

ROCKSTAR RECRUITING'S MECHANIC COMPENSATION REPORT

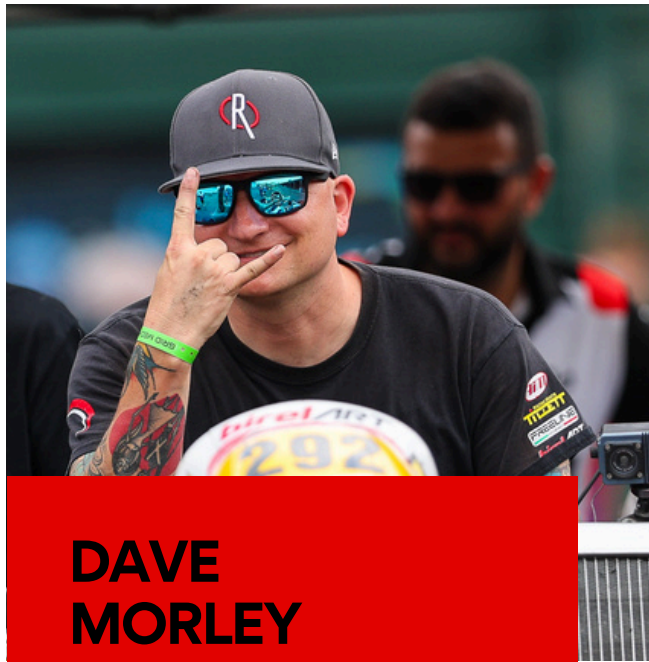


2024

Prepared by

ROCKSTAR
Mechanics

LETTER FROM THE ROCKSTARS



**DAVE
MORLEY**

General Manager

The most important thing to get right for both recruitment and retention is your compensation strategy. While it is very true that people don't leave jobs they leave managers, it is equally true that people don't stay at or join a company where they are underpaid. Mechanics have more access to salary information than ever before. Between many job boards now requiring pay ranges to be advertised as well as resources like Glassdoor, it is easy for technicians to know what they are worth on the open market.

Ensuring that your compensation package is on par is essential to keeping your staff happy. At Rockstar we keep a close eye on compensation trends and are always willing to pass along that information. Throughout this report we share some of the trends we are seeing and some of the strategies that we have seen be successful. If you need help developing a compensation strategy or need to add some horsepower to your recruiting efforts, don't hesitate to reach out, this is what we live for!

70%

Recruitment Success Rate

1-2 WEEKS

Average Time It Takes For
Rockstar To Recruit Candidates

80%

Of Rockstar Business is Repeat
Business and/or Referrals



WHERE THINGS STAND

2020-2023

From 2020 - 2023 the whole world got shaken up and everything was affected, including mechanic pay rates. There have been a number of factors, some temporary and some with longer term effects that have brought us to where we are right now.

FACTORS

- Covid changed the working environment for many, demand for mechanics initially went down with so many fewer cars on the road but this was very temporary and demand returned to higher levels
- Baby boomer retirements left a lot of shops short handed
- Many tech schools were closed or switched to remote learning during covid and much fewer youth got into the trade
- Overall the number of technicians has decreased but the demand for mechanics has grown

PAY RATE INCREASES

Since 2020, technician pay rates have increased by over 20% on average. Previously, a 3.5% annual increase was standard, but factors like heightened competition for a limited number of technicians and rising inflation have accelerated these increases.

Initially, private shops led with the highest pay rate increases, while union shops lagged. However, most collective bargaining agreements have since been renewed to include higher pay rates, aligning them with those of private shops.



**AVERAGE
MECHANIC
WAGE
INCREASE
SINCE 2020**



22%



18.6%



WHAT DOES 2024 LOOK LIKE

After several years of volatility, 2024 is finally bringing about stability. Pay increases have slowed dramatically and shops are now able to return to a bit of normalcy. Expectations are that pay will return to rising at a rate in the 2-4%/year range.

FUTURE EXPECTATIONS

* Predicting the future is impossible but there are some indicators that can shed some light on where pay rates may be going. Firstly is inflation and general trends that suggest that year over year pay rates will continue to increase across the board.

10,000

Expected Technician Shortage in Canada by 2030



* Secondly is the expectation of a dramatic shortage of technicians in the near future. This is due in part to the retirement of current mechanics and the lack of new technicians entering the trade. This shortage will likely result in an increase in mechanic wages.

100,000

New Technicians Expected To Be Needed Annually in the USA Through 2026



COMPENSATION STRATEGIES FOR RECRUITMENT



POPULAR COMPENSATION STRATEGIES

- * Know the going rate in your area and ensure that your offer is on par. If you need help determining a competitive rate, reach out to us for a free compensation report.
- * For hard to fill positions consider a signing bonus but keep in mind that these can sometimes be met with jealousy of your current staff if they did not receive one.

- Efficiency Bonus
- Paid Time Off
- Overtime



COMMON MECHANIC PERKS

- * Alternatives to sign on bonuses is welcome gift, typically a tool or voucher to a tool supplier.
- * Relocation assistance programs can be beneficial to attract candidates from out of your area. For assistance developing a relocation assistance package, reach out for our free guide.

- Tool & Boot Allowance
- Flexible Schedule
- Guaranteed hours

COMPENSATION STRATEGIES FOR RETENTION



COMMON RETENTION STRATEGIES

- * Keep your compensation plan up to date and in line with your local competitors. Paying slightly above market can go a long way in keeping your technicians from considering a change.
- * Efficiency bonus plans are a great way to keep your highest performers while also increasing productivity.

- Paid Training/Certification
- Team Building Events
- Temperature Controlled Shops - Heating & A/C



MECHANIC PERKS FOR RETENTION

- * A comprehensive benefits and pension plan (401k or RRSP) plan can go a long way for retention.
- * Tool and Boot allowances have become a staple for most shops. Additional programs such as health and wellness plans, gym memberships etc. are a nice addition. The more complete a package and the more perks the harder it is to leave.

- Use of the shop after hours to work on personal vehicles
- Discounted rate on parts
- Provided Uniforms and Specialty Tools

HOW WE CAN HELP



1,000+

Placements



45

Success in 45
States/Provinces



500+

Happy Clients

A STRONG COMPENSATION PACKAGE DOES NOT NECESSARILY MAKE RECRUITMENT EASY BUT IT HELPS.

If you have built a strong compensation package but are still struggling to attract the right candidates, we can help. Half of recruiting is getting the offer in front of the right people. At Rockstar, we spend all day, every day talking to mechanics and pitching them opportunities. Let us get your opportunity in front of a large pool of the right candidates so you can build your team with Rockstars!

CONTACT US



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