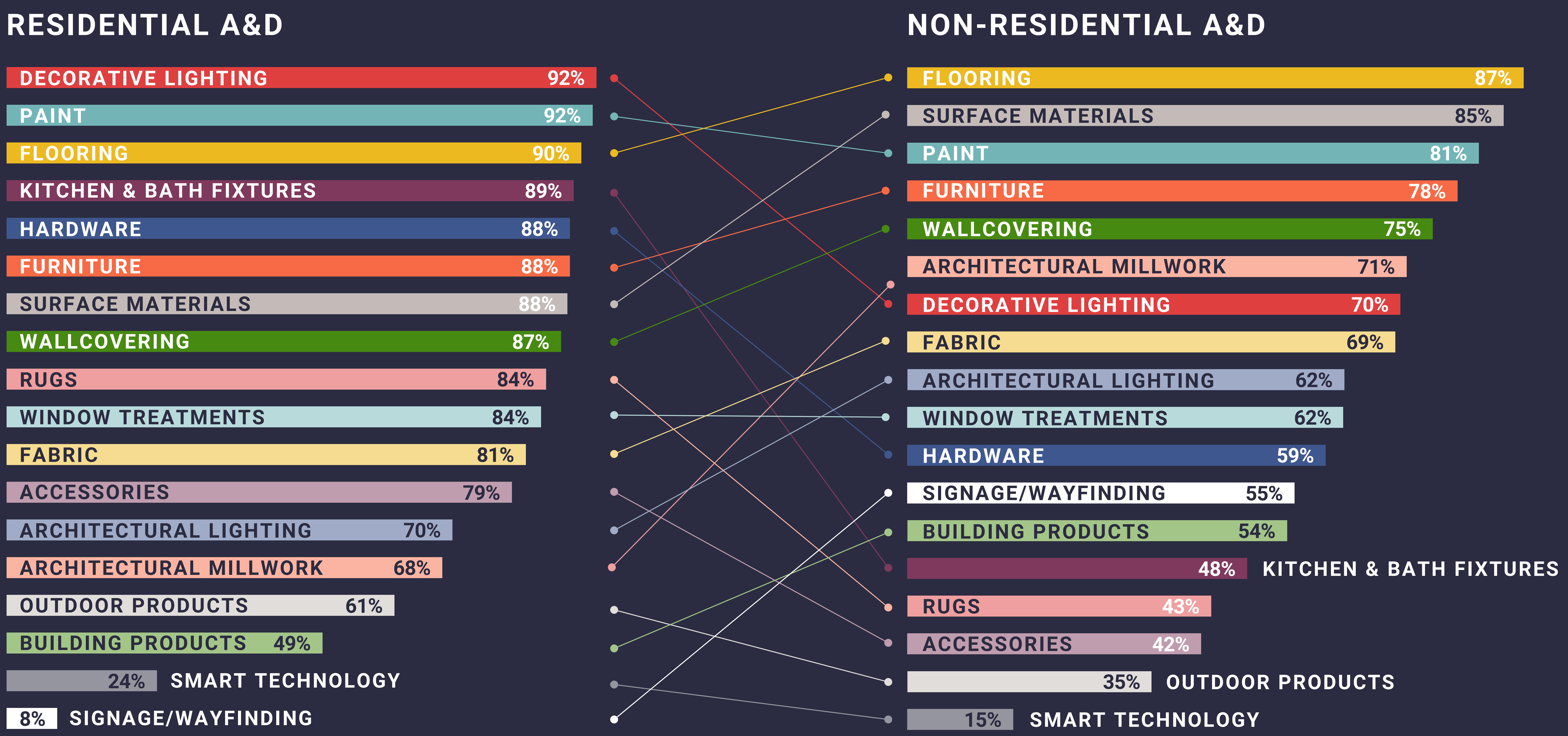
Last year, the majority of A&D (regardless of design focus) spent their time completing drawing and presentation packages to communicate their overall design intent to clients.

This year, that has shifted as **residentially focused designers are spending more of their time sourcing and selecting products instead.** This could be because of the residential boom, combined with supply chain issues due to the pandemic.

Source: ThinkLab U.S. Design Industry Benchmark Survey, 2022

05 HOW INTERIOR DESIGNERS WORK

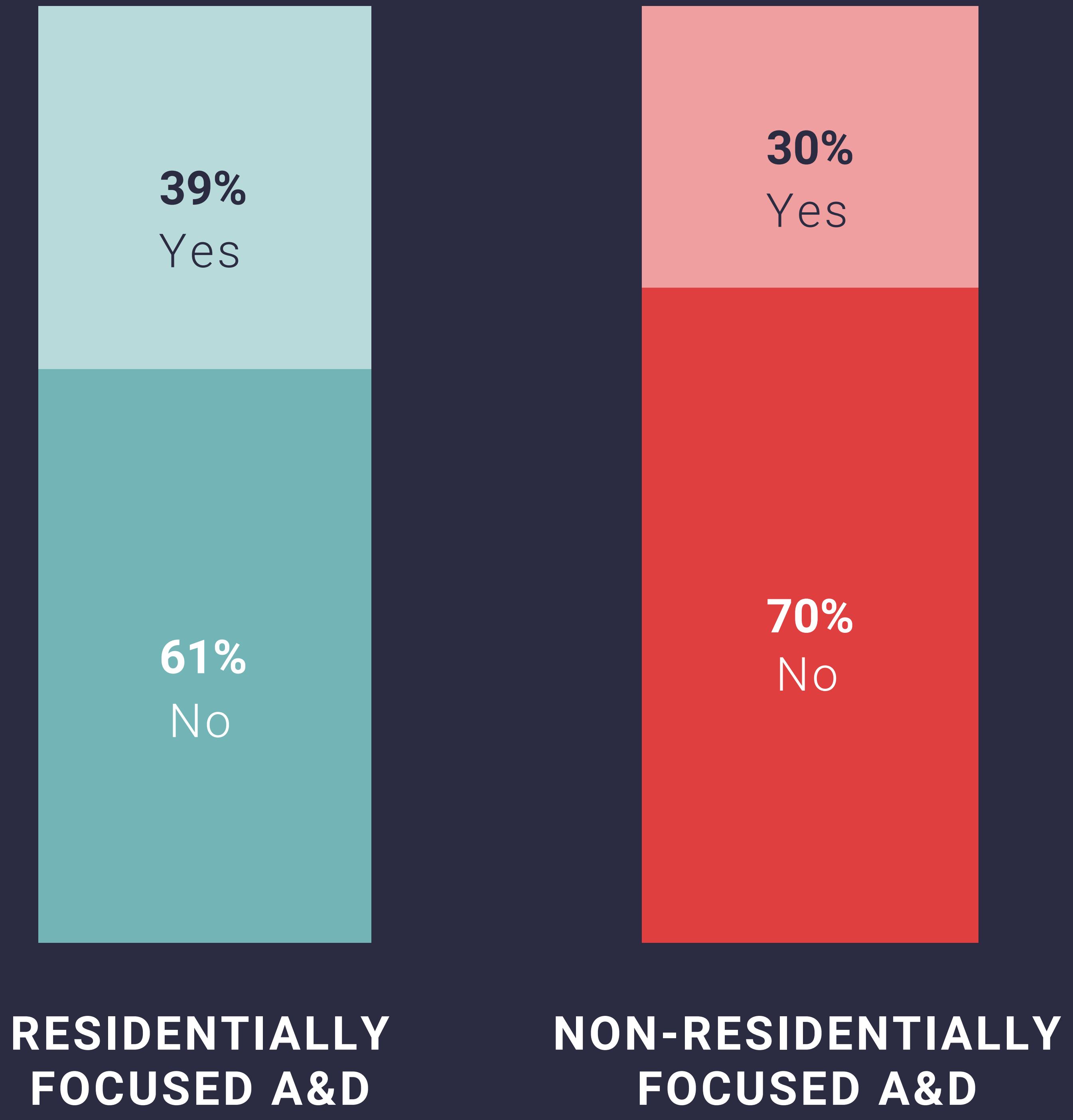
Products Specified in the Majority of Interior Design Projects



Source: ThinkLab U.S. Design Industry Benchmark Survey, 2022

05 HOW INTERIOR DESIGNERS WORK

Are There Products Specifiers Regularly Struggle to Find?



RESIDENTIAL

#1 Lighting
#2 Bar/counter stools
#3 Case goods
#4 Outdoor products
#5 Bathroom vanities

NON-RESIDENTIAL

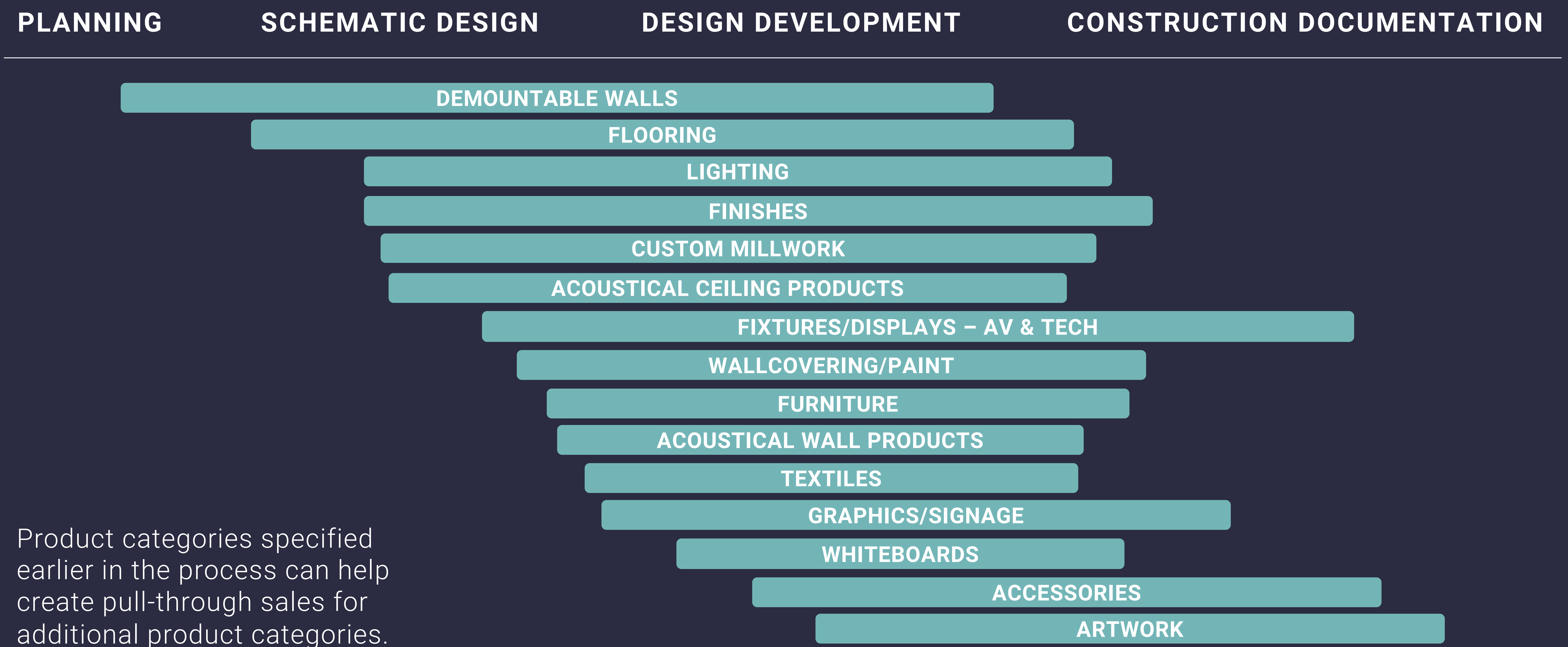
#1 Hardware
#2 Lighting
#3 Flooring
#4 Bathroom fixtures/accessories
#5 ADA accessories/hardware/furniture/bathroom accessories

Looking to develop and get feedback on your latest products in the pipeline?
ThinkLab-facilitated Virtual Product Reviews can help!

Source: ThinkLab U.S. Design Industry Benchmark Survey, 2022

05 HOW INTERIOR DESIGNERS WORK

When in the Design Process Product Specification Occurs

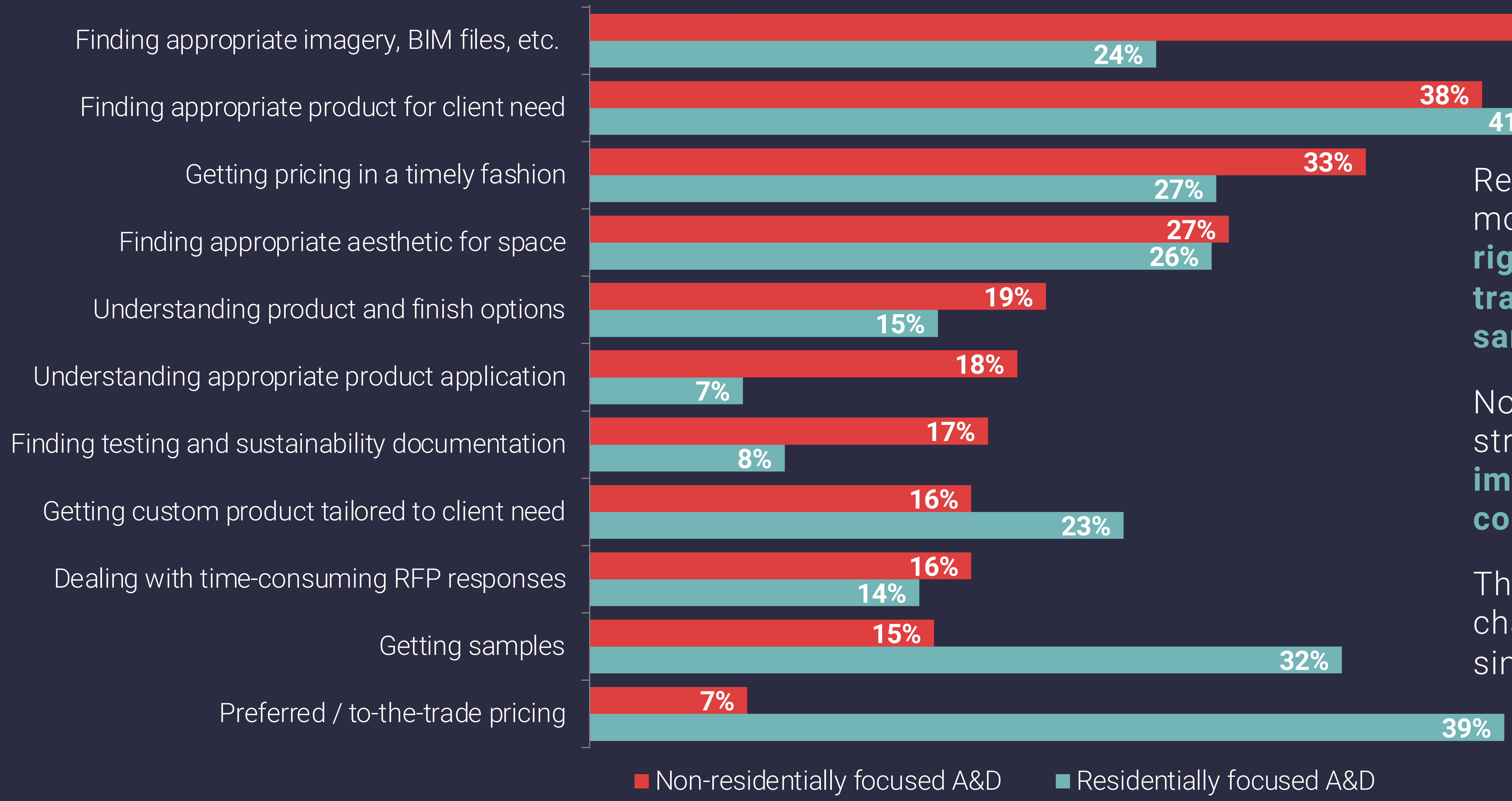


Product categories specified earlier in the process can help create pull-through sales for additional product categories.

Source: ThinkLab 25 | 50 Report

05 HOW INTERIOR DESIGNERS WORK

Biggest Product Specification Challenges



Residential specifiers struggle most heavily with **finding the right products, obtaining trade pricing, and getting samples.**

Non-residential specifiers struggle most heavily to **get imagery and files to help communicate** their selections.

These remain the consistent challenges for both audiences since last year.

Note: Charts do not sum to 100% because respondents may select multiple challenges.
Source: ThinkLab U.S. Design Industry Benchmark Survey, 2022

06 DESIGNER NEEDS + RESOURCES

06 DESIGNER NEEDS + RESOURCES

Inspiration vs. Information: Where A&D Turn For Each

WHERE A&D GO FOR INSPIRATION

- **Trade publications/magazines**
- **Manufacturers' websites**
- **Pinterest**
- **Instagram**
- **General internet search**
- **Showrooms/Design centers**
- Trade shows
- Material Bank
- **Manufacturers' sales reps**
- **Manufacturers' literature**
- Previously completed projects
- Recommendations from peers
- In-firm physical resource library
- My Resource Library
- Designer Pages
- Sustainability sites
- LinkedIn

WHERE A&D GO FOR INFORMATION

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- Designer Pages
- LinkedIn

Trade publications are (still) a designer's go-to resource for inspiration, and as they look to get specific product information, their sources shift.

WHAT'S CHANGED SINCE LAST YEAR?

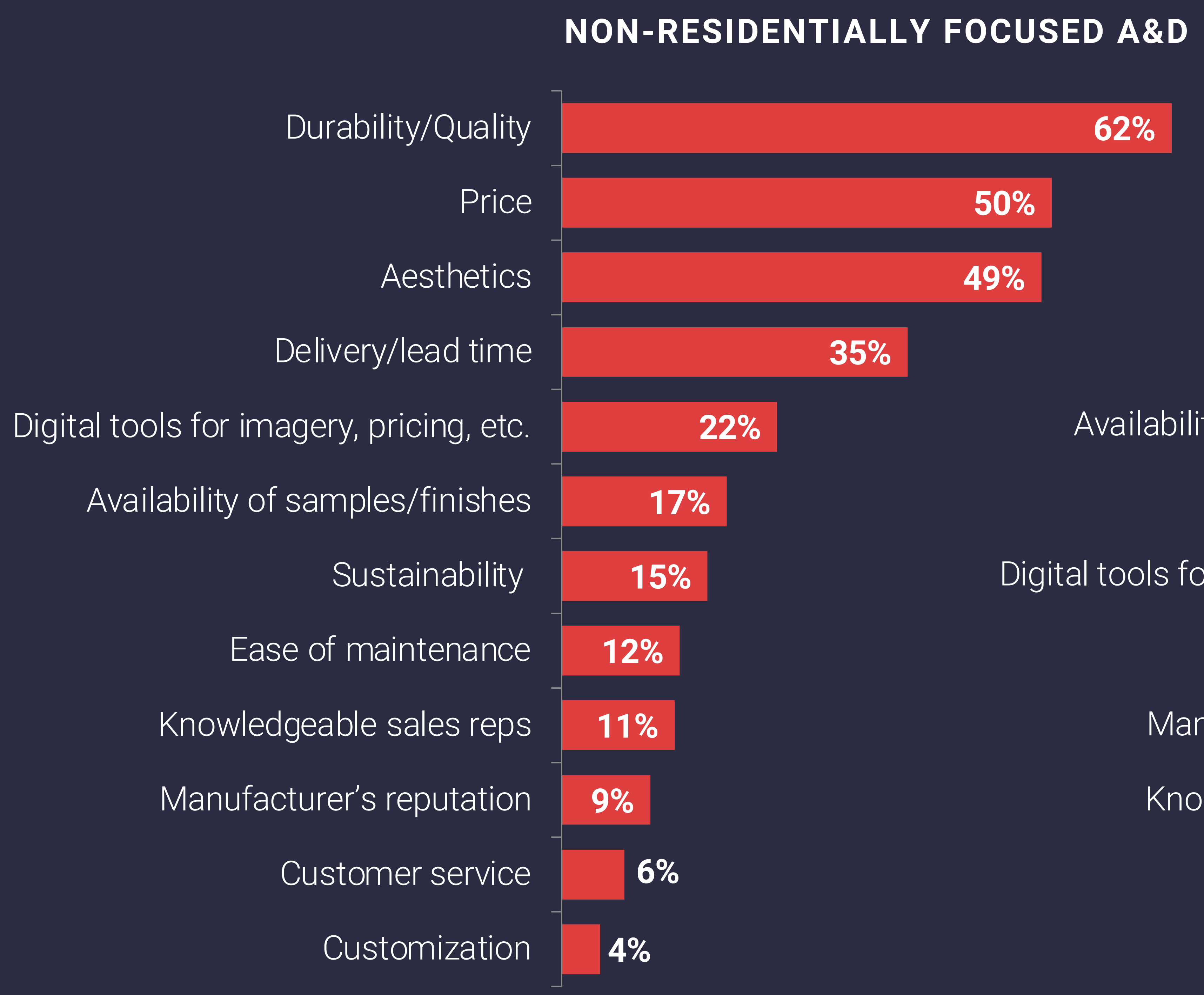
Manufacturer websites have risen from #12 to a shocking #2 for inspiration and from #2 to #1 for information, switching places with sales reps!

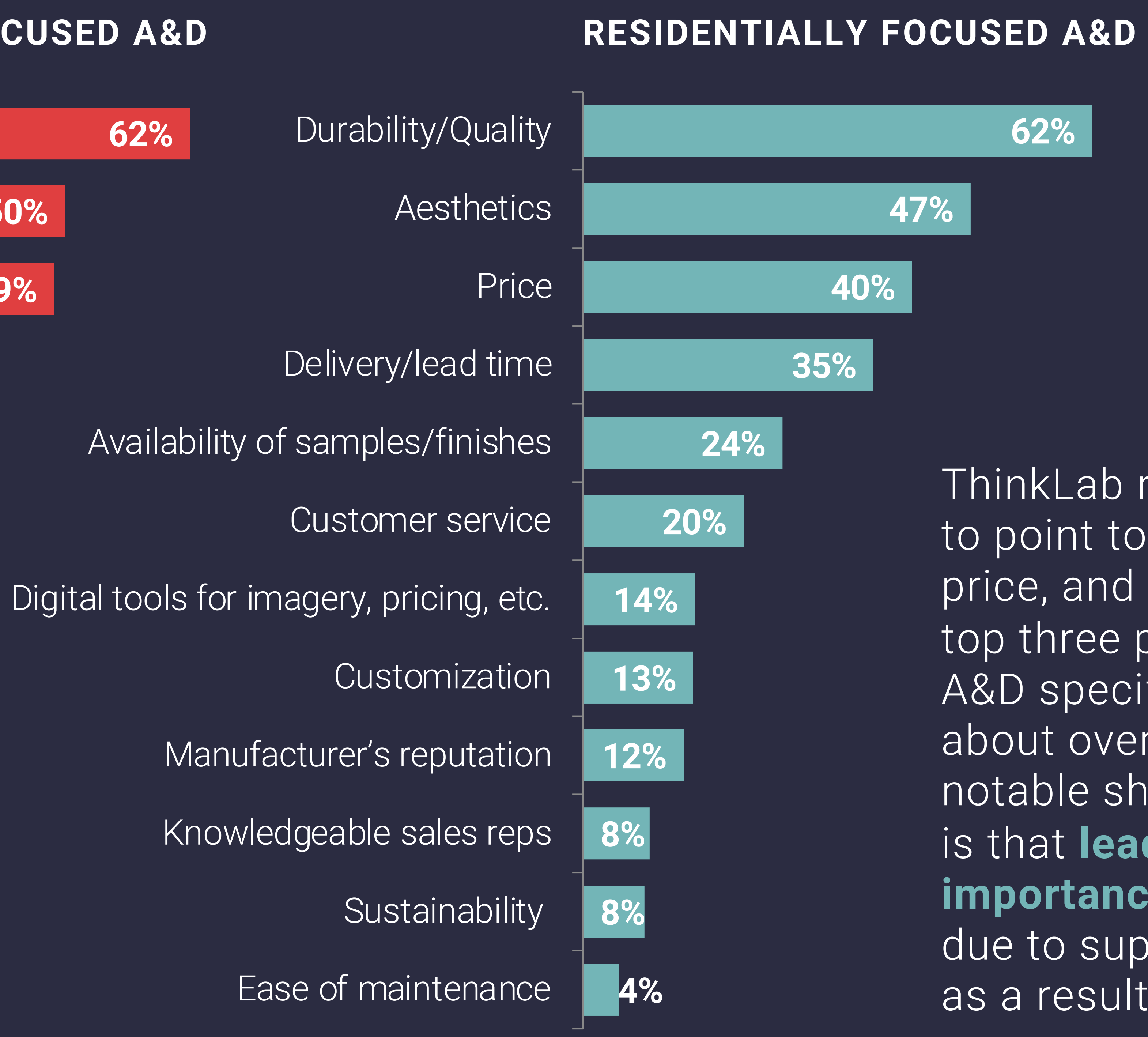
Note: Items are ranked in order from highest to lowest priority.

Source: ThinkLab U.S. Design Industry Benchmark Survey, 2022

06 DESIGNER NEEDS + RESOURCES

Most Important Product Attributes



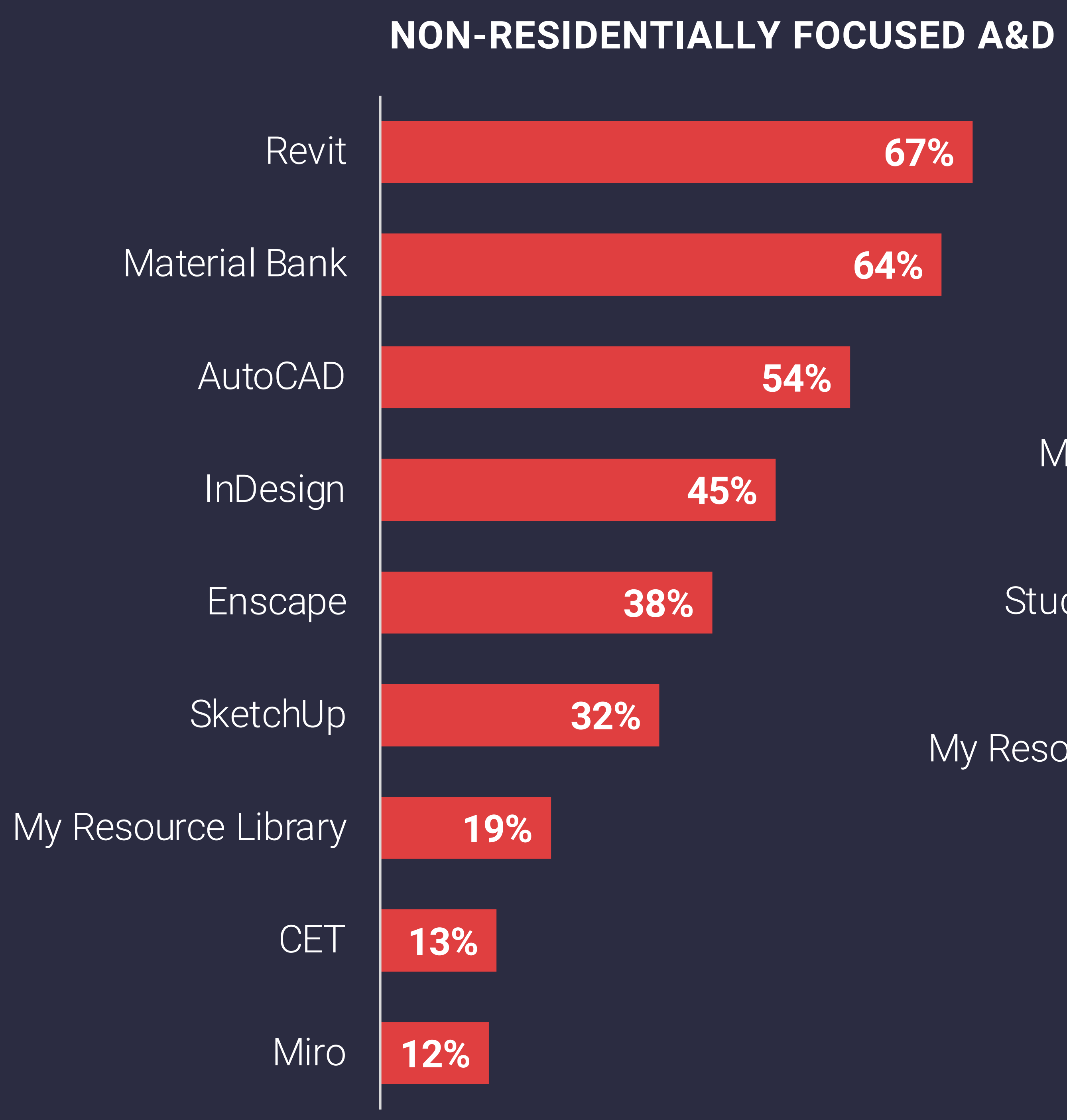


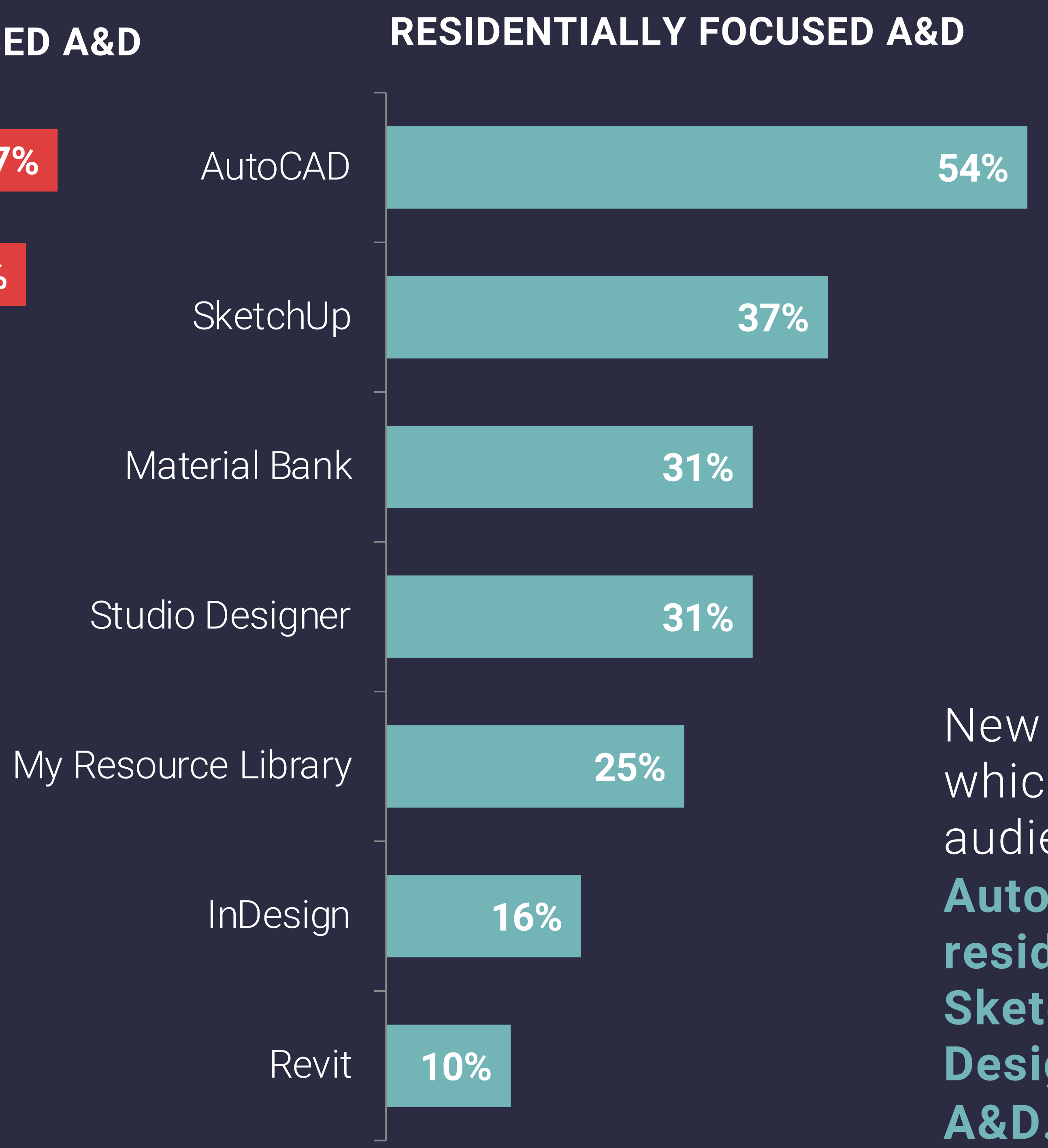
ThinkLab research continues to point to durability/quality, price, and aesthetics as the top three product attributes A&D specifiers care most about overall. The largest notable shift since last year is that **lead time has risen in importance by 10%,** likely due to supply chain issues as a result of the pandemic.

Source: ThinkLab U.S. Design Industry Benchmark Survey, 2022

06 DESIGNER NEEDS + RESOURCES

Most Important Software Platforms



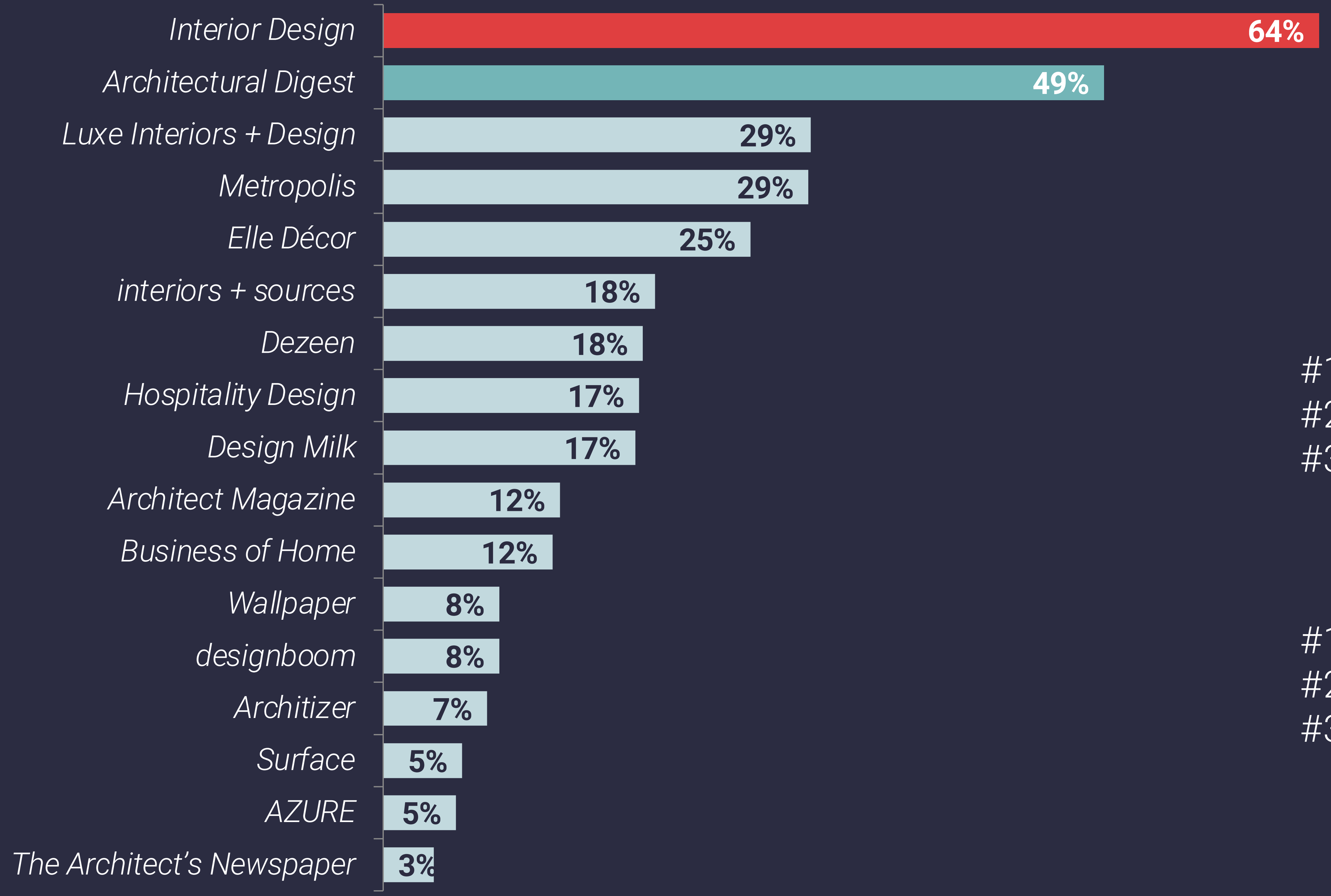


New this year, we want to understand which software matters most to which audience. **Revit, Material Bank, and AutoCAD top the list for non-residential A&D, whereas AutoCAD, SketchUp, Material Bank and Studio Designer top the list for residential A&D.**

Source: ThinkLab U.S. Design Industry Benchmark Survey, 2022

06 DESIGNER NEEDS + RESOURCES

Popular Media Sources for Product Inspiration



The #1 design industry trade publication again this year is *Interior Design*.

TOP 3 FOR NON-RESIDENTIAL A&D

#1 *Interior Design*
#2 *Metropolis*
#3 *Architectural Digest*

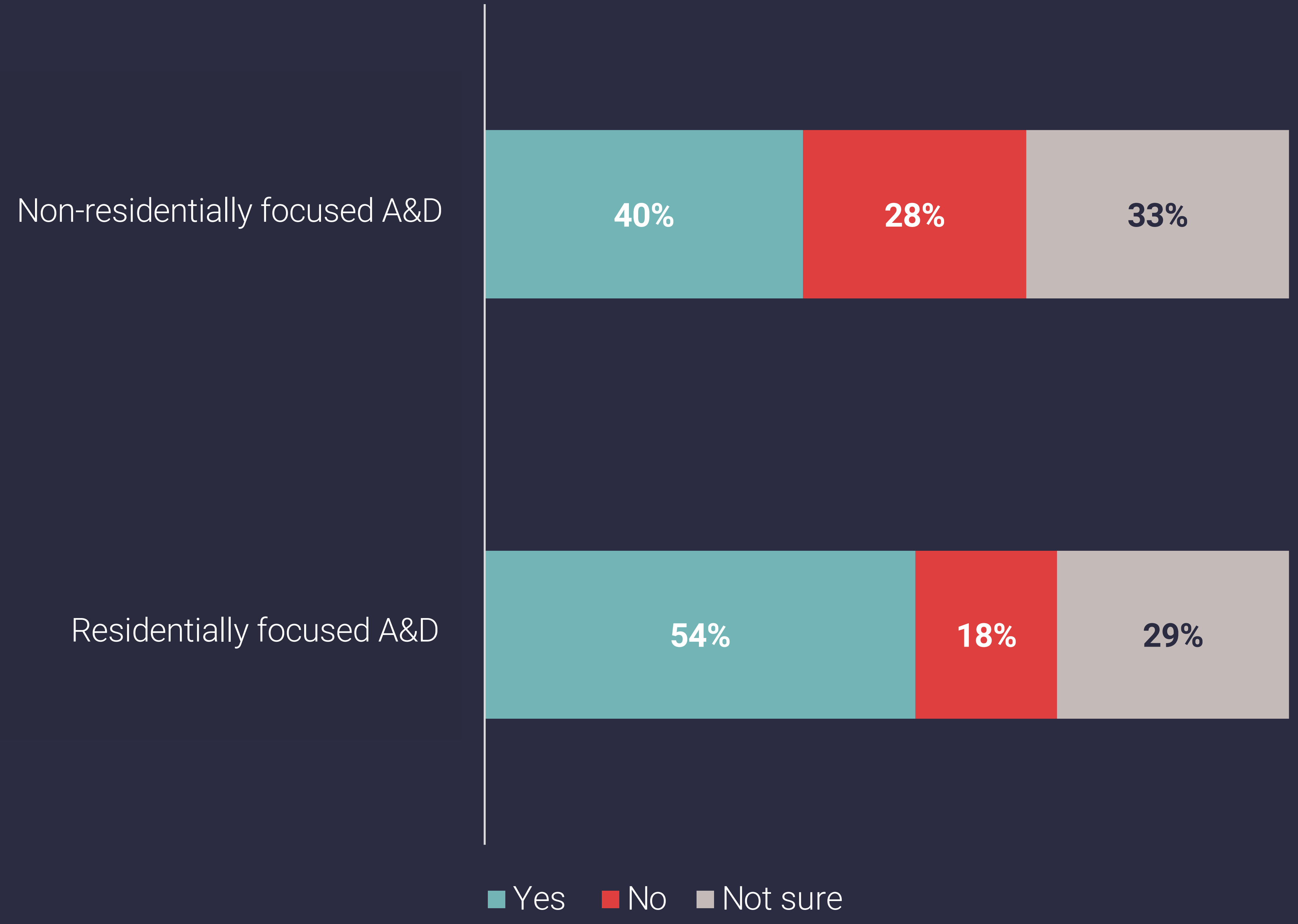
TOP 3 FOR RESIDENTIAL A&D

#1 *Architectural Digest*
#2 *Interior Design*
#3 *Luxe Interiors + Design*

Source: ThinkLab U.S. Design Industry Benchmark Survey, 2022

06 DESIGNER NEEDS + RESOURCES

Plans to Attend a Tradeshow in 2023



Plans to attend a trade show are up about 15% over 2022.

TOP 3 FOR NON-RESIDENTIAL FIRMS

#1 NeoCon
#2 BDNY
#3 HD Expo

TOP 3 FOR RESIDENTIAL FIRMS

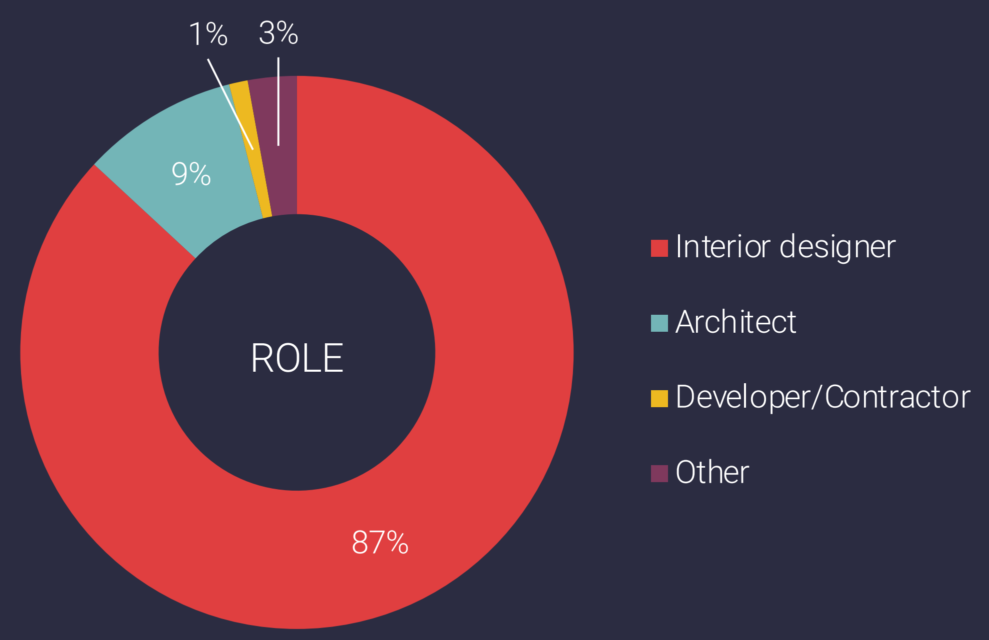
#1 High Point
#2 Vegas
#3 KBIS

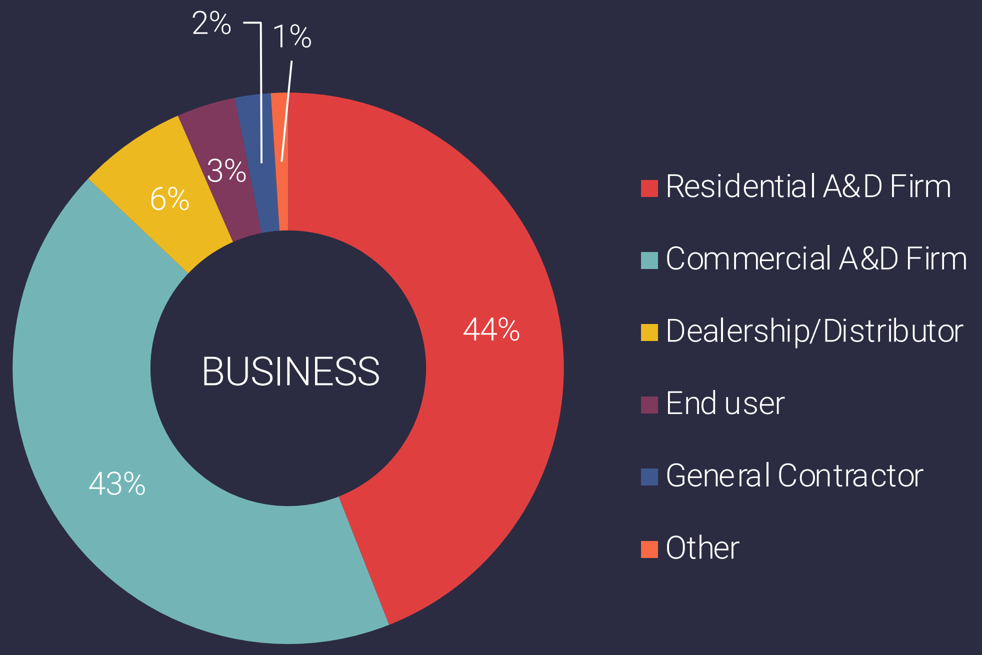
Note: Some charts do not sum to 100% due to rounding.
Source: ThinkLab U.S. Design Industry Benchmark Survey, 2022

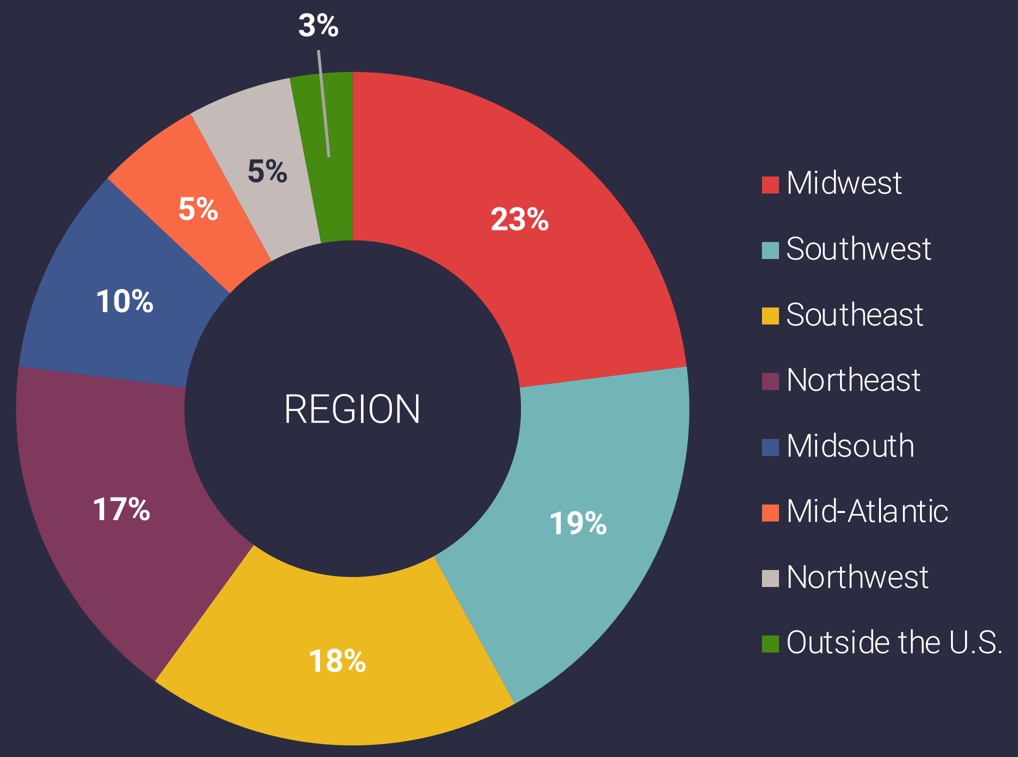
07 DEMOGRAPHICS

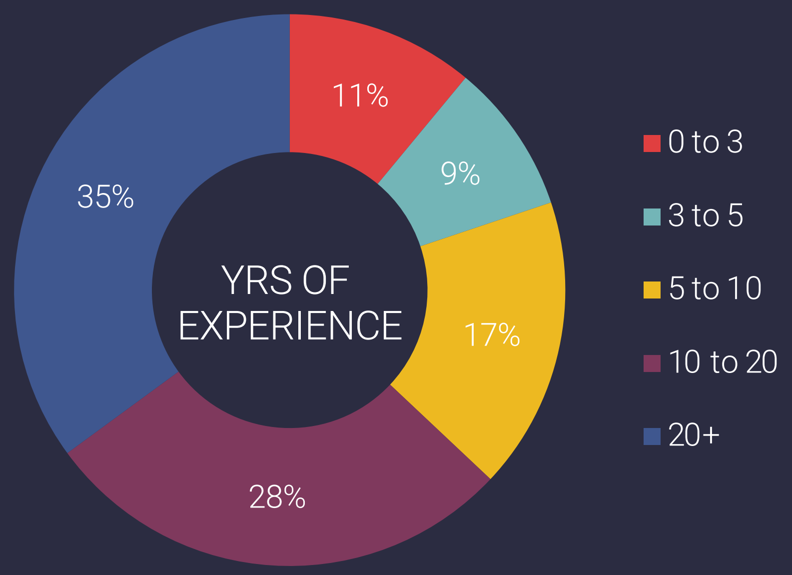
07 DEMOGRAPHICS: 1,193 SURVEY RESPONSES

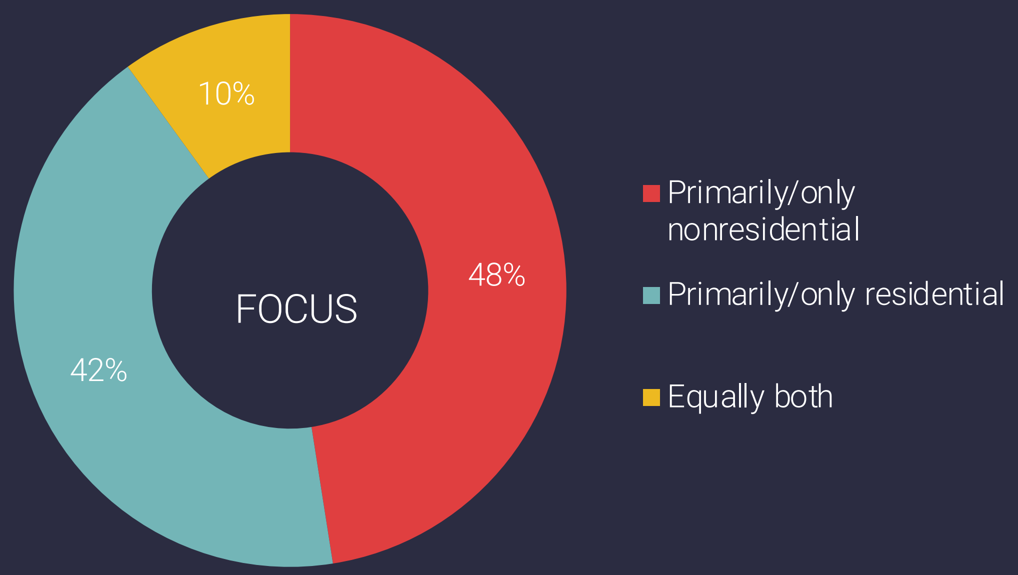
For the 2023 ThinkLab U.S. Design Industry Benchmark Survey











Note: Some charts do not sum to 100% due to rounding.

THINKLAB IS . . .
RESEARCHING THE WORLD OF DESIGN

“ It’s easy to be surrounded by data yet starved for insights.

Yet even insights are only helpful if framed in a way to empower those who can make a difference. ”

Amanda Schneider, Founder and President, ThinkLab

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U.S. Design Industry Benchmark Report for 2023

Report Published January 2023

SOURCES

Design Specification Power

Average American discretionary spending power: calculated using raw data from U.S. Bureau of Labor Statistics' Consumer Expenditure Survey, 2019 (1.9 adults per consumer unit divided into $71,487 in income after taxes for that consumer unit = $37,624 per adult in discretionary income).

Average U.S. designer specification power: calculated with the total number of designers (77,900) reported in U.S. Bureau of Labor Statistics' Occupational Outlook Handbook, September 2020, divided into the Interior Design 2017 Universe Study of A&D specified products ($77.95B) = $1,000,642 in product specifications per year on average across all designers in the U.S., which is 26.59x that of the average adult consumer.

***Interior Design* Giants of Design specification power:** calculated with the total reported specified FF&C dollars ($96.88B) divided by interior designer employment at those 200 firms (23,186), as reported in ThinkLab Hot Market Growth Report 2020 = $4,178,548 per designer, which is 111x that of the average adult consumer.

Commercial and Residential Products Market Sizing Sources:

Residential Furniture, Flooring, Textiles Mills, Paint, Lighting & Lamps, Kitchen & Bath Fixtures, Office Furniture, Glass, Window Coverings, Engineered Stone, Outdoor Furniture, Wall Coverings, Ceramic & Porcelain, Laminate