

INDUSTRY TRENDS

The International Sign Association



INTERNATIONAL SIGN ASSOCIATION

SEPTEMBER 2017 EDITION

ISA International Sign Expo 2017 had record-breaking crowds.



Get a **JUMP** on a **SUCCESSFUL 2018!**

ISA International Sign Expo 2018 is March 22-24— with education beginning on March 21—at the Orange County Convention Center in Orlando, Fla.

Registration opens soon at www.signexpo.org

STATS • FACTS

77% of CEOs say that they will hire new employees in the coming year, an increase from 67% in 2016, according to ISA's 2017 Pulse. 64%

••• ISA REPORT / September 2017

2017: What a Year for the Sign, Graphics and Visual Communications Industry

What a great year it has been! Things are really improving for the sign, graphics and visual communications industry as a whole, and for ISA.

I feel it every day as I talk to my employees and customers. I hear it whenever I speak with you, too. There are plenty of signs that the business economy is improving and that our industry is being lifted along with it.

While we can't always anticipate the economic conditions and political climate, I have no doubt that there is a bright future ahead.

Why? Let me take you through a few updates to show you where I've seen improvements and opportunities.

Business is Growing

Nowhere was this more evident than the record-breaking ISA International Sign Expo 2017. Attendance was outstanding. Beyond that, though, it is clear that our customers are spending money and new projects are coming together. Sign, graphics and visual communications professionals brought that enthusiasm to ISA Sign Expo, looking for new products to better serve their customers.

They also looked to the many innovations in the industry. Printers are faster and more environmentally friendly. Lighting is more reliable. Digital signs are more cost effective. Everything is pointing to greater efficiencies.

It's no wonder that when ISA surveyed CEOs during ISA International Sign Expo that 82 percent of national sign company executives, 75 percent of commercial and sign printers and 69 percent of custom/local sign companies said they plan to buy new equipment. The reason: outdated technologies are hampering their ability to deliver.

And these days, it is important that they meet deadlines and expand capacity wherever they can. That same survey, published in the 2017 *Pulse* (www.signs.org/pulse), shows that more than half of companies reported double-digit growth in the six months before the survey. Even more, 58 percent, say they expect to grow more than 10 percent in the coming year.

Consider that in 2014, only 40 percent of companies said they had grown at that level and you can see why there is so much excitement about the future.

So where is that growth occurring? CEOs said they were expanding into new products or geographic areas, were growing their margins and expected to benefit from an improved economy.

In terms of sectors, healthcare presented the biggest opportunity for continued expansion, with 69 percent saying they were expanding work in this area in 2017. Some 55 percent said they were growing their business by offering products in downtown districts and another 54 percent said they saw growth in restaurants.

No matter how businesses strategically expand, what is important is that they are doing so.

Facing Major Challenges Head On

There are issues that threaten our industry's continued success. But I'm thrilled to say that we are making progress. Anybody who has been around the sign, graphics and visual communications industry for the last decade has felt the change in the workforce. Baby boomers hit retirement age in 2011 and we've seen them dwindle in our workforces since.

There is no doubt that the key to success is drawing in younger people and training our existing employees. ISA International Sign Expo 2017 certainly is proof of that strategy. Attendance at our education sessions was at an all-time high, exceeding expectations. The ISA Elite program, which brings in up-and-coming leaders, brought in more applicants than ever before—and that led to fresh eyes at ISA International Sign Expo.

This is a good time to mention that applications for the 2018 ISA Elite class will be opening soon. Please look around your organizations, or connections you know through your Affiliated Association, your customers or vendors and consider nominating someone. The full list of qualifications is available at signexpo.org/elite. (And yes, it's OK to nominate yourself!).

The 2017 Pulse survey showed that finding qualified workers is a significant problem, with 68 percent of CEOs saying it was the most challenging workforce issue. They also said they were frustrated by the lack of regional

career and technical education programs; the challenge of engaging and retaining current employees; employee work ethics and substance abuse; and costs of benefits.

Still, they wanted to hire, with three out of every four CEOs saying they planned to expand staff in the coming year. As in years past, companies want those people in production and installation. But the need for graphic designers and creatives showed the largest increase.

Proactively Combatting Regulations

The 2015 U.S. Supreme Court case, *Reed v. Town of Gilbert*, has led to communities throughout the U.S. to open up their sign codes. Sometimes, the reaction is to try to tighten codes; other times, communities are more open to loosening restrictions. This occurs most frequently when they understand how signs build businesses. ISA continues to share this information through ISA's advocacy

team, who are available to offer suggestions on proposed changes—and research to back up our comments—or to help educate local officials and planners about our industry.

ISA's advocacy can't be in every municipality throughout the country, though. That's where you come in. Please learn what is occurring in your local community—and let ISA's advocacy team know about regulations and proposed sign code overhauls as soon as you can. Contact signhelp@signs.org.

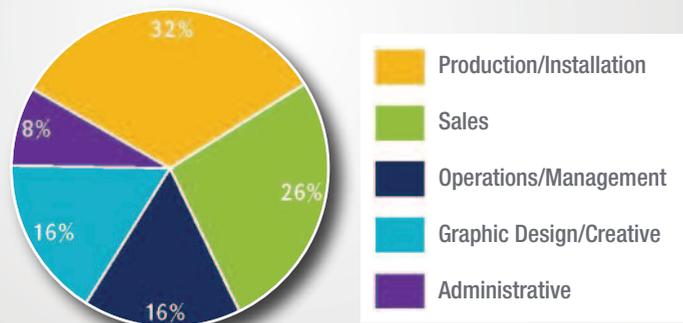
There is no doubt that our industry is benefiting from better economic conditions. But the ground that we're gaining has as much to do with the improvements that are occurring with products and equipment, the research that is providing more insight and the programs that are helping to fight back the threats. The end result: a stronger industry that delivers even better results for our customers and communities.

From ISA's 2017 Pulse

TOP AREAS OF HIRING PROJECTED IN 2017

With a majority of companies looking to fill a gap in qualified workers, the industry is looking to hire staff. The hiring is primarily in **production/installation roles**, with the largest hiring increase projected in **graphic design/creative roles**.

UP FROM
10% IN 2016



By **Jeffrey S. Young** • • •
Chairman
ISA Board of Directors |

STATS • FACTS

of surveyed companies would probably or definitely buy new equipment in 2017. •