The Economic Impact of Interior Design in the Nation and States

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1. Executive Summary

The interior design sector generates significant economic impact in both the nation’s and states’ economies, which is evaluated in this report. In this study, the interior design sector is defined in broad terms. It includes not only all firms in interior design industries, but also interior design occupations in other industries such as retail and construction.

Nearly 200,000 people nationwide were employed in the interior design sector in the first quarter of 2016.

- Among the total, 110,141 workers were employed in interior design industries, and the rest were interior design workers in other industries.
- The annual average wage of the interior design sector is $59,969—higher than the national average for all industries at $51,614 during this time period.
- Of the interior design occupations, interior, industrial, graphic, and other specialized design industries employ over one-third of interior design occupations (34%). Other common industries for interior design occupations include architectural, engineering, and related services; furniture stores; and management of companies and enterprises.

The total annual economic impact (direct, indirect, and induced) of the interior design sector in the United States is estimated to be $96.3 billion in 2016, which can support 522,400 jobs annually.

- Total revenue for the interior design sector is estimated to be $49.0 billion, generating 199,264 jobs.
- The interior design sector generates an additional $47.3 billion in ripple effects each year, supporting 323,136 more jobs in the country in 2016.

In 2016, the interior design sector will generate an estimated $4.5 billion in U.S. federal tax revenues.

- At $2.2 billion, individual income tax accounts for nearly half of federal tax revenue for the interior design sector.
- Payroll tax totals $1.8 billion, and corporate income tax adds another $399 million in federal tax revenue in 2016.

The interior design sector generates significant economic impact in state economies, and contributes sizable tax revenue to the state governments as well.

- Based on 2016 data, California, New York, and Texas comprise 33% of the nation’s interior design employment and generate 38% of the sector’s nationwide total industry revenue (sales).
- The top 10 states constitute 62% of national interior design employment and 66% of interior design total revenue.
- In terms of total economic impact (direct, indirect and induced), the top states are California, New York, Texas, Florida and Michigan.
- For state tax revenue generated by the interior design sector, the top three states in 2016 are California, New York, and Michigan.
- The top three states generating federal tax revenue are California, New York, and Texas. With $1.7 billion in tax revenue, they account for 37% of federal tax revenue generated by the interior design sector in 2016.
2. Background

The International Interior Design Association (IIDA) was founded in 1994 as the result of a merger of the Institute of Business Designers (IBD); the International Society of Interior Designers (ISID); and the Council of Federal Interior Designers (CFID). The goal of the merger was to create an international association with a united mission that would represent interior designers worldwide. Since that date, IIDA has worked to convene communities of interior designers across regions and specialties, representing their interests for the entire collective community.\(^1\)

IIDA supports design professionals, industry affiliates, educators, students, firms, and their clients through their network of more than 15,000 members across 58 countries. IIDA promotes advancements in education, design excellence, legislation, leadership, accreditation, and community outreach to increase the value and understanding of interior design as a profession that enhances business value and positively impacts the health and well-being of people’s lives every day.

IIDA wants to demonstrate the importance of interior design industries and occupations (collectively referred to as the interior design sector) in the national and state economies. More specifically, IIDA wants to understand the economic and fiscal impact of the interior design sector in the United States and in each individual state. Chmura Economics & Analytics (Chmura) was contracted to perform this study.

\(^1\) Source: IIDA website, available at: http://www.iida.org/content.cfm/story