

Sample Report



Union-Nonunion Wage & Fringe Benefits Comparison

[Construction Association]
[Local 101]

Construction Labor Research Council

The Construction Labor Research Council (CLRC) is pleased to provide this report, which compares the wage and fringe benefits package between [Construction Association] and [Local 101] and nonunion data for the same occupation in the same geographic region.

Background

Union data for [Local 101] were obtained from their wage scale. Data labeled nonunion in this report came from the Occupation Employment Statistics (OEWS) program at the Bureau of Labor Statistics (BLS) in the Department of Labor. Nonunion fringe benefits data came from the Employer Costs for Employee Compensation program at BLS.

Cost Difference and Percent Difference

The “Cost Difference” results in **Exhibit 1** on the next page show how much lower the nonunion rate is than the union rate for each pay category outlined in the analysis. The “Percent Difference” results show how much lower the nonunion rate is compared to the union rate as a percentage. (Note, if the percent difference were calculated to represent how much *higher* the union rate is than the nonunion rate, the percent difference values generally would be larger due to a lower number, the nonunion rate, in the denominator of the ratio).

Low and High Nonunion Rates

Because there is not one single nonunion rate, this report provides ranges within which most nonunion rates are likely to fall. These values are labeled “Low” and “High” in **Exhibits 1 and 2**. The low value is 90 percent of the lowest nonunion construction worker wage rate provided by the OEWS program for the geographic area covered by [Local 101]. Similarly, the high value is 110 percent of the highest construction worker wage rate for the same geographic region. This range is intended to cover a majority of nonunion rates in [Local 101]’s contract jurisdiction.

Data Aging

Aging data is a common and accepted practice in the field of employee compensation. Because the data sources used in this analysis had different effective dates, it was necessary to align all values with a common point in time. Therefore, nonunion data were aged to June 2024. The aging factor used was 3 percent.

Results

As shown in **Exhibits 1 and 2**, the union wage rate is \$40.00 and the nonunion wage rate ranges from \$27.00 to \$36.00. The cost difference between the union and nonunion wage rates ranges from \$4.00 to \$13.00. As a percentage, the nonunion wage rate ranges from 10 percent to 33 percent lower than the union wage rate.

Exhibit 1

Union-Nonunion Wage and Fringe Benefits Comparison Table

Category	Union	Nonunion		Cost Difference		Pct Difference		
		Low	High	Low	High	Low	High	
Wages								
Base Wage	\$40.00	\$27.00	\$36.00	\$13.00	\$4.00	33%	10%	
Fringe Benefits								
Health & Welfare	\$10.00	\$3.50	\$5.00	\$6.50	\$5.00	65%	50%	
Retirement *	\$14.50	\$2.50	\$3.00	\$12.00	\$11.50	83%	79%	
Pension	\$10.50	-	-	-	-	-	-	
Annuity	\$4.00	-	-	-	-	-	-	
Total	\$24.50	\$6.00	\$8.00	\$18.50	\$16.50	76%	67%	
Other Costs								
Apprenticeship Fund	\$0.90	\$0.00	\$0.00	\$0.90	\$0.90	100%	100%	
Administrative Fund	\$0.35	\$0.00	\$0.00	\$0.35	\$0.35	100%	100%	
Other	\$0.25	\$0.00	\$0.00	\$0.25	\$0.25	100%	100%	
Total	\$1.50	\$0.00	\$0.00	\$1.50	\$1.50	100%	100%	
Total	\$66.00	\$33.00	\$44.00	\$33.00	\$22.00	50%	33%	

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

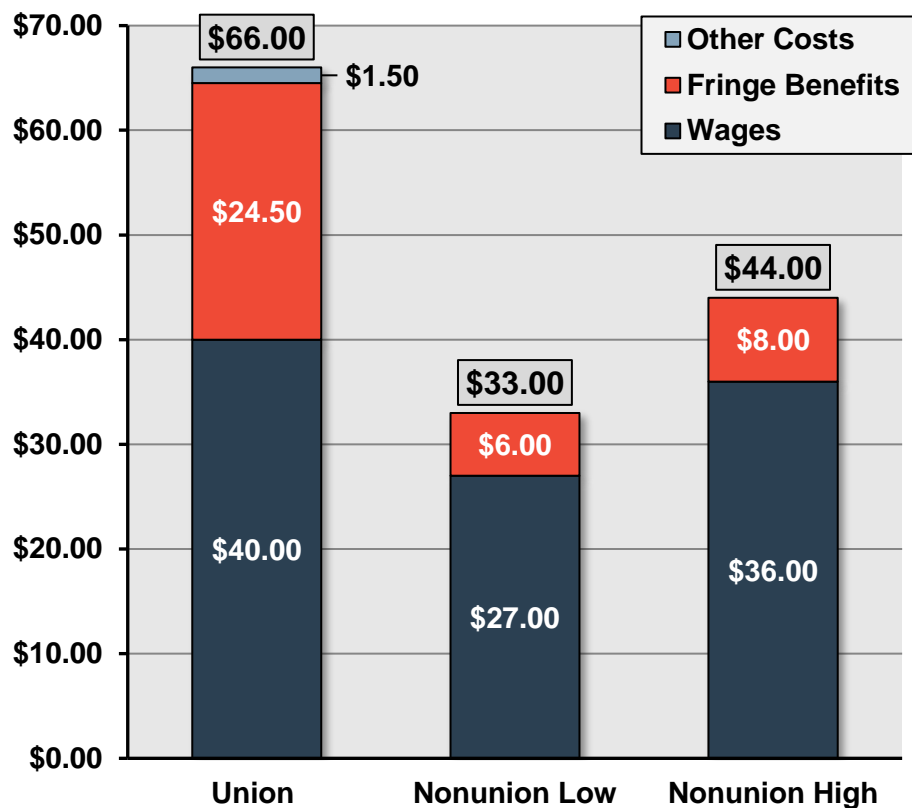
The union fringe benefits rate is \$24.50 and the nonunion fringe benefits rate ranges from \$6.00 to \$8.00. The cost difference between the union and nonunion fringe benefits rates ranges from \$16.50 to \$18.50. As a percentage, the nonunion fringe benefits rate ranges from 67 to 76 percent lower than the union fringe benefits rate.

The union rate for the “Other Costs” category is \$1.50. There are no comparable costs for nonunion workers.

The union total rate is \$66.00 and the nonunion total rate ranges from \$33.00 to \$44.00. The cost difference between the union and nonunion total rates ranges from \$22.00 to \$33.00. As a percentage, the nonunion total rate ranges from 33 to 50 percent lower than the union rate. (Conversely, the union rate ranges from 50 to 100 percent *higher* than the nonunion rate.)

Exhibit 2

Union-Nonunion Wage and Fringe Benefits Comparison Chart

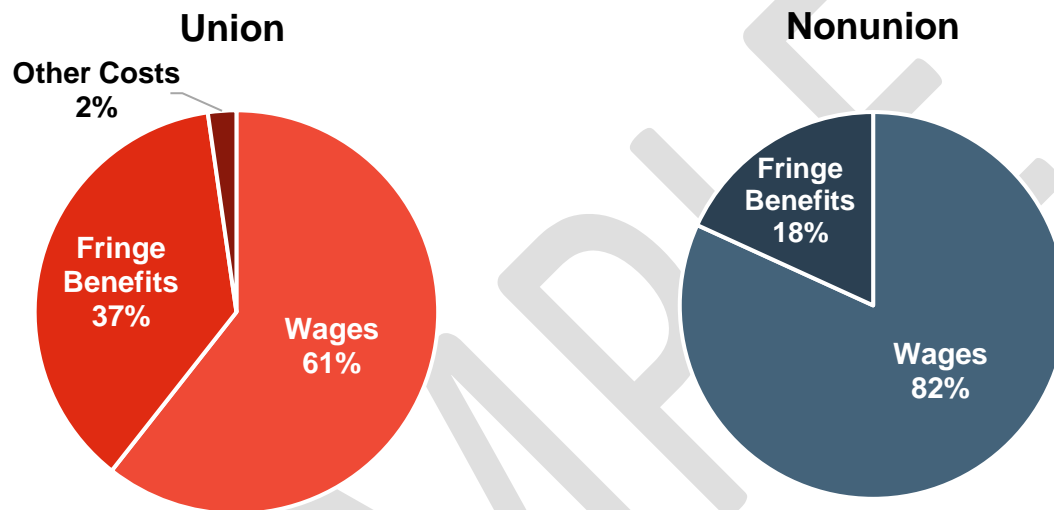


The proportion of the total rate that is paid in wages versus fringe benefits is different between [Local 101] and the typical nonunion worker in the area. **Exhibit 3** illustrates the following distribution of wages, fringe benefits and other costs.

Union – wages: 61 percent, fringe benefits: 37 percent, other costs: 2 percent
Nonunion – wages: 82 percent, fringe benefits: 18 percent

Exhibit 3

Proportion of Total Package in Wages, Fringe Benefits and Other Costs



Summary

The union rates were noticeably higher when compared to the nonunion rates for all the different categories included in this analysis. The ratio of union to nonunion for wages ranges from 1.1:1 (high nonunion rate) to 1.5:1 (low nonunion rate). In other words, for every dollar spent by nonunion contractors on wages, union contractors spend from \$1.10 to \$1.50 per hour per employee. The ratio for fringe benefits ranges from 3.1:1 (high nonunion rate) to 4.1:1 (low nonunion rate). The ratio for the total rate ranges from 1.5:1 (high nonunion rate) to 2.0:1 (low nonunion rate), meaning that for each \$1.00 paid by nonunion contractors for labor, union contractors pay anywhere from \$1.50 to \$2.00.

The pay differences can also be considered from a productivity perspective. Specifically, given the union to nonunion wage and fringe benefits discrepancy, how much more productive do the union workers need to be to compensate for the difference? Findings show that in order to “make up” for the pay difference, union workers would need to be from 150 to 200 percent as productive as nonunion workers. In other words, the union worker would need to accomplish in 4.0 hours (low nonunion rate) to 5.3 hours (high nonunion rate) what the nonunion worker does in an 8 hour day.

NOTE: The nonunion rates used in this report may contain some union data since BLS does not delineate union from nonunion in their OEWS data. Consequently, the nonunion rates in this report could have an upward bias (i.e., are higher than exclusively nonunion rates) due to the possible inclusion of some union data.

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