THE MASSACHUSETTS AUTO BODY LABOR RATE

A DATA-BASED CASE FOR MODERNIZATION

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Submitted on: November 14, 2025

Submitted to: Stacey Gotham, Advisory Board Chair and Michael Powers, Attorney

OVERVIEW

For more than two decades, Massachusetts’ insurer-paid collision-repair labor rate has remained nearly frozen at **$46/hour**, while costs for labor, technology, and compliance have more than doubled. The Commonwealth now carries **the highest regulatory burden and cost of living in New England—yet the lowest reimbursed rate.** This imbalance threatens consumer safety, workforce retention, and the survival of small, family-owned repair facilities that form the backbone of local communities.

FINDINGS

Independent data from the National Auto Body Research (NABR) national and state surveys, the Massachusetts Advisory Board 2024 Shop Survey, and national DRP averages—adjusted for Massachusetts’ 141% cost-of-living index—converge on the same result: $100.44/hour represents the minimum sustainable reimbursed rate required to perform safe, compliant repairs. This breakeven rate covers only basic operational and compliance costs, leaving no margin for reinvestment, talent development, or future growth.

RECOMMENDATION

The Commonwealth should establish a reimbursed labor rate of **no less than $125/hour**, using **$100.44/hour** as the verified cost-of-business floor and **$125/hour** as the level that supports workforce retention, reinvestment, and full regulatory compliance.

IMPACT

Adopting this correction will:

- Protect consumers through fully funded, OEM-compliant repairs
- Retain and attract skilled technicians
- Support environmental and safety compliance statewide
- Strengthen local economies and rebuild trade-school pipelines

Prepared in Support of the Massachusetts Auto Body Labor Rate Advisory Board Review (2025)

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THE MASSACHUSETTS AUTO BODY LABOR RATE – A DATA-BASED CASE FOR MODERNIZATION

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November 2025

EXECUTIVE SUMMARY

For more than two decades, the insurer-paid labor rate for collision repair in Massachusetts has remained nearly frozen. In the late 1980s, the prevailing reimbursed rate was roughly $30/hour. By the late 2000s, it reached about $40/hour. As of 2025, most insurers reimburse only $46/hour (NABR 2022; MA Joint Committee Testimony 2023).

During the same period, consumer inflation has exceeded 63% (BLS CPI 2024), and vehicle technology, regulatory requirements, and business costs have risen far faster. Independent surveys show that consumers already pay higher effective rates—typically $50 to $95/hour—because insurers cap reimbursement below the actual cost of a safe, compliant repair (NABR 2022). This gap has created an unsustainable imbalance.

Resulting consequences:

- Technician wages lag far behind other licensed trades, driving workforce shortages and trade-school closures.
- Small, independent shops are closing or consolidating, unable to reinvest in training, tooling, or environmental compliance required under state and federal law.
- Consumers face increased safety risks when shops are forced to limit or omit OEM-required procedures to stay within insurer caps.

Independent data from multiple sources—including the National Auto Body Research (NABR) national and Massachusetts surveys, the Massachusetts Advisory Board 2024 shop survey, and national DRP averages—all converge when adjusted for Massachusetts' higher cost-of-living index (141%). Across these benchmarks, the results produce an **average recommended labor-rate floor of $100.44/hour**.

Accordingly, this report recommends that the Commonwealth establish a reimbursed labor rate of no less than $125/hour—using **$100.44 as the documented minimum threshold** and **$125/hour as the practical, forward-looking operating rate** necessary to support reinvestment, workforce retention, and full regulatory compliance.

This report further recommends that once the $125/hour rate is adopted, it be indexed annually to inflation and cost of living to prevent renewed stagnation.

1. PURPOSE AND SCOPE

This report compiles verifiable economic and industry data to inform the Commonwealth's review of auto-body labor reimbursement. It demonstrates that the current $46 per-hour reimbursed rate does not align with the cost structure required to operate a safe, compliant collision-repair facility in Massachusetts.

Scope of analysis:

1. Historical labor-rate trends (1988 – 2025).
2. Comparison with neighboring New England states and other skilled trades.
3. Documentation of cost-of-living and workforce pressures.
4. Quantification of regulatory and compliance overhead.
5. Policy recommendations for modernization and automatic indexing.

The data are drawn from the Bureau of Labor Statistics (BLS), National Auto Body Research (NABR), Massachusetts Division of Insurance (DOI), the National Association of Insurance Commissioners (NAIC), and public testimony before the Massachusetts Joint Committee on Financial Services (2023 – 2025).

2. HISTORICAL LABOR-RATE STAGNATION (1988 – 2025)

Massachusetts insurer-paid collision-repair labor rates have remained nearly flat for decades. Industry testimony and historical data indicate that the reimbursed rate was roughly $30/hour in the late 1980s, climbing only to about $40/hour by the late 2000s (AASP-MA; NABR; BLS Automotive Repair Data 2009).

Between 2008 and 2025, the average reimbursed rate increased by just $6/hour, reaching approximately $46/hour (NABR 2024). That represents nominal growth of less than 1% per year—effectively a 10% decline in real purchasing power after inflation.

For consistency with federal wage-comparison data, the table below uses 2000 as a baseline year, when the prevailing reimbursed rate for Massachusetts collision repair averaged about $30/hour. During that same period, Massachusetts consumer prices rose 63% (BLS CPI 2024), and skilled-trade wages increased 45–95%, depending on sector:

Trade / Occupation	2000 Average Wage	2024 Average Wage	% Increase
Auto Mechanics (general)	$19/hr	$36/hr	+89%
Electricians	$23/hr	$42/hr	+83%
Plumbers & Pipefitters	$21/hr	$41/hr	+95%
Construction Trades Composite	$20/hr	$38/hr	+90%

Trade / Occupation	2000 Average Wage	2024 Average Wage	% Increase
Collision Repair Technicians (actual wages)	**$17/hr**	**$28/hr**	**+63% (-5% real)**

(Sources: Bureau of Labor Statistics, Occupational Employment Statistics (OES) 2024; Massachusetts Department of Labor.)

While collision-repair technicians earn 25–40% less than electricians, plumbers, and mechanical technicians, the gap is not due to lower skill—it is the direct result of insurer reimbursement caps that have remained nearly stagnant for two decades. In most licensed trades, hourly billing rates have risen steadily with inflation and technology, often exceeding $125–$150 or more per hour in Massachusetts. By contrast, collision-repair facilities are reimbursed only about $46/hour, leaving insufficient margin to pay competitive wages once overhead, training, and regulatory compliance are covered.

The inconsistency is even more striking within insurance claims themselves. When collision-repair facilities subcontract mechanical or diagnostic work—such as alignments, airbag replacements, or ADAS calibrations—to an outside mechanical shop, insurers routinely pay those vendors **$90–$125/hour at prevailing mechanical rates**. Yet when the same procedures are performed in-house by certified collision-repair technicians, reimbursement is capped at the $46 collision rate. This practice penalizes shops that invest in advanced training and equipment, discouraging in-house expertise and further inflating repair cycle times for consumers.

Unlike other trades, auto-body repair requires continuous investment in OEM tooling, advanced calibration systems, and strict environmental and safety compliance under both EPA and OSHA oversight—costs rarely faced by plumbers or electricians. The result is an upside-down economic model: a trade demanding the highest standards of precision and accountability, yet reimbursed at the lowest rate. Today, you would be hard pressed to have a bicycle repaired for less than $125/hour, yet the professionals trusted to restore structurally damaged vehicles are expected to do so for one-third of that amount.

3. WORKFORCE AND COST-OF-LIVING PRESSURES

Massachusetts consistently ranks among the most expensive states in the nation for both cost of living and cost of doing business (BLS CPI Regional Report 2024; MassEcon 2024). Housing, utilities, and insurance premiums outpace national averages, while commercial real estate and energy costs continue to climb.

Collision-repair shops face the dual challenge of recruiting and retaining skilled technicians in a market where competing trades pay substantially more. According to the Bureau of Labor Statistics, mechanical technicians, electricians, and plumbers now earn $10–$20 more per hour than collision-repair technicians (BLS OES 2024). This wage gap, driven by insurer reimbursement caps, has made technician shortages a persistent barrier to safe and timely repairs.

Nearly 30% of collision-repair technicians are over 55 years old, while entry of younger workers into the trade continues to decline (CCC Intelligence 2024). Apprenticeship and training pipelines have

weakened because wage ceilings set by insurer reimbursement fail to reflect the advanced skills now required.

Trade-school contraction compounds the problem. Across Massachusetts and New England, vocational-technical programs are reducing or eliminating auto-body repair courses due to low enrollment and outdated funding models (MA DESE 2024). Administrators consistently cite low wage potential as the primary deterrent. Where collision repair once occupied a dedicated track, it is now folded into general "automotive technology" curricula—or removed entirely—further shrinking the talent pipeline.

Modern vehicle construction involves aluminum, carbon-fiber, and mixed-material body systems, as well as ADAS sensor calibration, EV-battery isolation, and digital-diagnostic validation. Each demands high-precision training, certification, and investment in specialized tooling—far exceeding that required in most other trades. Artificial intelligence may reshape the broader workforce, but it cannot replace the craftsmanship, judgment, and precision required to safely restore complex vehicle systems. As technology advances, qualified human technicians are becoming even more indispensable.

Yet the Massachusetts reimbursed labor rate—still capped near $46/hour—covers barely one-third of the $125/hour required to sustain competitive wages, meet regulatory obligations, and invest in ongoing training. The result is an exodus of experienced technicians and an eroding pipeline of new entrants who see greater opportunity in other licensed trades or even mechanical repair, where effective billable rates already exceed $125–$150/hour.

The documented breakeven point of $100.44/hour merely keeps shops afloat. To attract and retain skilled technicians and meet the Commonwealth's safety and compliance standards, a reimbursed rate of $125/hour is the minimum viable level for sustainability and growth.

4. REGULATORY AND COMPLIANCE OVERHEAD

Massachusetts collision-repair facilities operate under overlapping federal, state, and municipal regulations that exceed those faced by most construction or mechanical trades. Federal EPA and OSHA standards form the baseline, but the Commonwealth layers on additional mandates governing hazardous-waste handling, VOC emissions, air-quality permitting, and worker-exposure control (EPA Region 1 Compliance Summaries 2023).

Primary compliance frameworks include:

- EPA 40 CFR Part 63 (Subpart HCCC)—hazardous-air-pollutant and spray-booth standards.
- OSHA 29 CFR 1910 Subparts H & I—chemical-handling, respirator, and personal-protective-equipment compliance.
- MassDEP 310 CMR 7.00—state-specific VOC and emissions controls.
- Fire Code 527 CMR 1.00—flammable-liquid storage and booth-ventilation requirements.

Compliance entails major fixed costs: downdraft-booth installation and maintenance, air-filtration and waste-disposal systems, equipment calibration, and training documentation. Establishing a compliant facility requires an initial capital investment of **$150,000 – $250,000**, followed by recurring annual compliance costs that **routinely exceed $40,000 per year** (Massachusetts Auto Body Association Survey 2023).

On a per-hour basis, this equates to roughly **$10 – $12 of every reimbursed labor hour being absorbed by environmental, safety, and waste-management requirements alone**—costs that have no parallel in most other skilled trades. When the reimbursed rate is only $46/hour, one-quarter of that total disappears before a single repair technician picks up a tool.

In contrast, electricians and plumbers typically incur only $1,000 – $3,000 annually in licensing, permitting, and inspection costs. Collision-repair business owners must also navigate continuous administrative and inspection cycles—air-permit renewals, hazardous-waste manifests, OSHA logs, employee-training records, and periodic audits. These requirements add hours of non-billable labor and further erode already thin margins.

Training and certification costs intensify the imbalance. Insurers and manufacturers require technicians to hold I-CAR, ASE, and OEM-procedure certifications, yet these programs—often costing thousands of dollars per employee per year—are unreimbursed. Shops that invest in proper training to meet both insurer and regulatory expectations absorb these expenses entirely.

Compared with other New England states, Massachusetts carries both the highest regulatory burden and the lowest insurer-paid labor rate. This contradiction undermines the intent of the Commonwealth's safety and environmental laws: protecting consumers, workers, and communities. Aligning the labor rate with these realities would allow ethical, compliant operators to continue delivering safe, code-conforming repairs **without being forced to choose between compliance and survival.**

5. CONSUMER IMPACT & SAFETY

Massachusetts consumers are often shocked to learn that their auto-insurance reimbursement does not cover the actual cost of a safe, OEM-compliant repair. Modern vehicles are highly engineered systems that depend on precise repair methods, manufacturer-approved parts, and advanced calibrations to perform safely after a crash. Yet insurers still reimburse at rates set decades ago—typically about $46/hour—while the real cost of performing a compliant repair now exceeds $125/hour once fair wages, training, equipment, and compliance are factored in.

Imagine standing across from a customer whose vehicle has just been in a serious collision and having to explain that, despite years of faithfully paying premiums, their insurance reimbursement won't cover the procedures required to make their car safe again. Shops like Repairs Unlimited face this conversation daily. The choice is stark: absorb unreimbursed costs, charge the customer the difference, or skip essential OEM-mandated steps—none of which is fair to consumers or sustainable for responsible repairers.

The shortfall extends beyond labor. Insurers frequently limit or deny payment for OEM-specified parts and procedures, often substituting aftermarket or recycled components that can be substandard, difficult to fit, or incompatible with safety-system tolerances. These parts may cost less upfront but require more time to install correctly and can compromise crash-worthiness or sensor calibration. The results are visible: panels that no longer align, warning systems that malfunction, or paint that doesn't match. These are clear signs that a "repaired" vehicle may never have been fully restored to its pre-collision condition—proof that cost caps come at the expense of quality and safety.

At the same time, insurer-operated "preferred-shop" or Direct Repair Program (DRP) networks require participating facilities to accept the insurer's fixed labor rate, often the same $46/hour. Marketed as a convenience, "preferred" status too often reflects price compliance rather than quality assurance. Consumers are also misled into believing insurers *set* the labor rate itself, when in fact they only determine what they are willing to reimburse—a distinction blurred by decades of DRP marketing.

The result is inequity on two fronts. First, it penalizes transparent, safety-first independent shops that refuse to compromise. Second, it erodes consumer trust by positioning cost-driven programs as quality endorsements.

When insurers refuse to meet actual costs, customers are left to choose between:

1. Paying the uncovered difference out of pocket;
2. Seeking a lower-cost shop that may omit required safety procedures;
3. Crossing state lines where labor rates are higher; or
4. Turning to large dealerships that can offset losses elsewhere.

These are false choices. They punish conscientious small businesses and place drivers at risk. A 2023 CCC Intelligence study found that 6–8% of post-collision vehicles showed incomplete safety-system calibration following insurer-directed repairs—deficiencies that can mean uncalibrated ADAS sensors, weakened structures, or misaligned airbags. Many drivers ultimately return to independent facilities to correct issues left unresolved by unreliable shops—an unnecessary second round of expense and frustration that could have been prevented by proper reimbursement in the first place. These are not cosmetic oversights; they are life-critical failures.

Because Massachusetts reimbursement rates remain far below neighboring New England levels—and less than half of what is required to maintain safe, compliant operations—the Commonwealth risks losing both qualified technicians and accessible, trustworthy repair options. Transparency and safety must go hand in hand. Setting a minimum reimbursed rate of $125/hour is essential to ensuring that safety standards can actually be met, that consumers receive the OEM-compliant repairs they are promised, and that public trust in the Commonwealth's repair system is restored.

6. REGIONAL COMPARISON & POLICY IMPLICATIONS

While Massachusetts continues to reimburse collision-repair labor at approximately $46/hour—well below the cost of safe repair—even neighboring states that have modernized remain economically unsustainable.

Current Regional Comparison (2024 NABR and State Data):

State	Average Reimbursed Labor Rate (Collision Repair)	Regulatory Intensity	Relative Cost-of-Living	Notes
Massachusetts	**$46/hr**	**Highest in Region** (EPA + State	**High**	Most stringent compliance; lowest reimbursed rate.

State	Average Reimbursed Labor Rate (Collision Repair)	Regulatory Intensity	Relative Cost-of-Living	Notes
		VOC + OSHA overlays)		
New Hampshire	$55–$60/hr	Moderate	Moderate	Lower compliance costs; attracts cross-border consumers and technicians.
Connecticut	$58–$62/hr	High	High	Transparent DOI-regulated rate-filing process; higher-end rates for aluminum and EV-certified shops.
Rhode Island	$57/hr	Moderate	Moderate	Labor-rate review mandated every two years by statute.
Maine	$52–$56/hr	Low	Low	Lower VOC standards; less regulatory oversight; higher rates near southern/coastal markets.
Vermont	$54/hr	Moderate	Moderate	Allows flexible rate negotiation and periodic inflation review.

(Sources: NABR Labor Rate Survey 2024; State Insurance Divisions; BLS CPI 2024.)

In short, even the most progressive New England states remain **below fair-market repair cost**, with averages in the $55–$60 range—roughly half of the $100+ cost that data indicate is necessary for safe, compliant repairs. Massachusetts, however, has failed to even keep pace with these underpaid benchmarks, widening the disparity further.

Despite carrying the **strictest regulatory framework and highest cost-of-living in New England**, Massachusetts maintains the **lowest reimbursed rate for collision repair**. This disparity not only disadvantages local businesses but also distorts regional competition: consumers in border communities frequently cross into New Hampshire or Rhode Island for repairs, while skilled technicians migrate to neighboring states where wages better reflect their expertise.

National and regional data confirm that the current rate is economically indefensible. According to the **National Auto Body Research (NABR) survey**, the **national average** collision-repair labor rate is approximately **$81/hour**. When adjusted for **Massachusetts' 141% Consumer Price Index**, this equates to **$114.12/hour**.

Four separate data points—national averages, DRP averages, Massachusetts survey data, and insurer-paid state rates—all converge within a range of **$94 to $114/hour**.

> **Across all sources, the average modernized rate for Massachusetts equates to $100.44/hour—an evidence-based baseline for fair reimbursement.**

The policy implications are clear.

Modernizing Massachusetts' reimbursed labor rate to reflect its higher cost-of-living, regulatory burden, and workforce pressures—**and setting it at no less than $125/hour would**:

1. Restore parity with regional labor markets;
2. Retain skilled technicians and prevent business migration;

3. Strengthen consumer safety by ensuring repairs remain OEM-compliant and properly funded; and
4. Preserve tax revenue and local economic activity within the Commonwealth.

Maintaining a static, decades-old rate in a high-cost, highly regulated environment is neither economically fair nor sustainable. Modernization is not about raising costs—it is about **keeping Massachusetts competitive, protecting public safety, and preventing the erosion of its skilled workforce**.

7. ECONOMIC EQUITY & INSURANCE INDUSTRY CAPACITY

While Section 6 demonstrates the need for modernization, the next question is one of capacity—whether insurers can reasonably absorb the adjustment. The data show they can, easily.

According to the National Association of Insurance Commissioners (NAIC 2024) and the Massachusetts Division of Insurance Market Share Report (2024), private-passenger auto insurers wrote roughly $4 billion in premiums last year, with an aggregate combined ratio near 94 percent. Any ratio below 100% represents an underwriting profit, meaning only 94 cents of each premium dollar went toward claims and expenses—leaving approximately $240 million in profit statewide.

Carrier / Group	Written Premiums ($ Millions)	Combined Ratio (%)	Estimated Net Income ($ Millions)
MAPFRE USA Group	1,385	96%	≈ 55
Safety Insurance Group	941	93%	≈ 47
Arbella Mutual Group	667	94%	≈ 31
GEICO Group	520	95%	≈ 24
Progressive Group	485	92%	≈ 27
Statewide Aggregate	≈ 4,000	≈ 94%	≈ 184 - 240

(Sources: NAIC Annual Statement 2024; Massachusetts Division of Insurance 2024.)

A reimbursed-rate adjustment to $125/hour would increase total claim costs by **less than 3%**—a fluctuation well within the range insurers already experience annually. In other words, modernization would not meaningfully affect premiums or profitability.

Despite this, carriers continue to protect profit margins by **passing rising costs on to consumers** while simultaneously expecting repair facilities to absorb unreimbursed expenses or accept below-cost labor reimbursement. The result is a system where policyholders pay more, shops earn less, and insurers maintain profitability—an imbalance that contradicts the very premise of fair and transparent coverage.

Meanwhile, small repair businesses face cost pressures insurers do not: annual compliance expenses exceeding $40,000; six-figure investments for EPA-approved equipment; and mandatory training programs that remain unreimbursed. Insurers, by contrast, have lowered their own operating costs through AI automation and centralized estimating, further widening the financial divide.

Updating the labor rate to $125/hour is not a subsidy but a **course correction**—one that:

• Ensures policyholders receive safe, OEM-compliant repairs;
• Keeps insurers profitable within predictable premium structures; and
• Allows small businesses to remain viable, local employers.

The financial capacity exists; what remains is the will to act.

8. INDUSTRY CONTRACTION & ECONOMIC IMPACT

The stagnant reimbursement rate has already produced **measurable erosion** across Massachusetts' collision-repair industry. Over the past decade, small, family-owned facilities—the foundation of the Commonwealth's automotive service network—have been the most affected.

Key indicators of contraction include:

- **Employment decline:** Massachusetts collision-repair employment has fallen **14% between 2015 and 2024** (BLS Quarterly Census of Employment and Wages, 2024).
- **Small-business closures:** Independent and family-owned shops, often in rural and suburban communities, represent the majority of closures, reducing both local economic activity and vocational opportunities.
- **Capital-investment barriers:** Remaining shops face growing difficulty investing in new technology such as aluminum repair cells, ADAS calibration bays, and EV-safe repair infrastructure—equipment that is now essential for OEM-compliant repairs.

These pressures create a **self-reinforcing cycle of decline**. As qualified technicians leave the industry and facilities close, consumer repair options shrink, repair cycle times lengthen, and overall safety compliance decreases. Over time, this pushes more vehicles toward total loss—ironically **increasing insurers' total claim costs** rather than reducing them.

This prolonged underpayment has left many collision-repair businesses unable to survive. As margins tighten, some operators exit the market altogether—often selling to regional consolidators or dealership groups that can offset lower reimbursement through other revenue streams. The result is **industry consolidation**, fewer independent choices for consumers, and diminished local ownership within communities that have long relied on these businesses for employment and service.

Without modernization, this trend will accelerate. Continued underpayment will:

- Further reduce consumer choice**,** access, and quality repairs;
- Extend **vehicle cycle times** as remaining facilities reach capacity;
- Force more **premature total losses** that raise claim costs for insurers; and

- Eliminate a critical layer of **local small-business infrastructure** across Massachusetts.

Modernization is not just an economic adjustment—it is an investment in public safety, workforce resilience, and the local economies that depend on these small businesses to thrive.

9. RECOMMENDATIONS & POLICY PATH FORWARD

For more than two decades, Massachusetts' collision-repair reimbursement rate has remained nearly unchanged, even as every cost driver—labor, compliance, technology, and living expenses—has risen sharply. Today, the Commonwealth maintains **the lowest reimbursed rate in New England** while carrying **the highest regulatory and cost-of-living burdens**.

This disparity has reached a tipping point. Modernization is not a windfall; it is a **necessary corrective action** to restore parity between reimbursement and reality and to ensure that future rates keep pace with inflation, technology, and workforce demands.

POLICY RECOMMENDATIONS

1. **Adopt a Baseline Reimbursed Labor Rate of $125/Hour**
   Set the statewide reimbursed labor rate at **not less than $125/hour** to reflect Massachusetts' higher compliance, wage, and cost-of-doing-business requirements.

   The documented breakeven rate of **$100.44/hour** represents the verified minimum threshold for safe, compliant repair; $125/hour ensures shops can sustain workforce retention, reinvestment, and future compliance.

2. **Implement Annual Indexing**
   Tie future adjustments automatically to the **Massachusetts CPI** and **statewide average-wage growth**.

   This mechanism prevents the labor rate from falling behind inflation again and ensures the correction established now remains viable in future years.

3. **Require Transparency & Reporting**
   Mandate that insurers **publish annual reimbursed rate schedules** and **disclose the methodology** used to determine reimbursement levels.

   Transparency will rebuild trust, reduce disputes, and promote accountability among insurers, repairers, and consumers.

4. **Continue Advisory Board Oversight Twice Annually with Accountability Triggers**
   The **Auto Body Labor Rate Advisory Board** should **continue to meet twice each year** and submit recommendations to both the Division of Insurance (DOI) and the Commissioner of Insurance by **December 31 annually**.

   If the Board fails to convene or issue recommendations, an **automatic CPI-based rate**

adjustment should take effect to ensure ongoing correction.

5. **Introduce Compliance & Safety Incentives**
   Establish **tax credits or grants** for EPA, OSHA, and OEM-training investments. These measures reward responsible operators who uphold the Commonwealth's environmental and safety standards rather than penalizing them for compliance.

6. **Rebuild the Workforce Pipeline through Trade-School Partnerships**
   Partner with vocational and community-college programs to reinstate and expand collision-repair training across Massachusetts.

   A fair labor rate restores the trade's financial viability, attracting new technicians and sustaining programs through shared state and industry investment in equipment and instructor development.

7. **Lead with Public-Safety Education**
   Work with consumer-protection and public-safety agencies to educate drivers that fair reimbursement **enhances—not inflates—safety, quality, and accountability** in collision repair.

   An informed public supports shops that do the job right, not merely the cheapest.

Together, these actions represent a balanced, data-driven correction—not a one-time adjustment. By establishing a reimbursed labor rate of not less than $125/hour, and linking it to transparent annual indexing, Massachusetts can permanently prevent the backslide that created the current crisis.

10. CLOSING SUMMARY

Massachusetts' collision-repair industry stands at a crossroads. After decades of stagnant reimbursement, the Commonwealth now faces an urgent choice: **preserve a system that underpays its skilled workforce and undermines safety or take corrective action to restore fairness and sustainability**.

Independent shops have supported Massachusetts drivers for generations, yet the current $46-per-hour reimbursed rate no longer sustains the technology, compliance, and craftsmanship the work demands. The proposed adjustment to a **reimbursed rate of $125/hour**—is not a windfall—it is a long-overdue correction that simply aligns reimbursement with the real cost of operating a safe, compliant, and modern repair facility afforded to other trades.

This change is not about creating excess profit; it is about **protecting consumers, stabilizing local businesses, and rebuilding the pipeline of skilled technicians** who will keep the Commonwealth's roads safe for decades to come.

While the data presented throughout this report provide compelling evidence that Massachusetts' reimbursed labor rate is overdue for substantial correction, the issue ultimately comes down to one question:

Would you trust a beloved family member to drive a vehicle repaired by a shop with a proven reputation, fairly compensated technicians, and uncompromising safety standards—or by a facility that accepted what was best for the insurance company?

The answer to that question underscores why modernization is not simply an economic adjustment; it is a **commitment to safety, fairness, and public trust.**

Modernization is not about raising costs—it is about protecting people, sustaining local enterprise, and ensuring that the Commonwealth's collision-repair industry remains strong, ethical, and future-ready for the years ahead.

APPENDIX A – DATA SOURCES AND CITATIONS

This report's recommended reimbursed rate of not less than $125/hour reflects these sources when adjusted for Massachusetts-specific cost-of-living, regulatory, and workforce conditions.

ECONOMIC & WAGE DATA

- **Bureau of Labor Statistics (BLS)** – Consumer Price Index (CPI) and Occupational Employment Statistics (OES), 2024.
- **MassEcon** – Cost of Doing Business and Regional Competitiveness Index, 2024.

INDUSTRY SURVEYS & REPORTS

- **National Auto Body Research (NABR)** – Labor Rate Survey, 2022 – 2024.
- **Massachusetts Auto Body Association (MABA)** – Operational Cost and Compliance Survey, 2023.
- **CCC Intelligence Solutions** – Industry Trends and Safety Calibration Report, 2024.

REGULATORY & COMPLIANCE SOURCES

- **EPA Region 1 (New England)** – Compliance Summaries and Regulatory Framework Overview, 2023.
- **OEM Safety Bulletins** – Vehicle Structural and ADAS Calibration Guidance, 2024.

INSURANCE & MARKET DATA

- **Massachusetts Division of Insurance (DOI)** – Market Share Reports and Rate Filing Data, 2024.
- **National Association of Insurance Commissioners (NAIC)** – Annual Statement and Private-Passenger Auto Insurance Report, 2024.

EDUCATION & WORKFORCE PIPELINE

- **Massachusetts Department of Elementary & Secondary Education (DESE)** – Vocational Program Enrollment and Workforce Pipeline Data, 2024.

All data verified as of Q2 2025 for consistency with current CPI and state filings.