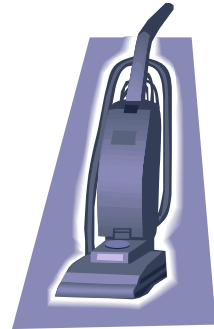


Commercial & Residential Cleaning Services

NAICS Code: 561720
SIC Code: 7349

Completed by Perry Byers



The building cleaning industry has two main markets: residential and commercial. The residential market primarily consists of maid services, carpet, window and other like services. The commercial cleaning segment focuses primarily on janitorial services which provide a broader range to include carpet and floor care, window cleaning, vacuuming, etc.

Industry Overview

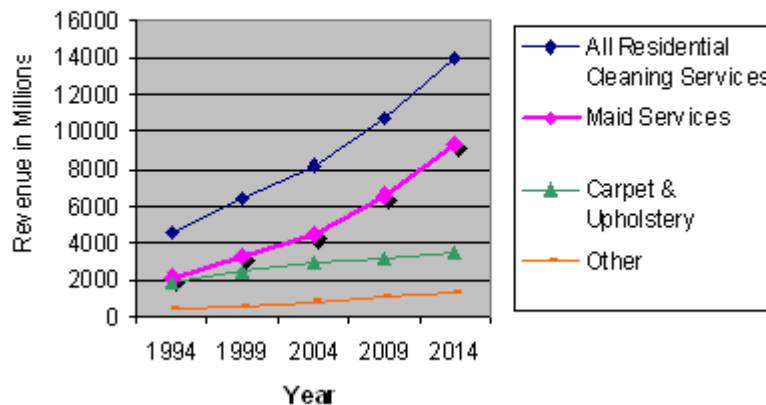
The cleaning services industry is a \$46 billion dollar industry. The industry is expected to grow 5.5% annually through 2009¹ with current business trends toward outsourcing and purchasing by two income families looking for more leisure time.

With many companies looking for cost reductions by outsourcing their building cleaning and maintenance responsibilities, this industry segment is expected to create the most new jobs. According to the Bureau of Labor Statistics, employment in this industry is expected to grow at least as fast as the average overall employment through 2014. The Bureau sees the job growth in this industry to be driven by the construction industry and the equally growing numbers of companies who seek to outsource this job as a means of reducing costs.²

Residential maid service is the highest requested service by women. The number of empty-nest households is growing and as these "middle age" households move into the 55-64 age bracket, they are driving the growth of domestic cleaning services. Additionally, disposable personal income is expected to grow over the same period, further supporting demand.³

Residential Cleaning Revenue Projection

Source: The Freedonia Group, 2006.

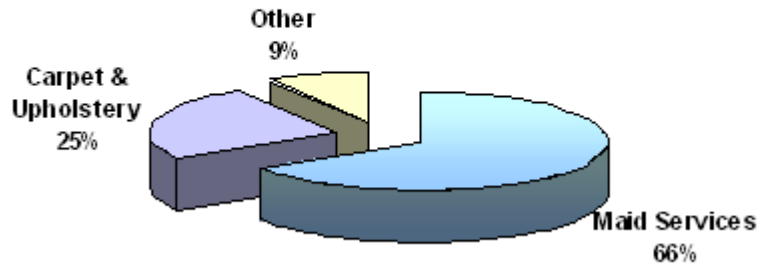


Source: The MaidBrigade Franchise³

The building/home cleaning services industry will outpace the carpet industry because of the increasing popularity of hard surface flooring in the residential market. This accounts for approximately 80 percent the revenues.⁴

Residential Cleaning Market Share Projection 2014

Source: The Freedonia Group, 2006.



Source: The MaidBrigade Franchise³

Demographics

The 45+ year olds with higher than average household incomes appear to be the ideal target market for domestic maid services. The older group spends 22% to 32% more than average while the higher incomes spend nearly 3 times the average on these services. College graduates spend twice the average and most are married couples with a college degree.⁵

As the population ages, this service will grow with increasing popularity. The more affluent the population is and the busier the two income households become, the more likely it is that this group will seek additional ways to create more leisure time.

Geographic Distribution

In 2002, the U. S. Economic Census data showed 50,988 janitorial services in the United States with total sales of \$27,009,484,000.⁶ The chart below utilizes the Census Bureau Regions to show the distribution of the businesses divided into regions. The regions of Northeast, Midwest, South and West are composed of the following states respectively:

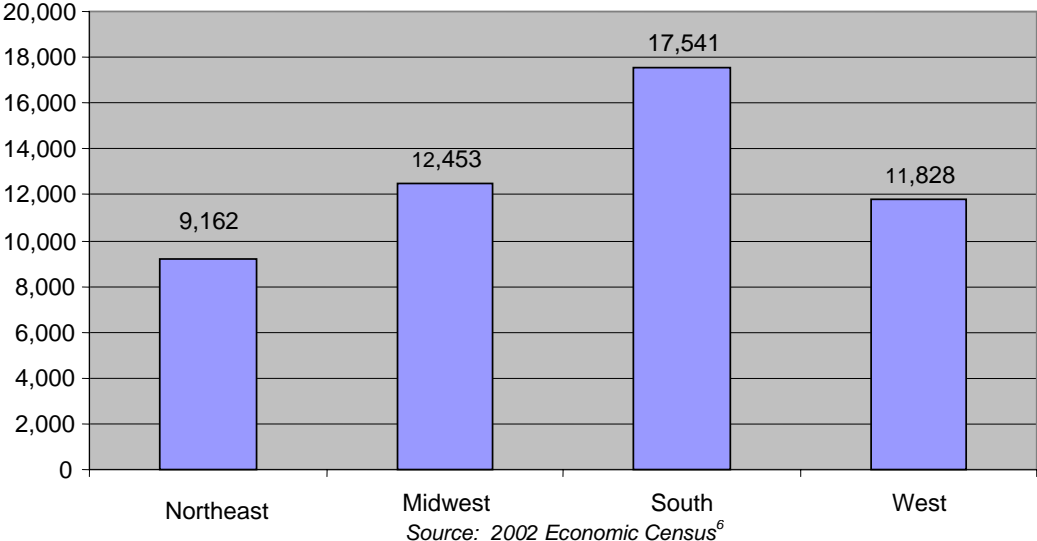
Northeast – Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, New Jersey, New York and Pennsylvania.

Midwest – Indiana, Illinois, Michigan, Ohio, Wisconsin, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota.

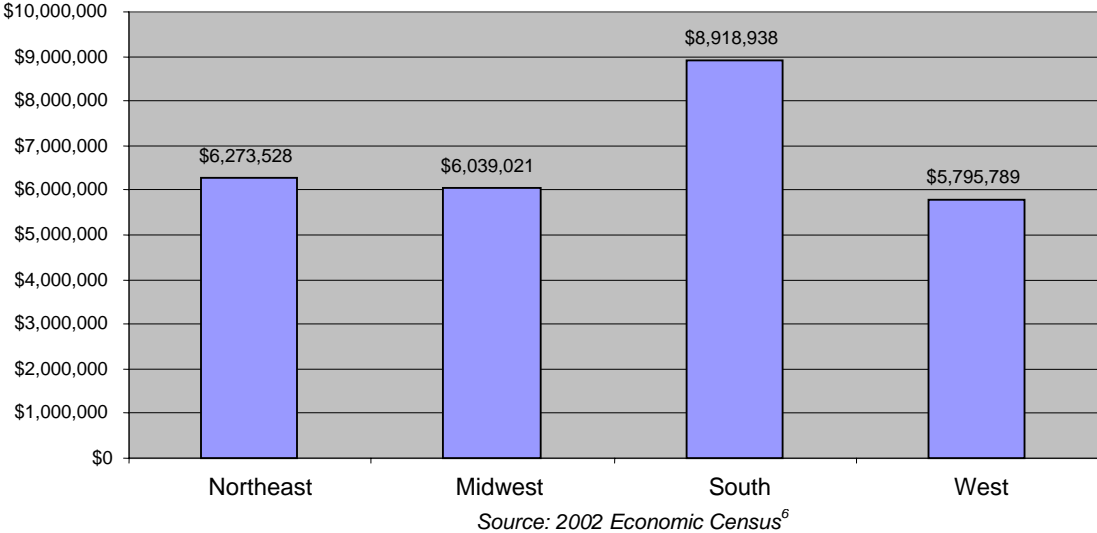
South – Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia, Alabama, Kentucky, Mississippi, Tennessee, Arkansas, Louisiana, Oklahoma and Texas.

West – Arizona, Colorado, Idaho, New Mexico, Montana, Utah, Nevada, Wyoming, Alaska, California, Hawaii, Oregon and Washington.

2002 Economic Census Janitorial Services Number of Establishments by Region



2002 Economic Census Janitorial Services Total Sales (\$1,000)



The top five states boasting of the most janitorial service businesses are:

1. California with 5,096
2. Florida with 3,428
3. Texas with 2,722
4. New York with 2,473
5. Illinois with 2,238

The top five states with highest sales are:

1. California with \$3,436,492,000
2. New York with \$2,234,819,000
3. Texas with \$2,005,637,000
4. Illinois with \$1,642,256,000
5. Florida \$1,294,757,000

The five states with the fewest janitorial service businesses are:

5. Vermont with 158
4. South Dakota with 157
3. Wyoming with 155
2. North Dakota with 143
1. District of Columbia is last with 84.

The five states with the least sales are:

5. Montana with \$43,737,000
4. Vermont with \$35,730,000
3. North Dakota with \$43,542,000
2. South Dakota with \$28,850,000
1. Wyoming with \$25,238,000.⁶

Associations

Building Services Contractors Association International - <http://www.bscai.org/home/default.asp>

Association of Residential Cleaning Professionals - <http://www.arcp.us/Index.html>

International Janitorial Cleaning Services Association - <http://www.ijcsa.com>

Cleaning Management Institute - <http://www.cminstitute.net/index.cfm>

Sources

¹ Commercial & Residential Cleaning Services - Market Research, Market Share, Market Size, Sales, Demand Forecast, Market Leaders, Company Profiles, Industry Trends.

<http://www.freedoniagroup.com/Commercial-And-Residential-Cleaning-Services.html>

² Building Cleaning Workers. U.S. Department of Labor, Bureau of Labor Statistics.

<http://www.bls.gov/oco/ocos174.htm>

³ Growth Predicted. <http://www.maidbrigadefranchise.com/growth.html>

⁴ US industry forecasts to 2009 & 2014 Commercial & Residential Cleaning Services. Study # 1940, May 2005. <http://www.freedoniagroup.com/pdf/1940smwe.pdf>

⁵ Housekeeping Services. Best Customers: Demographics of Consumer Demand. New Strategist Publications, 2005.

⁶ 2002 Economic Census Comparative Statistics for United States Administrative and Support and Waste Management and Remediation Services.

http://www.census.gov/econ/census02/data/comparative/USCS_56.HTM#N561

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