



RESEARCH

INTERIOR DESIGN **2016/2017 OUTLOOK** AND STATE OF THE INDUSTRY

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EXECUTIVE SUMMARY



At ASID, we know that interior design impacts the human experience. Effective interior design makes workers more efficient, helps students learn, and helps everyone get and stay healthy; it helps us have fun, age gracefully, and connect with family. Design is at the crux of how we live, work, and play. But if this is how interior designers impact the world around us, what impacts interior designers? When we sit down at the drafting table, what factors are at play? And how do they impact the designs we ultimately produce? For the 2016/2017 Interior Design Outlook and State of the Industry report, we hypothesize that in order to understand the built environment, where we spend about 93 percent of our lives, we must first understand what impacts the people who design it.

Using input from industry thought leaders, educators, and specialists across the design sectors, we've identified key factors at global, national, and industry levels that affect the profession, and organized them according to their degree of impact on designers as individuals, and on their projects. Though open to interpretation, our Think Tank Challenge participants ranked categories of business environment, traits of the individual designer, knowledge, and generational differences as high-impact factors affecting the design professional. The sociopolitical landscape, science and technology, innovation, and morality/ethics appear to have a medium impact. Meanwhile, the regional and global contexts have low but persistent impacts on designers. When considering factors that affect a given project, the groupings and degree of impact shift slightly, but the factors are essentially unchanged.

Beyond identifying factors and ranking them according to impact, we also discussed how each one affects design, and whether its impact is likely to rise or fall over the next three to five years. Several interesting connections became apparent, such as the link between the perceived value of design, time pressure, and the possible downward trajectory of design excellence. But while there are pressures that negatively affect design, we also heard about a cross current of innovation, and a breakdown of silos that is elevating the profession. We also found complex linkages between community, generational differences, and a push toward well-being through design that together are reshaping how we think about space.

The factors affecting design, and thus the world around us, are complex and changing. Indeed, it seems that

we are not only in a period of tremendous change for both the business and practice of design, but the pace of change is accelerating, with no signs of slowing. This complex, dynamic, and accelerating environment is difficult to navigate, but we close each section and the report as a whole by challenging ASID members and the broader design community to proactively push the boundaries that box us in, to form new connections, and to demonstrate the impact of design.

Whatever factors may be at work, they have conspired to make the business of design quite good over the past 12 months, and we expect that to continue. Last year's State of the Industry report showed that interior design had fully recovered to pre-recession levels, and the momentum carried through this year, with only slight moderation. According to the U.S. Bureau of Labor Statistics and the U.S. Census, the number of interior designers has grown by 11.9 percent to 68,067, and the number of firms has grown by nearly 6 percent to 12,642. Construction spending is up over last year, with 8 percent growth in residential, and 9 percent in nonresidential. Designers remain optimistic about the outlook, and this has translated into a hot job market, with 29 percent of firms looking to hire this year (up 4 percent from last year).

Interior design is a strong and growing sector. It's complex, changing, and accelerating, but ASID is helping its members and the broader design community navigate the changes by providing them with resources that give them an enhanced understanding of the built environment, and empowering designers to use the factors that affect design to our advantage.

“

**INTERIOR
DESIGN IS A
STRONG AND
GROWING
SECTOR.**

”

STATE OF THE INDUSTRY

The business of interior design has been quite good over the past 12 months, and we expect that to continue. Last year's State of the Industry report showed that interior design had fully recovered to pre-recession levels, and the momentum carried through this year, with only slight moderation. With all indicators showing robust growth, this is a good time to be in the interior design business.

68,067 

EMPLOYED INTERIOR DESIGNERS

Source: U.S. Bureau of Labor Statistics, Occupational Employment Survey, and Labor Force Current Population Survey

12,642 

**TOTAL NUMBER OF DESIGN FIRMS
(INCREASE OF 6 PERCENT)**

Source: U.S. Bureau of Labor Statistics, Census of Employment and Wages

UP 7,243 SINCE 2015 

TOTAL # OF DESIGNERS (INCREASE OF 11.9 PERCENT)

Source: U.S. Bureau of Labor Statistics, Current Employment Survey

29 PERCENT 

**OF FIRMS LOOKING TO HIRE THIS YEAR
(INCREASE OF 4 PERCENT)**

Source: ASID Business Performance Survey

\$9.1 BILLION 

VALUE OF SALES (0.6 PERCENT GROWTH)

Source: Barnes Reports, 2016 U.S. Industry Market Report, Interior Design Services Industry

CONSTRUCTION SPENDING IS STRONG

	2016 Q1 (\$M)	% change from 2015 Q1 to 2016 Q1
TOTAL RESIDENTIAL	435,484	+8%
New Single Family	236,274	+13%
New Multifamily	64,427	+35%
Home Improvement	147,884	+9.7%
TOTAL NONRESIDENTIAL	406,849	+9%
COMMERCIAL/INDUSTRIAL		
Lodging	23,235	+29%
Office	55,218	+24%
Commercial/Retail	70,382	+13%
Manufacturing	79,328	- 2%
INSTITUTIONAL		
Healthcare	32,065	+6%
Educational	19,119	+22%
Religious	3,359	+6.7%
Amusement/Recreation	11,009	+30%
Transportation	14,798	+11%

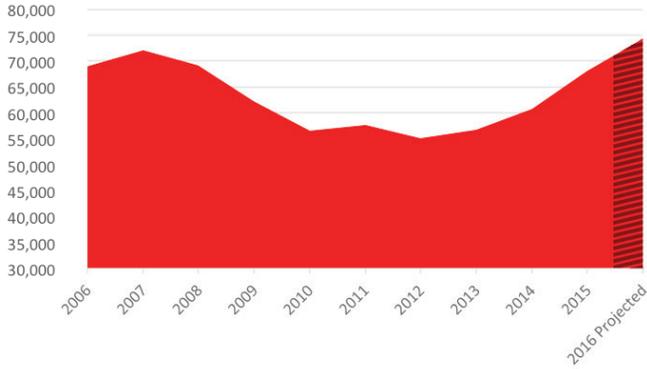
Millions of Dollars

Seasonally Adjusted Annual Rate

Source: U.S. Census Bureau, Value of Construction Put in Place: Construction Spending

U.S. INTERIOR DESIGNERS
9% GROWTH PROJECTED FOR 2016

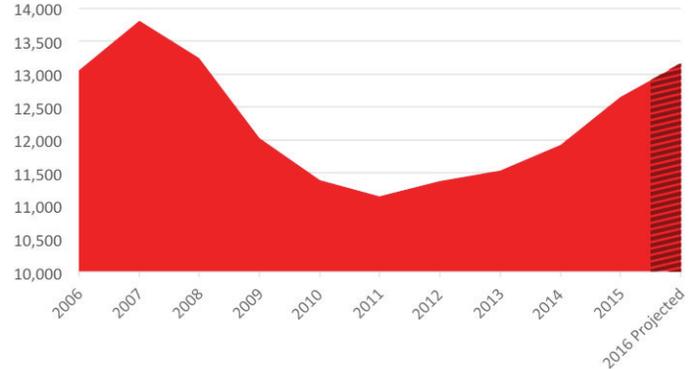
Employed Interior Designers



Sources: U.S. Bureau of Labor Statistics and Labor Force Current Population Survey thru 2015; ASID projection for 2016

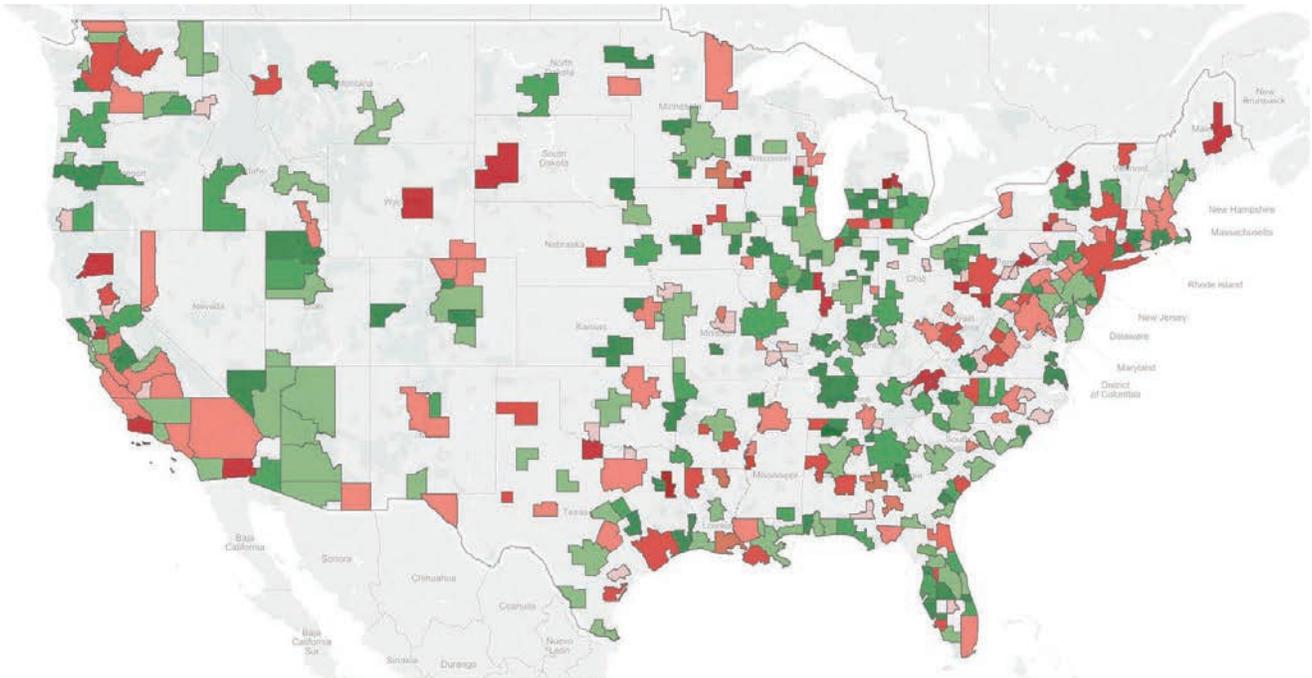
U.S. DESIGN FIRMS
4% GROWTH PROJECTED FOR 2016

Number of Interior Design Firms



Sources: U.S. Census County Business Patterns thru 2015; ASID projection for 2016

YEAR-OVER-YEAR PERCENTAGE CHANGE IN NEW RESIDENTIAL CONSTRUCTION PERMITS BY METROPOLITAN AREA, 2016 Q1



KEY

- Less than -50%
- -50% to -21%
- -20% to -1%
- 0
- 1% to 20%
- 21% to 50%
- Over 50%

Source: ASID, using data from U.S. Census Bureau

VISIT ASID.ORG/OUTLOOK2016 FOR A FULLY DYNAMIC, INTERACTIVE MAP

OVERVIEW: ASID INFLUENCE ANALYSIS

For the 2016/2017 Interior Design Outlook and State of the Industry report, we hypothesize that in order to understand the built environment, where we spend about 93 percent of our lives, we must first understand what impacts the people who design it.

To test our hypothesis, we held a Think Tank Challenge with six thought leaders who have their fingers on the pulse of what is happening in the overall interior design profession through their work on design projects, publications, and design/business consultancies¹. The Think Tank Challenge kicked off with participants brainstorming a list of key factors each thought were impacting the interior design profession at the global, national, industry, and business scales. Factors were edited, combined, and added as the discussion went on. Participants were then asked to consider an interior designer sitting at their desk preparing to begin a new design, and then rate how much each factor affects them (i.e., high, medium, or low), and perhaps more importantly, how, or in what ways, the factor impacts the designer and the work they produce. Then participants voted on whether they expected certain factors to increase or decrease in impact over the next few years. The height of the discussion was reached when participants took on the challenge of rethinking

what the profession should do moving forward to address the factors impacting us in this constantly changing world.

To dig deeper, we then held six sector-specific discussions with designers specializing in residential, office, healthcare, hospitality/retail, and education/government design, as well as with design educators². We asked each to independently create a list of factors they believe impact interior design, and then examined each further. In addition, we surveyed over 100 practicing interior designers from various design sectors and asked them to rate the key impact factors identified at the Think Tank Challenge. Again, we asked which factors have the most impact, and if they believe the influence of each will grow or wane in the next few years. Some of this rich knowledge was weaved into this report, but to do it justice, we're planning to publish separate sector briefs during the latter half of 2016.

¹ Bob Fox, *Work Design Magazine*; Jill Goebel, Gensler; Reed Kroloff, Jones | Kroloff; Vincent Ng, HOK; Christopher Ramey, Affluent Insights; Susan Szenasy, *Metropolis*

² See Acknowledgments for full list of participants

The content in this report is an amalgamation of these discussions, surveys, and the results of an ASID literature scan to better grasp the complex, interconnected world of interior design. Here are a few **key takeaways:**

IT'S COMPLICATED

Factors that affect interior design evoke “big-bucket” words like “Economy,” “Environment,” “Time,” and “Generational Differences.” Once you start to unpack them, they fill your head with nearly limitless depth and breadth of meaning. The complexity of these forces and their interaction with design intertwine with the increasingly complex problems interior designers are being asked to solve. As we learn about the forces behind those problems, we begin to see just how intricately woven they are. In this complicated world, exploring and seeking to understand the factors that shape interior design can lead to advances in business and the profession.

IT'S DYNAMIC

We live in a world of change where nothing stays the same. Just when you think you've got a grasp on how to run an interior design business and how to solve modern problems through elegant use of space, the business landscape shifts, or the problems change. The changes in one area also impact related factors, both directly and indirectly, and the constant interactions among them keep the dynamics changing as well. The only thing that stays the same, it seems, is the fact that nothing [else] stays the same.

THE PACE OF CHANGE IS FAST AND GETTING FASTER

Not only is change constant, but the pace of change is also fast and increasing. The rate at which new scientific understanding emerges, and new technologies hit the market is fast, and increasing, with no signs of slowing down. Humanity's understanding of our biology and psychology, and how those things interact with the physical world, is growing exponentially. New advances, such as the technology available to designers – from BIM software to 3D printing, and even the flow of information via social media are evolving relentlessly, and can affect how we design, or how we should design, space. As digital natives (people who were brought up in the age of digital technology) become increasingly established in the workforce, we can expect the rate of change to keep rising.

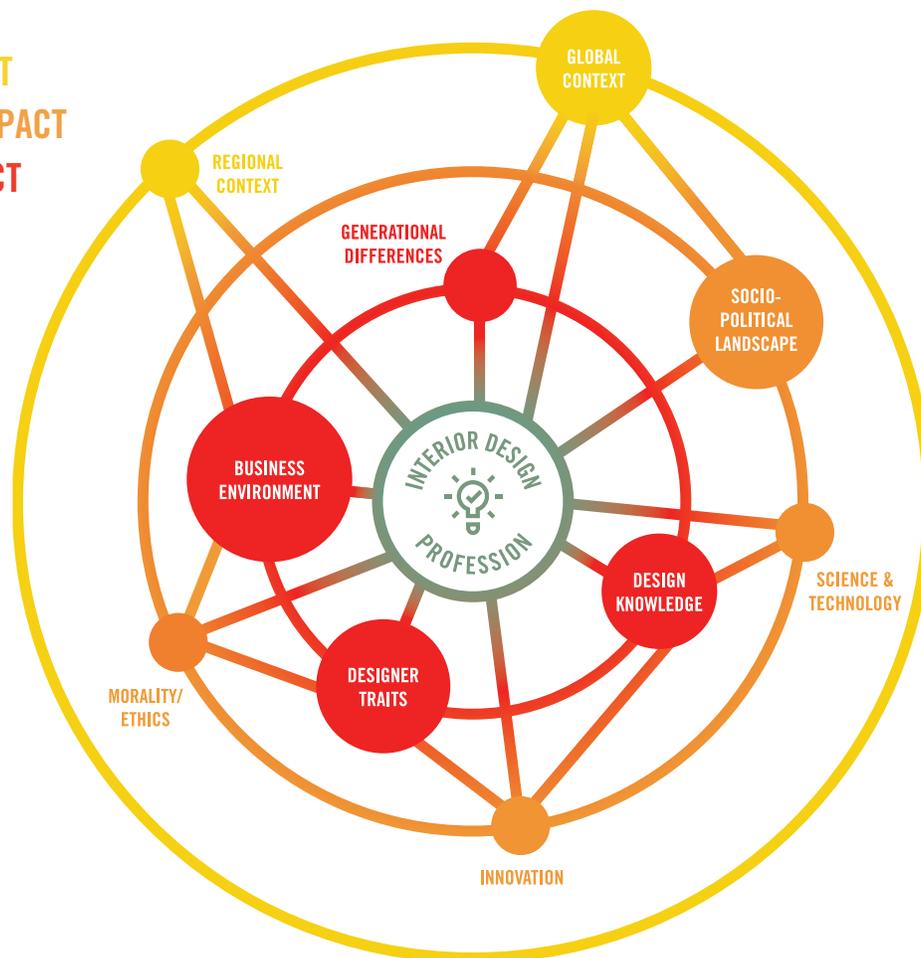
WE HAVE THE POWER

The complex, changing, and accelerating world may seem overwhelming, especially when we're looking for stability in our business and are tasked to come up with design solutions that will last. It would be easy to ignore the complexities and the changes and instead focus on what we know, or rather what we think we know, sticking with the business and design solutions that have worked for us in the past. But those who do that, either firms or individual designers, risk getting left behind. ASID believes that although the factors that impact design are bigger than any one firm or individual, we are *not* at their mercy. We can be proactive, we can effect our own change, and we can take advantage of the changes that come our way. Interior designers are in a unique position to change the world around us. We create places that make people efficient, help them learn, help them get and stay healthy, have fun, age gracefully, and connect with family. To create positive change, we must take pride in our work as conveners of knowledge and erase the lines that box us in.

FACTORS AFFECTING THE DESIGN PROFESSION

This model, developed by ASID with input from Think Tank Challenge participants, illustrates the factors affecting interior design professionals as they create their designs, and thus shape the profession. Each bubble in the diagram is a grouping of related factors. The closer the grouping is to the center, the higher the impact. The size of the bubbles reflects the number of factors in each group. The factors are detailed by group and degree of impact below the diagram.

LOW IMPACT
MEDIUM IMPACT
HIGH IMPACT



— HIGH IMPACT —

BUSINESS ENVIRONMENT – Factors Related to the Business Environment in Which Designers Operate

Competition

Competition for business through price and quality

Costs/Profitability (lack of)

Designers tasked to do more with the same or fewer financial resources, within slim margins

Industry Economy

Closely tied with the national economy; includes demand for housing, inventory of commercial space, interest rates, construction costs, etc.

Pace of Change

The exponential growth in the rate of change which continues to increase with no sign of slowing down

Perceived Lack of Value

The under valuation of contributions made by interior designers among the general public and sometimes even within the design and construction sectors

Regulation/Liability

Parameters put up by governments on occupant space

Sustainability

The integration of sustainability principles in design projects

Time

The time pressure on designers to produce with less revenue per project or hour

DESIGNER TRAITS – Factors Directly Related to the Individual Designer

Brand of the Individual

A signature persona or professional identity reflected in the design work and other business performance

Design Excellence

A function of available time, talent, and treasure

Millennial Culture

The unique perspective and preferences that this generation brings to the workforce, such as constant digital connection, the sharing economy, and urban living

Quality of Life

- a) Designers seeking to mitigate the demands placed on them
- b) Designers' consideration of their clients' need for a high quality of life

Social Media

Key source of inspiration and communication within the design community

Talent

The natural and cultivated abilities of individual designers; competition for skilled and experienced designers results in a talent war

DESIGN KNOWLEDGE – Factors Related to the Formation of the Design Professional and the Resources Available to Them

Continuing Education

The professional's effort to keep up with the rapidly changing profession

Data & Knowledge

The vast quantities of information designers are exposed to, including the emergence of big data as it is used for understanding the user experience

Education

The design fundamentals instilled through design programs

Technology

The integration of virtual and physical worlds

GENERATIONAL DIFFERENCES – The Varied Needs and Preferences of Millennials, Gen-Xers, Baby Boomers, and Generations That Came Before or Are Just Entering Society

— MEDIUM IMPACT

SOCIOPOLITICAL LANDSCAPE – The Broad Context of Modern Western Society That Affects Nearly All Economic Activity and Creative Outputs

Consumerism

A consumer-centric society that is beginning to shift away from “stuff” to experiences

Global Security

War, refugees from violence and economic hardship, terrorism, food security, geopolitics, and related concerns

National Economy

National economic performance and consumer sentiment

National Politics

Political polarization during the 2016 election year; includes issues of race, class, gender, and more

National Security

Domestic and international terrorism, active shooters at schools and office buildings, natural and human-made disasters, and related concerns

INNOVATION – The Continual Search for Improvements Through the Convergence of Understanding Across Disciplines

MORALITY/ETHICS – Guiding Principles and Beliefs of What Is Right and Wrong

SCIENCE & TECHNOLOGY – The Global State and Rapid Advancement of Technology and Scientific Understanding

— LOW IMPACT

GLOBAL CONTEXT – What is Going on in the World Outside National Borders

Environment

The rapid change in earth systems, including climate, ocean, and biodiversity, and the imperative to protect natural heritage

Global Economy

Global economic performance (directly affects the national and construction economies, including the business of design)

Health

Defined as a state of complete physical, mental, and social well-being, the promotion of health has spread across all generations and all industries

Urbanization

The movement toward an urbanized society, including the blending of interior spaces with exteriors and the larger community

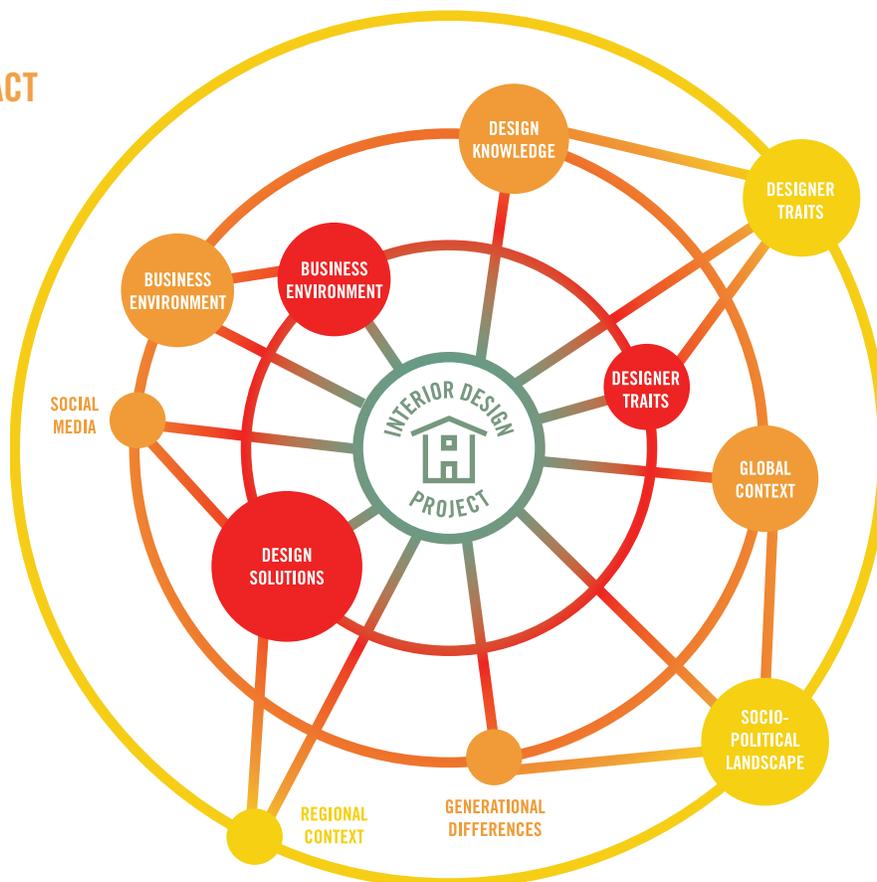
CORE VALUES/REGIONAL CONTEXT – Balance Between Maintaining the Core Values of Large and Medium Design Firms and the Regional Context of the Design Project

FACTORS AFFECTING THE DESIGN PROJECT

This model, developed by ASID with input from Think Tank Challenge participants, illustrates the factors affecting design at the *project scale*. These are the same factors that affect the design professional and the profession broadly as illustrated above, but when considering how these factors affect the design of a particular space, their definition may change slightly, degree of impact shifts, and they are grouped differently. Design Solutions emerges as a new grouping, for example, and some groups, such as Designer Traits and Business Environment, were split because the factors within each have different levels of impact.

As with the diagram above, the closer a grouping is to the center, the higher its impact. The size of the bubbles reflects the number of factors in each group. The factors are detailed by group and degree of impact below the diagram.

LOW IMPACT
MEDIUM IMPACT
HIGH IMPACT



NOTE:

Factors below without a definition were described in the previous section.

— HIGH IMPACT

DESIGN SOLUTIONS – Elements Incorporated Into the Project Design

- *Health*
The promotion of health is being integrated into many projects across design disciplines
- *Innovation*
- *Science & Technology*
- *Security*
- *Sustainability*
- *Technology*

BUSINESS ENVIRONMENT – Factors Related to the Business Environment in Which Designers Operate and Projects are Developed

- *Costs/Profitability (lack of)*
- *National Economy*
- *Pace of Change*
The high rate of change demands flexible spaces
- *Time*
The pressure on designers to produce quickly; the effects of longer lead times as suppliers hold less inventory

DESIGNER TRAITS – Factors Directly Related to the Individual Designer

- *Millennial Culture*
Preferences of this large cohort as consumers/occupants, and the perspective they bring as designers
- *Talent*

— MEDIUM IMPACT

BUSINESS ENVIRONMENT – Factors Related to The Business Environment in Which Designers Operate and Projects are Developed

- *Competition*
- *Industry Economy*
- *Regulation/Liability*

DESIGN KNOWLEDGE – Factors Related to the Formation of the Design Professional and the Resources Available to Them

- *Data & Knowledge*
Information available to designers on a particular project, potentially including big data when it is used for understanding the user experience
- *Education*

GLOBAL CONTEXT – What is Going on in the World Outside National Borders

- *Environment*
- *Security*

GENERATIONAL DIFFERENCES – The Varied Needs and Preferences of Millennials, Gen-Xers, Baby Boomers, and Generations That Came Before or Are Just Entering Society

SOCIAL MEDIA - Key Source of Inspiration for Designers and Clients

— LOW IMPACT

SOCIOPOLITICAL LANDSCAPE – The Broad Context of Modern Western Society That Affects Nearly All Economic Activity and Creative Outputs

- *Consumerism*
- *Global Economy*
- *National Politics*
- *Urbanization*

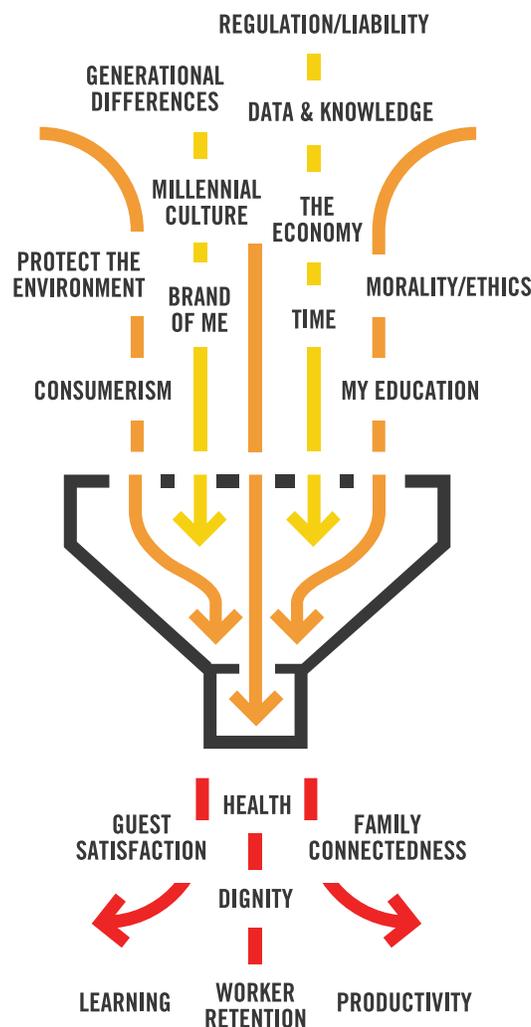
DESIGNER TRAITS – Factors Directly Related to the Individual Designer

- *Brand of the Individual*
- *Continuing Education*
- *Quality of Life*

CORE VALUE/REGIONAL CONTEXT – Balance Between Maintaining the Core Values of Large and Medium Design Firms and the Regional Context of the Design Project

KEY FACTORS IMPACTING INTERIOR DESIGN

The list of factors impacting interior design is extensive once you start thinking of all the connections that exist around us. From among this long list, we've selected key factors that have been consistently emerging in our research and those that were thought to be the most impactful in this rapidly changing world. We've organized these key factors into three categories to provide context, and describe what they are, how they impact us, and what we can do moving forward.





GLOBAL ISSUES

The connection between what's happening around the world and what we do in our daily work may feel tenuous, but global issues affect us nonetheless. The impact of any one global event may not be felt, but the issues are powerful enough to create a ripple effect that eventually rocks the interior design profession. These sections were noted for their consistent or growing impact.

- The Economy
- Environmental Protection
- Security



CULTURE/VALUES

Rapid changes in the world continually shift our surroundings, but what we value in life and in the profession evolves more slowly. These values have always been part of who we are and what we strive for in our lives and in our work, but how they impact design has changed over time. These are some of the common factors that society considers to be important in life and thus, have an impact on design professionals and their work.

- Generational Differences
- Well-being
- Community
- Design Excellence



BUSINESS OF DESIGN

The business of interior design is a dynamic world with many parts that are constantly moving. What we do and how we do it needs to quickly adapt to the changes that we face in our interactions with other stakeholders and our methods in approaching the process. These are the key components of any business looking to understand how to create a competitive edge in this world of change.

- Firm Structure
- Data & Knowledge
- Time
- Value Proposition

THE ECONOMY

When the ASID Think Tank Challenge participants considered what factors affect interior design, the economy-surfaced every time. The economy, in this case, can be considered at global, national, and industry specific scales, and typically refers to economic performance. In other words, the economic performance encompasses how productive our workforce is, how fast or slow it's growing, how strong purchasing power is, and how much consumer demand there is. These things have a direct effect on other components of our economy such as interest rates, the stock market, and the value of the U.S. dollar compared to other currencies, which in turn, impact interior design.

WHAT IS THE IMPACT?

The performance of global, national, and industry economies have a direct effect on what gets built, what designers consider when doing their work, and therefore, what the built environment we all occupy is like. Economic performance affects how much gets built, and when. If times are good, homeowners and home builders, as well as firms of all sectors, are inclined to invest in their space, either through renovation or new construction. Economic strength leads to more clients for interior designers, bigger budgets, larger building footprints, additional amenities to incorporate, premium material selection, and perhaps more emphasis on sustainability. Naturally, the converse is true when economic performance is down, and clients and designers seek to “value engineer” elements of design to maximize impact on occupants while minimizing impact on budgets.

At the global level, economic performance abroad affects the built environment at home. When economic performance is positive globally, the U.S. benefits, as our trading partners seek U.S. goods and services, creating additional jobs and revenue for households, corporations, and governments alike. Those additional revenues invariably lead to new expenditures on space design and construction. A sluggish economy in Europe for nearly the last decade (still below its pre-crisis peak of early 2008, and growing at about 0.3 percent annually)¹ and a slowing Chinese economy over the last few years² have been a drag on the U.S. economy and have held back the U.S. interior design sector. Despite the drag from Europe and China, the U.S. economy is almost 10 percent above its peak in late 2007³. With the U.S. economy a bright spot in the global context, foreign investment has been strong,

¹ The Data Team (2016, February 18). Taking Europe's pulse: European economic guide. *The Economist*. Retrieved from <http://www.economist.com/blogs/graphicdetail/2016/02/taking-europe-s-pulse>

² Magnier, M. (2016, January 19). China's economic growth is slowest in 25 years. *Wall Street Journal*. Retrieved from <http://www.wsj.com/articles/china-economic-growth-slows-to-6-9-on-year-in-2015-1453169398>

³ The Data Team (2016, February 18). Taking Europe's pulse: European economic guide. *The Economist*. Retrieved from <http://www.economist.com/blogs/graphicdetail/2016/02/taking-europe-s-pulse>

driving the value of the U.S. dollar to record highs⁴. This makes imports for things like Italian marble more affordable, but it also dampens demand from abroad for U.S.–manufactured furniture and other goods. As designers specify products for the spaces they are working on, all of these factors are at play.

At the national level, the economy’s impact on interior design functions as it does at the global level, but the effect is even more direct. When the national economy is up, salaries, profits, and the demand for interior design services are, too. When the economic slowdown began in 2008, the Federal Reserve began dropping interest rates, which have remained at, or near, zero, ever since⁵. The idea is to stimulate investment by making it cheaper to borrow money. Since design and construction are almost always paid for with borrowed money, our sector has been a direct beneficiary of U.S. monetary policy.



Finally, the economic performance of housing design and construction is often cited as a leading indicator for the rest of the U.S. economy, but it has its own variables that affect economic performance and, ultimately, design. Interest rates play an important role, as do inventories of housing and office space, competition among design firms, and the availability of skilled labor (which has grown increasingly scarce over the past two years, and thus more expensive)⁶. As mentioned previously, there is constant downward pressure on price, and the time available for designers to do their work is increasingly limited, due in part to the industry’s economic performance. Regional variation plays an important role at this scale, too. In the last few years, the South has been the strongest region represented in the ASID Interior Design Billings Index (IDBI) – a measure of the interior design economy – followed by the West, Midwest, and Northeast, respectively.

⁴ As measured by the U.S. Dollar Index.

⁵ U.S. Federal Reserve

⁶ Associated General Contractors

MOVING FORWARD

ASID encourages interior designers to take a proactive approach to the factors affecting their work, and the economy is no exception. Although the forces at play are much larger than any individual designer or firm, we can prepare for the upswings and downturns by keeping up with the outlook and trends.

Looking forward, the design community remains positive about the near-term outlook for the industry. The ASID six-month business conditions index scores are consistently above 50, suggesting continued expansion for the design industry.

According to Dr. Jack Kleinhenz, ASID economist, “The U.S. economy was saddled with another weak first quarter in 2016, but looking forward, fundamentals appear solid. The pace of job growth is steady, unemployment claims are well below late-2000 levels, consumer confidence remains elevated, manufacturing conditions are improving, and home and equity prices have strengthened. These dynamics signal that the economy will improve in the coming months and will support the positive outlook of the ASID IDBI panelists.”

To keep abreast of the latest economic performance information for the interior design industry, and therefore position yourself to use economic fluctuation to your advantage, look for the ASID Interior Design Billings Index quarterly reports and recorded press conferences, which are available free at www.asid.org.

ENVIRONMENTAL PROTECTION

Think Tank Challenge participants listed the imperative of designers to protect the environment as an integral part of what they consider when designing newly constructed space or renovations. Well-known throughout the industry, environmental considerations include minimizing the carbon footprint of creating and occupying a space, minimizing the water and electricity consumed, and generating less solid and toxic waste. Like other factors in the Global Issues section, environmental protection was not listed at the Think Tank Challenge as a high impact factor on designers or their projects. However, the participants believe it is an important part of the context in which designers operate, and consideration of this factor is made at nearly every step of the process for most projects today. They predict that the influence of environmental protection on interior designers and their projects is likely to increase over the next three to five years.

WHAT IS THE IMPACT?

Environmental protection in design is driven by both governmental regulation and the corporate responsibility policies of design firms and their clients. Federal, state, and municipal governments are all raising the bar – both in terms of regulation and in what they require from their own design projects. As highlighted in the ASID 2015/2016 Outlook and State of the Industry report, 58 percent of government and education design projects include sustainable considerations, more than office, hospitality, or any of the other design verticals.

The Paris Climate Agreement, signed by 190 countries in 2015, may continue to drive sustainability considerations in the built environment both in the U.S. and abroad. The U.S., for its part, committed to reducing greenhouse gas emissions by 26-28 percent less than 2005 levels by 2025¹. To meet these goals, the falling price of energy-efficient technologies will help, but additional regulation on buildings (which make up 39 percent of the CO₂ emissions in the U.S.²) may be on the way.

¹ *Climate Home*. (2015, October 3). Paris tracker: Who pledged what for 2015 UN climate pact? Retrieved from <http://www.climatechangenews.com/2015/03/10/paris-tracker-who-has-pledged-what-for-2015-un-climate-pact/>

² U.S. Green Building Council. (2016, April 1). Benefits of green building. Retrieved from <http://www.usgbc.org/articles/green-building-facts>



Beyond the rules and policies, individual designers and their clients make design decisions that add up to a project’s ultimate impact. From designing for natural daylight and passive solar heating, specifying low-flow plumbing fixtures, suggesting recycled or recyclable floor coverings, using nontoxic wall coverings, and sourcing local case goods and furnishings, each choice can have a greater or lesser consequence for the environment.

For help in making these decisions, “green” certification schemes and training programs such as LEED and the ASID REGREEN program have been a valuable guide. Several Think Tank participants explained that considering sustainability is now an integral part of their design process, even if they aren’t pursuing accreditation.

MOVING FORWARD

With sustainable design becoming increasingly mainstream, it would be easy to consider the “green” box checked. ASID contends, however, that we cannot afford to be complacent, and we must continue to push the green envelope further at every opportunity. Designers are extremely well positioned to serve as stewards of the natural environment. We can use that privileged position for good by learning as much as possible about sustainable design, and implementing what we learn on a daily basis. Take a proactive approach to improving the impact you make through your design.

Residential designers in particular have indicated that sustainability has a relatively low rate of adoption in that sector compared to the other design verticals³. Sustainable practices in residential design may not be as common as they are in commercial design, but this is a great opportunity for designers to communicate the impact of design to their clients and encourage them to take action for environmental protection. Many of these actions overlap with promoting human health, and therefore, are in the interest of clients overall. Among other things, we can check red lists for harmful materials and specify certified green products such as those with labels from Cradle to Cradle, Energy Star, WaterSense, Forest Stewardship Council, GreenSeal, and more. Even small steps like these can make a huge difference when looking at environmental protection in the long run.

³ See the ASID 2015/2016 Outlook and State of the Industry report for more.

SECURITY

Unfortunate as it is, protection from violence is on the minds of many lately. The highly publicized incidents of terrorism and violence at home and abroad are covered in granular detail by the 24/7 news cycle, and they work their way into our collective psyche. The list of tragedy - the Paris and Brussels terrorist attacks; the war in Syria and the rise of ISIS; incidents in San Bernardino, California; Newtown, Connecticut; Aurora, Colorado; Charleston, South Carolina; Blacksburg, Virginia; and more – is too long to enumerate here.

The incidents of mass violence occur in a variety of building types: restaurants, concert halls, movie theaters, churches, military bases, community centers, medical clinics, and schools at all levels, from universities to elementary schools. One thing they all have in common is that the buildings themselves, and interior spaces in particular, play a central role in how the incidents unfold. They weren't designed to optimize survival in an "active shooter scenario," but should they be going forward? Some clients are asking.

WHAT IS THE IMPACT?

The objective of interior design is to protect and enhance the health, safety, and welfare of the public. Security from terrorism may not be an everyday fear for most, but when thought of in the context of safety, it is at the core of any design. With clients' heightened concerns, the focus on security is impacting the design profession. The Think Tank Challenge participants identified it as having a medium impact on individual designers, and a high impact on projects, and found it likely that its impact will rise over the next three to five years. However, rather than turn community centers, schools, and offices into fortresses, the designers we spoke with described a balancing act of listening to client concerns but also pushing back to ensure that the spaces they create are optimized for their intended use, and that we don't overreact.

“

THE OBJECTIVE OF INTERIOR DESIGN IS TO PROTECT AND ENHANCE THE HEALTH, SAFETY, AND WELFARE OF THE PUBLIC.

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For government and education facilities, designers agreed that designing for security is already ingrained in the work they do, albeit mostly at building entrances and less for interior spaces. Healthcare designers particularly referenced Florence Nightingale’s famous quote that the very first requirement in a hospital is that it should “do the sick no harm,” yet mentioned that more can be done to keep patients and their families safe. Hospitality designers described how the desire to bring the outdoors inside and blur the lines between interior and exterior spaces presents a challenge to security, but referenced property crime more than terrorism. In the context of residences, home security is big business, although it didn’t come up in our Residential Think Tank session.

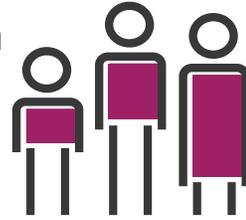
MOVING FORWARD

Interior designers should be part of the larger conversation. Ever since Columbine, Virginia Tech, and Sandy Hook, school systems have been practicing lock down protocols similar to the way they conduct fire drills. In 2014, law enforcement agencies, including the Department of Homeland Security and the FBI, released guidance on how to respond to active shooter scenarios in the workplace. Their advice is to run first, hide if you can’t run, and fight back only as a last resort¹. Interior design was mentioned as an important part of the response, since egress is key, and closets and furniture are involved when it comes to hiding, barricading, and fighting back². Although these interior design interventions can be useful, they are quite narrow, and make it clear that law enforcement agencies aren’t aware of the value interior design can bring to security issues. Effective design can be part of the solution, and designers have an opportunity to demonstrate the impact of our profession by pushing for a seat at the table with those in law enforcement or in school systems when security in buildings is discussed. Learning about how interior design can affect resiliency at conferences like the ASID + IDC Impact Summit, and coming prepared to client meetings are steps in the right direction.

¹ U.S. Department of Justice Federal Bureau of Investigation. (2014, April 29). Active shooter event: Quick reference guide. Retrieved from <https://www.fbi.gov/about-us/office-of-partner-engagement/active-shooter-incidents/active-shooter-event-quick-reference-guide-04-29-14>

² Berkowitz, B. & Cai, W. (2016, March 8). A gunman opens fire in your building. What do you do? *Washington Post*. Retrieved from <https://www.washingtonpost.com/graphics/national/activeshooter/>

GENERATIONAL DIFFERENCES



Generations are formed as the common environments and experiences we share during a particular period shape who we are. Generational characteristics reflect a multitude of factors including culture, values, perspectives, lifestyles, workstyles, and preferences. With rapid changes in society, we're seeing generational timeframes becoming shorter and shorter to reflect the pace of change^{1,2}.

Think Tank Challenge participants identified two key factors related to generations as influencers on the interior design profession: 'generational differences,' and 'the mainstreaming of younger culture.' Generational differences refers to the challenge of designing for the unique characteristics of Baby Boomers, Gen-Xers, Millennials, and increasingly, Gen-Zers. The mainstreaming of younger culture is a recognition that the lifestyle and work preferences of Millennials are different from previous generations, and are a growing influence in our society.

WHAT IS THE IMPACT?

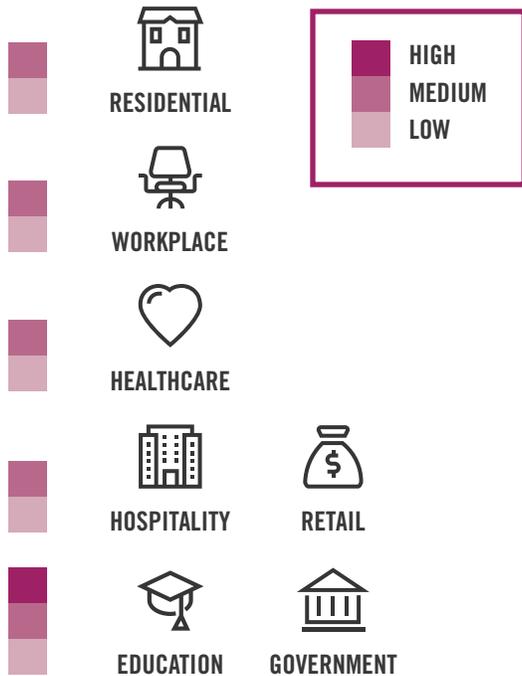
For design professionals, understanding generational characteristics is embedded in the design process from the very beginning. Designers are excellent at getting to know the occupants and how they will use the space before any plans are made. Although they tend to be generalizations, it can be helpful to learn about the generations inhabiting the space, the values and perspectives they personify, and the dynamics they are accustomed to. An understanding of these traits can yield guidelines for designers to consider in their work.

Design professionals are not exempt from the effects of generational change, since they too are part of the demographics. Boomers at the top of design firms are getting ready to retire and hand over the reins to Gen-Xers. As the ranks of Millennials swell, and grow into the largest cohort in the workforce, their voice in architectural and design firms grows, too. As digital natives, they not only bring their own perspective to design, but their workstyle

¹ ASID Think Tank Challenge participants

² Jayson, S. (2010, February 9). 'Generation' has no off switch. *USA Today*.

preferences impact the way firms operate. Millennials have a different attitude toward work/life balance (or work/life integration as some prefer) and this can affect the way they approach design projects and manage the demands of the job. Millennials also have a strong desire to do meaningful work early in their careers, and when their design projects do not seem to align, they are inclined to look for other opportunities^{3,4}.



Generational differences and change came up in each of the sector-specific Think Tank sessions held by ASID, but the implications are different for each. In residential design, the lifestyle preferences of different generations is altering the way families operate, and this affects the role of the home. At the office, a shift away from hierarchies and symbols of power as well as a preference for choice and an always-on life/work style are changing workplace design. Educational facilities must be designed to optimize flexible use of space, since we’re just getting to know Gen-Z. The needs and preferences of Baby Boomers are driving healthcare design, and although Millennials are an important target market for hoteliers, our thought leaders are indicating that Baby Boomers are still the main consumers.

MOVING FORWARD

Generations evolve over time. As each generation moves into a new stage in the life cycle, their needs and traits morph with them. Although our expectations for each generation may remain within the characteristics that define them, the dynamic and unpredictable quality of time makes it difficult to determine exactly what lies ahead. For example, Millennials have been leading urban lives lately. It remains to be seen, however, if re-suburbanization will occur when the children of Millennials are ready to go to school.

What we do know is that change is inevitable and it’s happening faster than ever. In the face of change, we know we must be nimble and create flexible spaces. But we also have a choice in our approach: we can follow the change, or be the change. Rigidity won’t do. Rather than reacting to the factors that affect design, ASID encourages our members and the broader design community to press forward, to be the instigators of change, and to move the profession ahead.

³ Sladek, S. L. (2014). Understanding Y. Washington, D.C.: ASAE: The Center for Association Leadership.

⁴ American Society of Interior Designers. (2015). [Career +]: Findings from the ASID Emerging Professionals Roundtable. Washington, D.C.: ASID Research.

WELL-BEING

“Health and well-being” was identified as the most important macrotrend that affects interior design in the 2015-16 Outlook and State of the Industry report¹, and that remains the case for 2016-17. Think Tank Challenge participants mentioned the general cultural movement, including healthier living and a renewed understanding of how food impacts everyone in all aspects of our lives. Awareness is growing of how the interior environment impacts people in all settings—residential, workplace, hospitality, education, and healthcare. As the population ages—the World Health Organization predicts the number of people over age 60 will double by 2050²—designers will also be called upon to find answers to the needs of this population.

WHAT IS THE IMPACT?

As people become more aware of how the design of interior spaces impacts health and healthy behaviors, more clients are coming to designers with specific design requests related to health and wellness. The clientele is the main driving force behind health and well-being: firms request flexible spaces for work and meetings, and homeowners ask for interior rooms that can accommodate family members with limited mobility or other challenges. Designers apply their expertise and knowledge in response to client requests for spaces that encourage healthy behaviors and are designed with well-being in mind. The profound effect design can have on health has led to the emergence of building design standards that focus on occupant health and well-being, such as the WELL Building Standard and FitWel. Interest in these kinds of certification programs may lead to more demand for designers with the knowledge to create spaces that meet well-being standards.

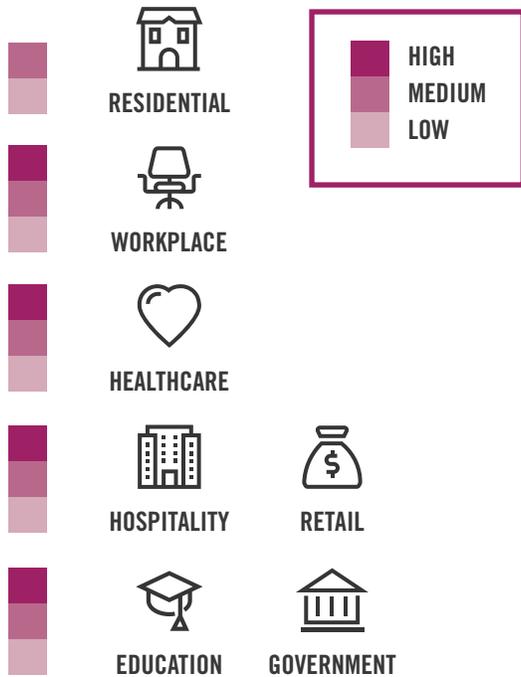


**THE CLIENTELE
IS THE MAIN
DRIVING
FORCE BEHIND
HEALTH AND
WELL-BEING.**



¹ American Society of Interior Designers. (2015). 2015-16 Outlook and State of the Industry. Washington, D.C.: ASID Research.

² World Health Organization. (2015, September, 30). WHO: Number of people over 60 years set to double by 2050; major societal changes required. Retrieved from <http://who.int/mediacentre/news/releases/2015/older-persons-day/en/>



New research is emerging that supports the positive impact design can have on health – encompassing physical, mental, and social well-being. Studies look at how interior design can shorten hospital stays and promote healing³, how broadening our view of educational settings beyond classrooms can improve learning⁴, and how workplaces can make employees healthier, happier, and more productive⁵.

MOVING FORWARD

Designers who are interested in the health and well-being macro trend may want to learn more about the various certifications available so they are well-positioned to take on work in this area. Specialized education can add to a designer’s knowledge about the health impacts of lighting, ergonomics, and biophilic design, among others.

Research for evidence-based design is needed not just for particular design sectors, but also for the impact that particular design elements have. Well-being is difficult to measure, and designing for it is a highly challenging task. Wherever possible, design solutions should be targeted and made simple for maximum impact. Also, the advantages of the design should be communicated to the users so the intent is appropriately applied.

Design professionals need to be ahead of the game by educating themselves on the environmental health benefits of various design interventions so they can better guide clients in making informed design decisions. Conversations across the different design sectors and multiple disciplines need to take place to really make sense of the full impact design can have on well-being.

³ Yamaguchi, Y. (2015, October, 5). Better healing from better hospital design. *Harvard Business Review*. Retrieved from <https://hbr.org/2015/10/better-healing-from-better-hospital-design>

⁴ e.g. “From Learning Commons to Learning Communities: Examining the Role of Mixed-Use Learning Spaces in Millennial Education” research project by the University of Florida, funded by the ASID Foundation Transform Grant

⁵ e.g. “Stand Up to Work” research project by the Center for Active Design, funded by the ASID Foundation Transform Grant

COMMUNITY



A community is defined as a self-organized network of people with a common agenda, cause, or interest, who collaborate by sharing ideas, information, and other resources¹. Interior designers may appear to work on rooms inside buildings, but the scope of an interior design project always involves people, and people are naturally part of a community. Further, it can be argued that the rooms we inhabit are part of a community of spaces that demand consideration as a whole rather than independently. Therefore, to an extent, interior designers are community builders.

WHAT IS THE IMPACT?

If interior designers are community builders, it's helpful to consider the various types of community that can be built. There is the traditional model of neighbors who live and work near each other, but there are also virtual communities, and communities of people with a similar profession, such as the community of designers and design-related professionals.

Now that American society is so fully wired (or, actually, wireless), we are connected by our devices and online platforms as never before. At the same time, however, some argue that the pendulum has swung too far, and although we are “networked,” we are increasingly alone².

Interior designers understand the tremendous value of in-person interaction, and we know how important our surroundings are to making the most of our in-person “face time.” That is why both the Think Tank Challenge participants, as well as many of the sector-specific designers we spoke with, said they are working hard to find ways to build community and to incorporate diverse stakeholder groups into the spaces they design.

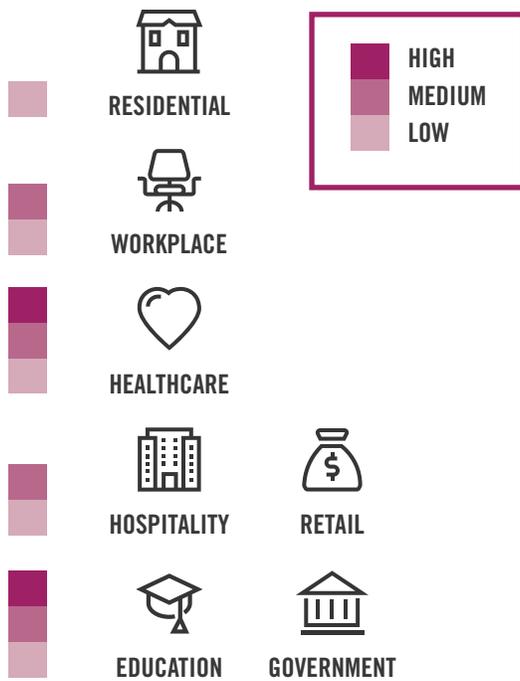


**INTERIOR
DESIGNERS
ARE
COMMUNITY
BUILDERS**



¹ Definition from the Business Dictionary (<http://www.businessdictionary.com/definition/community.html>)

² Rosen, L. & Hampton, K. N. (2015, May 10). Is technology making people less sociable? *The Wall Street Journal*. Retrieved from <http://www.wsj.com/articles/is-technology-making-people-less-sociable-1431093491>



One way residential designers build community is by identifying local craftsmen, artisans, and artists who can create unique custom furniture and other installations that reflect the local culture. Sourcing their work boosts the local economy and provides a sense of place that national and international retailers just can't match.

In healthcare, many different user groups are entwined, and thus the healthcare community gets heavily involved in the design process. In addition, the significant impact healthcare facilities have on the surrounding community and environment requires designers to have conversations that are not bound by the walls of the interior spaces they are working on, but expand beyond to those who live and work in the community. Similarly, education facility design requires broad stakeholder input, as these places have an important civic function as voting centers, community meeting space, and so much more.

MOVING FORWARD

Historically, interior designers were important brokers between local artisans, crafts people, and potential buyers. It's been the role of interior designers to know what is locally available, and to maintain a relationships with the craft and trade communities. Designers helped generate demand and connected the local supply. During the ASID Think Tank Challenge, *Metropolis* editor Susan Szenasy said simply, "Rediscover your roots." ASID endorses this sentiment and challenges designers to source locally.

Finally, as changes in society and the business of design happen quickly, and since time is increasingly scarce, we may have lost the luxury of sitting with our clients and broader stakeholder groups to really listen, connect, and get to the root of the problems design can help to solve. In a society where the pendulum has swung to individualism, immediacy, and disposable consumption, and where inequality, unequal access, and political polarization are dividing us, there is a call by some, including ASID, to change direction and foster community wherever we can. ASID challenges our members and all interior designers to find ways to develop community through the design process and the spaces we create.

DESIGN EXCELLENCE

Design identifies and solves problems. Excellence is achieved when we question the norm and go beyond it by continually pursuing opportunities for improvement. The two concepts go so well together, they are almost one and the same. The beauty of design is in the infinite range of ways to arrive at a solution, which is in fact not the final destination, but rather the journey toward the goal of excellence.

Getting there, according to the Think Tank Challenge participants, requires designers to have a creative mindset and insatiable curiosity. The degree of excellence achieved is measured by the experience of end-users within the space, the clients' satisfaction, and by third-party assessors who award certification, publication, or other recognition.

WHAT IS THE IMPACT?

For the design professional, design excellence gets down to the fundamental roots of our existence – to create spaces that have a positive impact on the human experience. As creative problem solvers, it is our role to come up with impactful design solutions that fit the client's needs and are both functional and aesthetically pleasing. Design excellence is embedded in our DNA and thus, in our work; however, is this intrinsic motivation enough to push us from good to great?

Think Tank Challenge participants agreed that the drive for design excellence has a high impact on the profession; however, two of the participants projected that its impact would decrease over the next few years. The squeeze on profitability and time available were indicated as the two major contributors to this downward trend. More specifically, the focus that businesses (both design firms and their clients) place on cost savings may be overshadowing design excellence as the driving force for design projects. Meanwhile, client demand to produce designs more quickly has led designers to condense the design process. With less time to spend on the design concept and development, the ability to move from “good enough” to “excellent” may be lost.



**PROFITABILITY AND
TIME PUT PRESSURE ON
DESIGN EXCELLENCE**

Design excellence is sought in all design sectors – it’s the fuel that pushes the profession forward. The path toward design excellence, however, may differ across the design sectors and project scopes. Some design standards may be appropriate for one project, whereas practicing good design principles may be adequate for another. Among other benefits, excellent design adds to client profitability and productivity in commercial design (office, hospitality, retail, and healthcare), resale value and occupant benefits in residences, and positive outcomes such as improved learning and mission success in educational and government projects. Anywhere that the pursuit of excellent design is infringed upon, these outcomes will suffer.

MOVING FORWARD

Ideally, a search for excellence would be the principal driver of design and naturally result in client profitability, justifying the time required to create great design. Designers should take pride in what they do, advocate for the value of their design, and communicate to clients how taking the time to create excellent design impacts the user experience.

A studio culture that encourages design excellence needs to be cultivated, both in design firms and in design education. Encouraging a creative mindset and continuous curiosity are important steps to take in both realms.

From the discussions among designers and educators in our research, we’ve found that both practitioners and educators agree that higher standards, or rigor, are needed in design education. Educators, however, are faced with finding a balance between challenging and supporting their students, especially with this generation’s unique characteristics. Although the desired characteristics of a design professional, including creativity and curiosity, have not changed, the characteristics of the emerging professionals’ generation have. For this profession to sustain and expand design excellence, the educators and employers who nurture rising design professionals must work together.

Designers have the vision to identify opportunities and the ability to communicate what they see. To take this a step further and really challenge designers to be extraordinary, Jill Goebel of Gensler insists that we “show the path for change, and be the convener of great minds.” In order to advance the profession, designers need to be forward thinking, ask meaningful questions, take the initiative to identify problems, and ultimately strive for excellent design solutions.

FIRM STRUCTURE



Since our industry values innovation, rapid changes in the economy, technology, and generational shifts quickly translate to changes in the business of design. Influenced by innovative tech companies and start-ups, new ways to engage the workforce, like the “gig economy¹,” “crowdsourcing,” and “holacracy²,” have emerged. New competition is surfacing, too, from unlikely sources such as furniture retailers and online platforms. As they are with other industries, these new business environments are creating a disruptive change in the business of design and the way we structure firms. As more emphasis is being put on the individual, organizations are re-evaluating their structures to deal with these disruptions.

WHAT IS THE IMPACT?

This disruption has multiple implications for the design profession, and the Think Tank Challenge participants project that its effect on firm structure will increase over the next few years. The new business models emerging from these changes are creating new competition, and in some cases, as mentioned in the Value Proposition section of this report, devaluing design services. The individualistic nature of these new business environments, combined with the proliferation of social media profiles, has reinforced the tendency for design professionals to create their own design persona. Our Think Tank Challenge participants referred to this as “the rise of the brand of the individual.” With design portfolios so easily accessible online, clients are also looking to hire the individual that they personally connect with rather than the firm. In medium - and large-sized firms that typically operate on a team structure, this can shift power to individual designers and create tension between the brand of the firm and that of its designers. The challenge, therefore, is for firm managers and individual designers to find ways of leveraging the brand of the individual within the organizational context.



**DISRUPTIVE CHANGE
IN THE BUSINESS
OF DESIGN**

¹ A business environment where the organization contracts independent workers for short-term projects

² A leaderless business environment where work is structured and distributed across clear roles and responsibilities

For small firms and sole proprietors, changing business models in the economy can be very difficult to navigate, especially since many are creative visionaries first, and business managers second. The gig economy, crowdsourcing, holacracy, and the rise of the brand of the individual undoubtedly offer opportunities for growth and operational efficiency, but just what those opportunities are is uncertain, and the risks are relatively unknown, too.

In an ASID survey, the biggest competition was identified as non-traditional entities offering design services, such as online platforms and furniture stores. These organizations were recognized as competition for both residential and commercial sectors. With new competitors in the marketplace, firms of all sizes must find a competitive edge amidst all the change.

MOVING FORWARD

Although disruptive change is shaking up the business of interior design and impacting the way we design interior space, the Think Tank Challenge participants feel that interior design hasn't yet had its "Uber moment." We may yet have such a moment, and it is incumbent upon us all to be prepared for it.

When medium and large firms experiment with incremental changes in firm structure, it may serve to lessen the blow of disruptive change. Similarly, design education programs have been adopting vertical studios where all students, regardless of level, collaborate on team projects. Some are even creating interdisciplinary studios where students from multiple disciplines come together. This reshuffling of structure in design education may prepare students to operate at different levels in the firm structure and spark some ideas on how design firms could be organized moving forward.

Regardless of how these changes shake out, the community of interior designers, architects, and firm managers should take care to preserve the quality of life of their employees – even if they are working on a "gig" basis. After all, what is good for the firm in the short term may not be in the best interest of design professionals and the profession as a whole in the long term. Organizations would do well to cultivate a company culture that exemplifies the innovative work of the design profession, while also reflecting the interests of design professionals on all levels.

DATA & KNOWLEDGE

We live in the information age, and big data—the huge amount of information available to us, and our new abilities to process it—is a powerful force with the potential to improve our understanding of how space is used. This abundance of data can feel overwhelming, but it is also an opportunity. Digital tools are constantly evolving, and designers are challenged to keep up with the technology that will allow them to achieve at the highest level. If we can sort through the vast quantities of information using technological tools to capture it, analyze it, and add meaning to it, we can convert the data into knowledge that optimizes design.

WHAT IS THE IMPACT?

The rapid advancement of technology and scientific understanding affect how designers think about space. New research from the fields of psychology, sociology, medicine, anthropology, engineering, economics, business administration, information science, and more have implications for interior design. An array of sensors deployed in homes and offices, in furniture, and in wearable technology and smart phones can provide a constant stream of data on how occupants use space. The challenges, therefore, are threefold: 1) sorting through the volume of information from other fields and from our own sensors to pick out the signal from the noise; 2) converting this steady flow of information into knowledge; and 3) applying new knowledge to the design of space.

An ASID survey asked design professionals about the volume of information they have to deal with. More than half—66 percent—of the respondents thought there was just enough information, while 26 percent said there was too much. Overall, designers who responded to the survey commented on struggling with the lack of details and the reliability of information sources, but the majority of hospitality/retail designers and education/government designers particularly struggled with finding a singular data source for their information search needs¹.

¹ Note: Total sample size is over 100, but sample size by design sector is small.



**TRANSFORM
INFORMATION INTO
KNOWLEDGE, AND
THEN INTO DESIGN**

Retail and hospitality designers may be leading the way in applying occupant data to design, as they configure their spaces with new quantitative data from RFID tags and other geo-location technology. How long do guests spend at check-in kiosks, or do they prefer a personal reception? And how do these things impact guest satisfaction? How does store configuration affect purchase trends and shares/likes on social media? New data collection and analysis tools can lead to optimization that has never been available before. The Internet of Things - the interconnected network of physical objects, like smart home features in lighting systems and appliances - also provides an opportunity to collect new occupant data in residences, and can help designers optimize the use of space in the home. With new information about how space is used, the idea of a continuous feedback loop and continual design improvements has emerged as part of the future of design.

MOVING FORWARD

Think Tank participants stated that design education needs to focus on training future design professionals to think rather than to use design software. Creative design thinking is what drives innovation and is the basis for much of the research being done on the impact of design. Design education programs should incorporate classes on how to approach the immense amount of data available to us in productive ways that benefit us as designers and the profession as a whole.

Now that we have the technology to capture big data and collect more information, we must be sure to analyze that data and share the knowledge with design professionals. ASID is leading by example in this arena, as we have been researching our own use of space at our headquarters office, including a partnership with Cornell University that uses sensor data to track connectedness, collaboration, and creativity among ASID employees. The lessons learned have been applied to the design of our new headquarters that opened in June 2016, and we are planning a post-occupancy evaluation as well. Results are being shared at numerous industry events and the post-occupancy evaluation will be made public, too.

Design professionals are required to be generalists and specialists at the same time, and are challenged to know a little bit about everything. ASID encourages our members and the broader design community to continually seek new information, to search for meaningful connections between data points, to experiment, and to apply what you've learned for the benefit of your clients.

TIME

Time is in short supply for people in many professions, including design professionals. There's never enough time to get work done, achieve professional goals, participate actively in work teams, and allow adequate time for a satisfying personal life. Think Tank Challenge participants discussed the struggle design professionals face when juggling the demands on their time, and how they determine what it takes to be successful while maintaining work/life balance.

WHAT IS THE IMPACT?

It's difficult to predict the time needed for creative work, and design professionals are challenged to strike a balance in the design process between the design concept and the practical and concrete elements of the design installation and construction. When there's less revenue per project hour, firms must make up the difference with increased volume, which adds to the time pressure on designers and affects the work they produce.

Clients can also be part of the problem. In an ASID survey, 69.4 percent of designers agreed that they were increasingly pressed for time to meet client demands. Think Tank participants made similar comments, citing client demands for quicker outcomes as an obstacle to their work.

As ASID discovered in our Emerging Professionals Roundtable series¹, all of this time pressure affects designers' quality of life. In an attempt to balance family life and work, more design professionals, especially women, are looking at alternatives. Some decide to leave design teams to work at other design entities, while others choose different professions that allow more stable work hours.



**DESIGNERS
AGREED THAT
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¹ American Society of Interior Designers. (2015). *[Career +]: Findings from the ASID Emerging Professionals Roundtable*. Washington, D.C.: ASID Research.

The departure of these design professionals poses a potential talent gap, especially among mid-careerists. The talent gap of this important cohort creates a chain reaction that puts pressure on its surrounding cohorts as well – design managers need to recruit replacements or rush to do the work themselves, and junior designers struggle on tasks in the absence of mentors².

69.4 PERCENT
AGREE 

**DESIGNERS ARE INCREASINGLY PRESSED
FOR TIME TO MEET CLIENT DEMANDS**

63.9 PERCENT
DISAGREE 

**CLIENTS UNDERSTAND THE TIME
NEEDED FOR DESIGN SERVICES**

MOVING FORWARD

There are no easy solutions to time demands, but there are systems we can put in place to address specific time-consuming problems. A focus on efficiency and effectiveness can help streamline processes: organizations should evaluate the knowledge, skills, and resources they have on the individual and team level and clearly establish the goals they want to achieve. One way to achieve these goals is through strategic planning, which can help designers avoid spreading themselves too thin, and instead focus on the work that will give them the most impact.

To reduce the number of client demands that derail projects and timetables, designers should consider how they can best educate their clients at the beginning of a project. As noted by the Think Tank Challenge participants, clients don't always understand the true value of design services. When we communicate the impact design has on occupants, we enhance the value proposition of design services and are free to raise hourly rates to a level that literally buys us the time we need to achieve both design excellence and work/life balance.

There will always be difficult clients who want it all, want it cheap, and want it right now, but an organized system for sharing what goes on behind the scenes, and communicating the true value of our work, can result in a win-win situation for clients and designers.

² Ibid.

VALUE PROPOSITION

As designers, we know how valuable our work can be to the occupants of the spaces we design. We believe that design transforms lives: for example, a well-designed home can keep loved ones safe and connected to each other, carefully designed learning environments can improve children's reading comprehension, evidence-based hospital designs reduce the number of slips and falls, and circadian protective lighting, biophilia, and acoustical panels in an office can boost productivity. Unfortunately, the general public and too many of our customers don't appreciate these and other contributions interior designers make. The lack of appreciation creates a gap in what design is really worth and what consumers are willing to pay.

WHAT IS THE IMPACT?

The gap in the real value compared to the perceived value of design puts strong downward pressure on the rates interior designers can charge for their services. Because interior designers are so acutely aware of space and the built environment, it's sometimes hard to believe just how oblivious most people are to the importance of their surroundings. But without an accurate appreciation for the services interior designers are providing, it's hard for customers to pay what design is really worth.

63.9 PERCENT OF DESIGNERS BELIEVE THAT THE PUBLIC DOES NOT UNDERSTAND THE TRUE VALUE OF DESIGN SERVICES.

The misperception of design's value is exacerbated in the residential sector by television shows that make interior design look fast and easy. With a lowered value proposition, the rates we can charge go down, and clients demand faster turn-around times. We know that clients who are overly influenced by television have unrealistic expectations, but many designers, nonetheless, do their best to accommodate them. An additional downward pressure is the emergence of design services offered by retail outlets. One Think Tank Challenge participant cited a brick-and-mortar furniture store they saw with a sign in the window that advertised "Free Design Services." One of our residential designers cited a big-box furniture store offering design help for a fee in the tens of dollars. Crowdsourcing, as mentioned in the 2015-16 Outlook and State of the Industry report, is another threat to the perceived value of interior design.

In the workplace sector, the impact of design on profitability is more easily quantified than in other design sectors. Our Think Tank Challenge participants had the idea of charging clients a percentage of the benefits. In other words, if outstanding interior design can make workers five percent more productive, and yield five percent more revenue for the business, perhaps design firms should charge a percentage of the increased revenue. Think Tank Challenge participants liked the concept, but quickly scuttled the idea, suggesting that doing so would simply price them out of the market and a competitor would quickly undercut them.

If interior designers can't charge what their services are worth, and margins are under pressure, there is a tendency to make up the difference with volume. Taking on more clients, however, means less time available to dedicate to each one, and the quality of our work suffers. If our designs aren't optimal due to a lack of time, the negative impact on value proposition perpetuates a downward cycle.

MOVING FORWARD

To improve the perceived value of our work and break the downward cycle of thinning margins, crunched time, and sub-optimal solutions, interior designers must demonstrate the impact of design. We should include post-occupancy evaluations as a required part of projects, follow up with our clients to capture the positive impacts of the design on their experiences, and implement any additional changes needed from the lessons learned. These case studies should message those benefits to prospective clients and the general public to broadcast the value of design.

By doing our best work, and effectively communicating how our design has changed the lives of our clients, we can start a cycle that raises the perceived value of interior design. A more accurate valuation of interior design allows us to charge more for our time, which gives us the freedom to take on fewer clients and the time we need to create outstanding design solutions for them, which feeds back into positive perceptions and a growing value proposition for our profession.

ASID has taken the challenge of demonstrating the impact of design to heart, and is incorporating that objective into our activities and communications. If our members and the broader design community join us in this effort to boost design's value proposition, we can continue to positively impact lives – both our clients' and our own.

STEPS TOWARD DIVERGENCE

“To be a designer is to be an agent of change.”

– Barbara Changler Allen¹

PUSHING BOUNDARIES

Divergence in design means reaching out of our usual realm to gather knowledge from unlikely sources by reading an environmental psychology journal, for example, or attending a conference not related to design in order to broaden our perspective. As interior design continues to change, we’re constantly searching for ways to grow the discipline. In the 2015-16 Outlook and State of the Industry report, we commented on the ways interior design is becoming more interdisciplinary as designers are asked to solve increasingly complex problems², but now we’re seeing designers and other specialists blur the lines among disciplines even more. The scope of work that interior designers are involved in is much wider than the boundaries of the interior built environment. Clients and experts in other fields are acknowledging the unique and thoughtful traits of interior designers, and they are pulling them into new kinds of projects, such as workplace strategy and change management, which have an additional impact. Hospitality and residential designers are blending interior and exterior spaces, and education designers are blurring the lines between the virtual and physical worlds, because learning today happens in both. The four walls that enclose a space are no longer boundaries that confine interior designers; our work expands outside the box.

Design is in every aspect of our lives: it’s in the quality of the air we breathe, the light that affects our circadian system, the products that we use daily, the stimulation we receive in our surroundings, and so on. When we think of the intricate relationship between design and life, the boundaries of interior design can be stretched even further – the sky is the limit.

FORMING NEW CONNECTIONS

Interior designers are generalists who need to know a little bit about many things, but they cannot be experts in everything. Instead, we must form new connections with people outside our discipline, and team up with other experts on design projects. In this way, we push the boundaries of design and develop successful solutions. Interactions with other disciplines become sources of information and inspiration that later spur design innovation.

¹ Pink, D. H. (2005). *A whole new mind: Moving from the information age to the conceptual age*. New York: Riverhead Books.

ACTIONS FROM ASID

ASID is using divergent thinking in multiple ways to support the interior design profession. For example, when creating and developing the Health + Wellness Protocols, we partnered with various organizations like developers, manufacturers, certifiers, health organizations, design firms, and technology firms – not all directly related to the design of the built environment, but experts in health and wellness. We believe in the value of pushing boundaries and forming new connections, and have created a unit in ASID devoted to strategic business partnerships that will grow our connections and influence.

STEPS FOR CONVERGENCE



CONVERGING INTELLIGENCE

Convergence in design means bringing together new experts from disparate fields. In addition to looking outside the box for information and new connections, interior designers can also serve as conveners of expertise – pulling together specialists to collaborate on a design project or to meet at an interdisciplinary conference, for example. In this way, interior designers can become catalysts for innovation.

With globalization and advances in technology, the world is at our fingertips. We can use communication tools to bring thought leaders together virtually; however, we also believe in the power of face-to-face interaction and encourage a physical convergence to spark passion and innovation.

DEMONSTRATING IMPACT

No interior designer wants to create mediocre environments. But of the many factors that influence design, some of them (such as tight budgets with slim margins and time pressures as detailed in the sections above) are pushing us away from design excellence.

To counter these forces, we must demonstrate the impact design can have, and there are at least two steps in this process. The first is to increase the positive impact of design by reaching outside our usual boundaries and

converging intelligence from diverse fields. In other words, with divergent and convergent thinking, we can create spaces that have a more positive effect on the people who occupy them. We can use divergence and convergence to design space that further improves health, productivity, revenue, learning, longevity, connectedness, and much more. The second step is to measure those positive outcomes and share what we find with a broad array of stakeholders, including our current and future clients.

When interior designers create spaces that positively impact the human experience, and when we can demonstrate that impact to our clients and others, the perceived value of what we do is raised, which in turn leads to improved margins and the time we need to create our best work, which improves lives. And the positive cycle continues.

ACTIONS FROM ASID

ASID is reaching out to a wide array of experts and bringing them together in the design of our new office space. We're also making sure to measure the impact of the design on employee health and well-being, and then plan to communicate those findings in a post-occupancy evaluation and published case study. We feel strongly that design impacts lives, and we consider the office to be a living laboratory to practice and live what we believe in.

Beyond our own space, the nature of the Society's service to the profession is to gather and manage knowledge, create enriching programs for the design community, and become a place where interior design professionals, and experts from a wide array of other fields, converge. As we bring together leaders to speak at events, talk on panels at conference presentations, brainstorm at think tanks, and so on, we advance our mission of promoting intellectual investigation that benefits the profession. Through the ASID Academy, we give professionals online access to continuing education. ASID also supports the expansion of the profession's knowledge base, with its in-house research staff gathering information and translating it into knowledge, and with the ASID Foundation's Transform grant program.

We will not stop in our quest to understand the built environment and share what we learn with our members and the broader design community.

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