

National Subcontractor Market Report Shows Subcontractors Accounting for Working Capital Costs See 11% Higher Profits

Despite these gains, less than half of subcontractors account for such costs

AUSTIN, TEXAS, UNITED STATES, April 24, 2024 /EINPresswire.com/ -- [Billd](#), the leading provider of customized financing for commercial subcontractors, announces today the release of the 2024



Billd's annual report highlights subcontractors' biggest opportunities and challenges from the front lines of commercial construction, and gives them the tools and strategies to maximize their success"

Chris Doyle, founder and CEO of Billd

National Subcontractor Market Report, the fourth annual edition of this report. Billd surveyed nearly 700 commercial construction professionals across the country, 85% of whom are business owners and executives, almost all in business for 10 years or longer. The report sheds light on the disparity of business outcomes between subcontractors who account for the cost of working capital and those who don't. A staggering 52% of subcontractors fall into the latter category, opting not to recuperate the cost of working capital despite incurring the cost.

The report analyzes four years of data to take the pulse of subcontractors' financial state, offering construction stakeholders a window into the opinions and working

dynamics of their industry peers. This year's report underscores a business practice that increasingly poses risks and challenges to subcontractors: slow pay from GCs and property owners. Now contending with payment timelines averaging 57 days from the time of pay application submission, the conflict between growth aspirations and payment timelines makes it necessary for subcontractors to leverage various forms of working capital in order to sustain project operations and investments in the business.

Encouragingly, those investments are apparent, with 67% of subcontractors experiencing revenue growth in 2023, and 41% seeing growth between 11-20%. Most are bullish about their intentions to grow their businesses, with 73% planning to grow in 2024. Those who account for the cost of their working capital saw this growth compounded, with an 11% average increase in profit margin compared to their peers. Those businesses also report better outlooks on GC relationships and business growth for 2024.

“It is our mission to empower subcontractors to do the best work of their lives. Our market report is focused on highlighting subcontractors’ biggest opportunities and challenges from the front lines of the commercial construction industry, and giving them the tools and strategies to maximize their success,” said Chris Doyle, founder and CEO of Billd.

In releasing the report, Billd hopes to draw attention to the tangible benefits and optimism held by subcontractors who respond to the need for more working capital by sourcing various options and accounting for its cost.

Beyond this, the company also aims to

raise subcontractor awareness of the wealth of bespoke financing options available to them. Many currently use forms of financing that were not tailored to their industry or deplete finite cash reserves to fund growth. Billd exists to provide those tailored options, while advocating for subcontractors and offering them a voice.

2024 National Subcontractor Market Report: Subcontractors Who Account For The Cost Of Working Capital Have Higher Revenues, Larger Profit Margins, And Have Bigger Growth Plans, go to billd.com/market-report-2024

To learn more about Billd’s payment options for commercial contractors, visit billd.com.

About Billd

Billd stands alone as a partner that truly champions the subcontractor. Founders Christopher Doyle and Jesse Weissburg, industry veterans in both construction and finance, witnessed the detrimental impact to subcontractors of the longstanding broken payment cycle in construction. Their time in the trades inspired them to launch Billd in 2018, bringing the financial power of Wall Street to the construction job site. Billd’s financial and payment products empower subcontractors to bypass project hurdles by providing access to upfront funds to cover their most pressing costs, including materials and labor. Unlike traditional financing outlets, Billd provides flexible lines of credit to accommodate the unpredictability of cash flow in construction, and extends their customers terms that align with industry payment standards. Billd knows traditional credit metrics are poor predictors for risk and has built a variety of industry-specific, proprietary analytic and financing tools to allow subcontractors to stabilize cash flow and more effectively grow their businesses.

billd.

2024 National Subcontractor Market Report

Subcontractors who account for the cost of working capital have higher revenues, larger profit margins, and have bigger growth plans

with in 2024

- Materials financing: 14%
- Lines of credit: 53%
- Credit cards: 23%

Industry for well over a decade. The survey of the widely available technologies that serve nearly 77% of respondents, compared with reporting also saw significant year-over-year

How do you finance your company?

Financing Method	Percentage
Director/Manager	4%
Finance/Accounting	4%
Administration	2%
Other	10%
Trade	10%
Project financing	10%
Other	10%
Other	10%
Other	10%

Map of the United States showing regional data:

- West: 1%
- Midwest: 18%
- Southwest: 34%
- South: 1%
- Northeast: 1%

Who are the owners of your company?

The 2024 Billd National Subcontractor Market Report is free to download at Billd.com

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Billd

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