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# IEC Study: Economic Impact of Merit Shop Electrical Contractors



## **THE STATE OF THE ELECTRICAL CONTRACTING INDUSTRY AND THE GROWING ROLE OF MERIT SHOP CONTRACTORS**

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The U.S. electrical contracting industry continues to experience significant growth and transformation, driven by rising energy demands, infrastructure modernization, industrial expansion, data center development, semiconductor manufacturing, and the rapid acceleration of AI-related construction. At the center of this growth are the contractors and skilled electrical professionals responsible for building, powering, and maintaining the systems that support America's economy.

Research conducted on behalf of IEC provides a detailed look at the size, strength, and direction of the electrical contracting industry in 2025. The findings confirm what many contractors are experiencing firsthand: demand for skilled electricians continues to outpace supply, merit shop contractors are leading industry growth in many markets, and workforce development has become one of the most critical economic and policy issues facing the construction industry.

As investment continues to accelerate across energy, manufacturing, technology, and infrastructure sectors, understanding the industry's workforce capacity and contractor landscape has never been more important. These findings provide valuable insight into the growing role merit shop contractors play in meeting that demand and helping shape the future of the electrical industry.

**\$232 Billion**

Annual Revenue Generated by Merit Shop Electrical Contractors

Merit shop contractors account for approximately **81% of the electrical contracting market**, representing an estimated \$232 billion in annual industry revenue.

**68,600+**

Merit Shop Electrical Contracting Firms Nationwide

More than four out of every five electrical contracting businesses **operate as merit shop companies.**

**10% Growth**

Merit Shop Employment Growth Since 2023

Employment among merit shop contractors grew faster than the overall electrical contracting industry and **more than doubled the growth rate of electrician employment** across all industries.

**400,704**

Electricians Employed by Merit Shop Contractors

Merit shop contractors **employ nearly three-quarters** of the electrical contracting workforce.

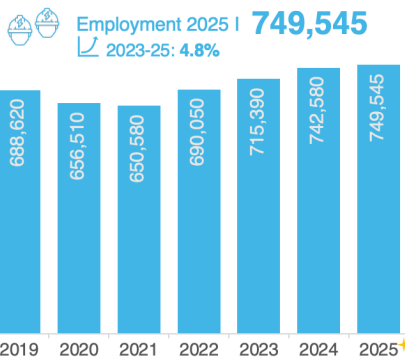
# INDUSTRY GROWTH CONTINUES ACROSS THE UNITED STATES

These firms are estimated to employ approximately 548,000 electricians and collectively generate roughly \$287 billion in annual revenue in 2025. The data demonstrates that electrical contracting is not only a growing trade sector, but also a major economic driver supporting construction, manufacturing, energy, transportation, healthcare, technology, and national infrastructure priorities.

As investment continues to accelerate across energy infrastructure, advanced manufacturing, semiconductor facilities, data centers, and emerging technologies, electrical contractors are increasingly at the center of projects shaping America's future economy.

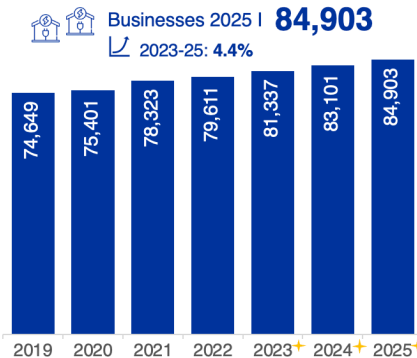
## US ELECTRICAL CONTRACTING INDUSTRY OVERVIEW

### Electrician Employment



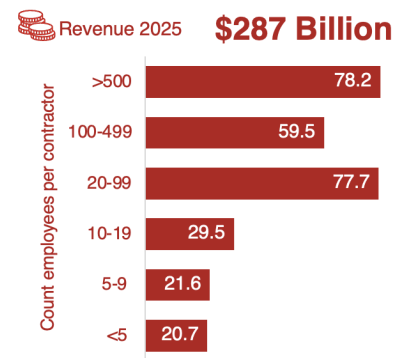
Total National Electrician Employment for Occupation SOC 47-2111 taken from Bureau of Labor Statistics  
+ Estimation based on 0.94% CAGR (2034 – 2024 forecast) reported by BLS

### Electrical Contracting Businesses



Total Electrician Contractors for NAICS 238210: taken from US Census SUSB Annual Survey.  
+ Estimation of total electrical contractors based on CAGR 2.2% (2019-2022)

### Estimated Revenue (Billion)



Projections based on Sales reported in the US Census SUSB Annual Survey

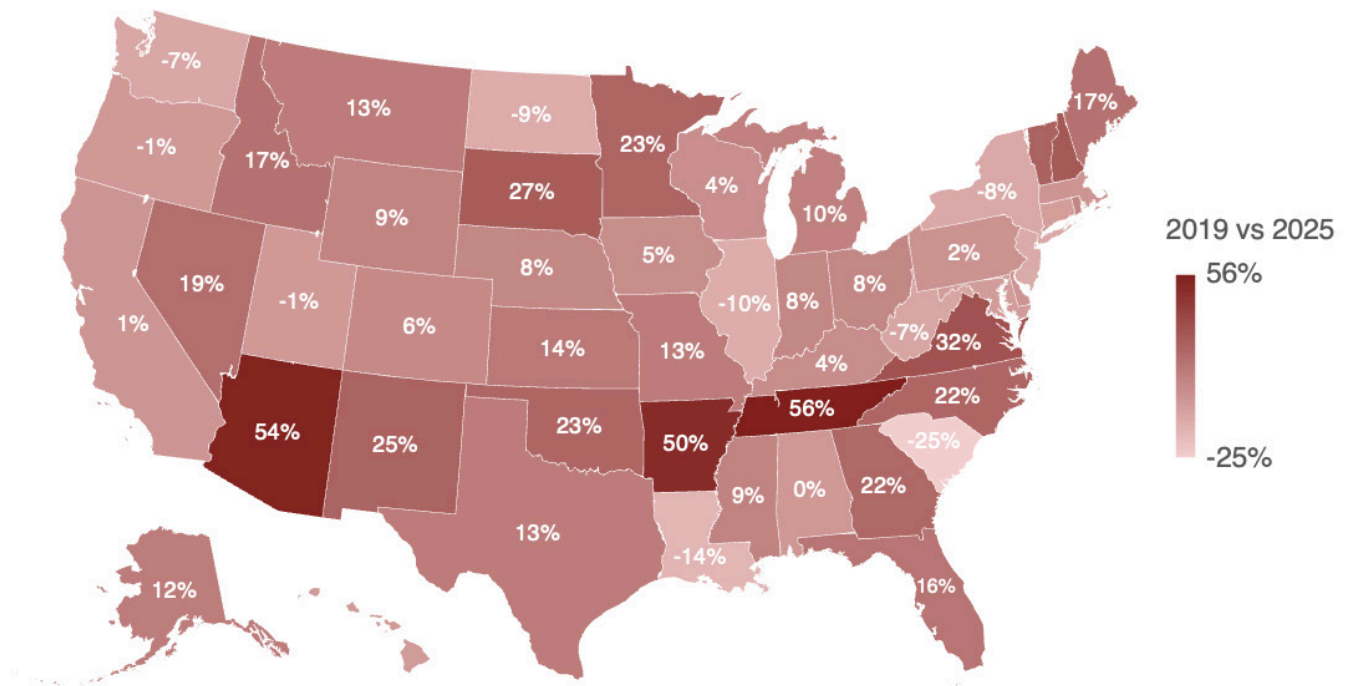
## FOLLOWING THE TOP GROWTH STATES

Growth is growing at different rates across the country. States experiencing large-scale industrial investment, grid modernization, energy transition projects, data center expansion, and semiconductor manufacturing growth are seeing particularly strong increases in electrician demand.

From 2019 to 2025, electrician employment grew most rapidly in:

- Tennessee: **56%**
- Arizona: **54%**
- Arkansas: **50%**
- Virginia: **32%**
- New Hampshire: **29%**

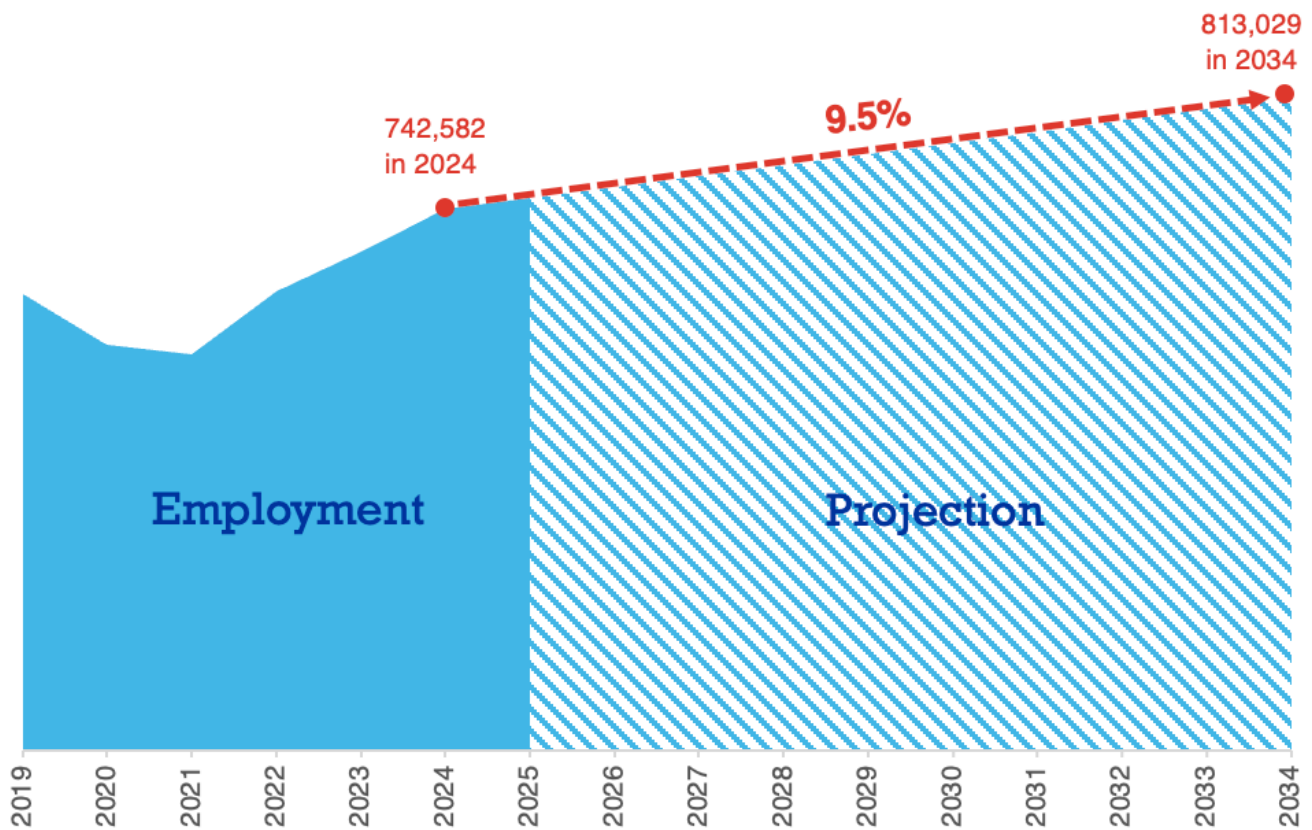
### GROWTH IN ELECTRICIAN EMPLOYMENT BY STATE, 2019 - 2025



Notably, four of these five states are right-to-work states, reflecting a broader trend occurring across many merit shop-dominant markets. As population growth, industrial investment, energy projects, and technology-driven development continue to expand in these regions, merit shop contractors are playing an increasingly significant role in meeting workforce and project demands.

Looking ahead, demand is expected to accelerate further. The U.S. Bureau of Labor Statistics projects 9.5% growth in electrician employment between 2024 and 2034, compared to just 3.1% growth across total U.S. employment. This represents approximately 7,000 new electrician jobs added annually over the next decade.

### ELECTRICIAN EMPLOYMENT PROJECTIONS 2024 - 2034



# MERIT SHOP CONTRACTORS CONTINUE TO LEAD INDUSTRY EXPANSION



These findings highlight the continued growth and strength of the merit shop segment of the electrical industry. Across much of the country, merit shop contractors have become the primary drivers of contractor growth, workforce participation, and project delivery capacity.

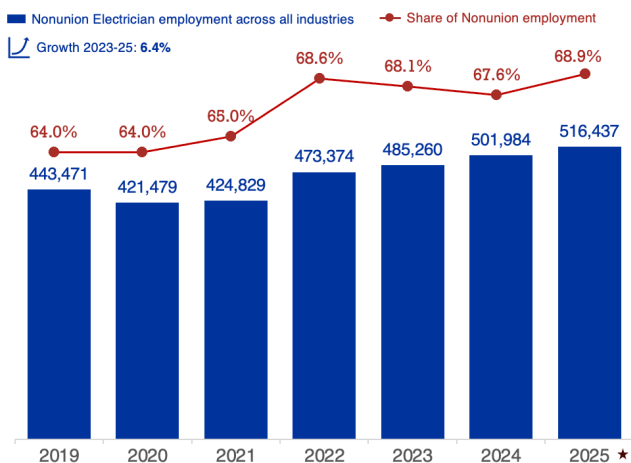
As of 2025:

- An estimated 68,644 merit shop electrical contracting firms operate nationwide
- Merit shop firms represent 81% of all electrical contracting businesses
- Merit shop contractor growth outpaced total industry growth between 2023 and 2025
- Merit shop market share increased from 78% in 2019 to 81% in 2025

Merit shop contractors dominate the market in most states, with 33 states reporting merit shop contractor shares above 80%. The strongest concentrations are found throughout Greater Texas and the Southeast, where merit shop contracting has become the overwhelming market structure.

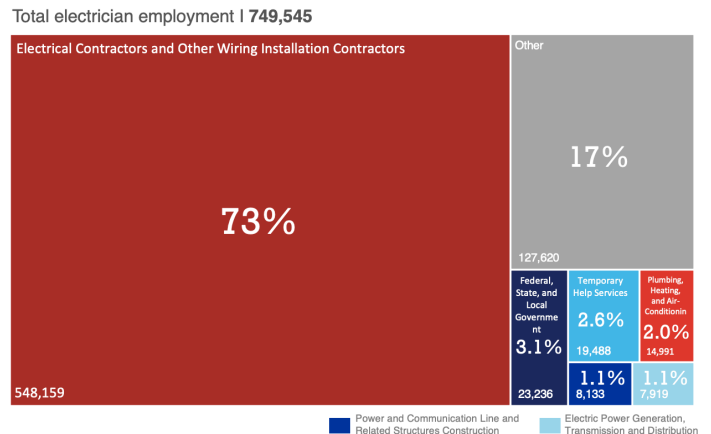
While merit shop presence remains does vary in some areas, the broader national trend continues to move toward merit shop workforce and contractor growth.

## NONUNION ELECTRICIAN EMPLOYMENT AND SHARE INCREASED ACROSS INDUSTRIES BETWEEN 2023-2025



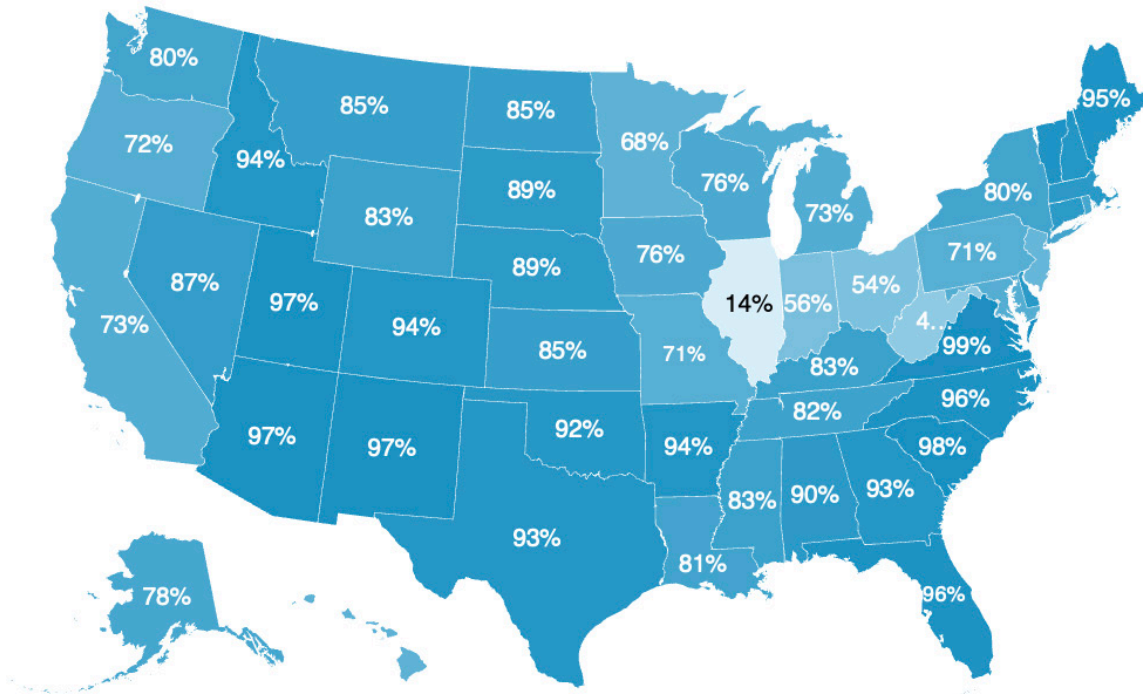
Total Electrical contractor employment is taken from BLS - Occupational Employment and Wage Statistics reporting employment of 47-2111 occupation code  
 2019 – 2022 Percentage of Merit Shop Employment is based on IBEW reported data of union employment  
 2025 values are derived from the Current Population Survey CPS survey Projections are CAGR 2022 – 2025

## ELECTRICIAN EMPLOYMENT BY INDUSTRY, 2025



The workforce data reflects similar trends. Merit shop electricians now represent the majority of the electrical workforce in most states, with 42 states reporting merit shop workforce shares above 55%.

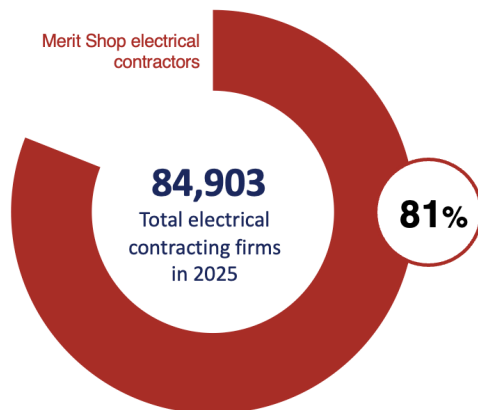
## MERIT SHOP SHARE OF ELECTRICAL CONTRACTOR FIRMS



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Several states report near-total merit shop workforce dominance, including:

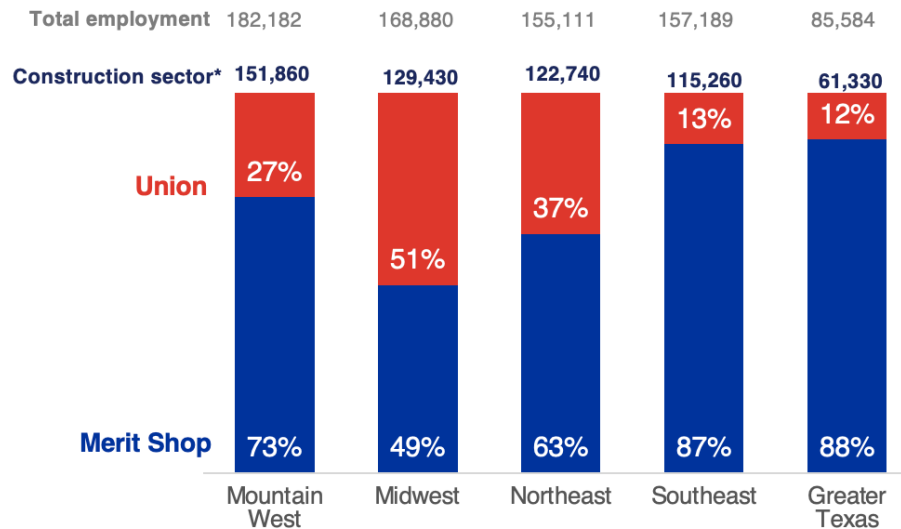
- South Carolina: 97%
- North Carolina: 96%
- Colorado: 95%
- Oklahoma: 95%



Additional Southeast states including Arkansas, Louisiana, Alabama, and Mississippi report merit shop workforce shares at or above 90%.

These findings demonstrate that merit shop contractors are not a niche segment of the industry. In many markets, they are the primary drivers of workforce participation, contractor growth, and project delivery capacity.

## ELECTRICIAN EMPLOYMENT\* BY IEC REGION IN 2025



## WORKFORCE DEVELOPMENT REMAINS THE INDUSTRY'S GREATEST CHALLENGE AND OPPORTUNITY

While contractor growth remains strong, the industry continues to face mounting workforce pressures. The data makes clear that recruiting, training, and retaining electricians will be one of the defining industry challenges of the next decade.

Approximately 135,000 individuals were enrolled in electrician apprenticeship programs in 2025. Of those apprentices:

- 50% participated in merit shop apprenticeship programs
- 44% participated in union apprenticeship programs
- 6% did not report affiliation

This means merit shop programs are training approximately 67,000 electrician apprentices nationwide.

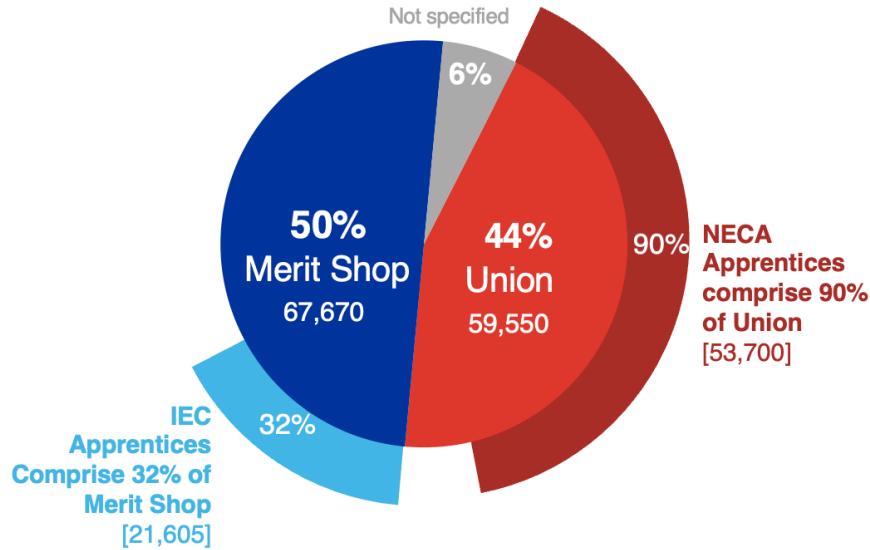
IEC alone reported 21,605 active apprentices in 2025, representing:

- 32% of the merit shop apprenticeship market
- 15% of all electrician apprentices nationwide

The research also shows that merit shop apprenticeship pathways dominate many regional markets. In 22 states, merit shop apprenticeship programs account for more than half of all electrician apprentices in training.

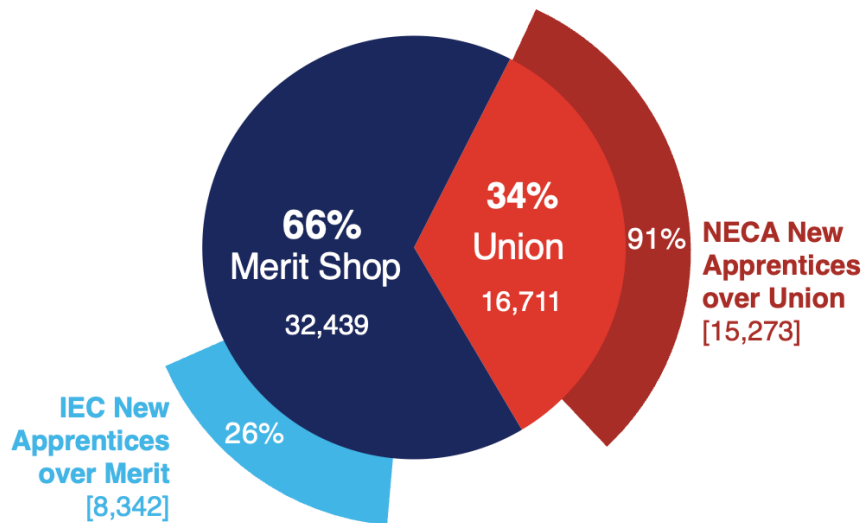
These findings reinforce the critical role merit shop contractors, apprenticeship programs, and workforce development organizations play in addressing America's skilled trades shortage. As demand for electrical work continues to grow, expanding the talent pipeline remains one of the industry's greatest opportunities—and one of its most pressing challenges.

**MERIT SHOPS TRAIN 50% OR 67,000 ELECTRICIAN APPRENTICES**



**35,340**  
National Active Electrician  
Apprentices in 2025

**MERIT SHOP PROGRAMS ATTRACT OVER 65% OF NEW APPRENTICES**



**49,150**  
National New Electrician  
Apprentices in 2025

## WHY THIS MATTERS FOR IEC AND THE MERIT SHOP INDUSTRY

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This research provides valuable data that strengthens IEC's ability to advocate for the merit shop electrical industry at both the state and federal levels.

From a government affairs perspective, the findings help demonstrate that merit shop contractors:

- Represent the majority of electrical contracting businesses nationwide
- Employ a significant share of the electrical workforce
- Train a substantial portion of the next generation of electricians
- Generate the majority share of industry revenue

This data is critical as policymakers debate workforce regulations, apprenticeship standards, prevailing wage policies, project labor agreements, procurement rules, licensing requirements, and infrastructure investments.

The research reinforces that merit shop contractors are essential to meeting America's growing infrastructure and energy demands. Policies that create open competition, protect workforce flexibility, support independent apprenticeship pathways, and reduce barriers to contractor participation are increasingly important to sustaining industry growth.

At a time when policymakers, educators, workforce leaders, and industry stakeholders are focused on addressing skilled labor shortages, this research provides important insight into where workforce growth is occurring and how merit shop contractors are helping meet that demand.

The findings also create new opportunities for IEC to pursue strategic partnerships, grants, and workforce funding initiatives tied to:

- Skilled trades expansion
- Apprenticeship growth
- Energy infrastructure
- Grid modernization
- Data center and AI infrastructure development
- Semiconductor manufacturing
- Workforce inclusion and career mobility

As public and private investment in infrastructure and energy continues to accelerate, IEC has an opportunity to scale solutions to meet workforce demand. The data shows that IEC and its contractor network are already playing a leading role in developing the workforce needed to support that growth.

## LOOKING AHEAD

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The electrical industry is entering a period of historic demand and transformation. The challenge ahead is no longer simply attracting people into the trade. The larger challenge is building the workforce capacity necessary to meet rapidly expanding national demand. As the industry continues to evolve, success will depend on the ability to recruit, train, and retain the next generation of electrical professionals. The organizations, contractors, and workforce partners that invest in those efforts today will help determine the industry's capacity to meet tomorrow's demand.

For IEC, this data provides more than an industry snapshot. It creates a foundation that supports IEC advocacy, workforce planning, increased visibility, expanded partnerships, and future contractor growth.

The opportunity ahead is significant. The organizations and contractors that successfully scale workforce development, training, and industry engagement will help shape the future of the electrical industry for decades to come.

We encourage IEC members, chapters, industry partners, policymakers, and workforce stakeholders to review the full report and spend time exploring the data in greater detail. The findings provide important insight into where the industry is headed, where workforce demand is accelerating, and how merit shop contractors are helping shape the future of the electrical industry.

For contractors, we hope this report becomes a practical tool that can be used in conversations with employees, apprentices, students, educators, policymakers, and community leaders. The data reinforces the long-term opportunities available within the merit shop electrical industry and the important role contractors play in powering America's future.

We also encourage IEC Chapters to use this information within local communities. Share the data with schools, workforce boards, economic development groups, legislators, industry partners, media outlets, and prospective members.

This research helps tell a powerful story about the economic impact of the merit shop electrical industry and the opportunities it creates for individuals, businesses, and communities. By sharing these findings, chapters can help strengthen workforce pipelines, support advocacy efforts, raise awareness of electrical careers, and demonstrate the value merit shop contractors bring to local economies.

***For questions, reach out to IEC communications@IECI.org.***

