

Wages, Workers and Winning Widgets

Collective Bargaining Orientation
January 8, 2025
Phoenix, AZ

Construction Labor Research Council
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Matt Minarik



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 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)

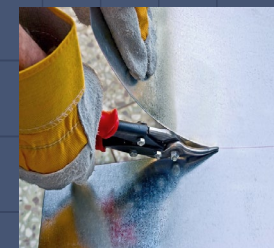
National Fire Sprinkler Association (NFSA)

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)



CLRC



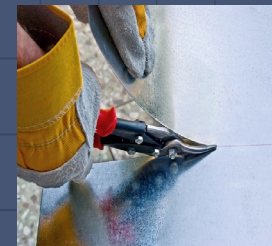
CLRC Sponsoring Associations



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



Associated General Contractors of America (AGC)
Central States Insulation Association (CSIA)
FCA International (FCA)



Agenda

1. Wages

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



Widget 1: Benchmark Analysis



Widget 2: Union-Nonunion W&F Comparison

2. Workers

- Employment Share: Overview and methodology with results for SMACNA national data

3. Winning Widgets

- Support: Additional tools to support association executives, contractors, and others in collective bargaining and business acumen



Widget 3: Contract Costing



Widget 4: Contractor's Cost Conundrum



things I studied things on the exam

CLRC helps you be prepared!

Wages

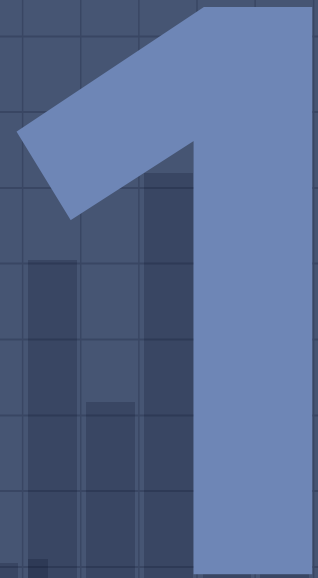
Dollars and Cents: Making “sense” of the dollars and cents in the union sector of the construction industry



Widget 1: Benchmark Analysis



Widget 2: Union-Nonunion
W&F Comparison

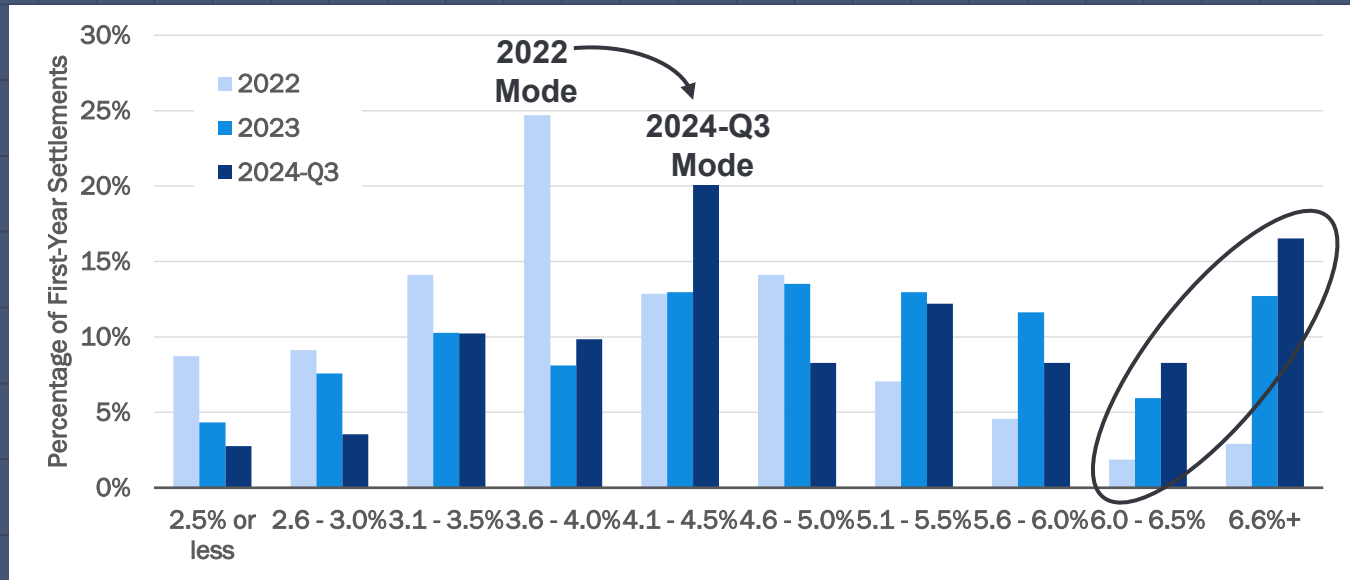


Increase Trends – First Year

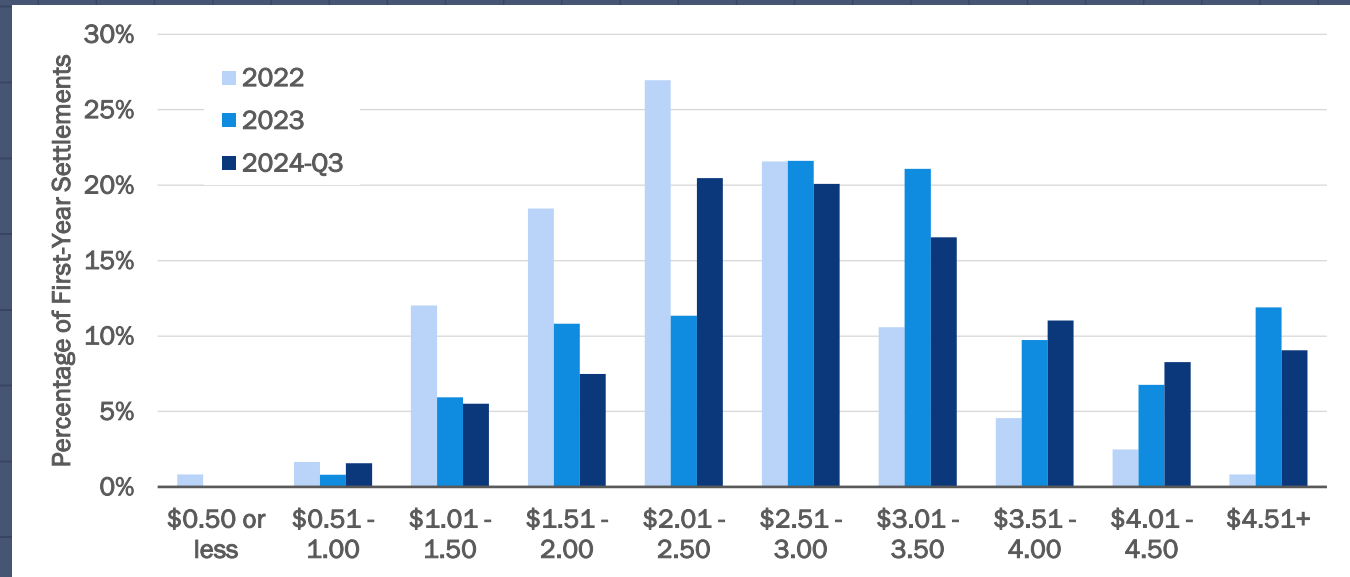


Distribution of First Year Increases

Percentage



Monetary

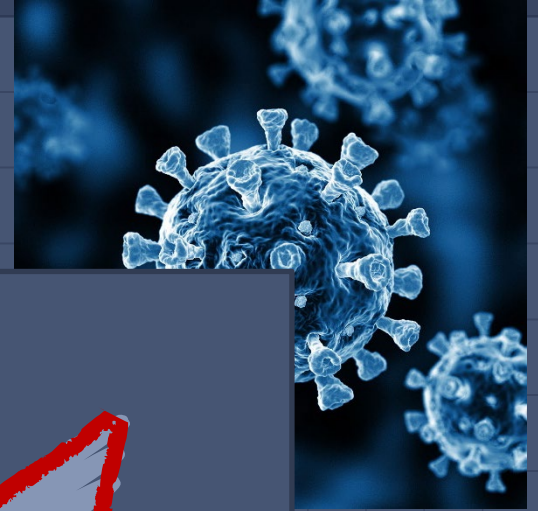


So What Caused the Change?

Worker Shortage?



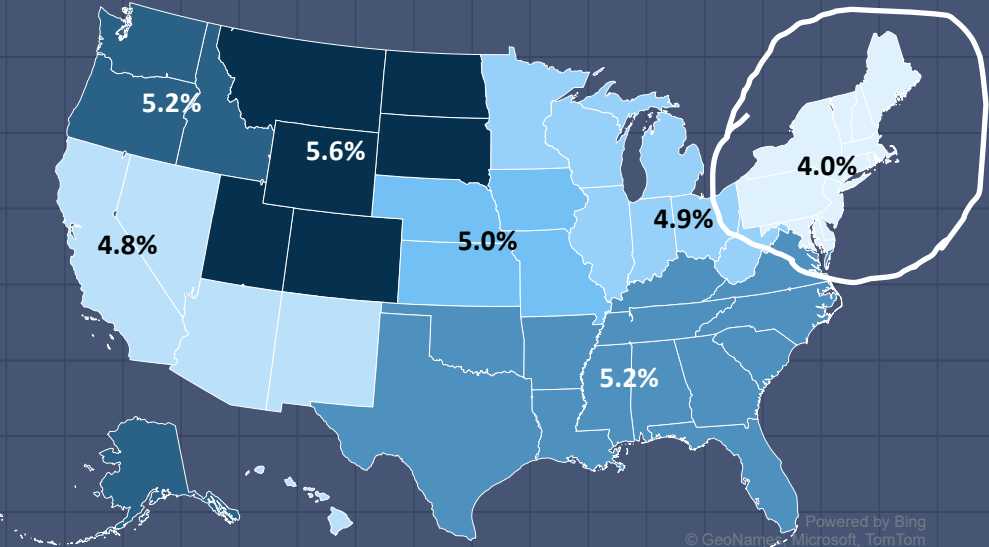
COVID 19?



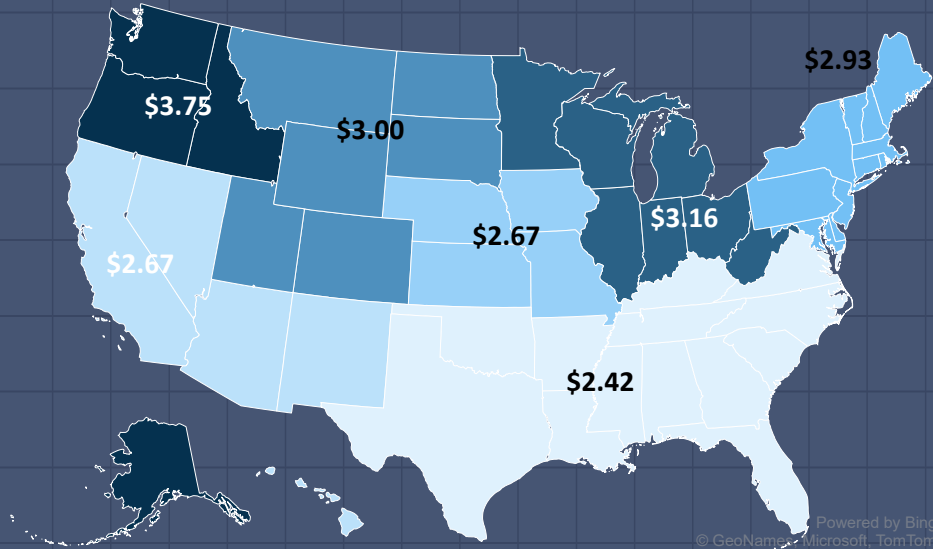
Inflation!



First Year Increases by Region

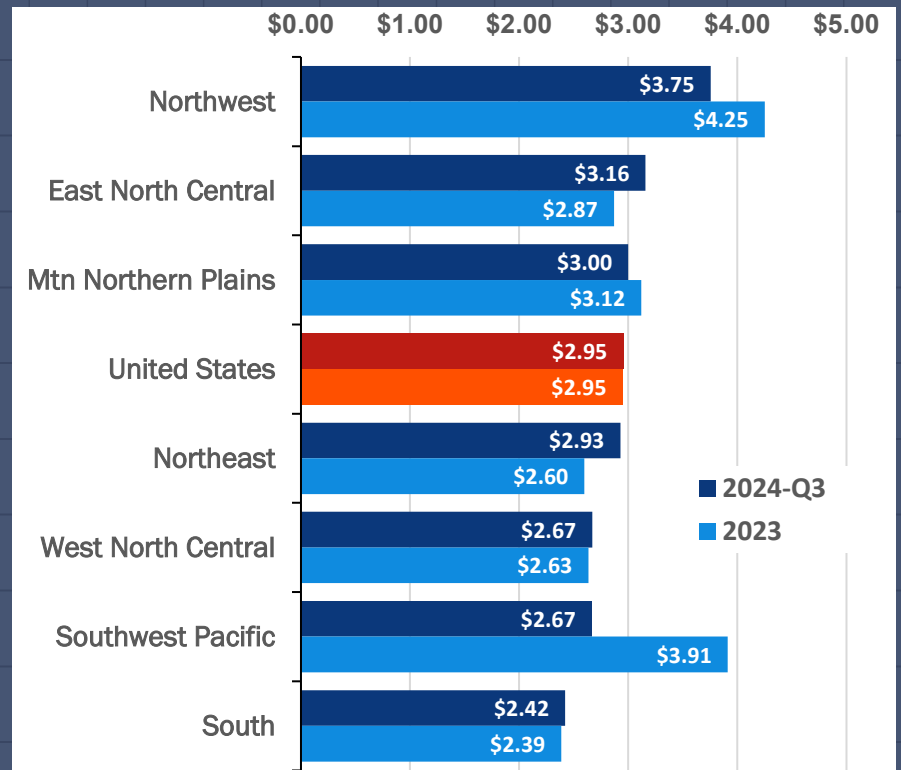
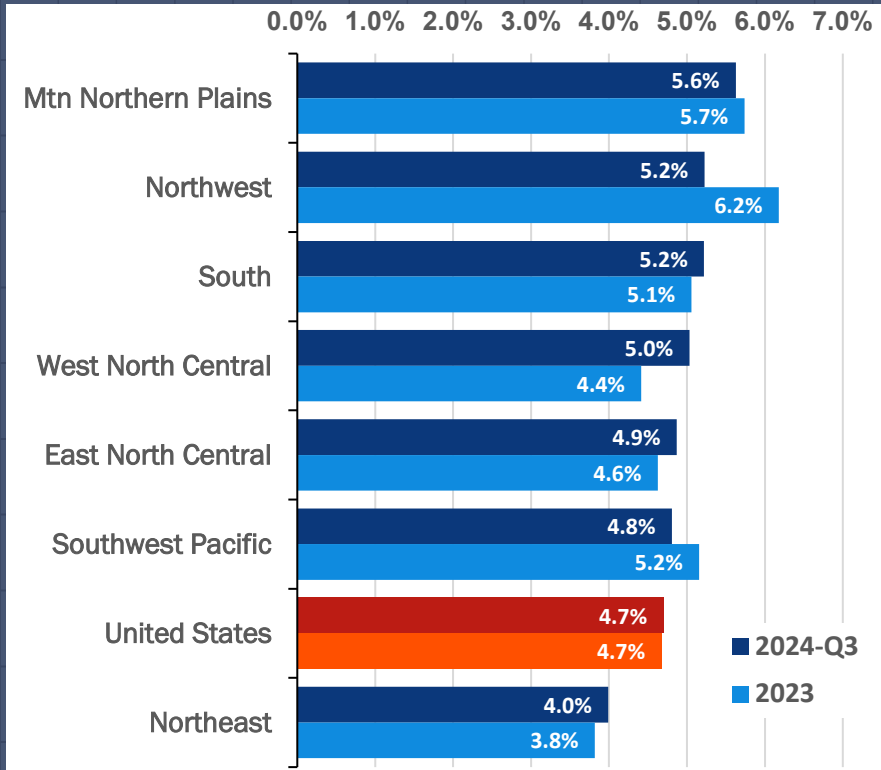


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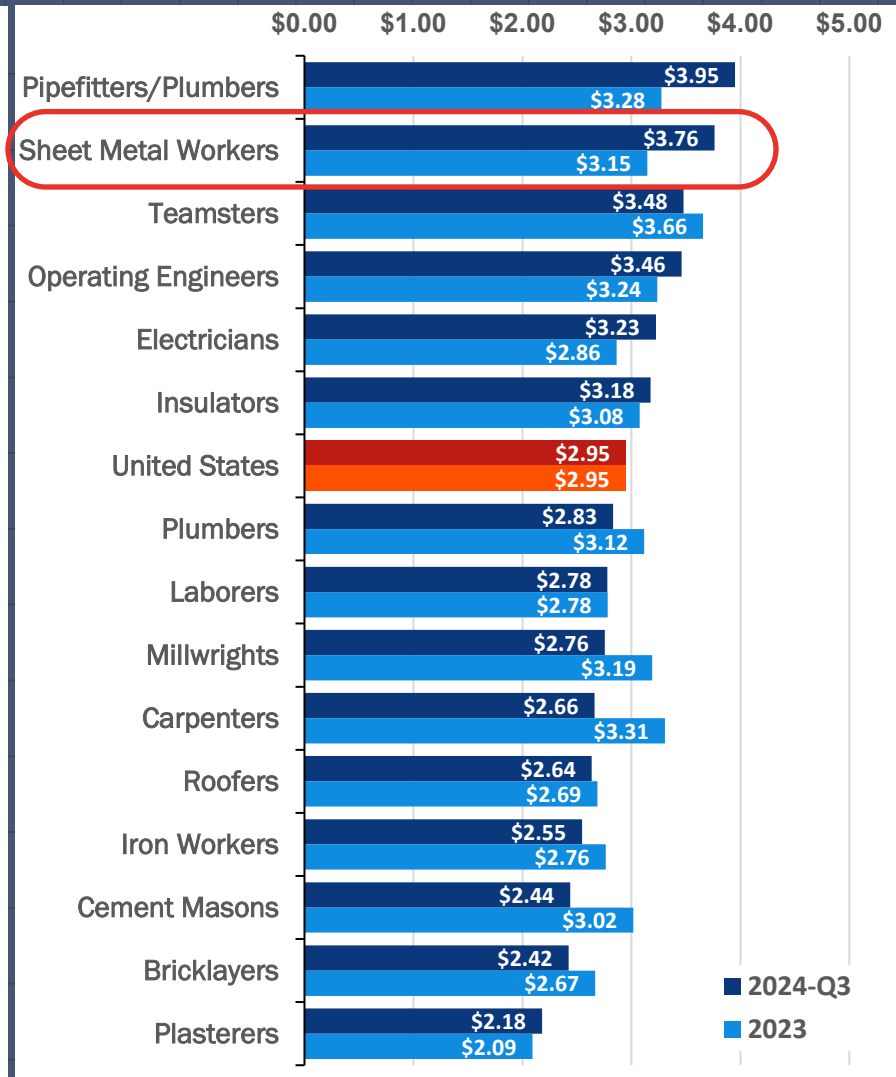
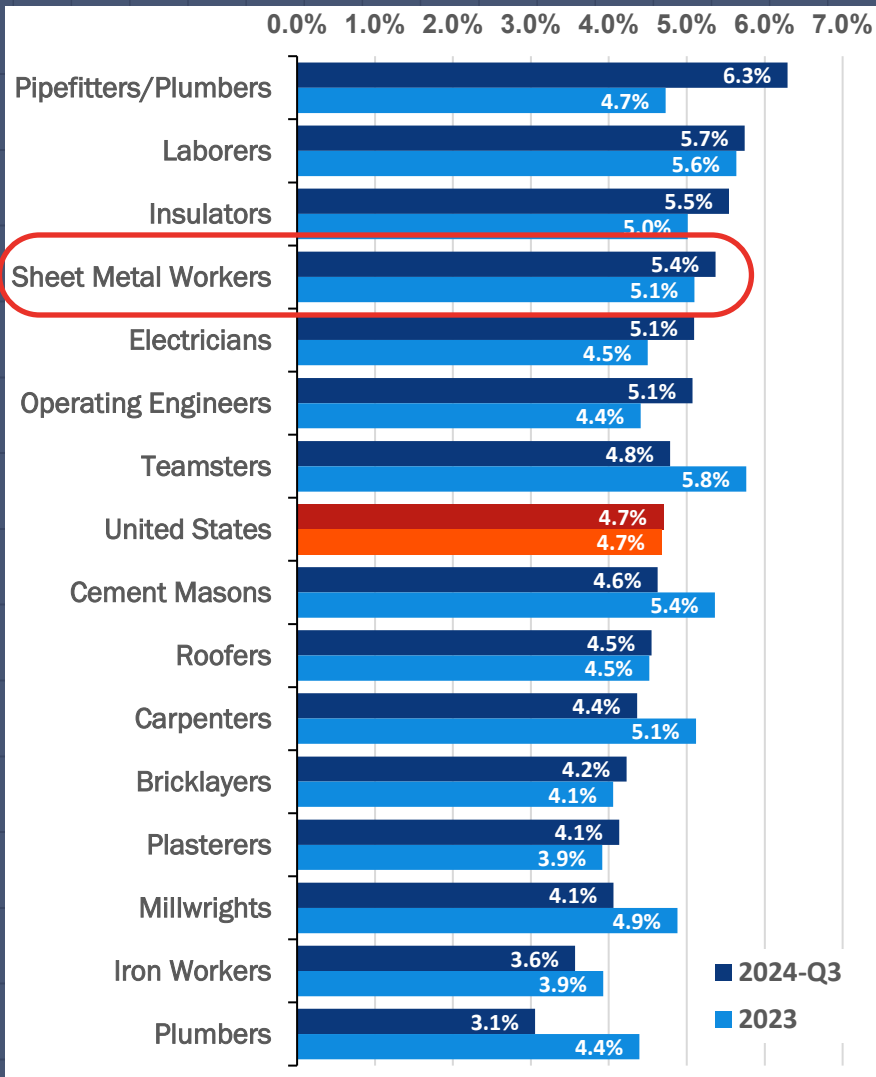


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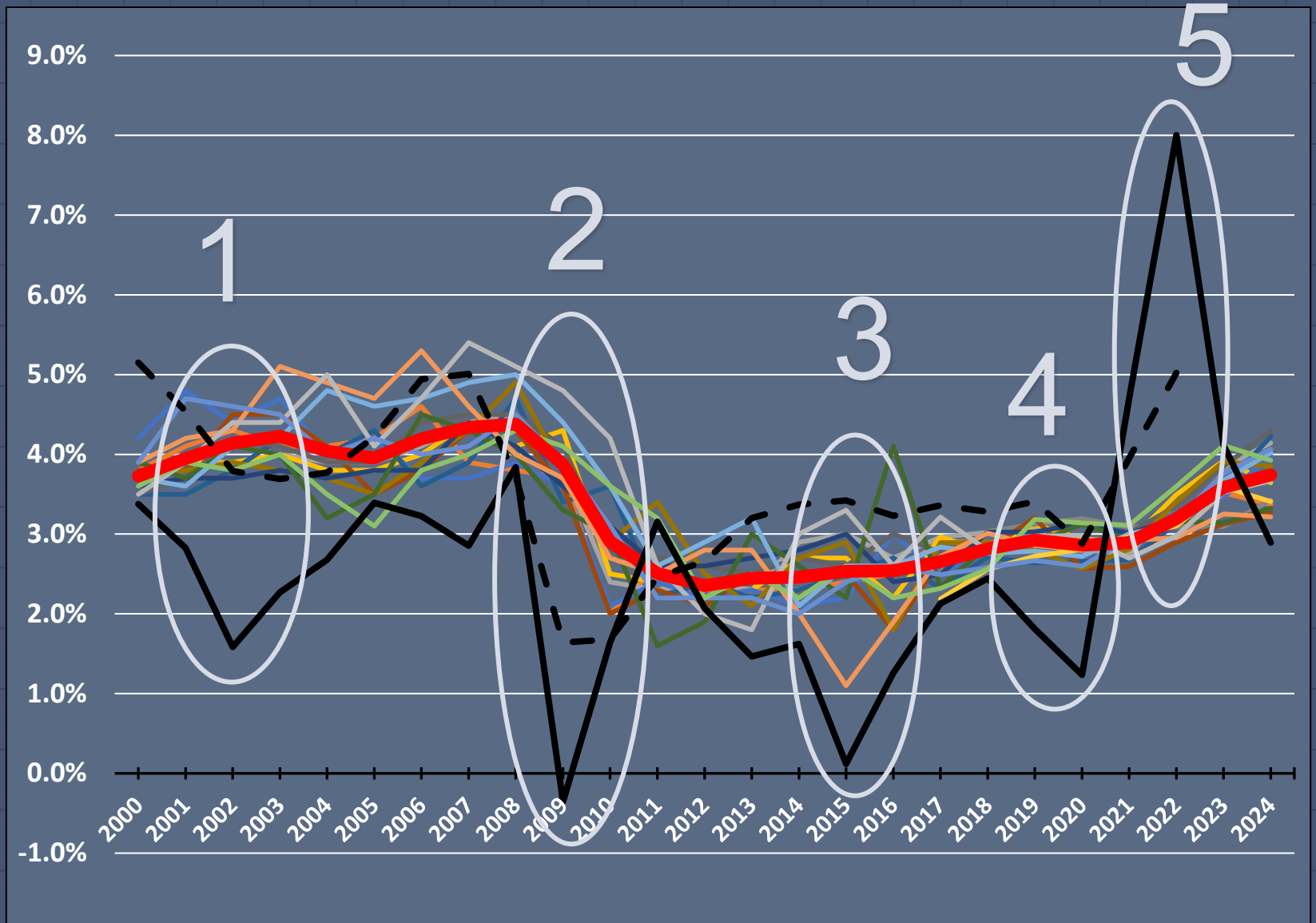
First Year Increases by Region



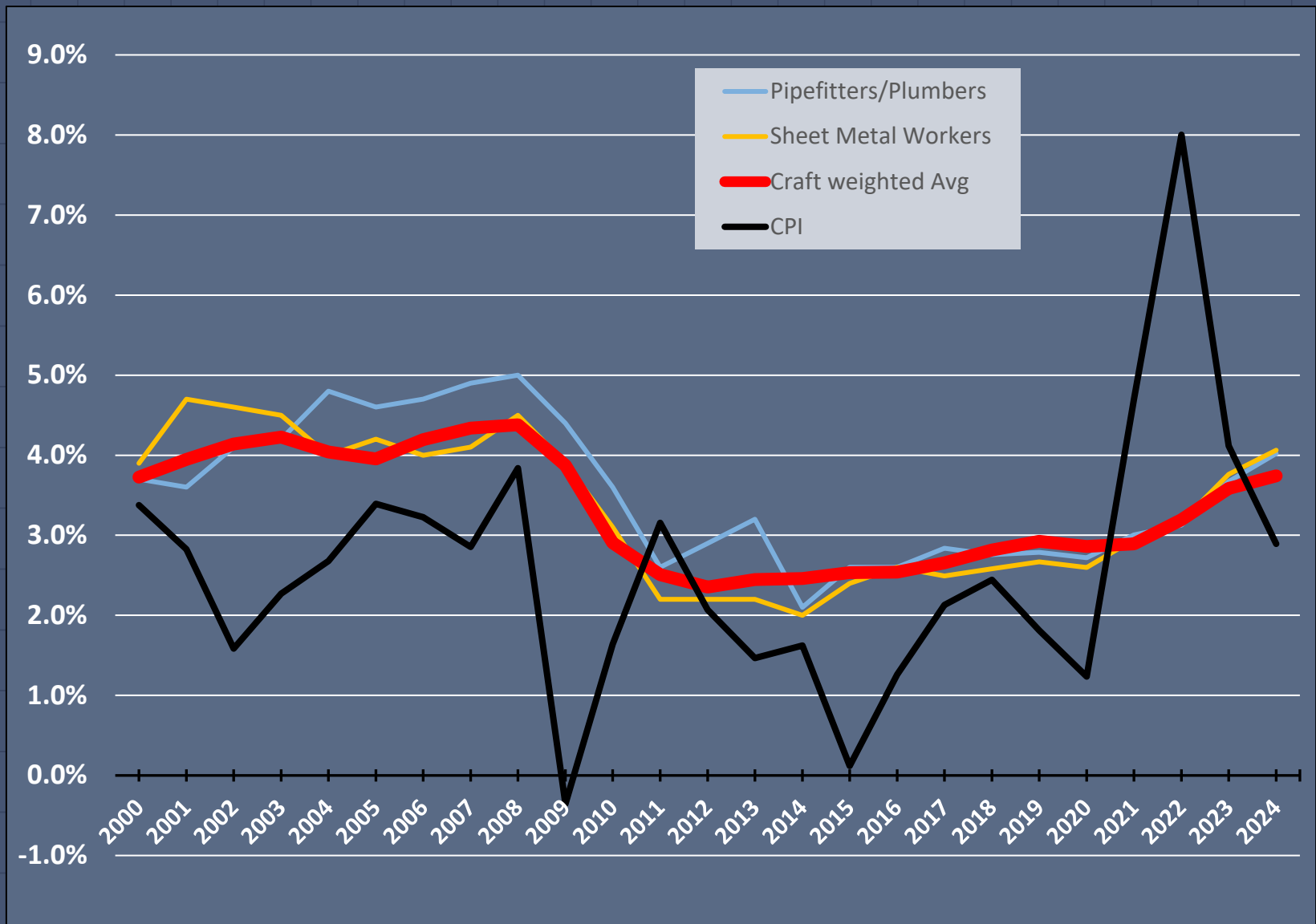
First Year Increases by Craft



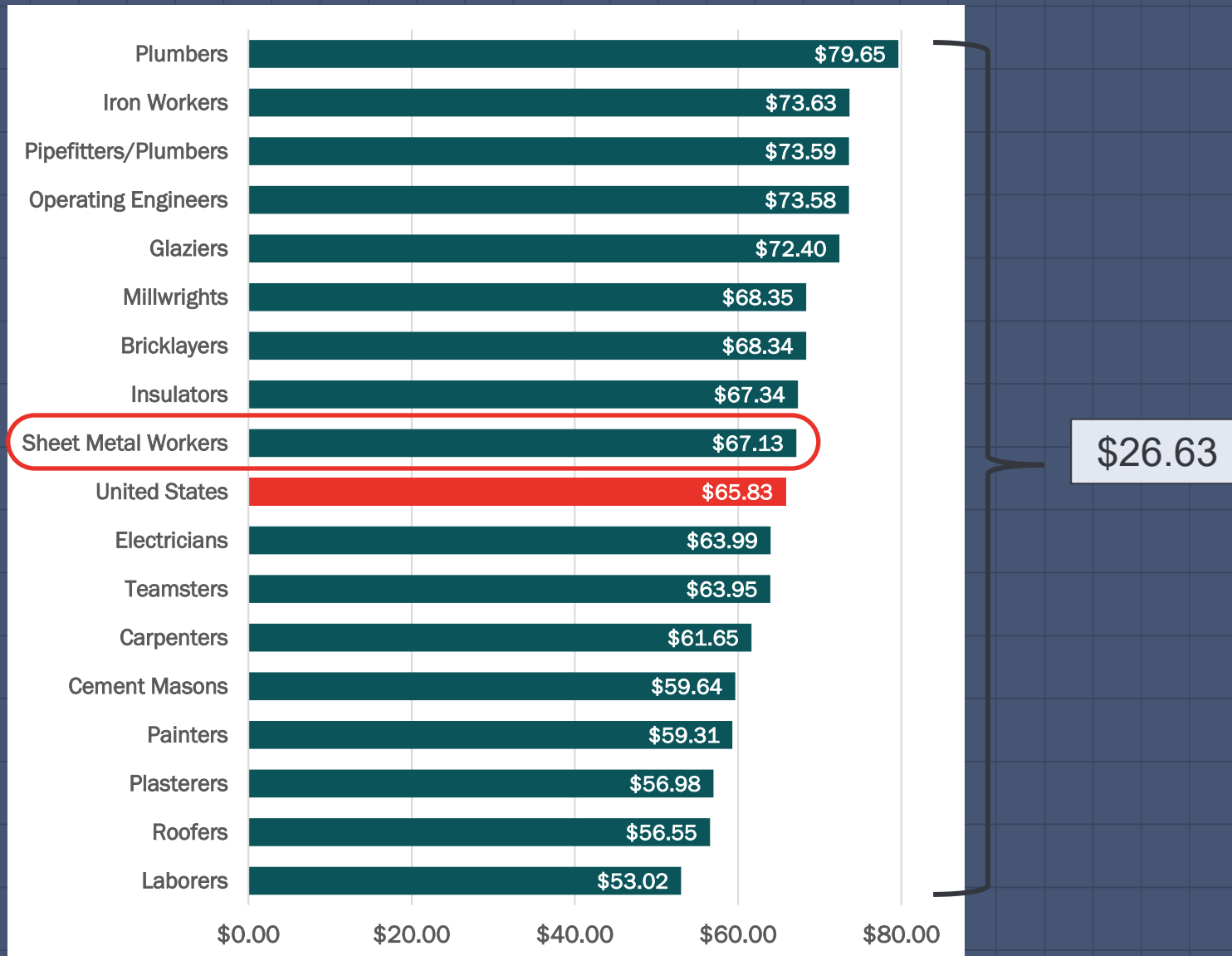
Total Package Increase Trend



Total Package Increase Trend



Average Total Package Rate by Craft

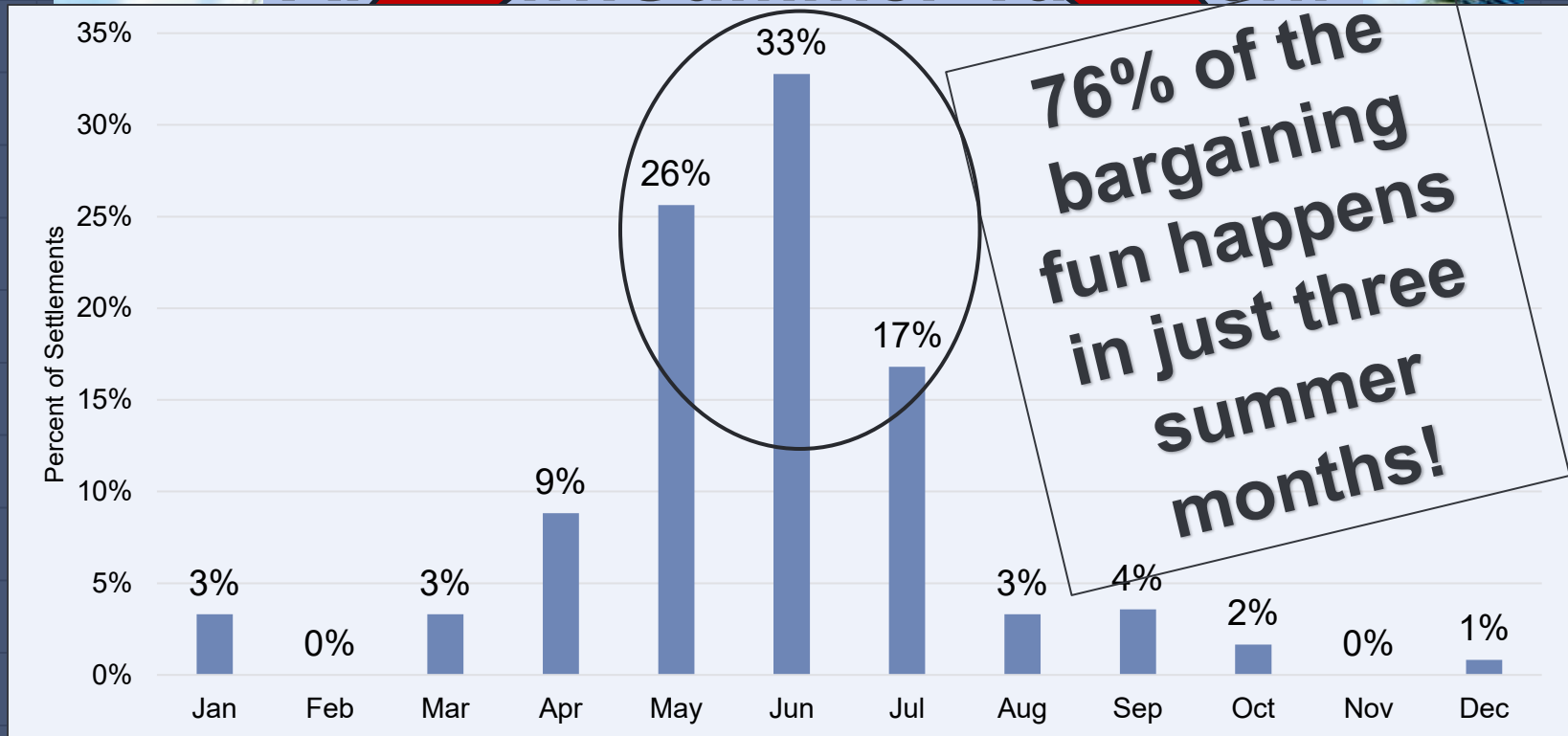


Average Total Package Rate by Region



Contract Effective Dates by Month

Ah... Summer Vacation!





Widget 1: Benchmark Analysis

Description

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

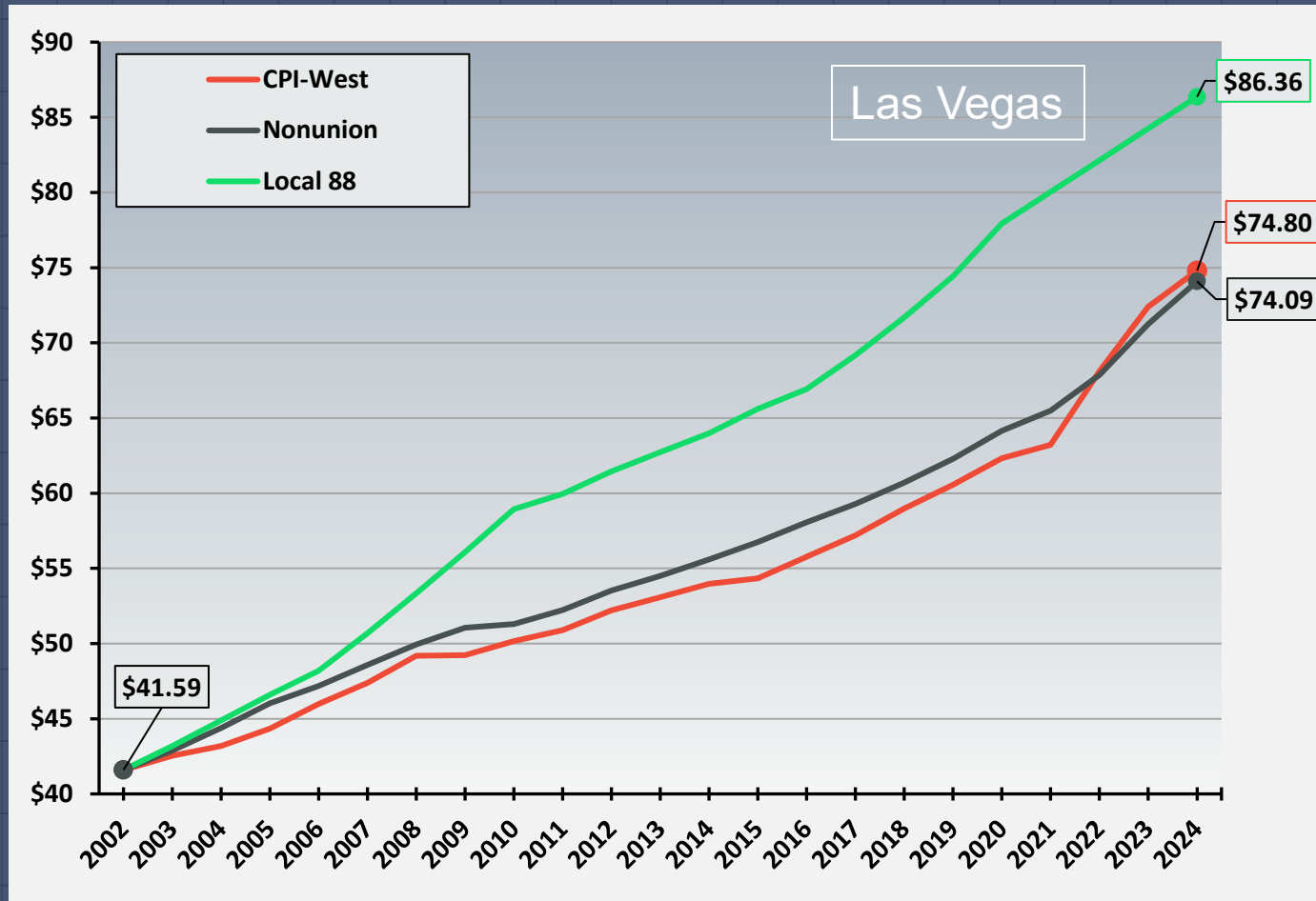
Benefit

- Compares actual pay to what it would have been using an index.



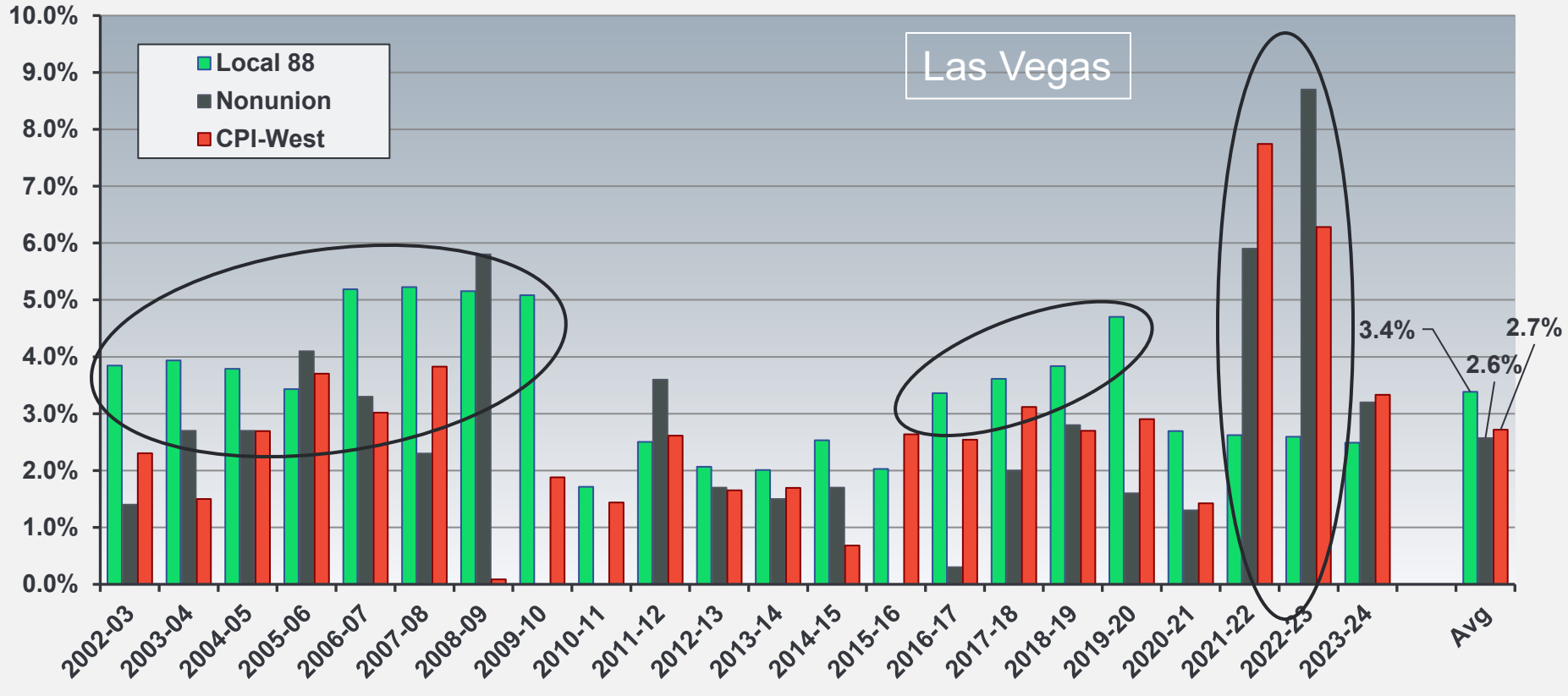


Widget 1: Benchmark Analysis





Widget 1: Benchmark Analysis





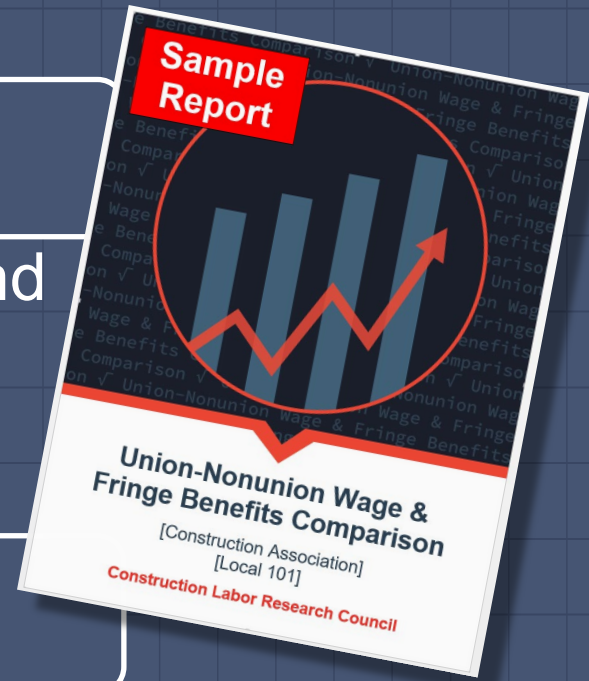
Widget 2: Union-Nonunion W&F Comparison

Description

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

Benefit

- Tangibly shows the difference in both dollars and percents between union and nonunion pay and fringe benefits.





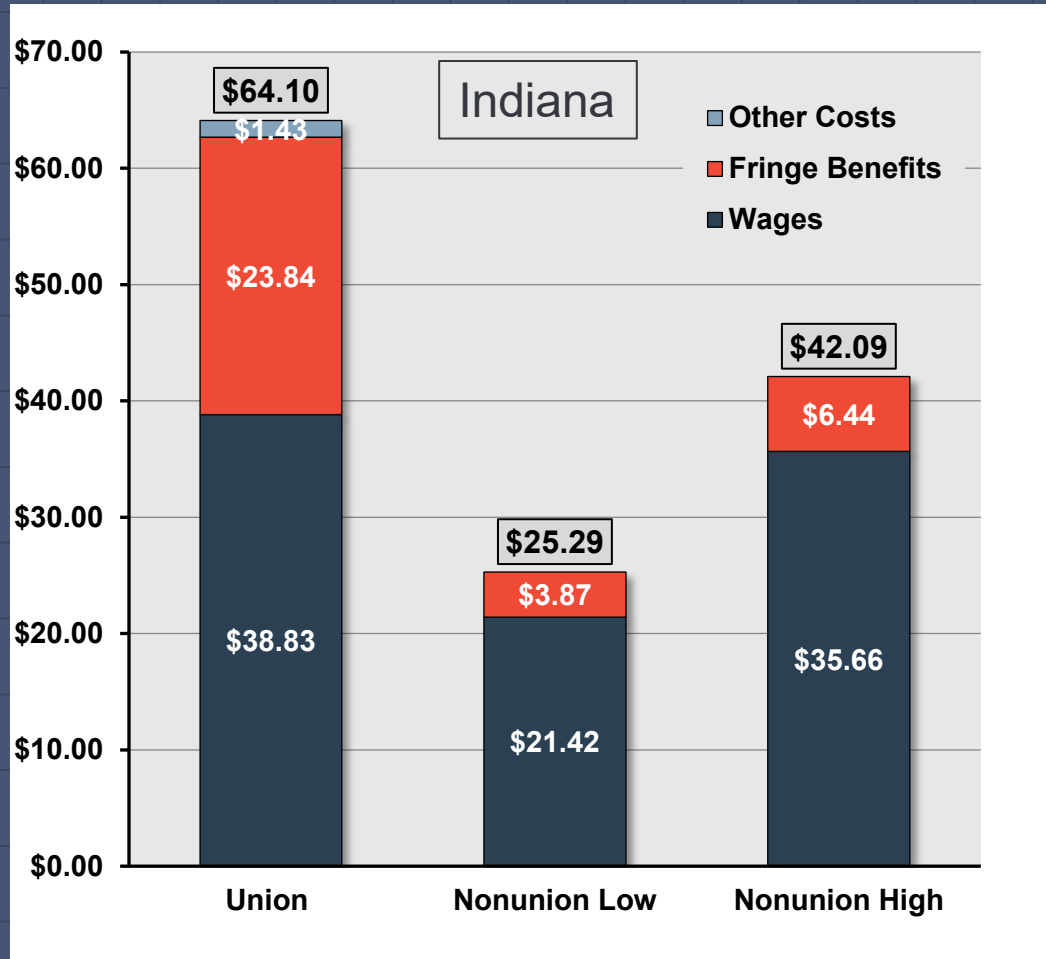
Widget 2: Union-Nonunion W&F Comparison

Category	Union	Nonunion		Cost Difference		Pct Difference		
		Low	High	Low	High	Low	High	
Wages		Indiana						
Base Wage	\$38.83	\$21.42	\$35.66	\$17.41	\$3.17	45%	8%	
Fringe Benefits								
Health & Welfare	\$10.20	\$2.40	\$3.99	\$7.80	\$6.21	76%	61%	
Retirement *	\$13.64	\$1.47	\$2.44	\$12.17	\$11.20	89%	82%	
Local Pension	\$6.25	-	-	-	-	-	-	
National Pension	\$5.26	-	-	-	-	-	-	
401(a) Plan	\$0.30	-	-	-	-	-	-	
SASMI	\$1.83	-	-	-	-	-	-	
Total	\$23.84	\$3.87	\$6.44	\$19.97	\$17.40	84%	73%	
Other Costs								
Local Education	\$0.78	\$0.00	\$0.00	\$0.78	\$0.78	100%	100%	
International Training	\$0.12	\$0.00	\$0.00	\$0.12	\$0.12	100%	100%	
NEMIC	\$0.03	\$0.00	\$0.00	\$0.03	\$0.03	100%	100%	
SMOHIT	\$0.02	\$0.00	\$0.00	\$0.02	\$0.02	100%	100%	
Scholarship Fund	\$0.01	\$0.00	\$0.00	\$0.01	\$0.01	100%	100%	
Industry Funds	\$0.34	\$0.00	\$0.00	\$0.34	\$0.34	100%	100%	
I.U.C.S.A.T.	\$0.08	\$0.00	\$0.00	\$0.08	\$0.08	100%	100%	
L.M.C.C.	\$0.05	\$0.00	\$0.00	\$0.05	\$0.05	100%	100%	
Total	\$1.43	\$0.00	\$0.00	\$1.43	\$1.43	100%	100%	
Total	\$64.10	\$25.29	\$42.09	\$38.81	\$22.01	61%	34%	

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



Widget 2: Union-Nonunion W&F Comparison



Workers

Employment Share: Overview and methodology with results for national data



2

Employment Share Methodology

$$\frac{\text{Union}}{\text{Total Sheet Metal Industry}} = \text{Employment Share}$$

Employment Share Methodology

Union

Hours

1,800

= FTE

**Total Sheet
Metal Industry**

**NAICS
238000 X 5.0%**

**= Union +
Nonunion**

Employment Share Example

Union

360,000

1,800

= 200

Total Sheet
Metal Industry

12,000 x 5.0%

= 600

Employment Share Example

$$\frac{200}{600} = 33.3\%$$

SMACNA Numbers

Union

$$\frac{122,169,175}{1,800}$$

$$= 67,872$$

Total Sheet
Metal Industry

$$5,038,543 \times 5.0\%$$

$$= 251,925$$

SMACNA Numbers

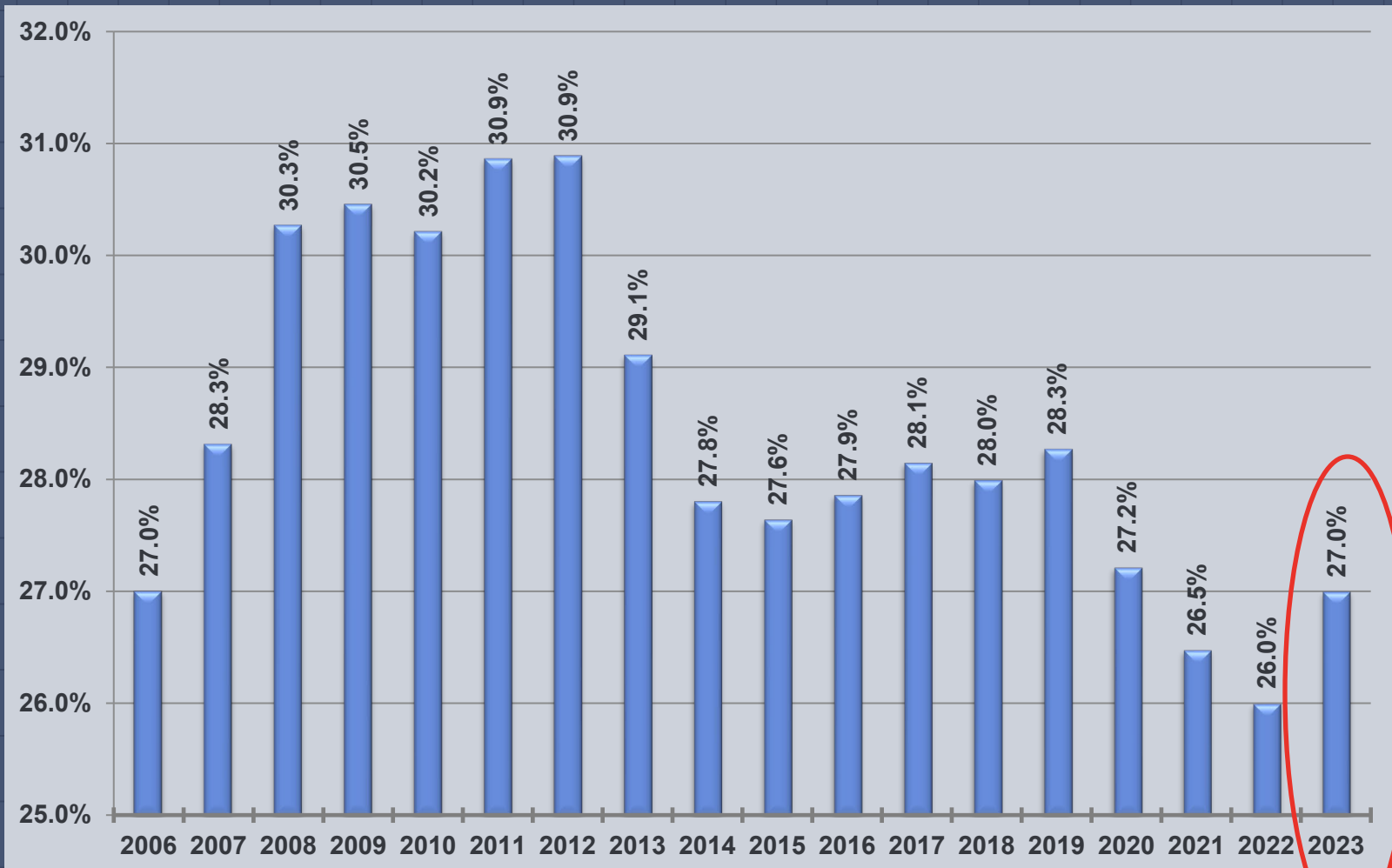
67,872

=

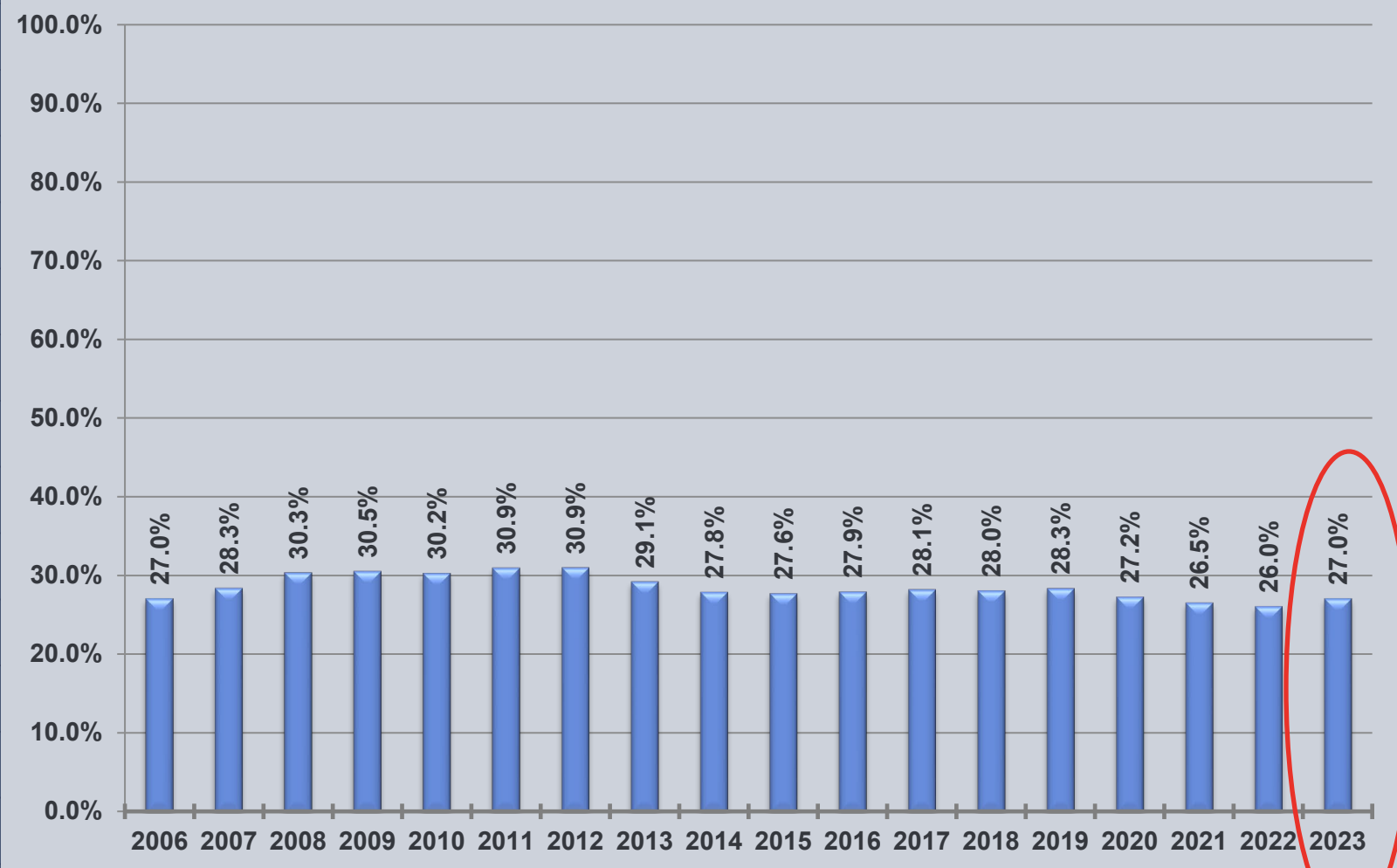
27.0%

251,925

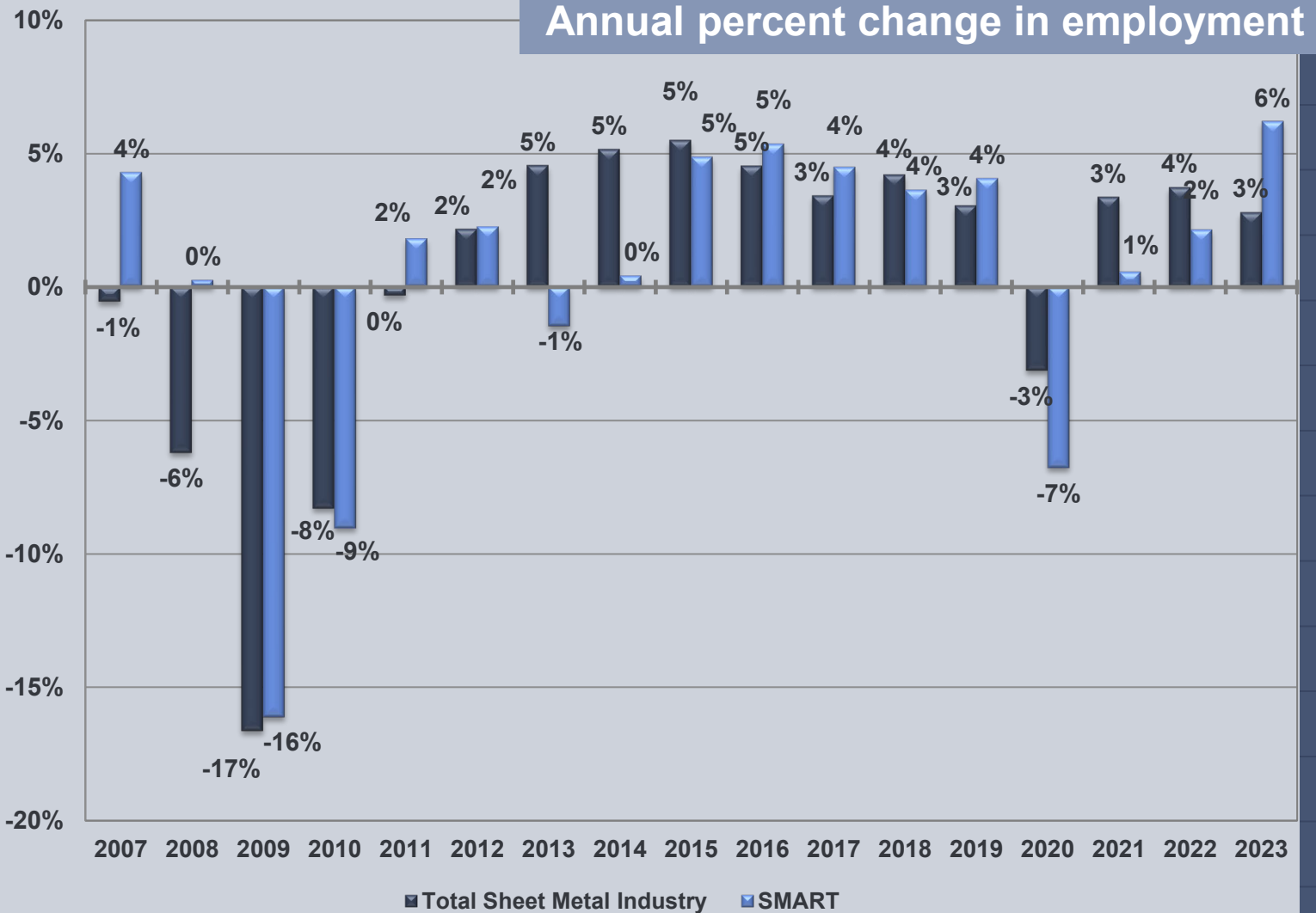
Employment Share National Results



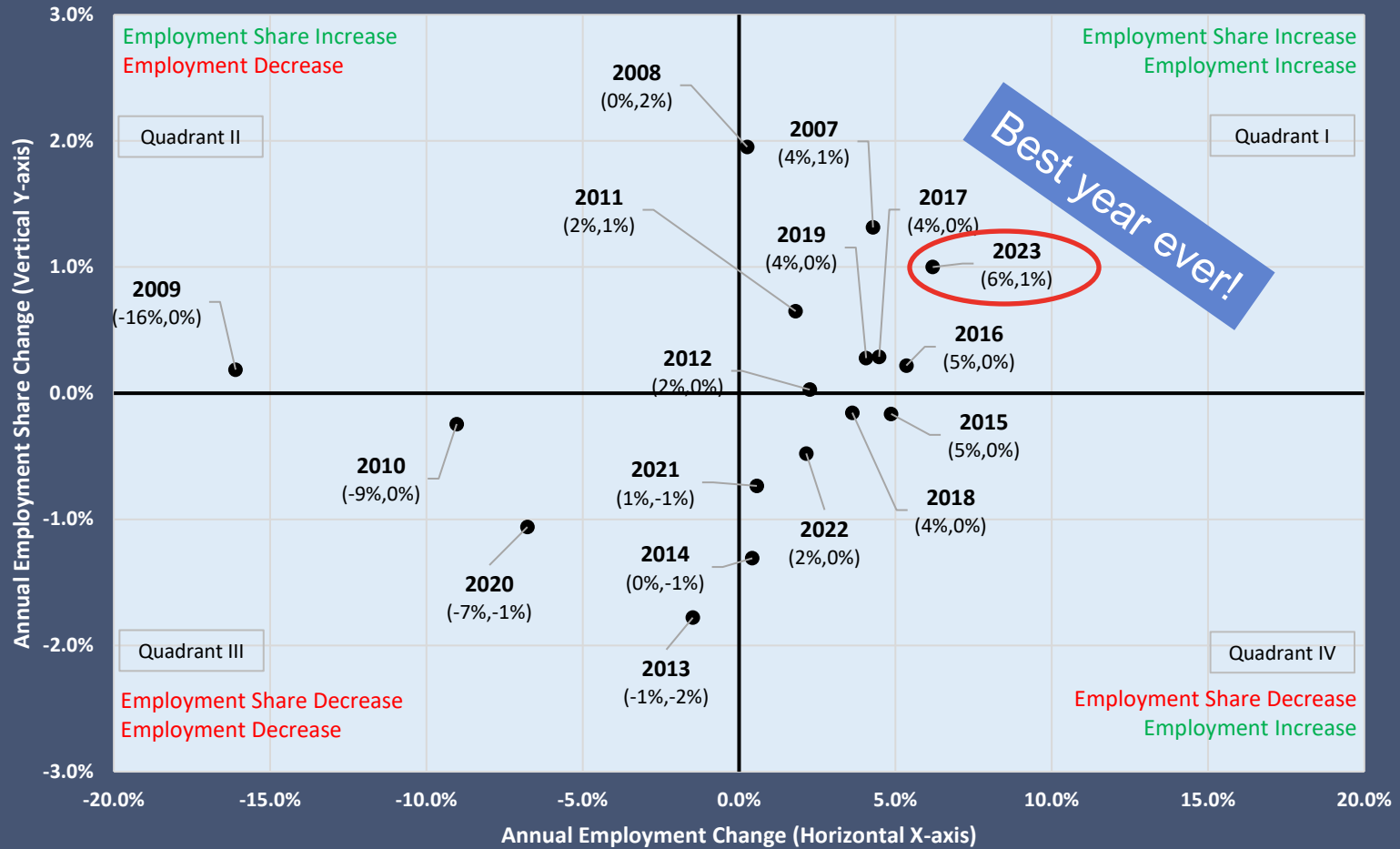
Employment Share National Results



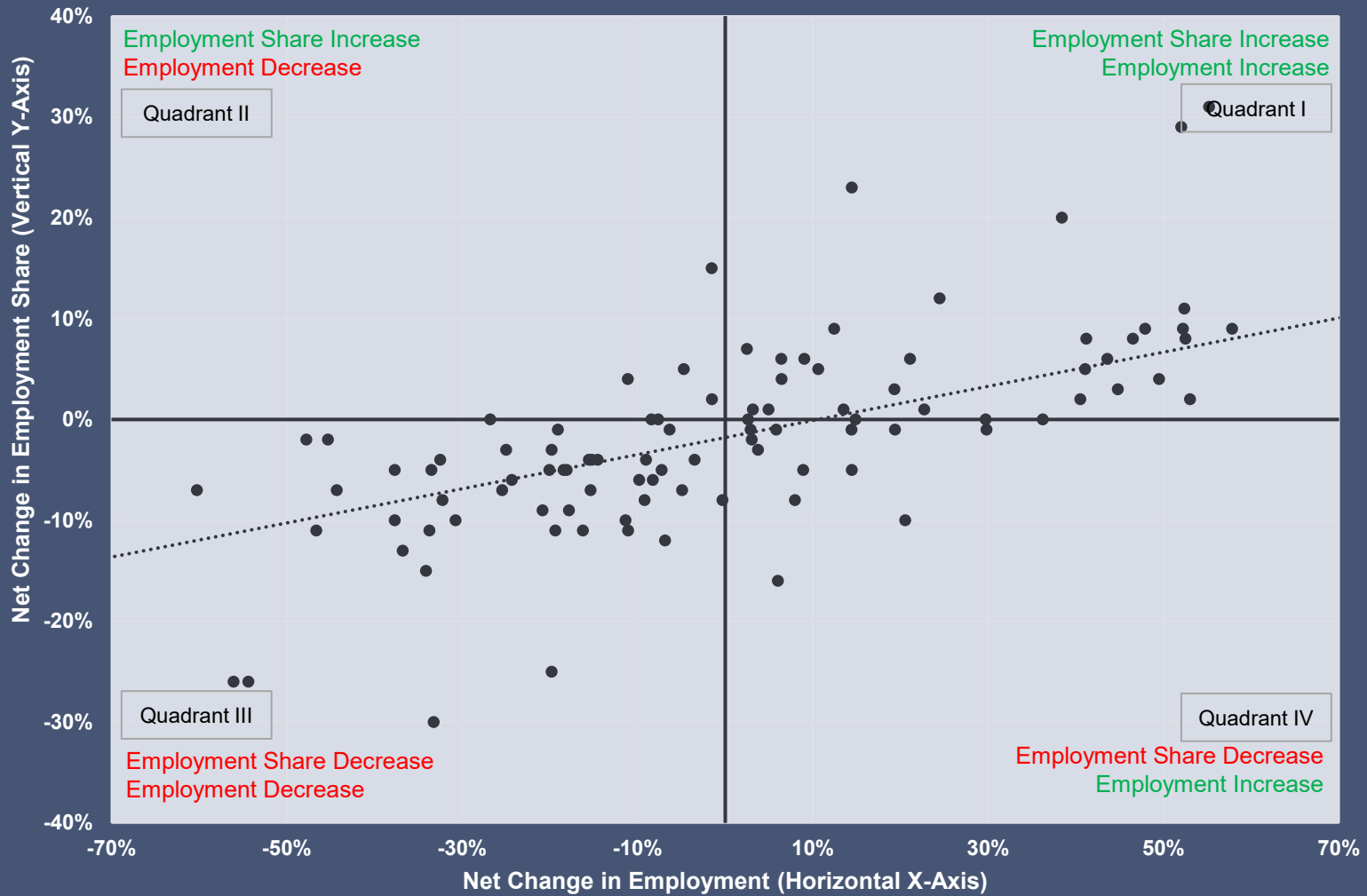
Employment Share National Results



Employment Share Annual Scatterplot



Employment Share Chapter Scatterplot



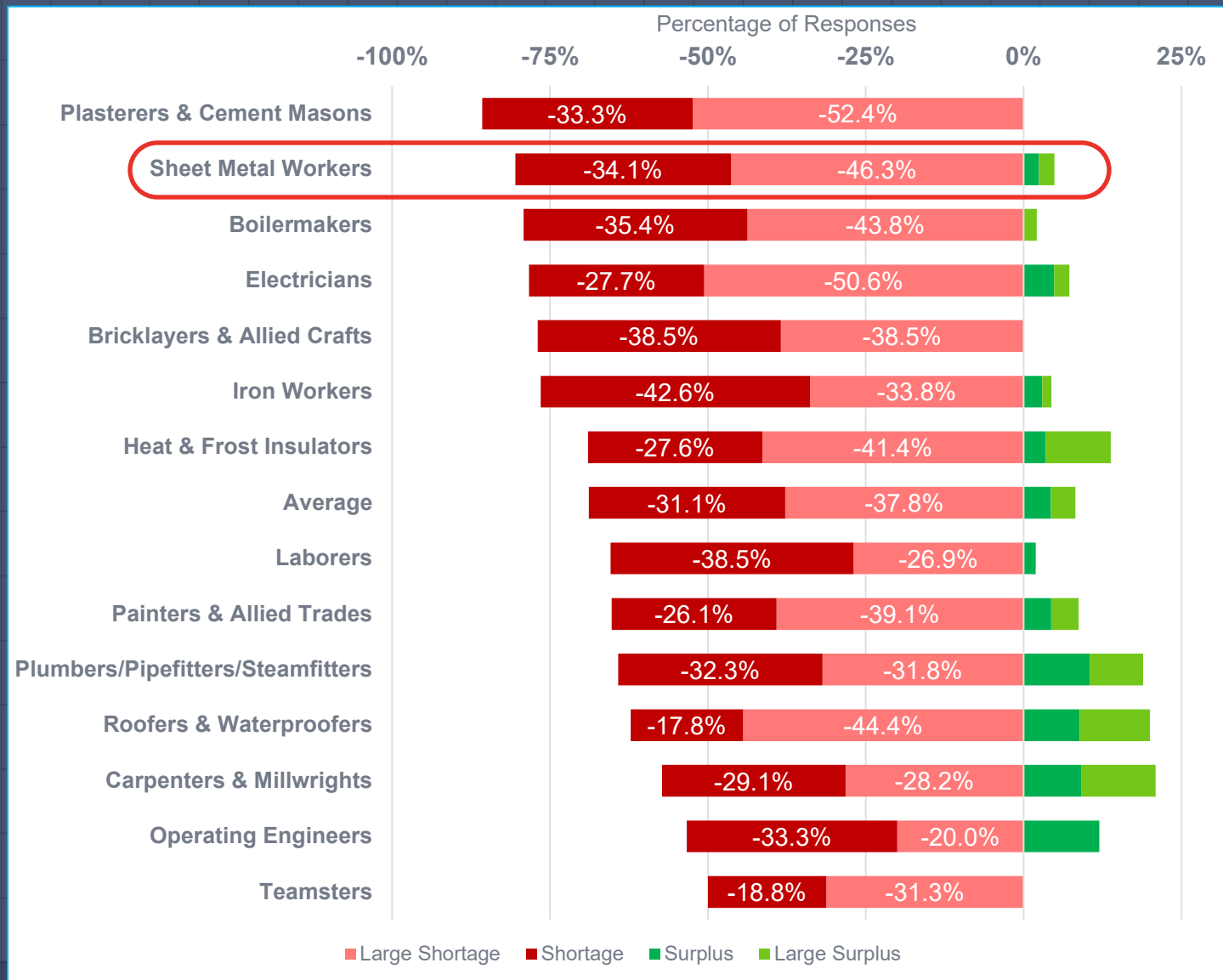


A respite from all that data...

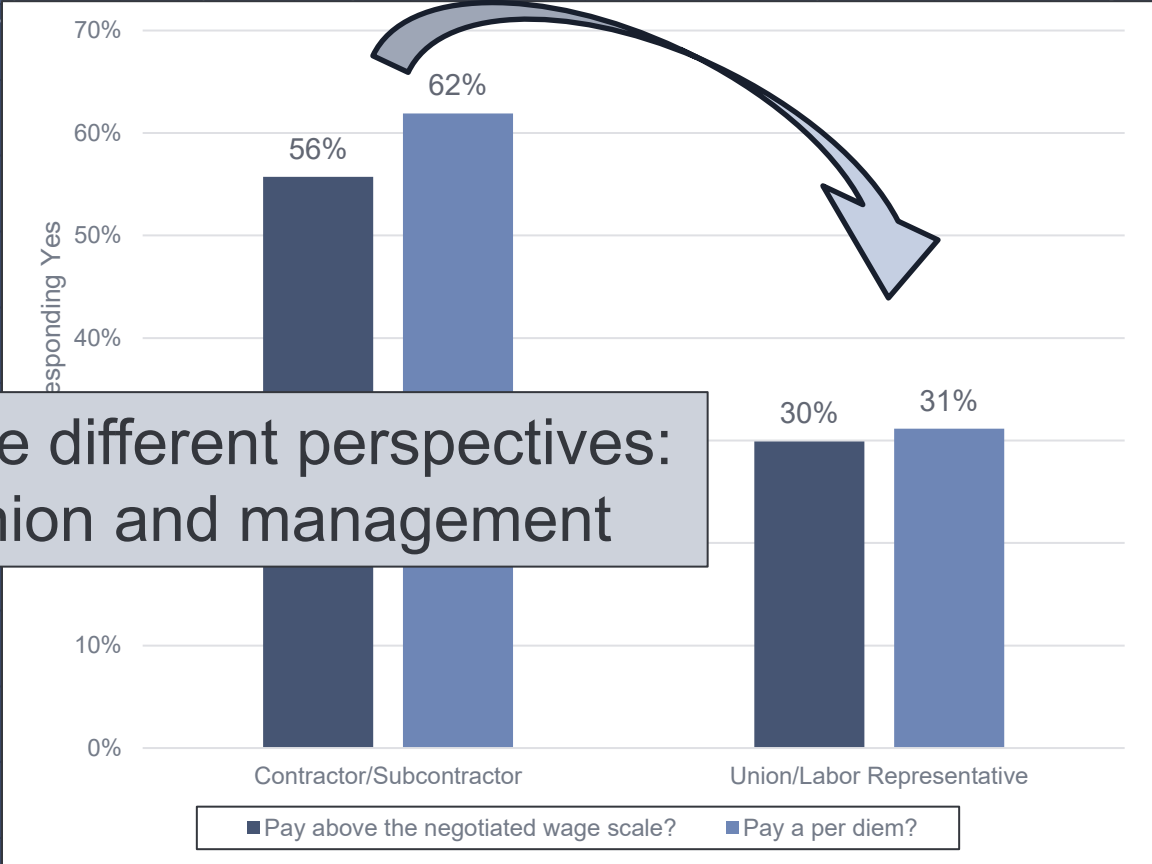
Labor Study - Union Craft Labor Shortage/Surplus



Labor Study - Union Labor Shortage/Surplus by Craft



Labor Study – Pay Above the Wage Scale and Per Diems



Quite different perspectives:
union and management

Winning Widgets

Support: Additional tools to support association executives, contractors, and others in collective bargaining and business acumen



Widget 3: Contract Costing



Widget 4: Contractor's Cost Conundrum

3



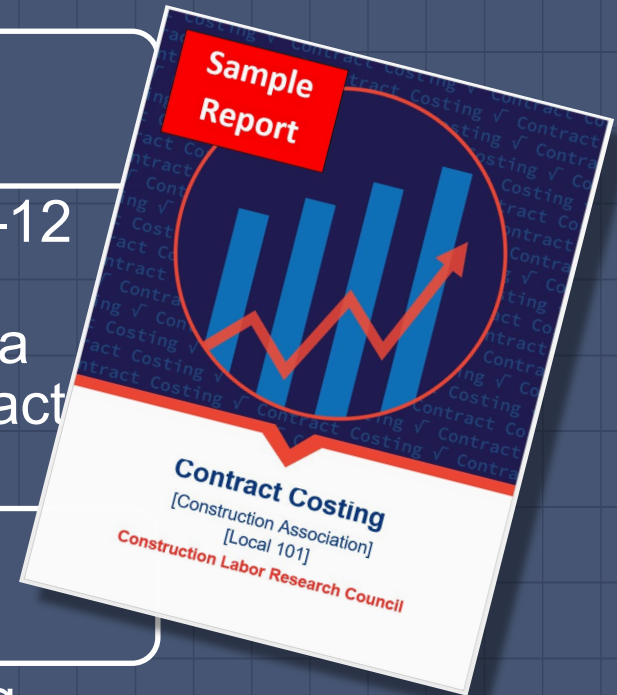
Widget 3: Contract Costing

Description

- Provides a detailed cost analysis of 8–12 clauses in a labor contract (e.g., 2nd shift, foreman ratio, clean-up time) on a per employee per hour and total contract cost basis.

Benefit

- Helps the parties in collective bargaining better understand the real costs associated with contract language.





Widget 3: Contract Costing

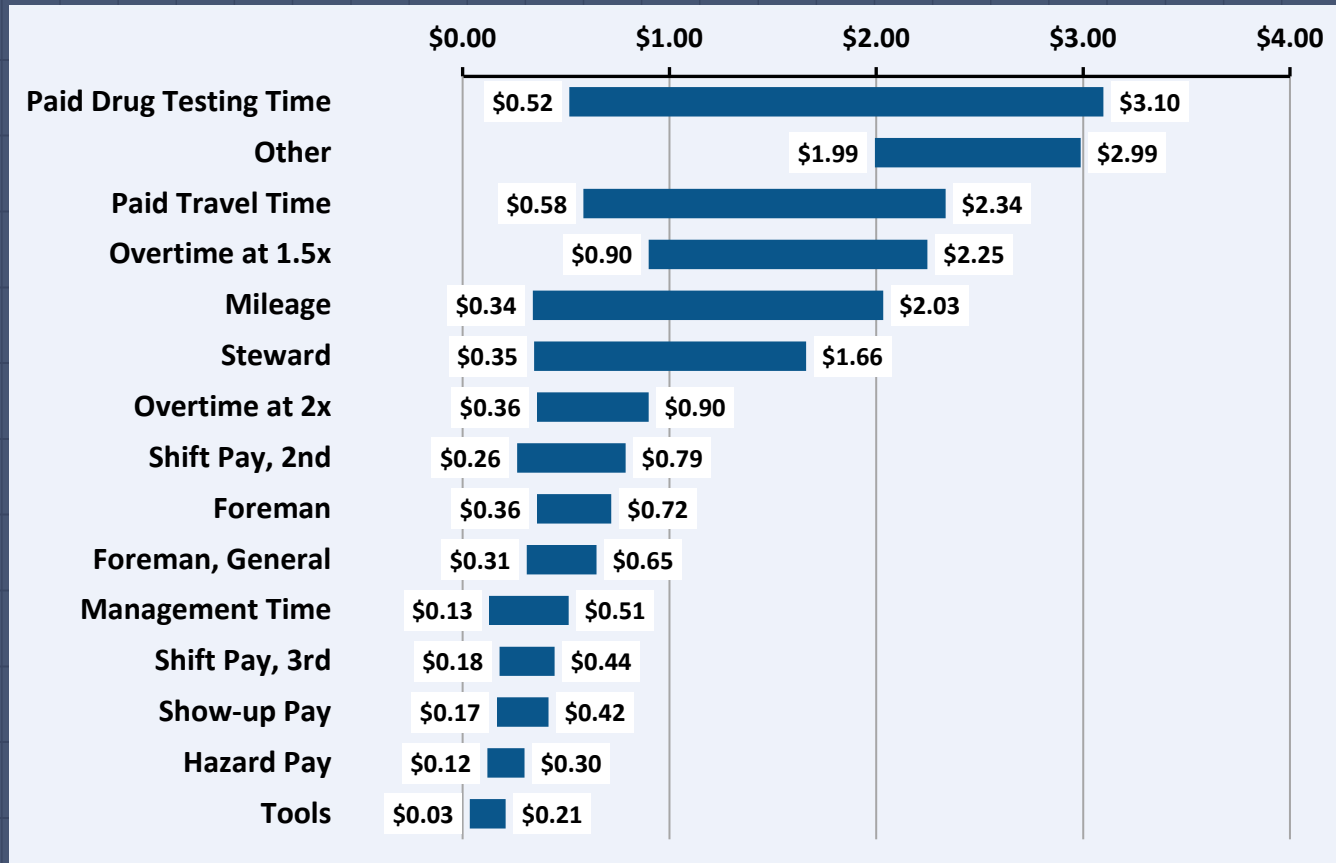
Sacramento

Category	Low	High
Foreman	Additional 10% per hour; 12:1 ratio	Additional 10% per hour; 6:1 ratio
Foreman, General	Additional 18% per hour; 25:1 ratio	Additional 18% per hour; 12:1 ratio
Hazard Pay	Pay rate 1.25x; 20 hours per year per employee	Pay rate 1.25x; 50 hours per year per employee
Management Time	\$60,000 salary; 20 hours/month per contractor	\$120,000 salary; 40 hours/month per contractor
Mileage	\$1.22 (\$0.55+0.67) per mile; 25 miles per round trip; 20 trips per year per employee	\$1.22 (\$0.55+0.67) per mile; 75 miles per round trip; 40 trips per year per employee
Other	2.0% of wage & fring benefits rate	3.0% of wage & fring benefits rate
Overtime at 1.5x	100 hours per year per employee	250 hours per year per employee
Overtime at 2x	20 hours per year per employee	50 hours per year per employee
Paid Drug Testing Time	Paid 1/2 hour; quantity equals 5% of employee count	Paid 1 hour; quantity equals 15% of employee count
Paid Travel Time	15 minutes per day per employee; 25% of days	30 minutes per day per employee; 50% of days
Shift Pay, 2nd	Additional 10% per hour; work 7.5 hours, paid for 8; 5% of hours	Additional 10% per hour; work 7.5 hours, paid for 8; 15% of hours
Shift Pay, 3rd	Additional 15% per hour; work 7 hours, paid for 8; 2% of hours	Additional 15% per hour; work 7 hours, paid for 8; 5% of hours
Show-up Pay	2 hours pay; 2x per year per employee	2 hours pay; 5x per year per employee
Steward	20 minutes per day nonproductive; 12:1 ratio	40 minutes per day nonproductive; 5:1 ratio
Tools	\$250 per year; 25% of employees	\$750 per year; 50% of employees



Widget 3: Contract Costing

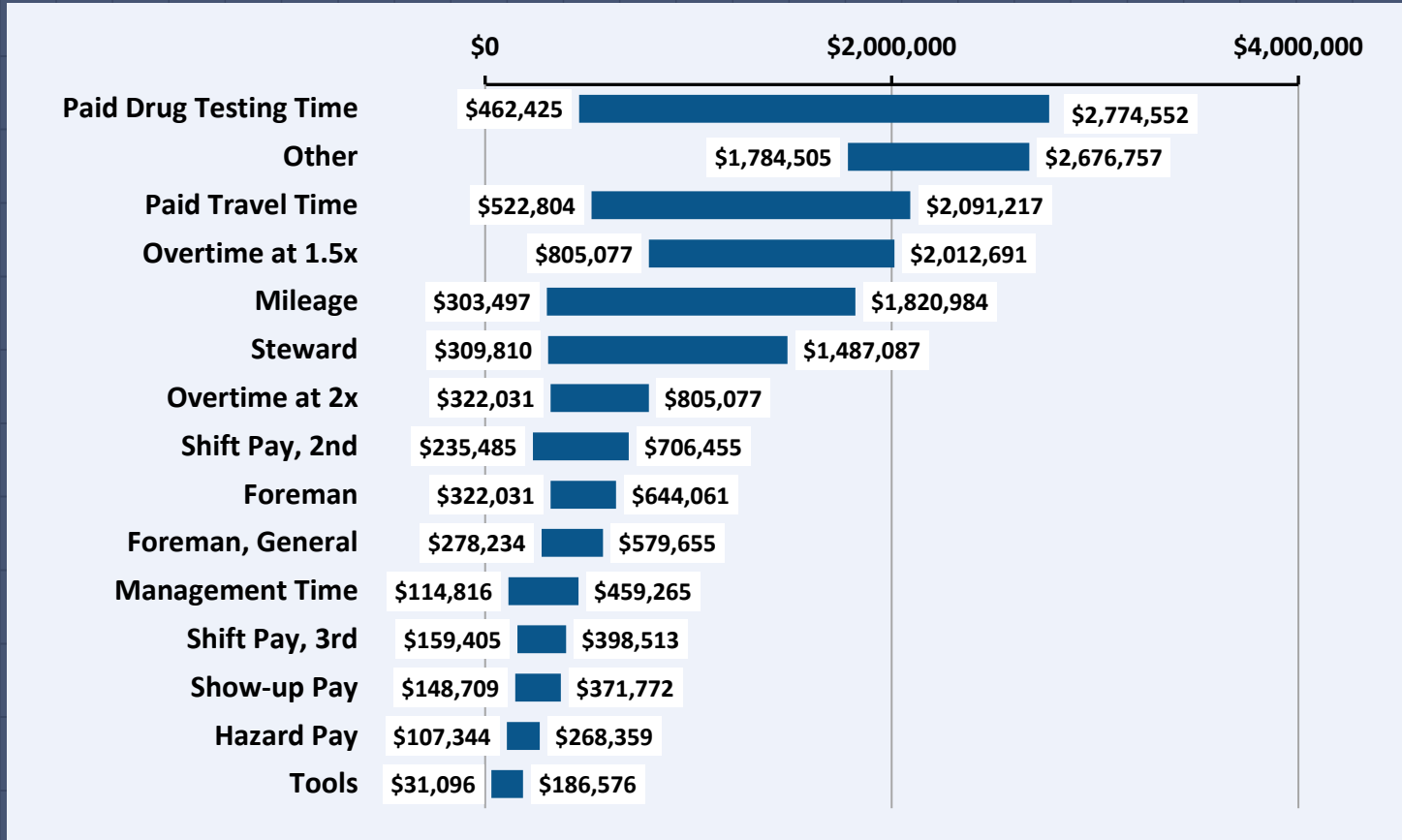
Sacramento





Widget 3: Contract Costing

Sacramento





Widget 4: 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.

Benefit

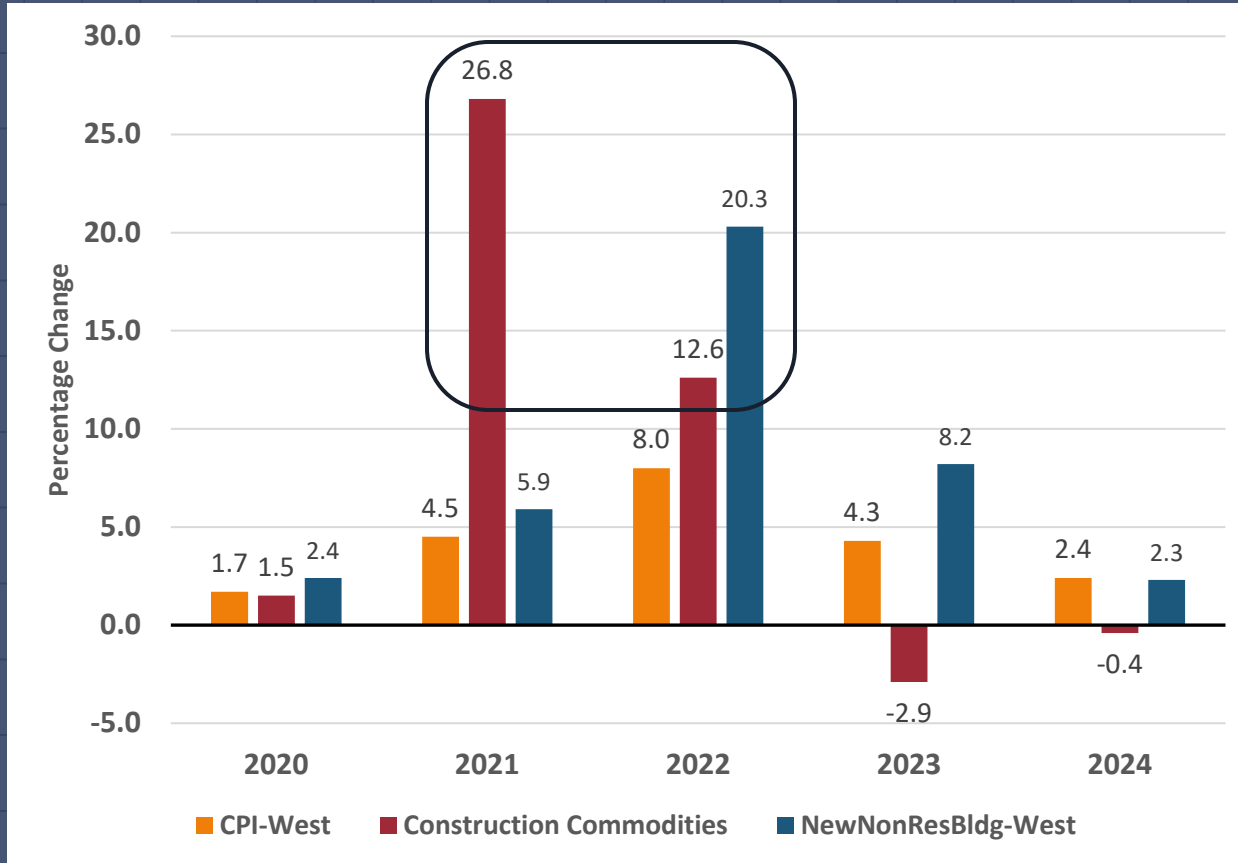
- Benchmarks price and economic data important to contractors against cost-of-living data important to employees in order to provide a common understanding of economic challenges for both.





Widget 4: Contractor's Cost Conundrum

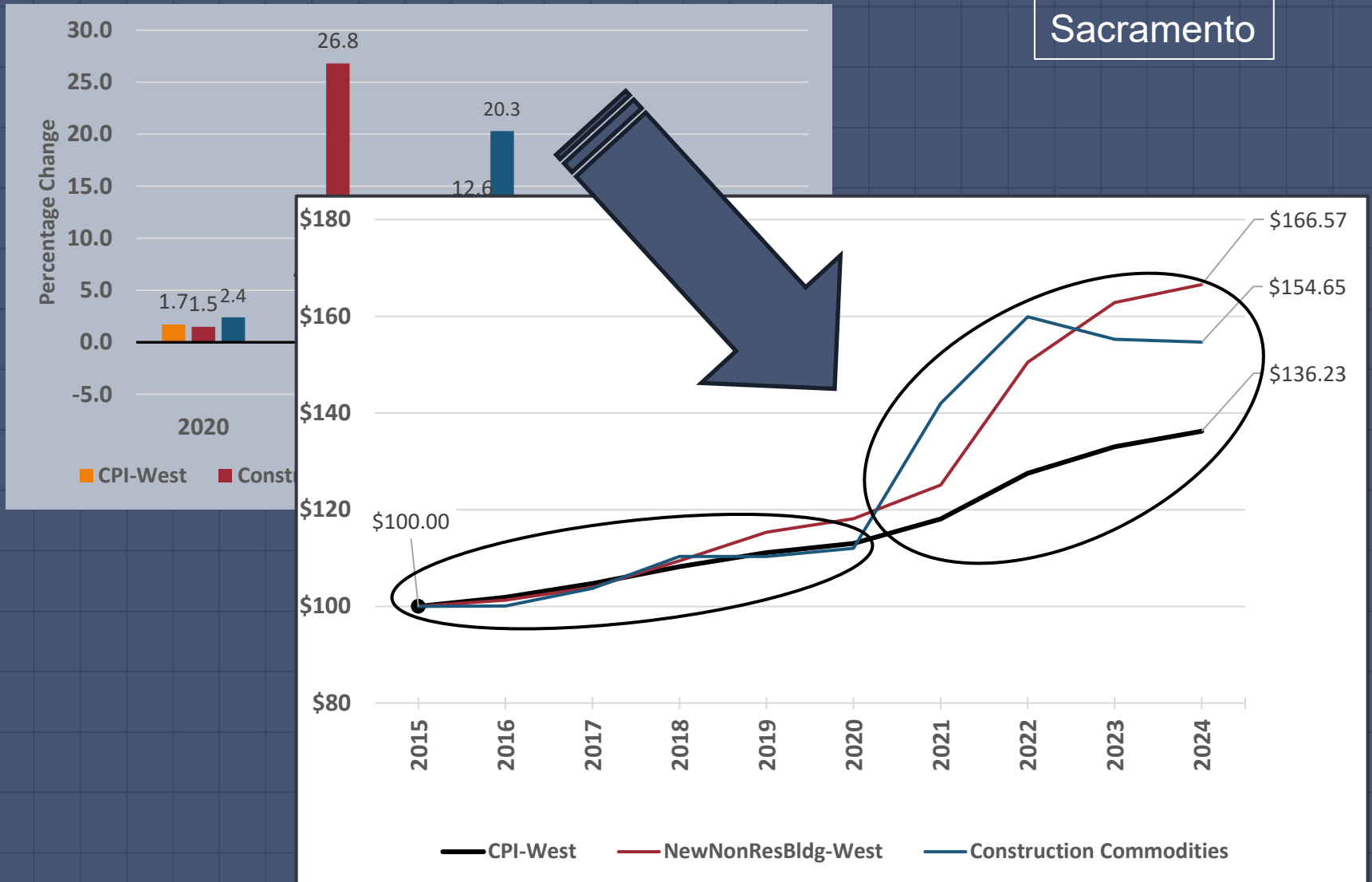
Sacramento





Widget 4: Contractor's Cost Conundrum

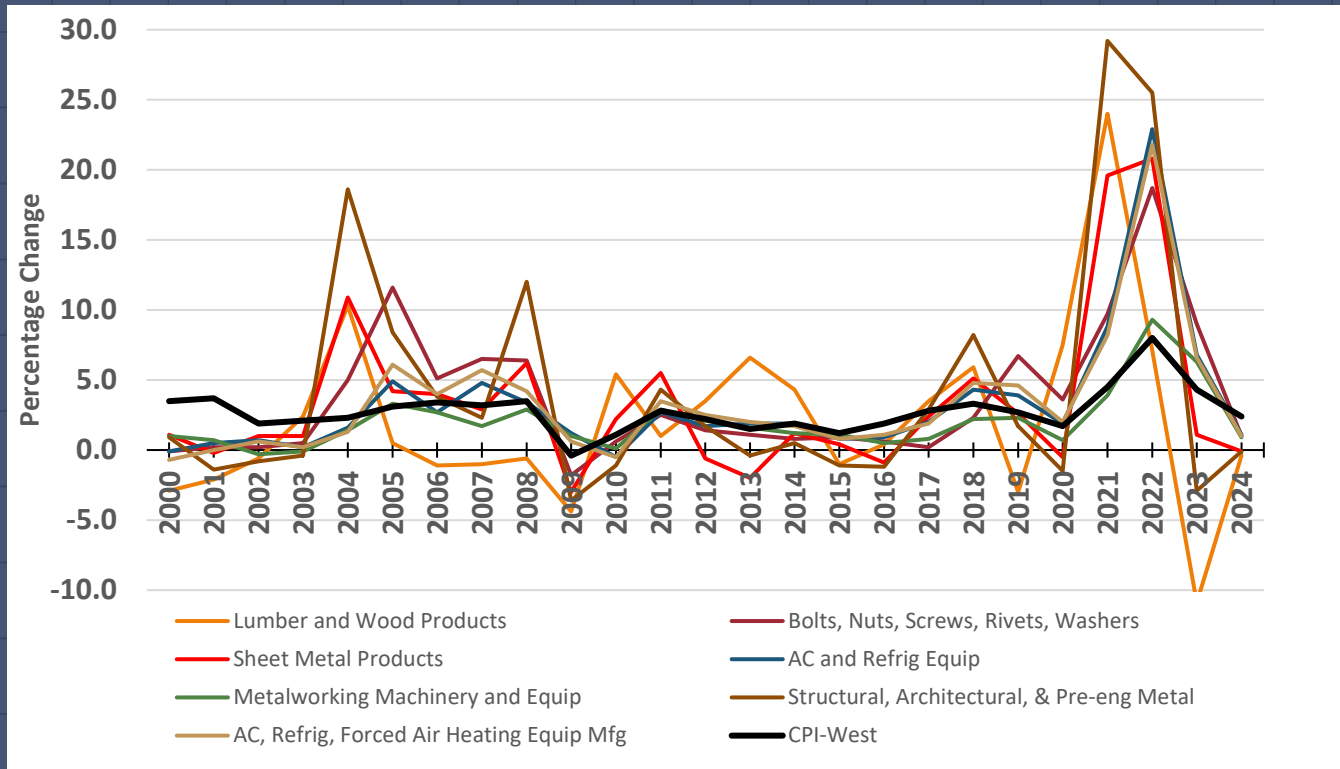
Sacramento





Widget 4: Contractor's Cost Conundrum

Sacramento



CLRC Products

Paid by SMACNA National

Employment Share

with Sectors

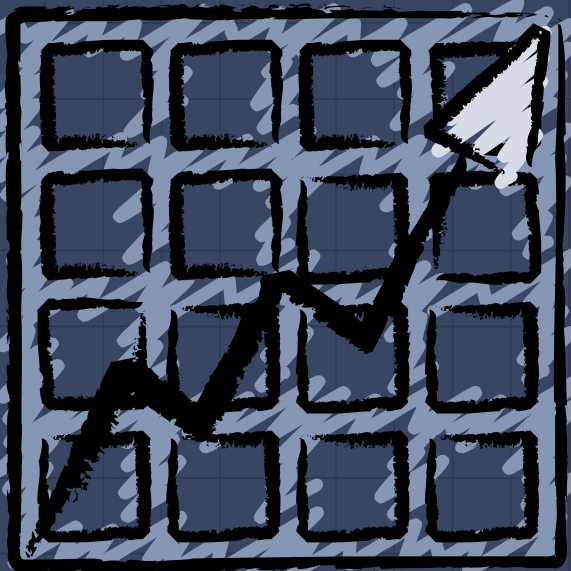


Union-Nonunion Wage & Fringe Comparison

Benchmark Analysis

Contract Costing

Contractor's Cost Conundrum



Data Warehouse

- 1. A repository of a wide variety of data useful to association executives and their contractors**
- 2. Rather than hunting and pecking for the right data in many websites, forgotten reports and even CLRC publications, it could be readily available in one stop shopping**
- 3. A useful resource to educate and engage your contractors**
- 4. Content and format influenced by YOU/SMACNA**

Data Warehouse

Potential Topics

- CPI
- ECI
- Construction spending
- Architecture Billings Index
- Economic indicators
- Employment/Unemployment
- Employment projections
- Construction starts
- CLRC data
 - Union craft pay
 - Union craft pay increases & trends
 - Special reports
- Nonunion craft pay
- Management positions pay
- Population
- Union density
- Special requests



Data Presentation

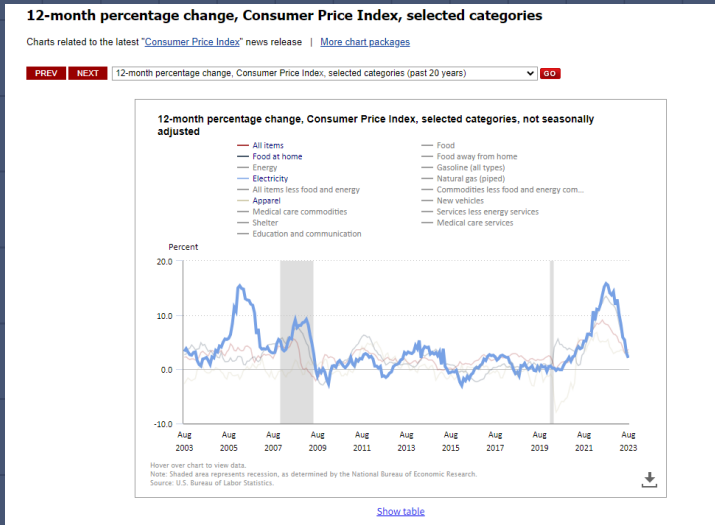
- Line, bar & pie charts
- Trend lines
- Tables
- Maps
- Interactive features
- Customizable
- Online
- Downloadable
- Printable
- Easy to use

Data Cuts

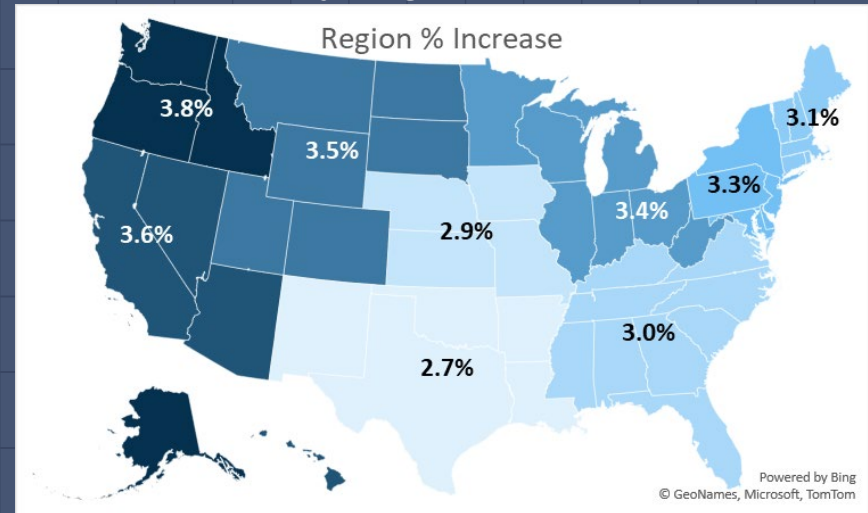
- Geographic
- Craft
- Time/Trends

Data Warehouse

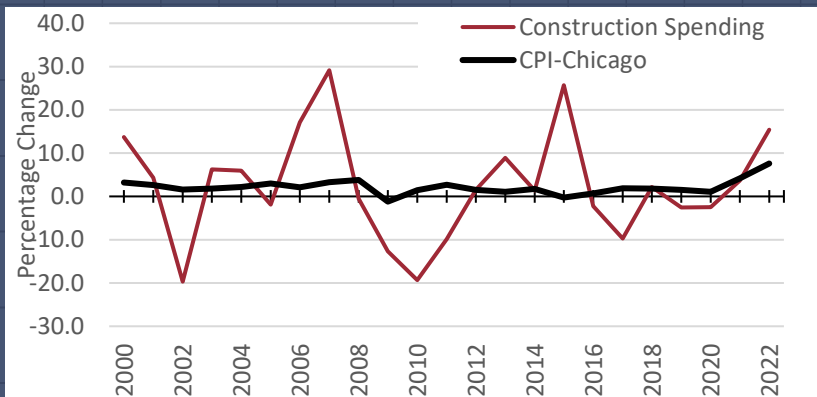
CPI with data cuts and hovering



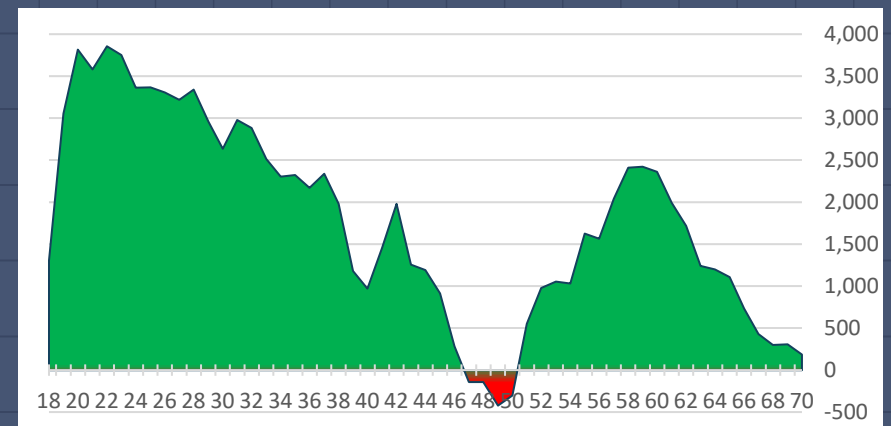
CLRC union craft pay increases by region 2023



Construction spending in Illinois compared to CPI

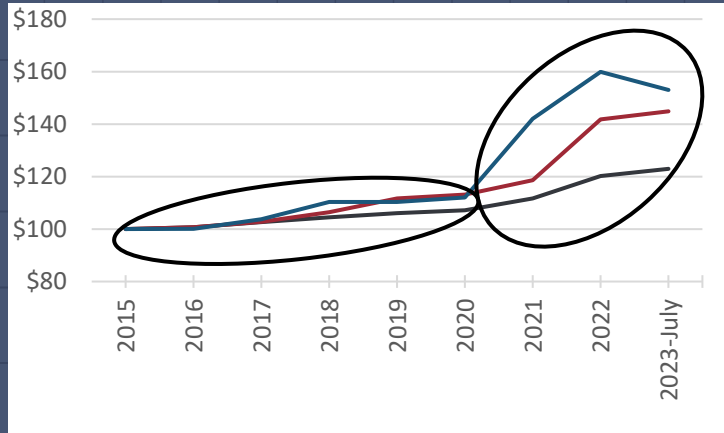


Change in age after 10 years for union electricians

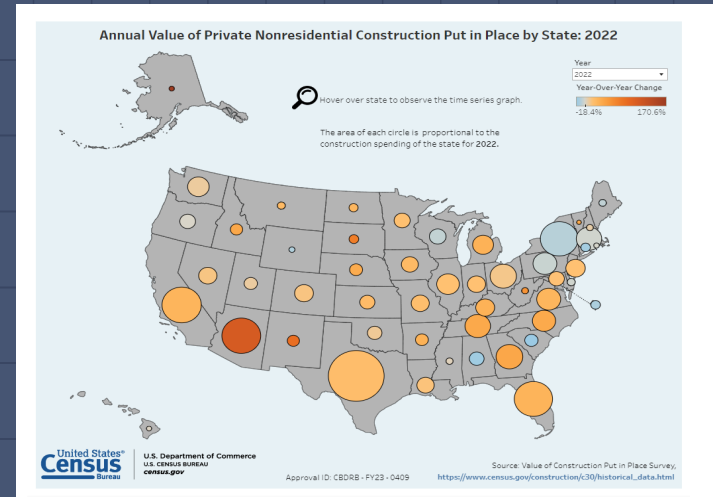


Data Warehouse

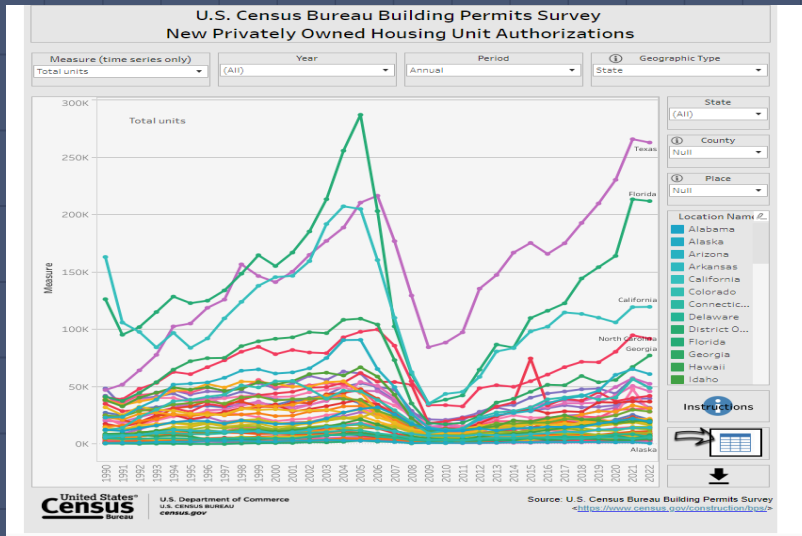
Materials costs for contractors greatly exceeds CPI growth



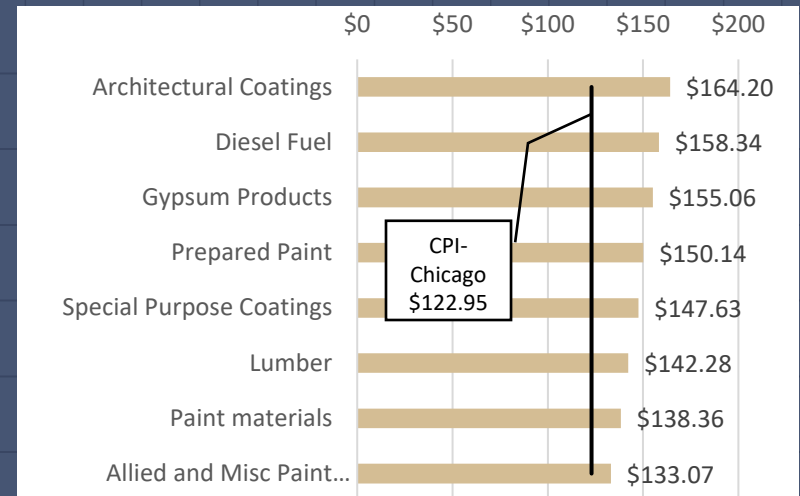
Construction spending and growth rates



Building permits



Construction commodity costs vs CPI



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