

Wages, Workers, and Conundrums

FCA International
Signatory Contractors Conference
March 5, 2025
Clearwater Beach, FL

Construction Labor Research Council
Carey Peters, Ph.D.



CLRC

We Support the Union Construction Industry!

- Wage and Fringe Benefits
- Market Share
- Union-Nonunion Wage and Fringe Benefits Comparison
- Contract Cost Analysis
- Benchmarking
- Workforce/Labor Analysis
- Safety Surveys
- Custom Research



CLRC



CLRC Sponsoring Associations

Associated General Contractors of America (AGC)

Central States Insulation Association (CSIA)

FCA International (FCA)

International Council of Employers of Bricklayers and Allied Craftworkers (ICE)

Mechanical Contractors Association of America (MCAA)

National Architectural Glass & Metal Association (NAGMA)

National Electrical Contractors Association (NECA)

National Fire Sprinkler Association (NFSA)

North American Contractors Association (NACA)

Sheet Metal and Air Conditioning Contractors' National Association (SMACNA)

Signatory Wall and Ceiling Contractors Alliance (SWACCA)

The Association of Union Constructors (TAUC)



Agenda

1. Wages

Dollars and Cents: Making “sense” of the dollars and cents in the union sector of the construction industry

2. Workers

A brief overview of the union workforce in construction

3. A Contractor's Conundrum

Illustrates the pinch point contractors face between employee pay and materials costs

A decorative background graphic at the bottom of the slide. It features a series of vertical bars of varying heights, resembling a bar chart, in shades of blue and grey. Overlaid on this is a white line graph with circular markers at each data point, showing a fluctuating upward trend.

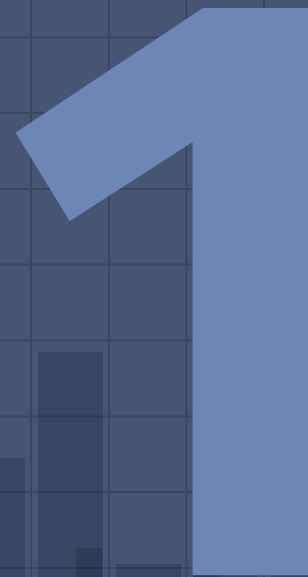


things I studied things on the exam

CLRC helps you be
knowledgeable!

Wages

Dollars and Cents: Making “sense” of the dollars and cents in the union sector of the construction industry



Increase Trends – First Year

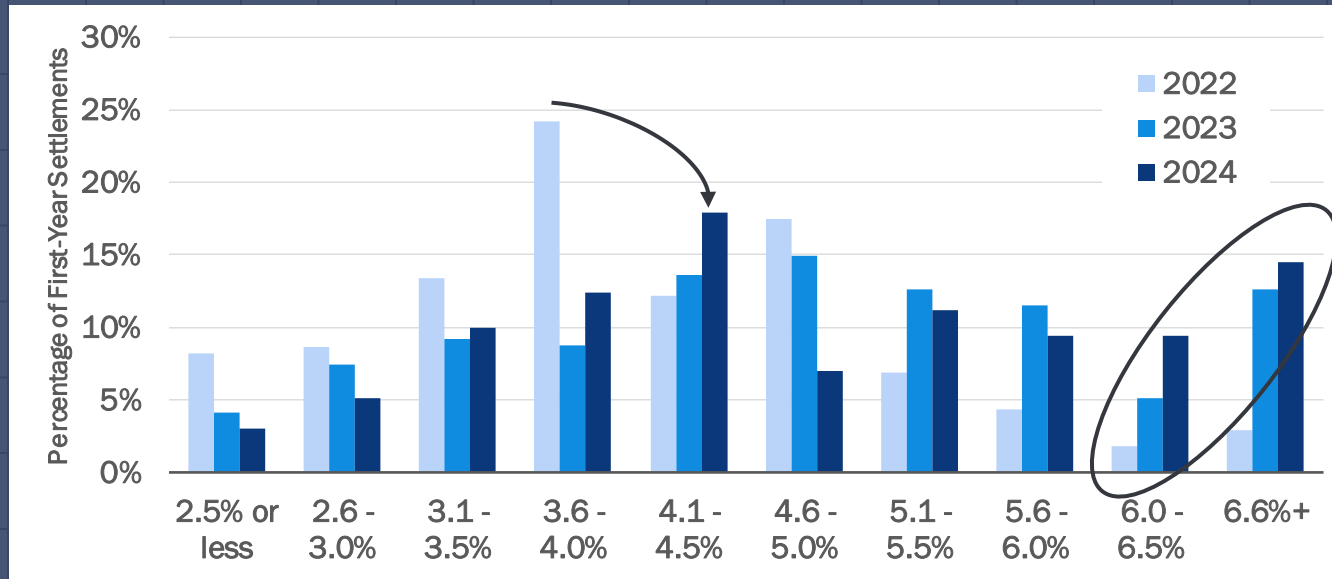


Increase Trends – First Year

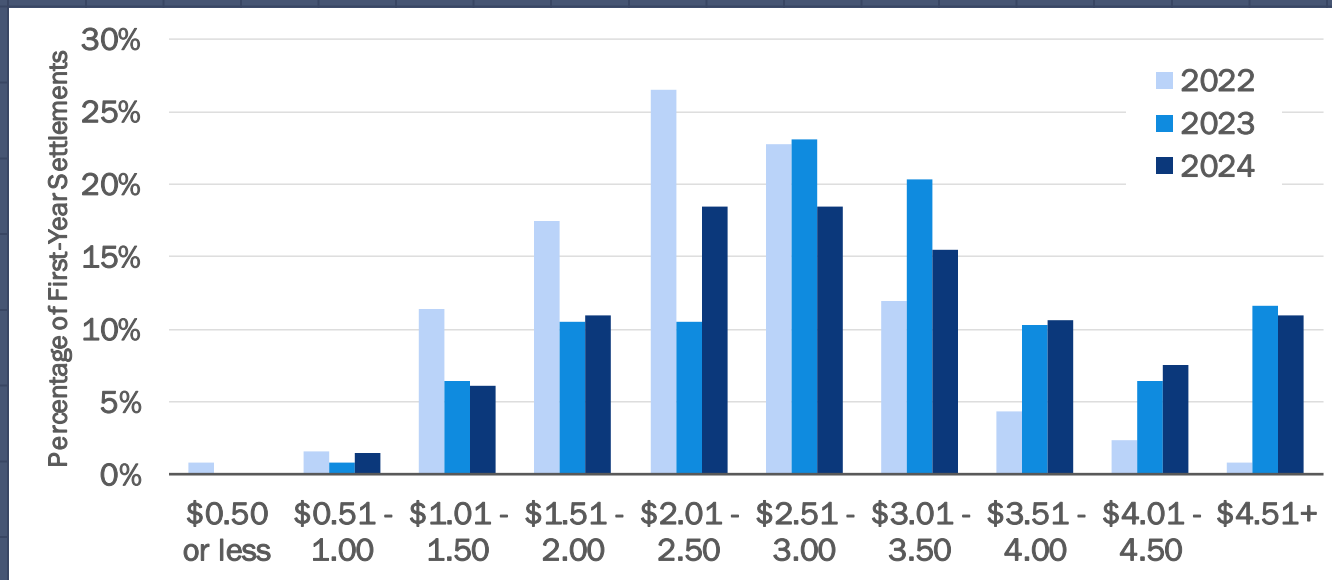


Distribution of First Year Increases

Percentage



Monetary

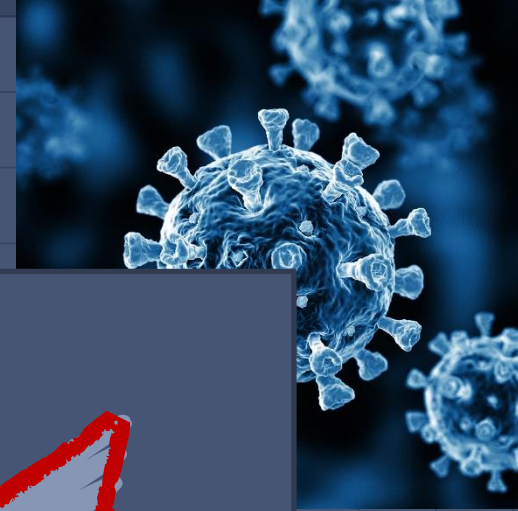


So What Caused the Change?

Worker Shortage?



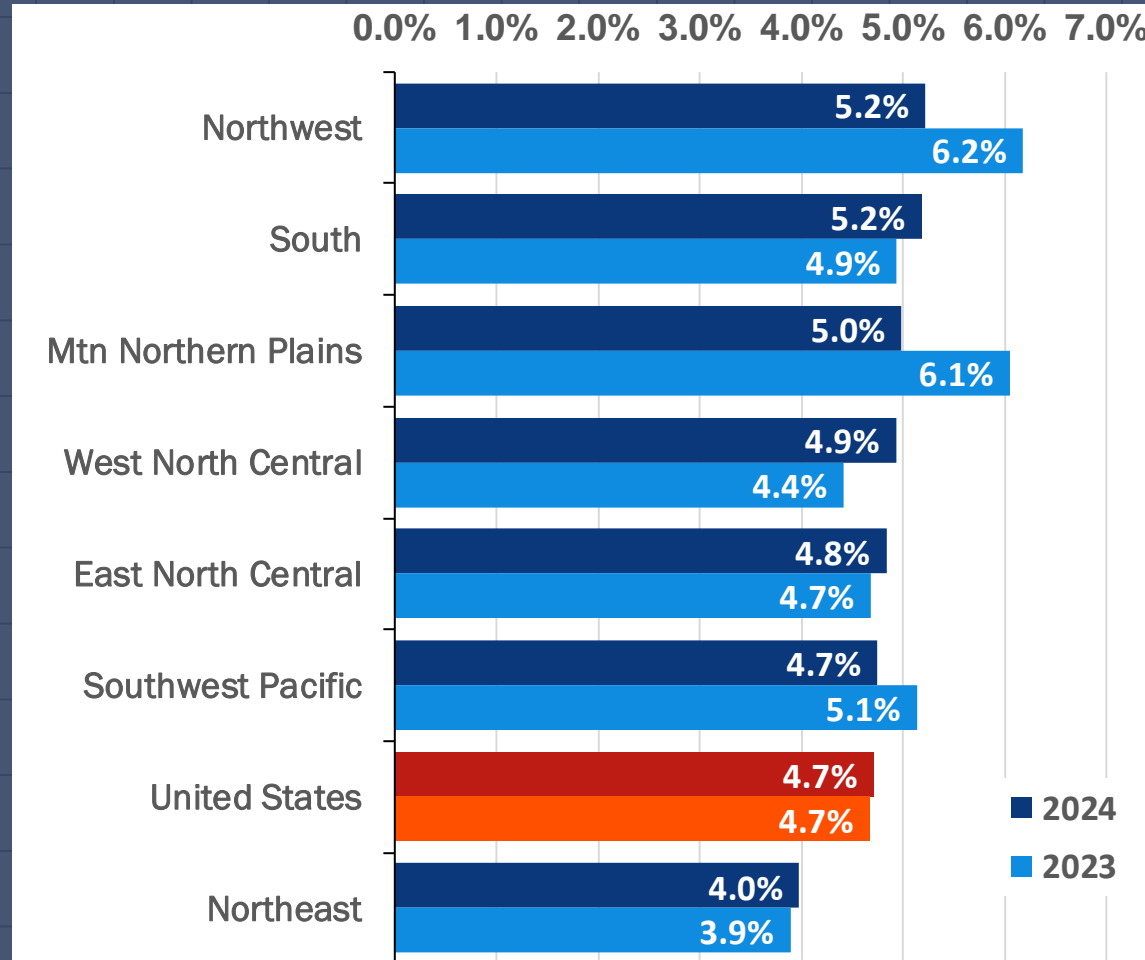
COVID 19?



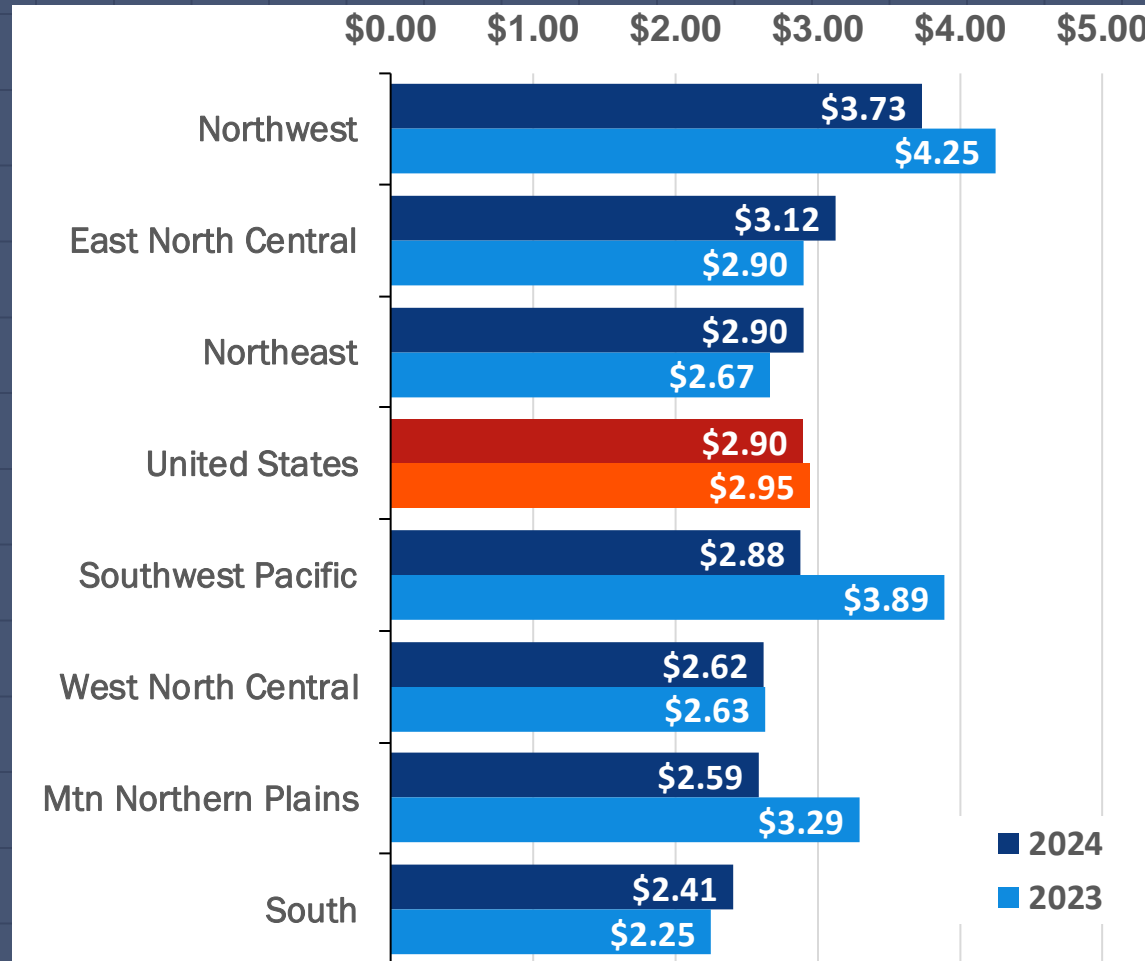
Inflation!



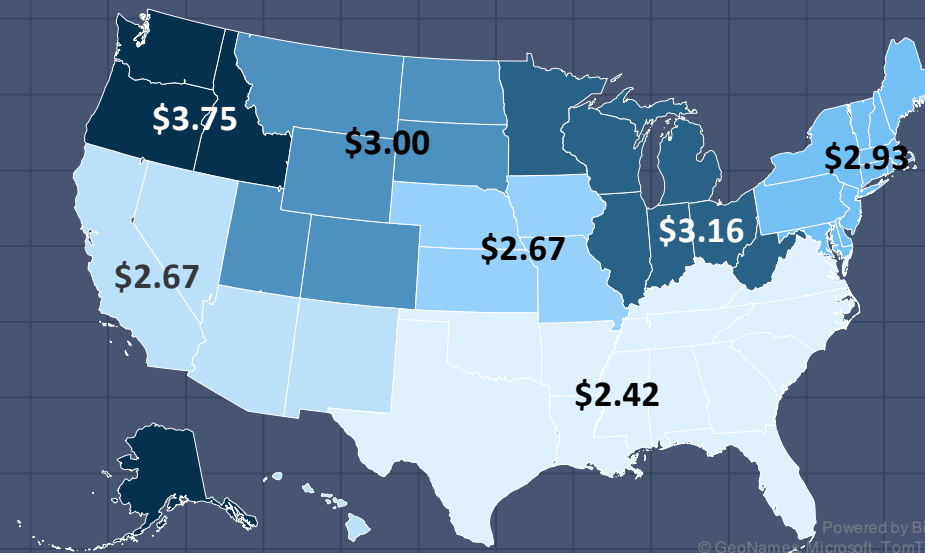
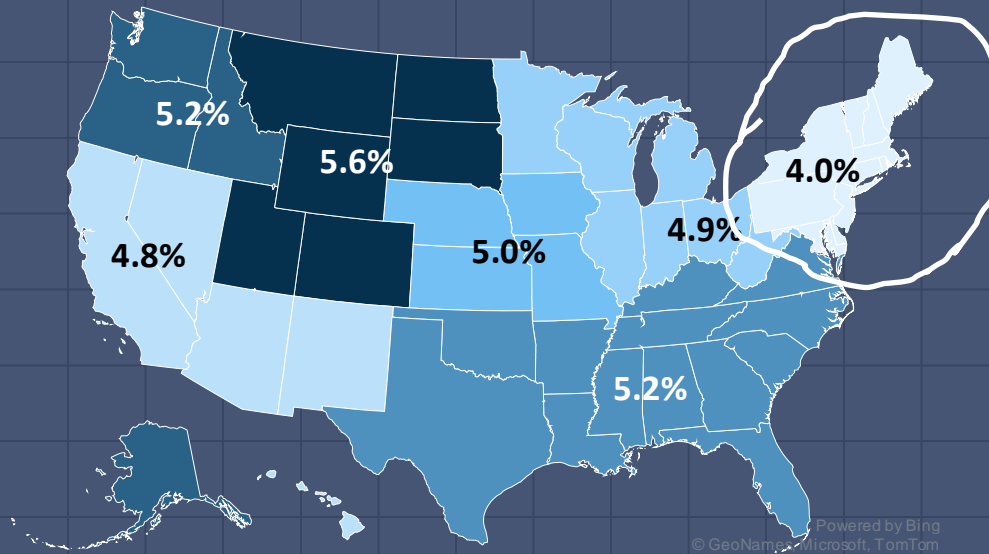
First Year Increases by Region



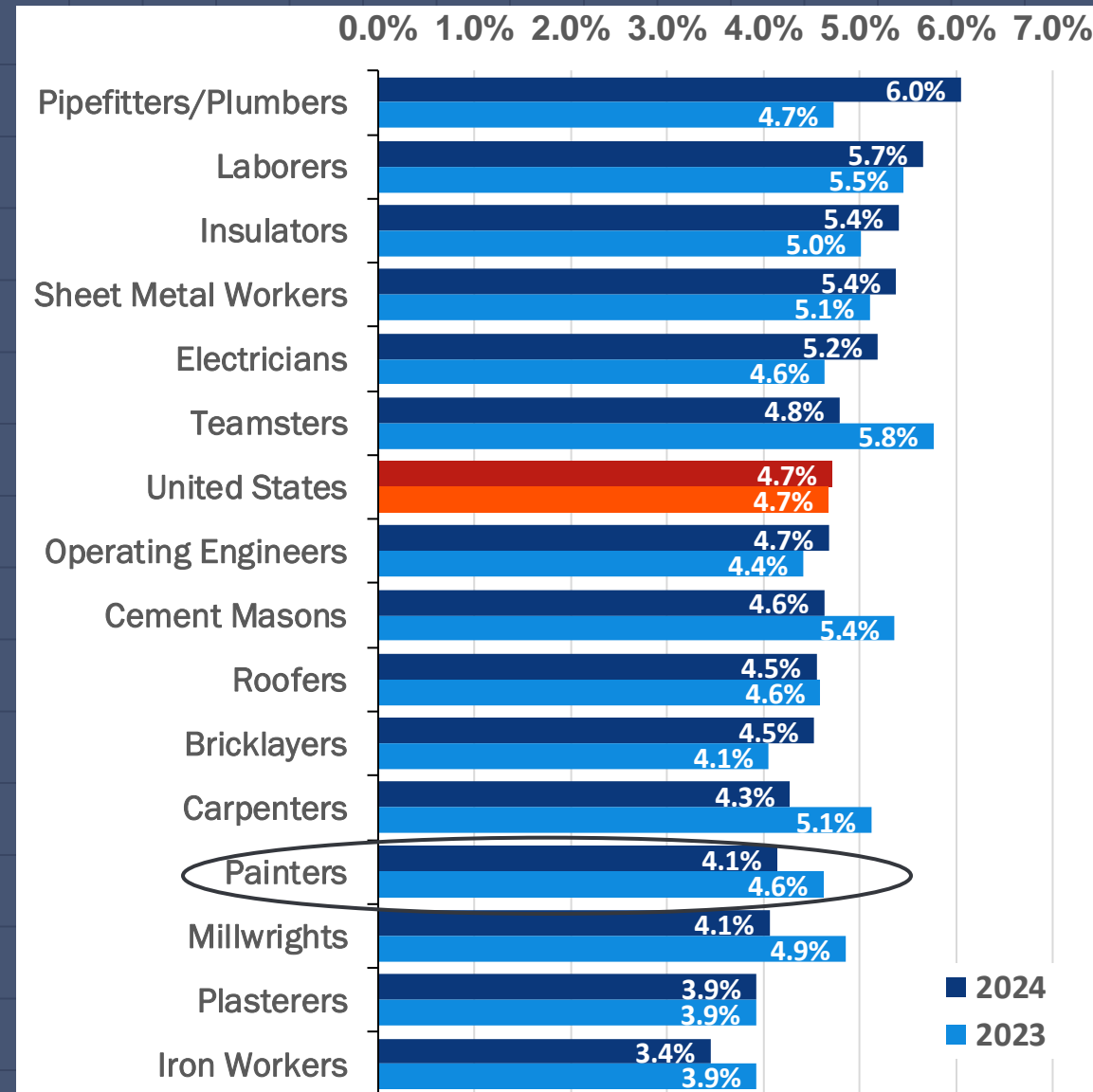
First Year Increases by Region



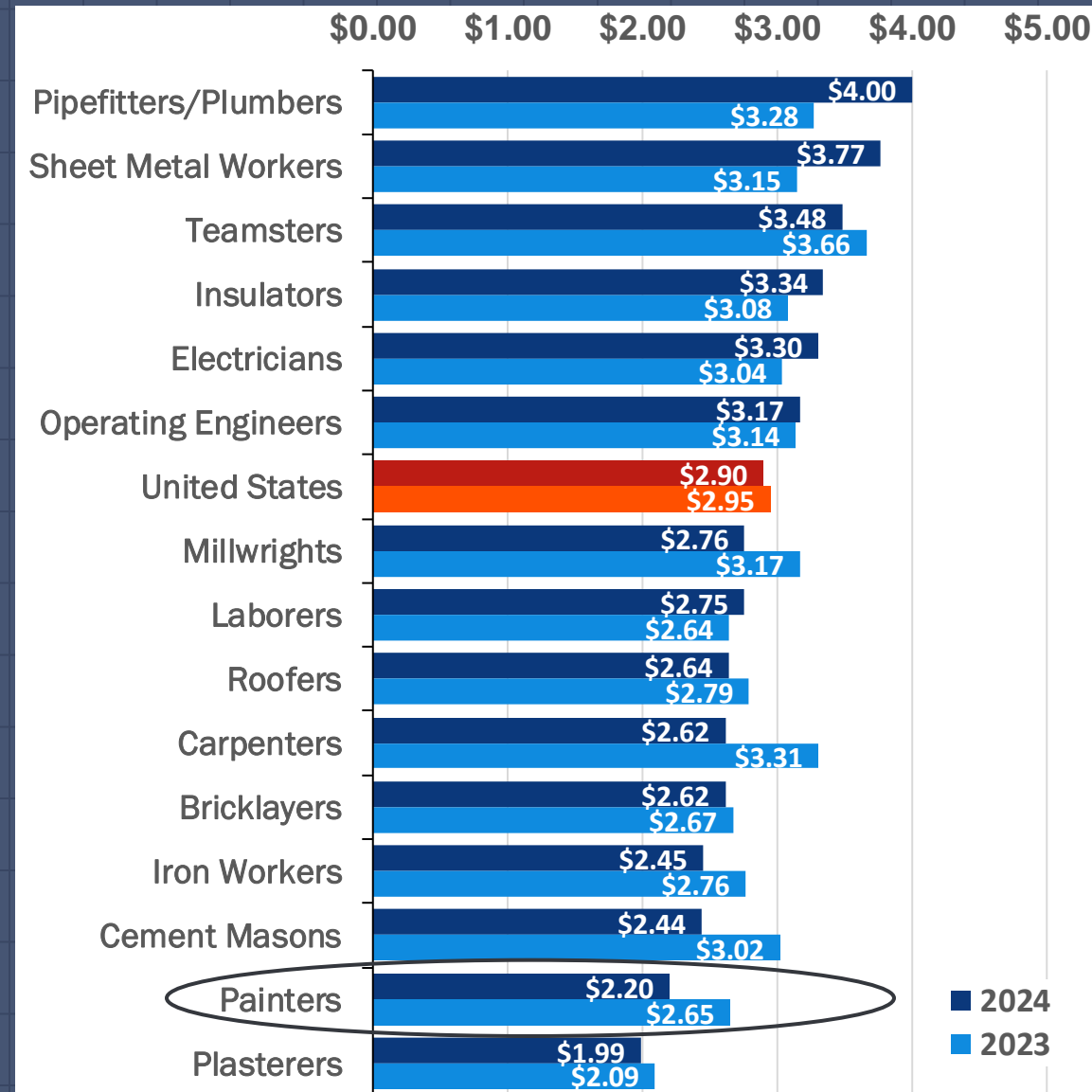
First Year Increases by Region



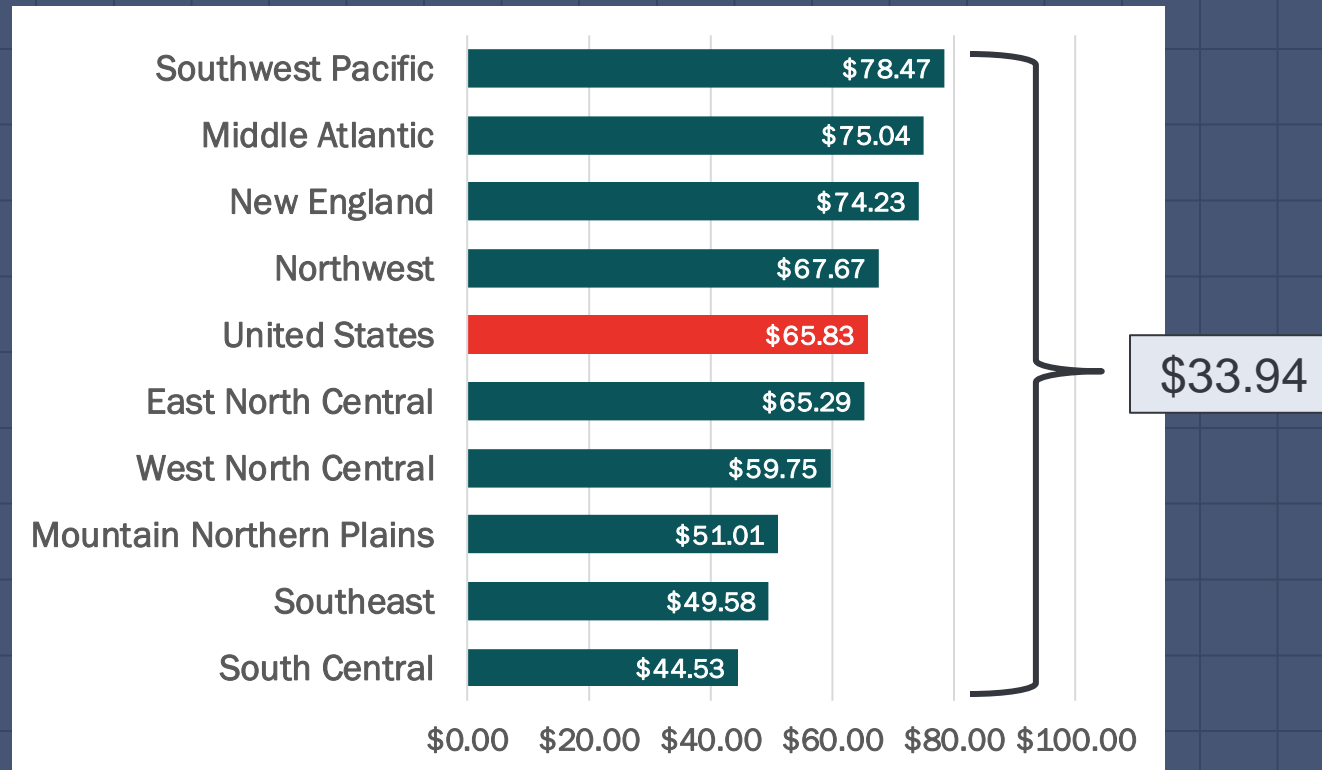
First Year Increases by Craft



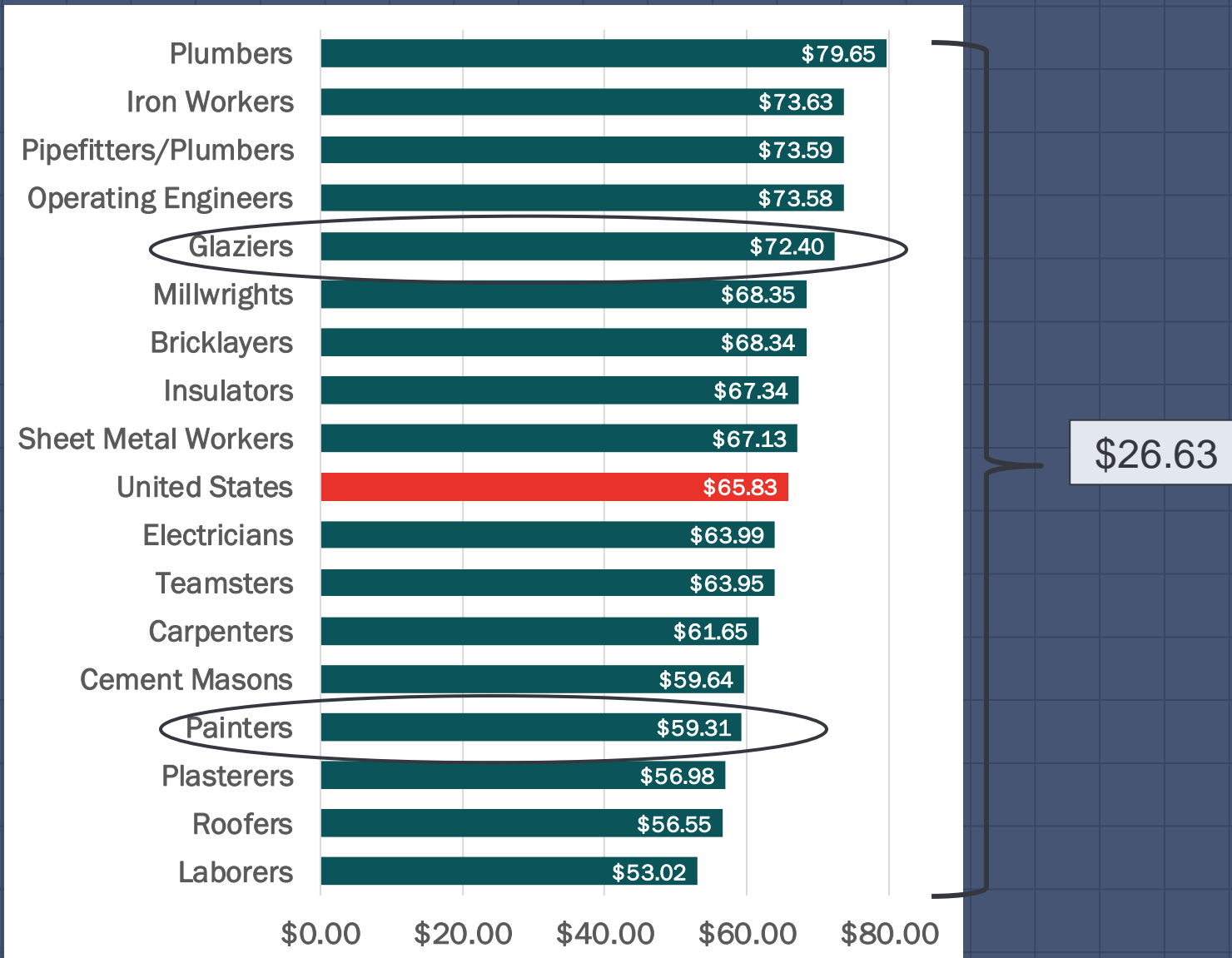
First Year Increases by Craft



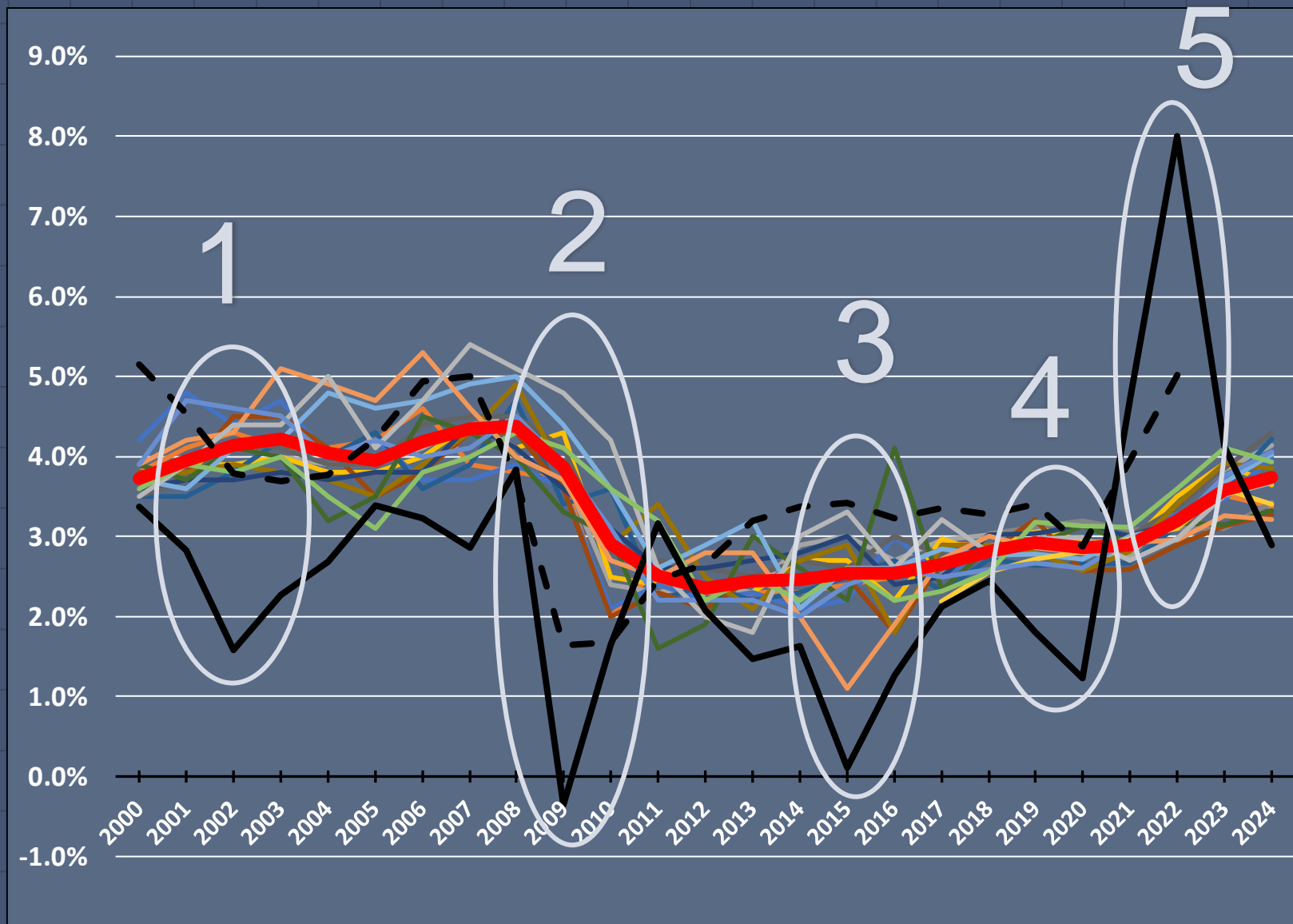
Average Total Package Rate by Region



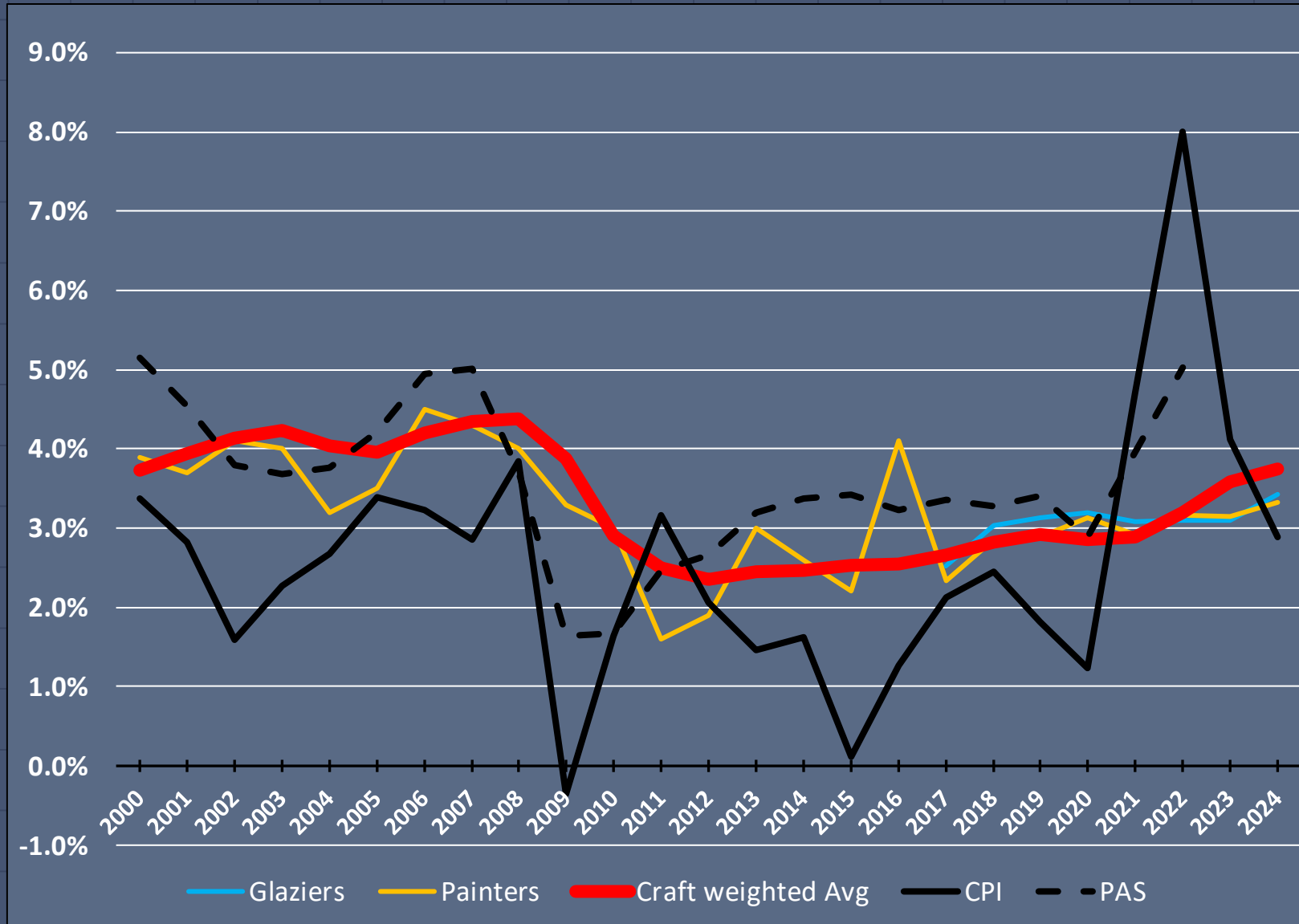
Average Total Package Rate by Craft



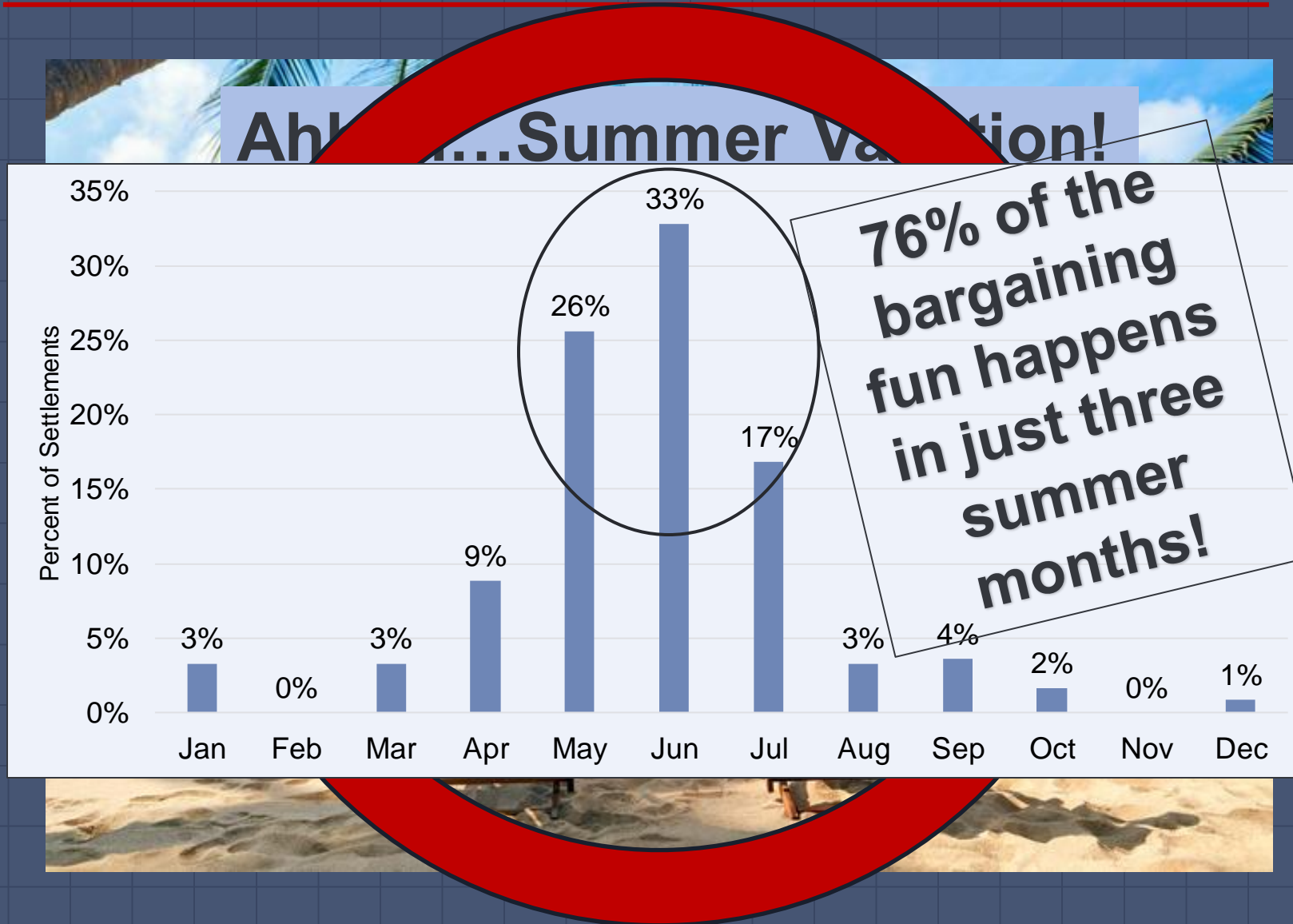
Total Package Increase Trend



Total Package Increase Trend



Contract Effective Dates by Month



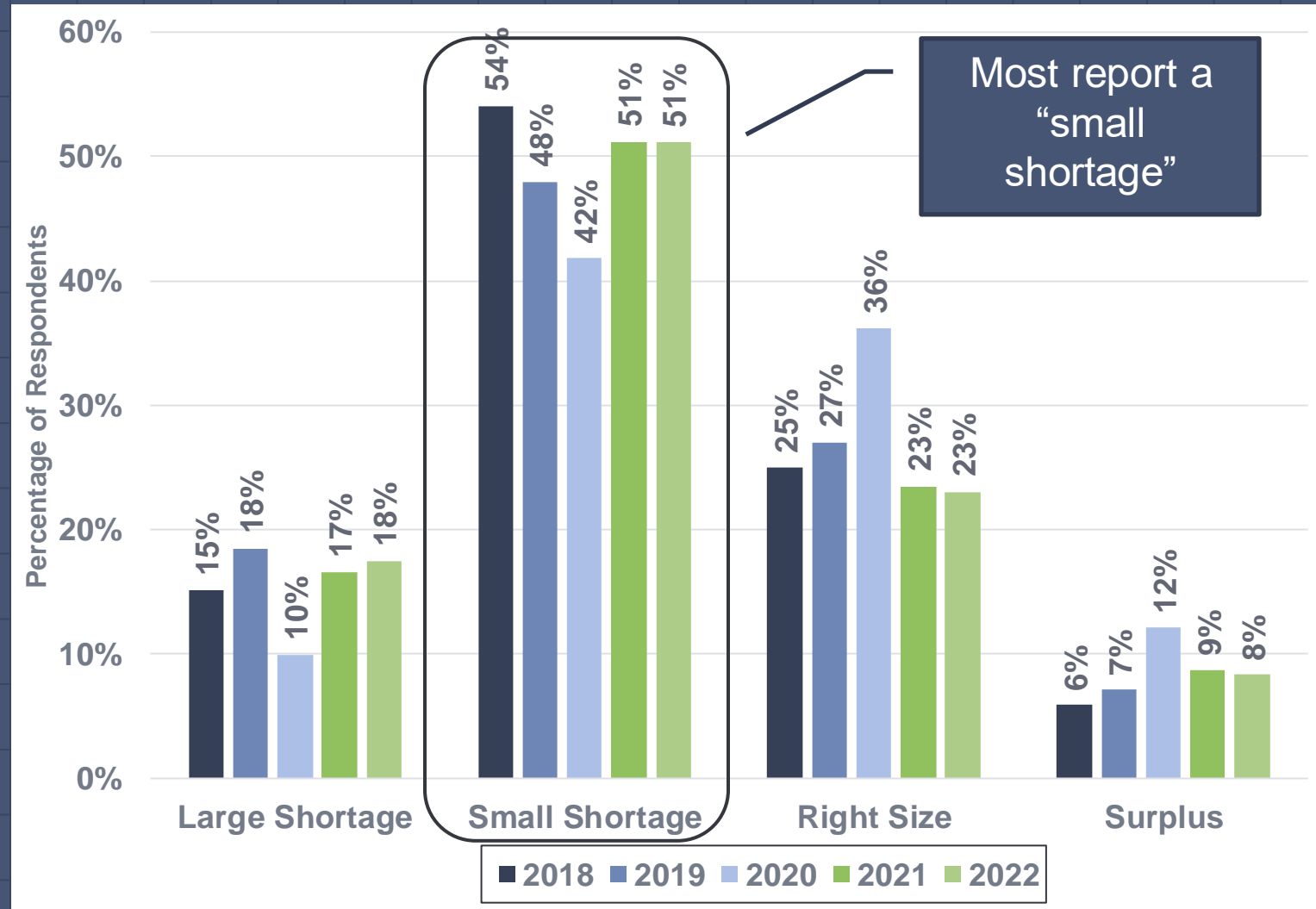
Workers

**A brief overview of the union workforce in
construction**

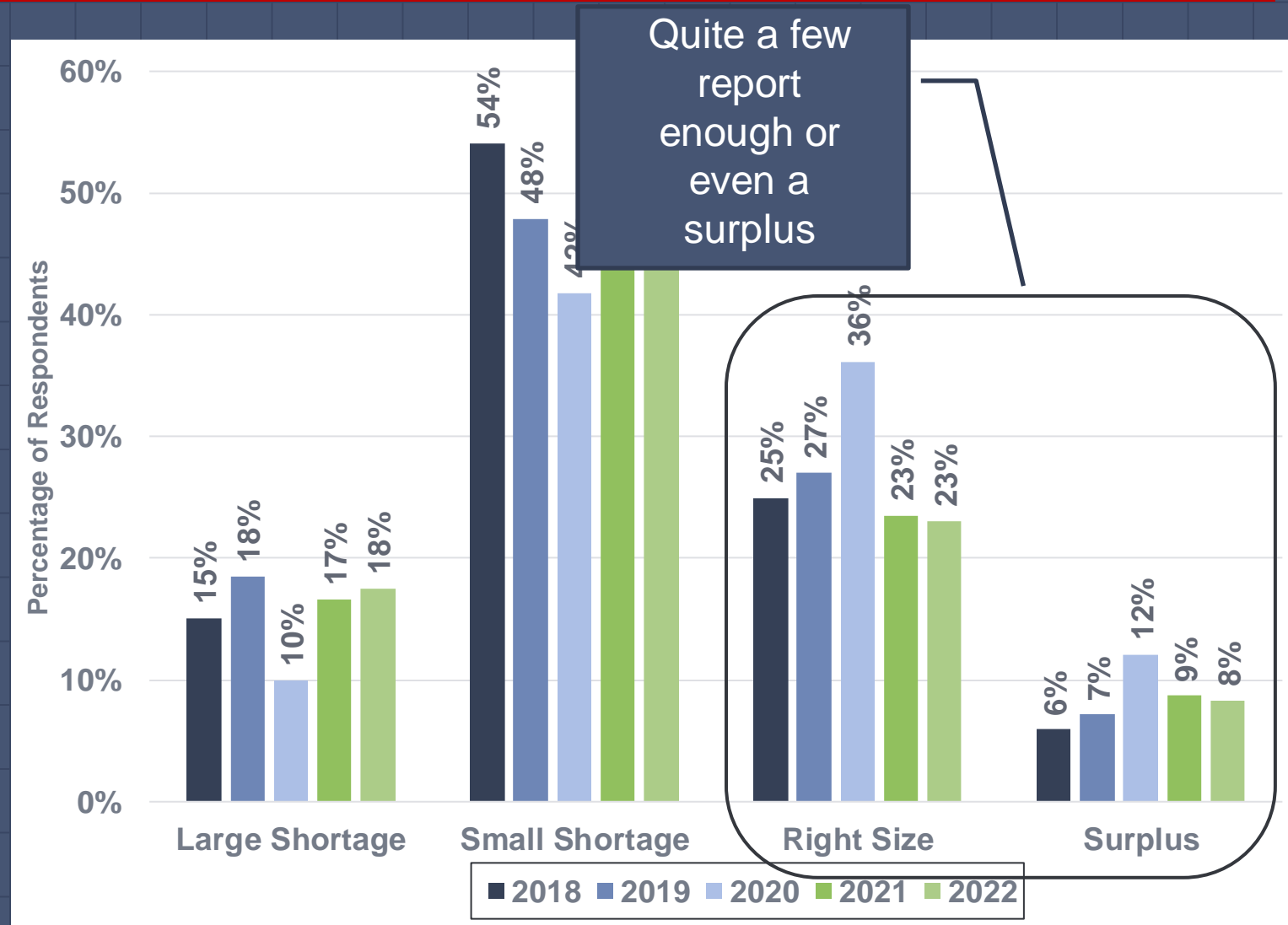


2

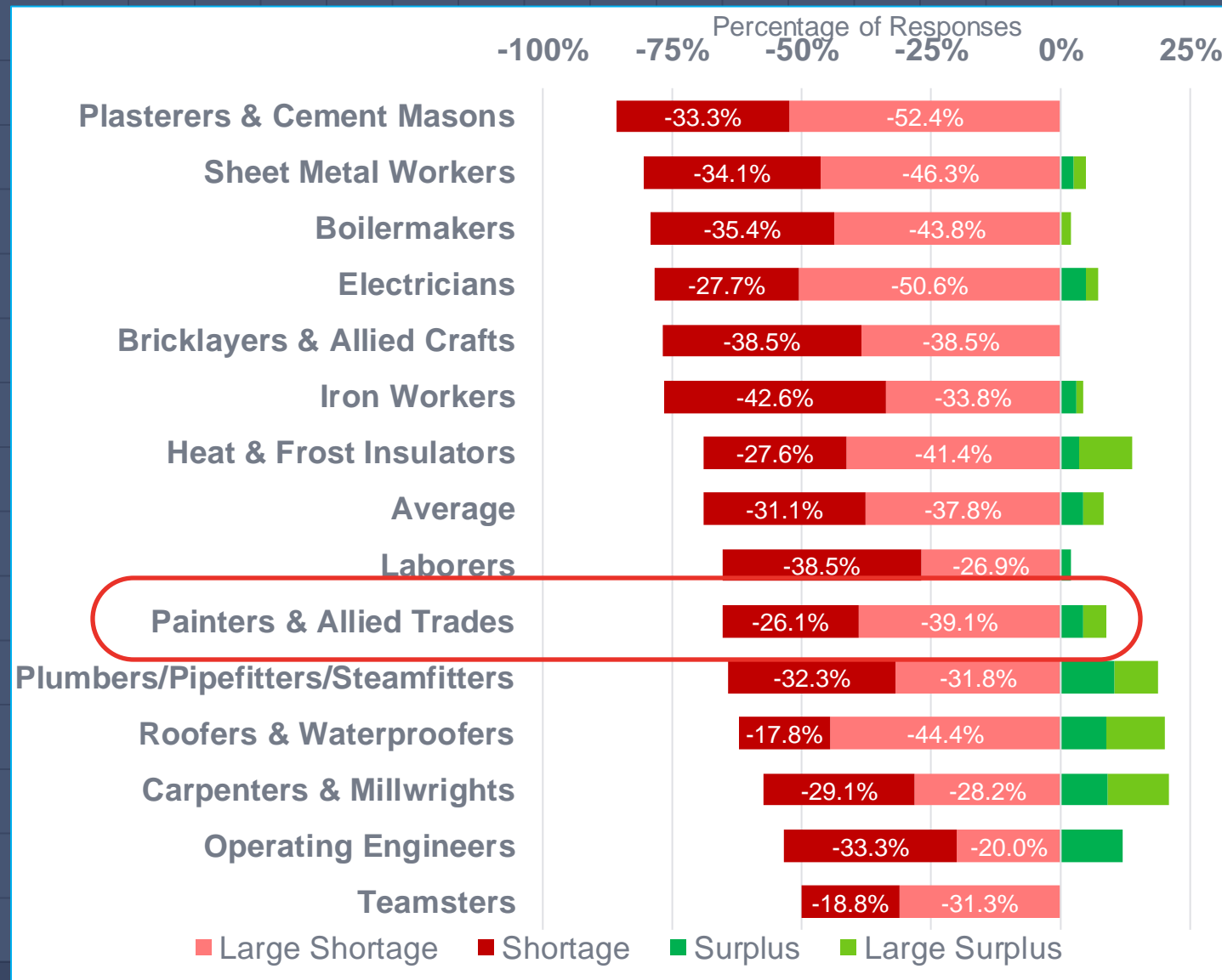
Labor Study - Union Craft Labor Shortage/Surplus



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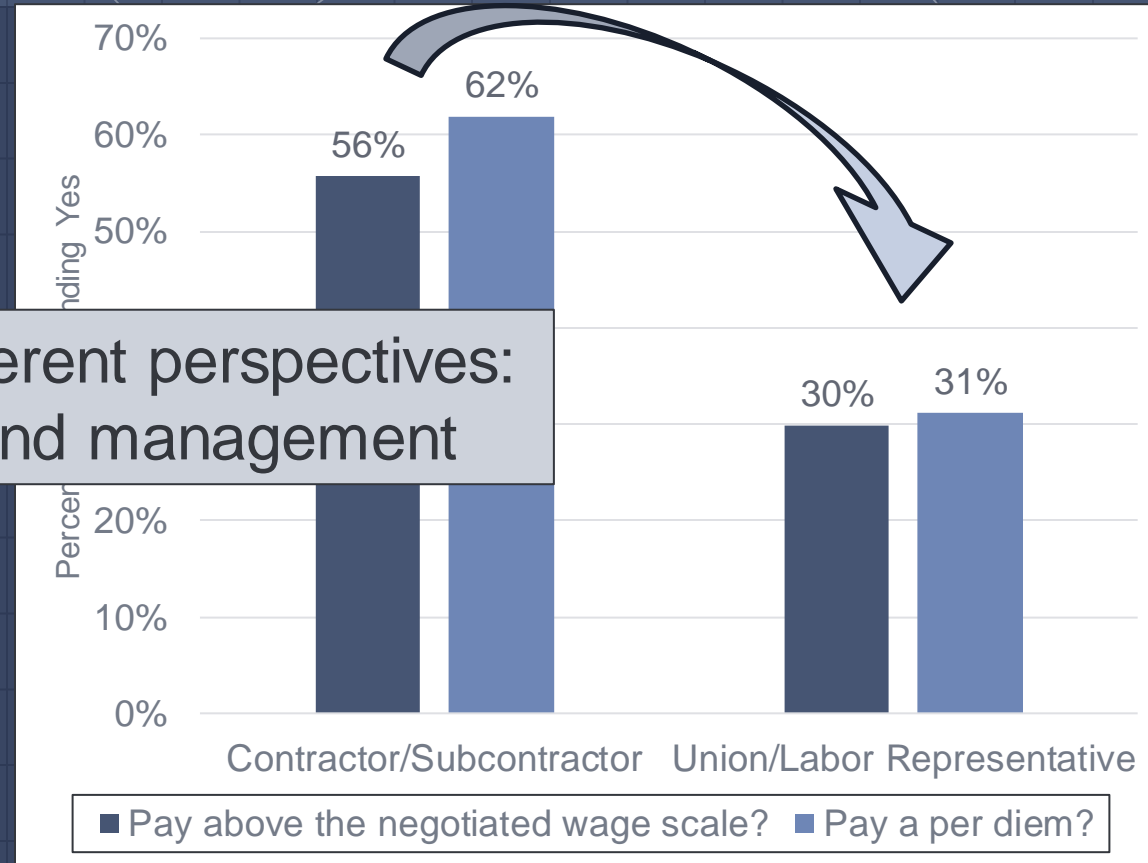


Labor Study – Union Labor Shortage/Surplus by Craft



Labor Study - Pay Above the Wage Scale and Per Diems

Quite different perspectives:
union and management



A Contractor's Conundrum

**Illustrates the pinch point contractors face
between employee pay and materials costs**

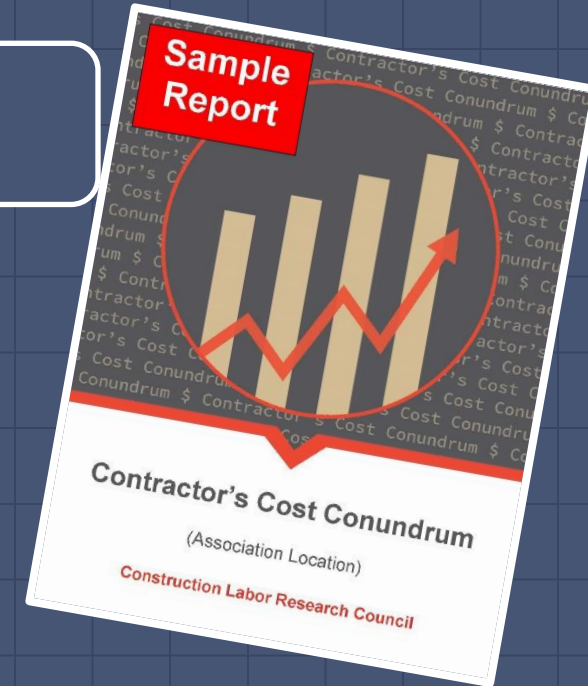


3

A Contractor's Cost Conundrum

Description

- Documents the high prices of commodities (materials) purchased by contractors. Illustrates the wide variability and unpredictability of key economic factors facing contractors.



Contractor's Cost Conundrum



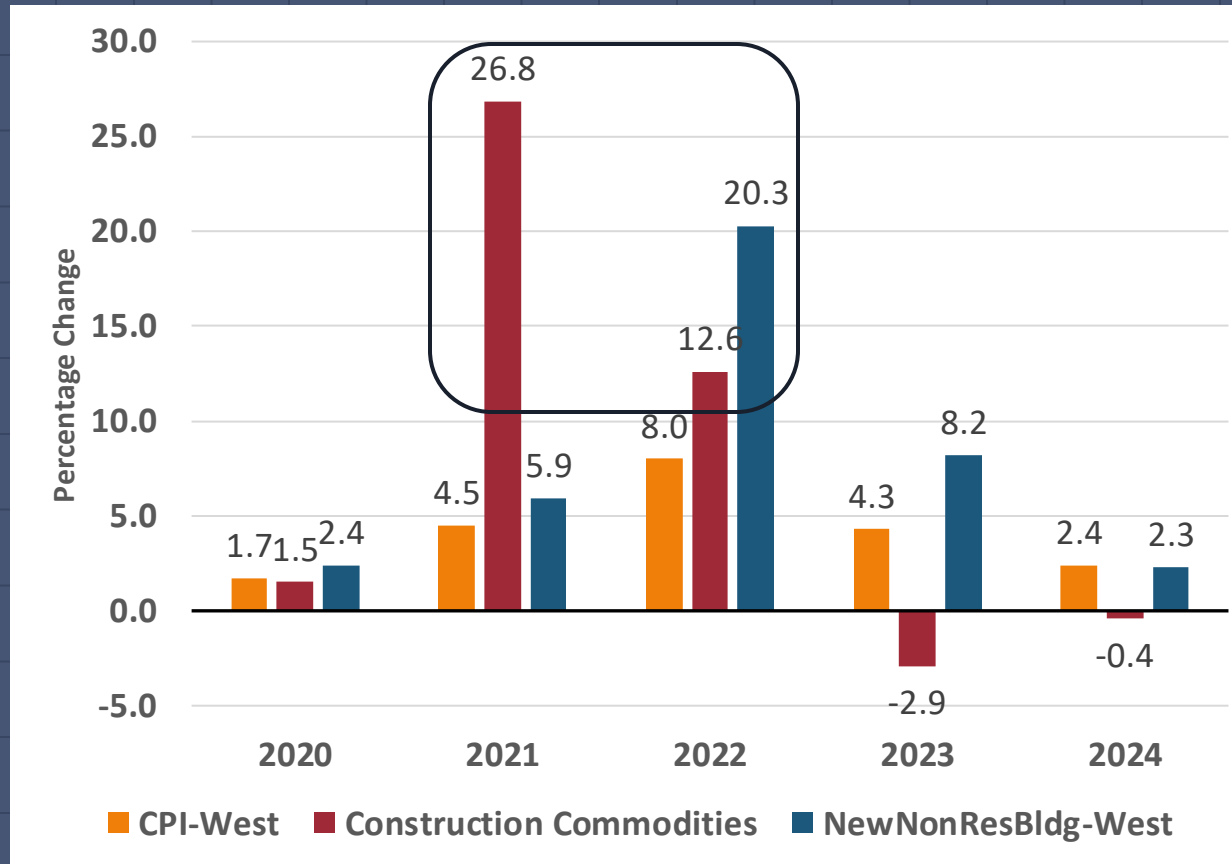
Benefits

- Compares price and economic data important to contractors against cost-of-living data important to employees
- Provides a common understanding of economic challenges for both (employers and employees)
- Shows that materials costs increased much more than inflation in 2021-2023
- Illustrates the challenge of variability (unpredictability) for contractors

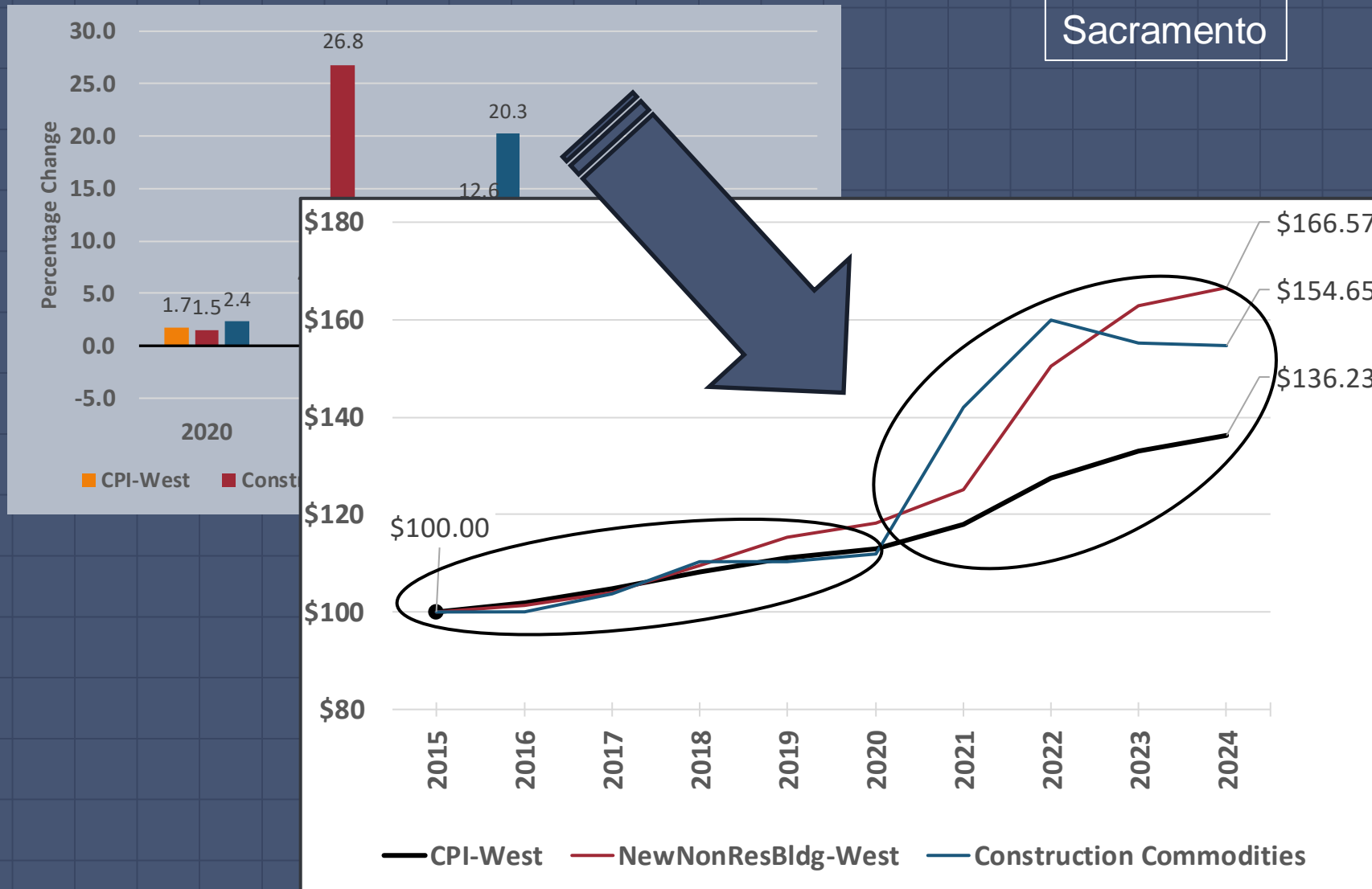


A Contractor's Cost Conundrum

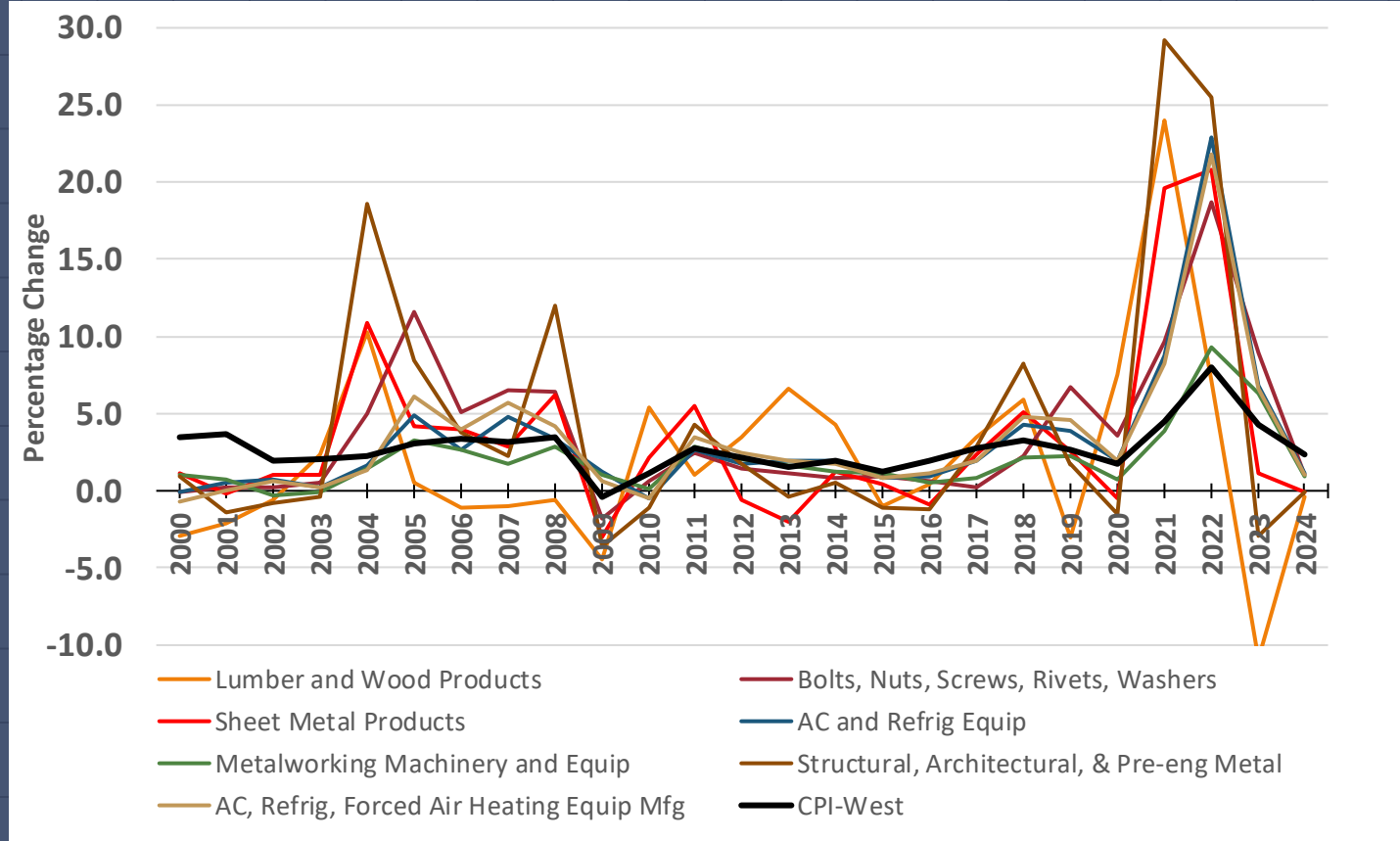
Sacramento



A Contractor's Cost Conundrum



Sacramento





A respite from all that
data...

Bonus: Some Useful Tools

Some tools to help contractors and association execs better understand their business

4

Market Share

Description

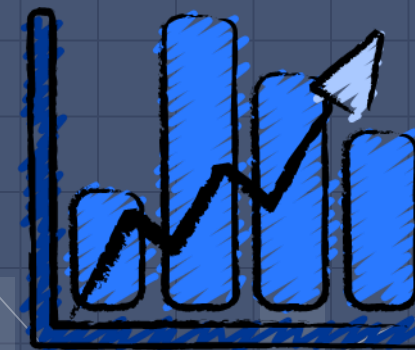
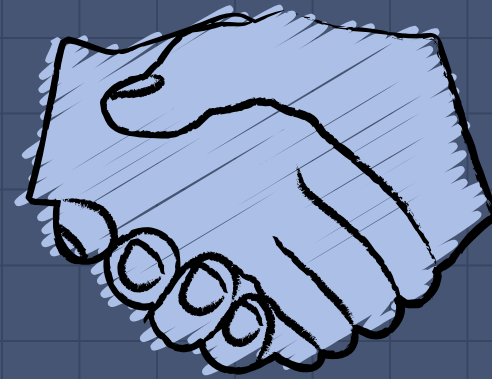
- Shows what percent of a given occupation/classification (e.g., painters, carpenters) in a defined geography is worked by union members



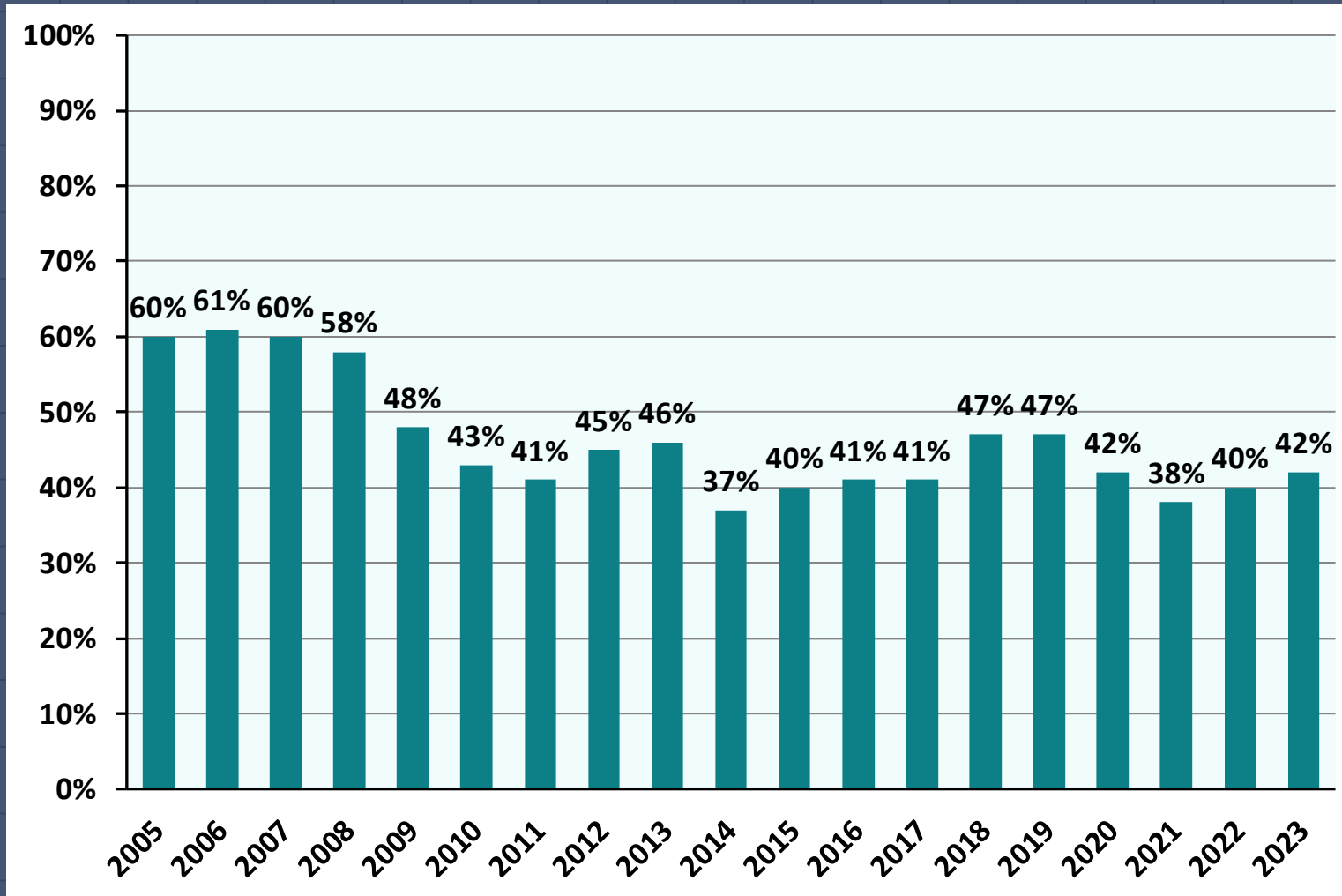
Market Share

Benefits of Understanding Market Share

- Allows labor and/or management to more precisely define their share of the market
- Provides a common understanding for labor and management
- Shows the trend over time. Is market share increasing or decreasing?
- Can measure the impact of specific programs (e.g., market recovery, new classifications, efforts in new markets)
- If you measure it, people will pay attention, and take action

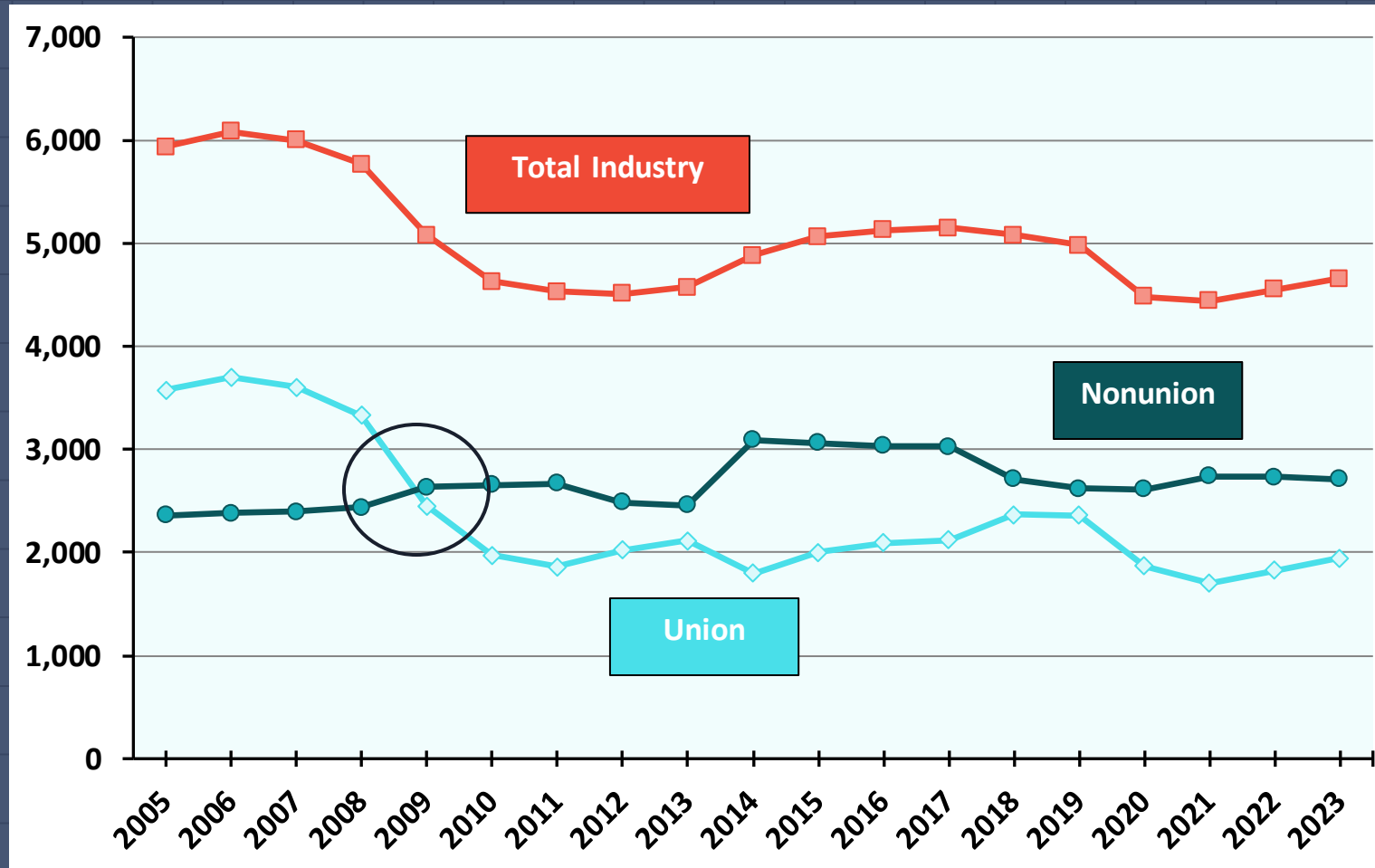


Market Share



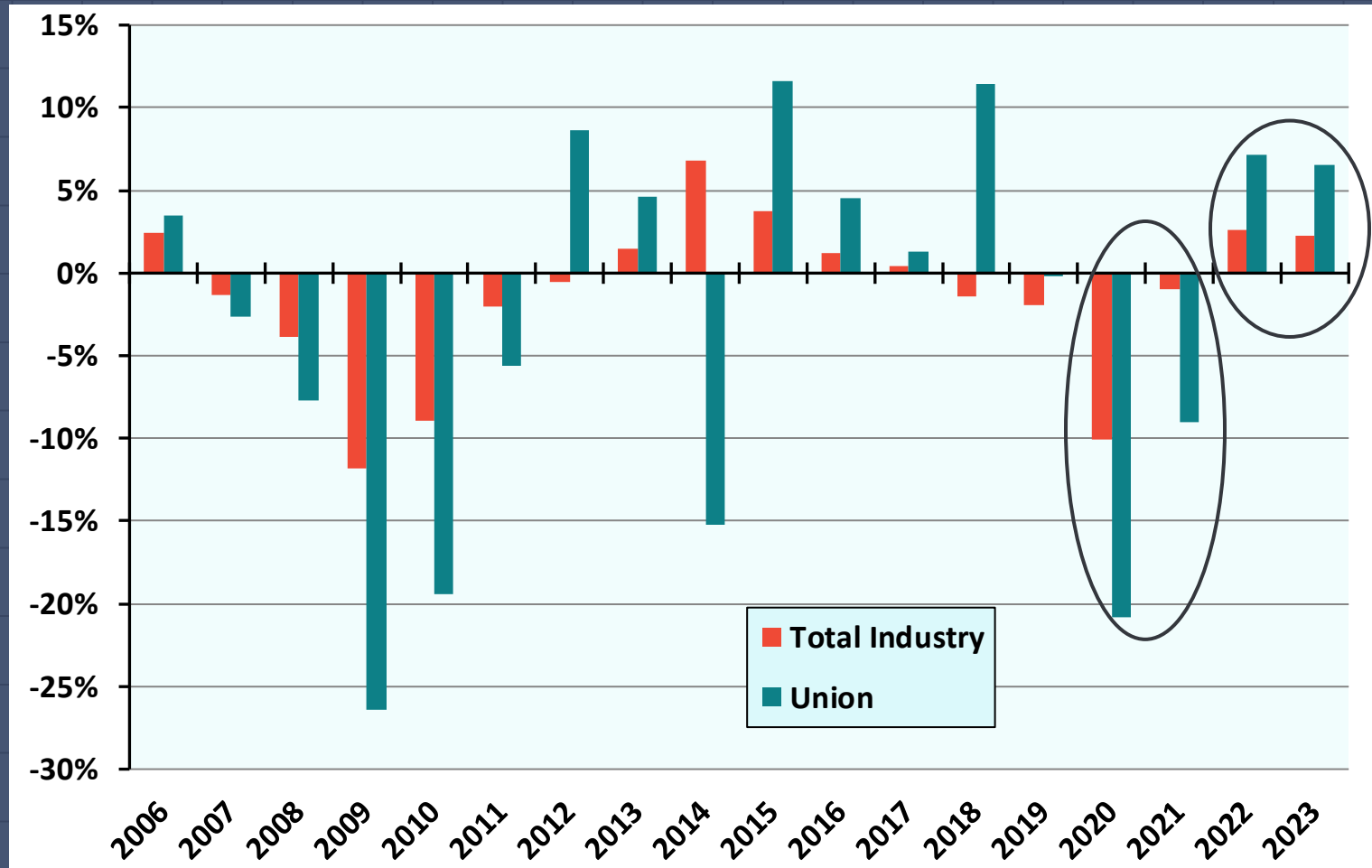
Market Share

Employment Numbers



Market Share

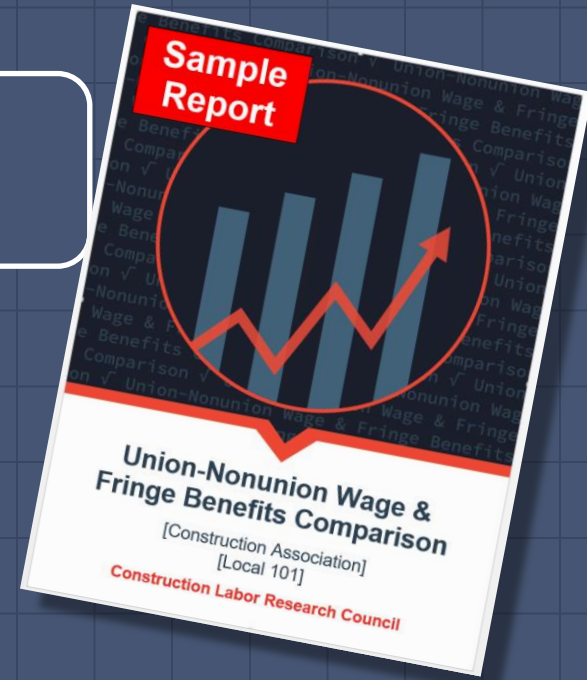
Annual Percentage Change in Employment



Union-Nonunion W&F Comparison

Description

- Compares a specific local's wage and fringe benefits package to nonunion data for that craft in the same geographic region



Union-Nonunion W&F Comparison

Benefits of Understanding Union-Nonunion Pay

- Tangibly shows the difference in both dollars and percentages between union and nonunion pay and fringe benefits
- Beneficial for organizers to show potential members the financial benefits of being in a union
- Higher pay motivates for better performance



Union-Nonunion W&F Comparison

Category	Union	Nonunion		Cost Difference		Pct Difference	
		Low	High	Low	High	Low	High
<u>Wages</u>							
Base Wage	\$53.05	\$30.83	\$37.68	\$22.22	\$15.37	42%	29%
<u>Fringe Benefits</u>							
Health & Welfare	\$15.76	\$3.39	\$4.14	\$12.37	\$11.62	78%	74%
Retirement *	\$16.19	\$1.90	\$2.32	\$14.29	\$13.87	88%	86%
Pension	\$13.49	-	-	-	-	-	-
Retirement Savings Fund	\$2.70	-	-	-	-	-	-
Total	\$31.95	\$5.29	\$6.47	\$26.66	\$25.48	83%	80%
<u>Other Costs</u>							
Joint Cooperation	\$0.51	\$0.00	\$0.00	\$0.51	\$0.51	100%	100%
JATC	\$1.86	\$0.00	\$0.00	\$1.86	\$1.86	100%	100%
Education & Scholarship	\$0.10	\$0.00	\$0.00	\$0.10	\$0.10	100%	100%
Industry Advancement	\$0.32	\$0.00	\$0.00	\$0.32	\$0.32	100%	100%
Total	\$2.79	\$0.00	\$0.00	\$2.79	\$2.79	100%	100%
Total	\$87.79	\$36.12	\$44.14	\$51.67	\$43.65	59%	50%

* For nonunion this reflects all retirement payments (i.e., defined benefit and defined contribution).

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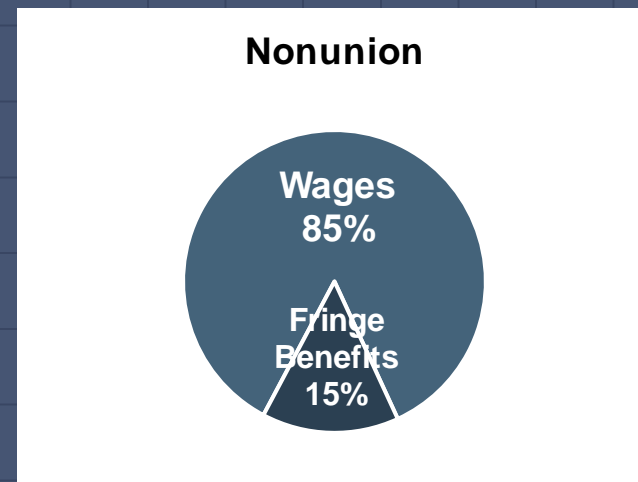
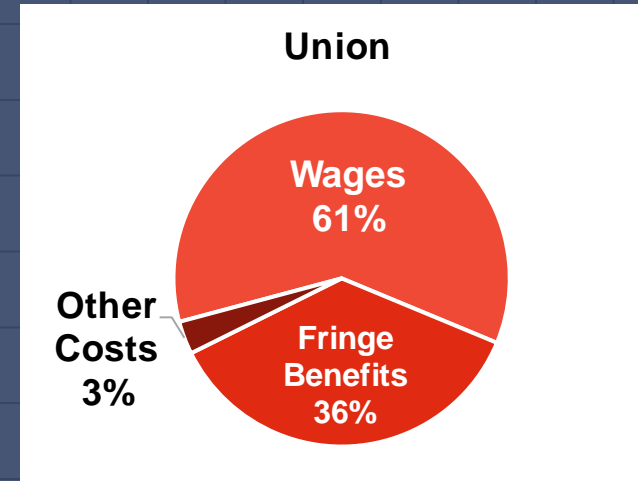
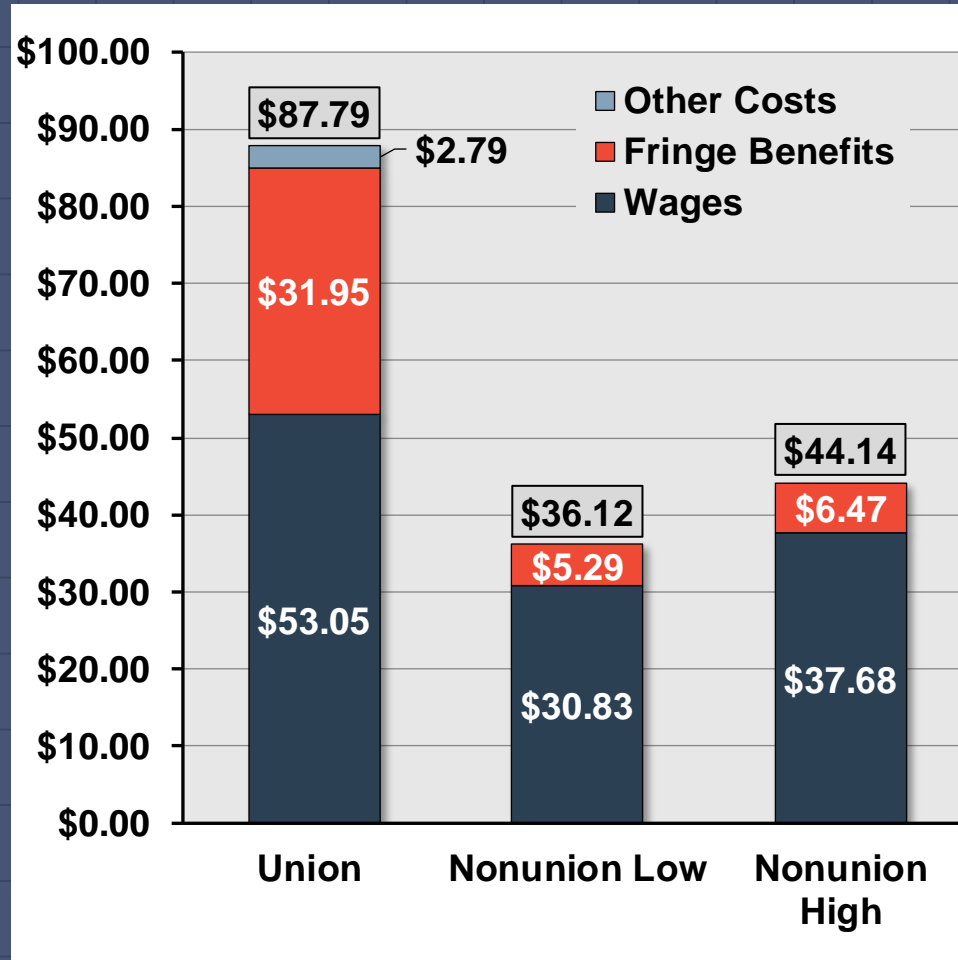
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Union-Nonunion W&F Comparison



Benchmark Analysis

Description

- Graphs actual wage and fringe benefits rates compared to indexes (e.g., CPI, nonunion) over time to show the trend



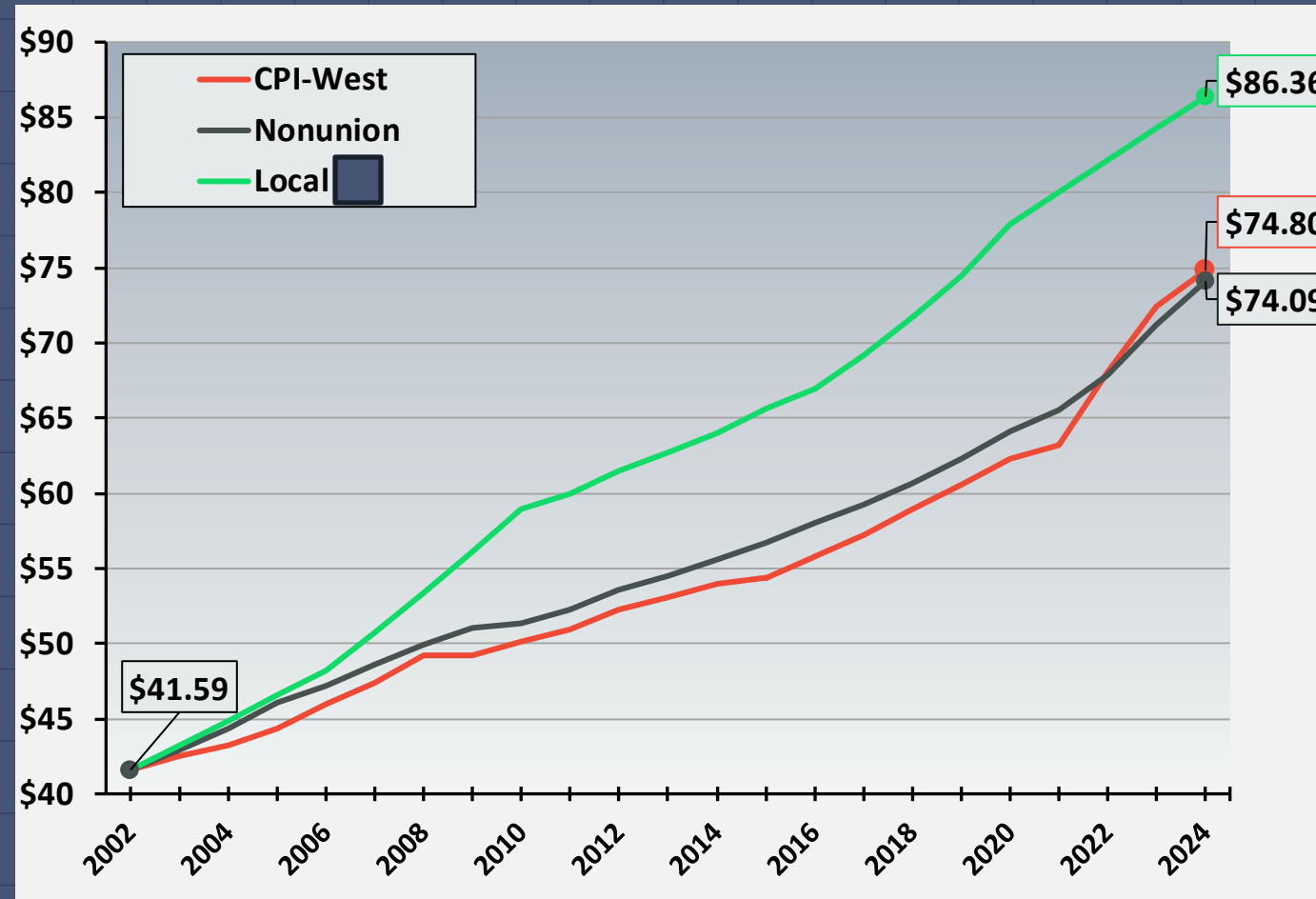
Benchmark Analysis

Benefits of a Benchmark Analysis

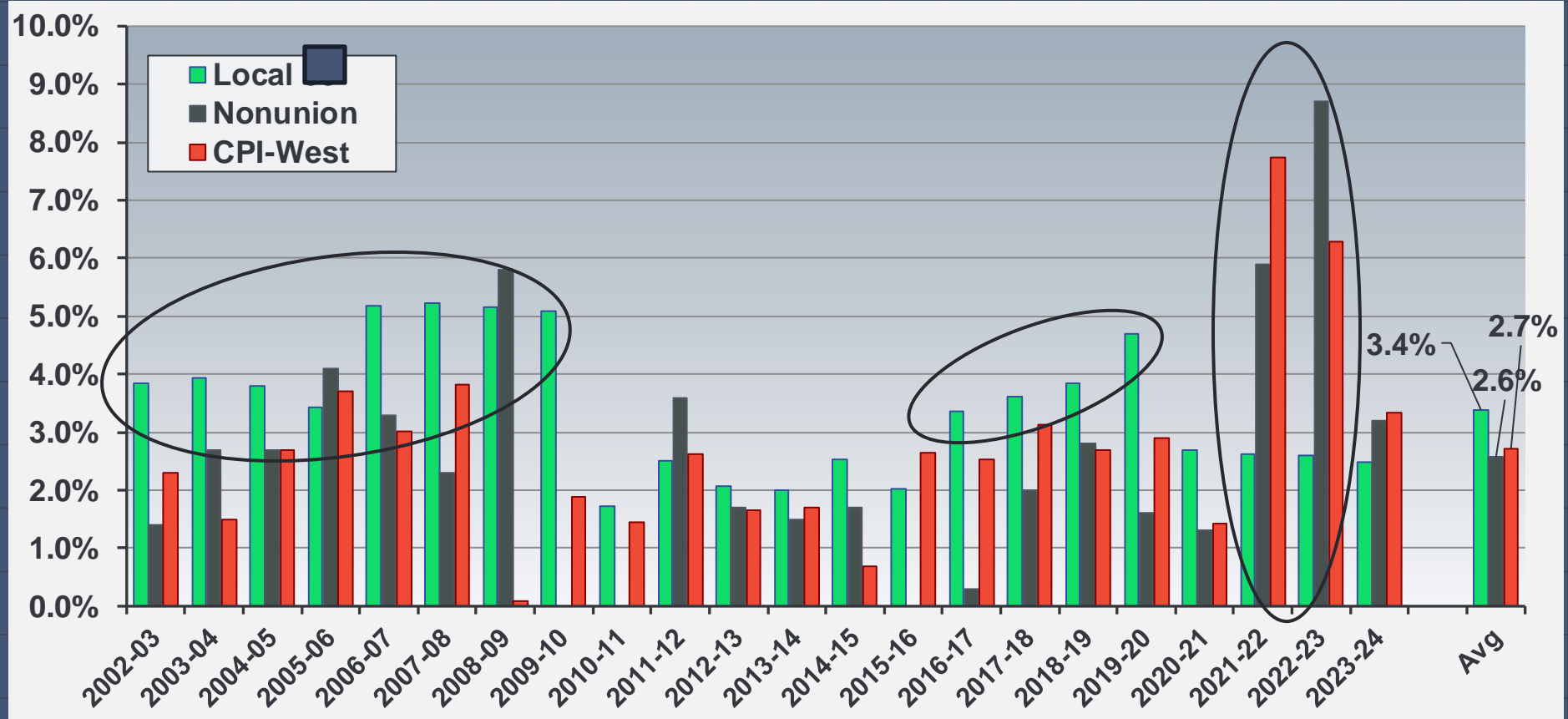
- Compares actual pay to what it would have been using an index
- In most cases, mitigates the perceived impact of recent high inflation
- Usually shows that union pay increases have been good, very good
- Espouses a big picture view of compensation



Benchmark Analysis



Benchmark Analysis



CLRC Products

with Sectors

Market Share



Union-Nonunion Wage & Fringe Comparison



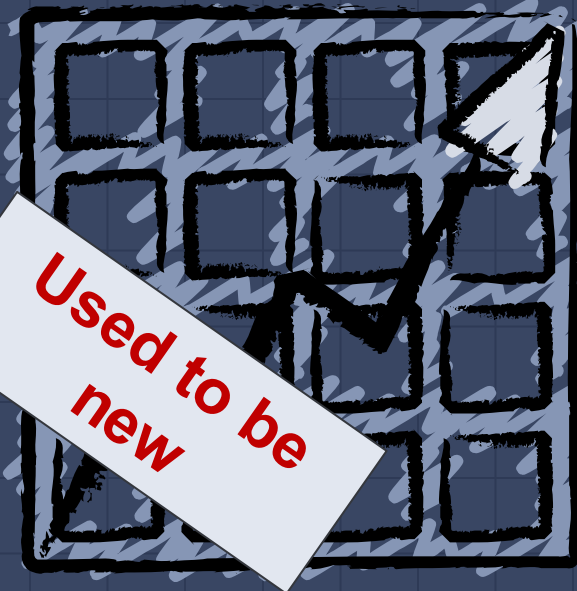
Benchmark Analysis



Contract Costing



Contractor's Cost Conundrum



Used to be new

Construction Labor Research Council

Carey Peters, Ph.D.
Executive Director

202-347-8440

www.clrcconsulting.org

clpeters@clrcconsulting.org



Networking Break

Panel Discussion:
***The Changing Construction
Environment***
with Panelists

Teresa Flanery
Flannery Painting

Jackie Mazzone
Statewide General
Contracting &
Construction, Inc.

Levi Gebhardt
Leach Painting Co.

Bret Strohl
Lankford
Construction
Company

The Event Focused Solely on Signatory Contractors' Businesses

March 3-6 | Clearwater Beach, FL

