Evolution of the **US Environmental** Consulting Industry from 1980 to the present

→ Abstract and Objective

The environmental consulting industry includes 1,000's of firms ranging from single practitioners to huge international firms capable of performing work across the globe. The industry has evolved over time, starting in the 1970's as environmental regulations were promulgated, and expanding dramatically in the 1980's as additional regulatory requirements were implemented. Initially, established architecture and engineering (A/E) firms rose to the challenge by realigning environmental engineering (e.g., wastewater engineering) talent to address this new technical arena. Universities rapidly retooled to meet the demand, offering environmental engineering, environmental science and hydrogeology degrees.

By the year 2000, environmental firms were performing an estimated USD\$6.1 billion in gross revenue, with the top 10 firms representing almost half of that. According to engineering news record (ENR) industry rankings issued in July 2023, the top 200 firms reported over USD\$138Bn in revenue in 2022.

Throughout the robust growth of the industry over the past 40 years, mergers and acquisitions (M&A) have played a significant role in growing firms, allowing them to tackle bigger and more complex challenges, across broader geographies, and greater numbers of sites. These capabilities have become increasingly important for US Department of Defense and huge multinational industrial clients, where the ability to perform 100's of projects across disparate geographies is critical to success.

→ Approach

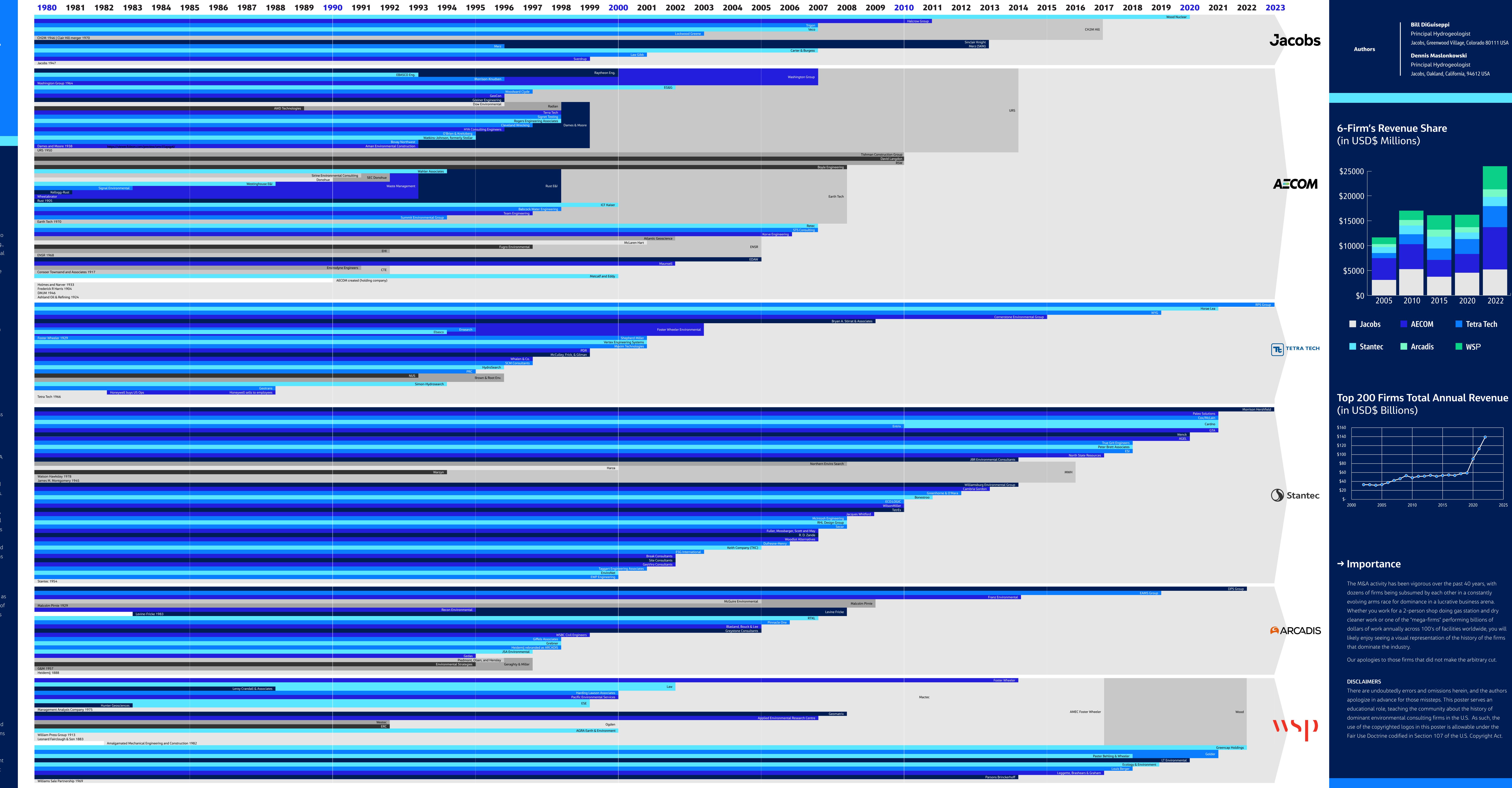
Inexplicably, Jacobs staff have been collecting data on M&A activity in the environmental consulting arena since the early 1990s. These data were reviewed, confirmed where possible through web resources, and graphically presented to track the growth of some of the top environmental firms. The selection of the top firms was determined based on the Engineering News Record rankings issued in July 2023, although we did not explicitly tackle the top environmental consulting revenue reporting firms. Instead, we chose firms that represent different approaches to growth through acquisition, from firms like Tetra Tech, which has maintained their name since 1966 and acquired generally smaller firms over the decades, to firms like AECOM which represents large acquisitions of directly competing industry leaders.

The decision to address only the top firms was difficult because many fine firms were omitted in this process. But, as is apparent in the main graphic, the complexity of the task of tracking any more firms than that would have rendered this project impracticable.

The order the firms are presented in does not reflect ENR rankings. We chose to present them with Jacobs on top because we're the best.

→ Results

The data were compiled to provide interesting information for professionals in the industry, both those new to environmental consulting and those more seasoned veterans. The "mature" industry members will appreciate how far the industry has come from "the good old days" and will reminisce and wax poetic about old, long forgotten firms of their past. Young professionals new to the industry may gain an appreciation of the constantly changing landscape of companies that have come and gone, making the present industry as complex and robust as it is, and suggesting that the only constant in our industry is change.



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