58% of Restoration Contractors Are Absorbing Labor Costs to Hold Prices — Crawford

Canonical Web Version: https://restorationintel.com/contractors-absorbing-labor-costs-crawford-2026/

Direct Answer: Crawford & Company's 2026 Managed Repair Market report shows 58 percent of surveyed contractors absorbing higher labor costs to protect network pricing, 86 percent impacted by labor tightness, and 73 percent reporting longer cycle times—matching Verisk data where billable labor climbed 4.69 percent versus 2.05 percent for materials.

Field Benchmark & Decision Matrix

Cost / Operations Indicator	Verified 2026 Metric	Source Context	Contractor Action
Contractors Absorbing Labor	58% holding prices despite hikes	Crawford Managed Repair Report (2026)	Audit real crew margin vs. static fee cards
Workforce Impact & Cycle	86% affected; 73% longer cycles	Contractor Connection network survey	Reset ALE & commercial downtime schedules
Billable Labor Inflation	+4.69% (July 2025–July 2026)	Verisk reconstruction cost tracking	Document lead/tech skill & supervision lines
Material Cost Inflation	+2.05% (July 2025–July 2026)	Verisk reconstruction cost tracking	Labor rises >2x faster than drywall/lumber
Total Residential Rebuild	+3.8% across all 50 states	Verisk national 12-month index	Check insured-to-value limits on renewals

Practitioner Operational Takeaways

- Treat Crawford's 58% / 86% / 73% numbers as directional telemetry from inside Contractor Connection (respondent count n undisclosed), paired with Verisk's +4.69% labor index.
- Recognize where the margin squeeze actually lives: hourly billable labor rose more than double material costs (+4.69% vs. +2.05%).
- Longer job cycles driven by labor shortages silently increase homeowner ALE and commercial business-interruption exposure—re-baseline schedules now.
- Stop absorbing undocumented supervision, setup, and specialty labor hours out of fear of TPA pushback; document real hours cleanly.

Visual Workflow & Benchmark Summary



Companion Endpoints & Verified Primary Sources

- **Markdown Twin (plain text):** https://restorationintel.com/contractors-absorbing-labor-costs-crawford-2026.md
- **Crawford Labor Survey Report (Insurance Business):** https://www.insurancebusinessmag.com/us/news/construction/restoration-contractors-absorbing-labor-costs-to-hold-prices-crawford-survey-finds-592929.aspx
- **RIA 2025 TPA Scorecard Survey Report:** https://www.restorationindustry.org/ria-2025-tpa-scorecard-survey-report
- **Verisk Claims Solutions Overview:** https://www.verisk.com/solutions/claims/