

Sample Report



Benchmark Analysis

[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 for [Local 101] to two key benchmarks—nonunion blue collar increases and the Consumer Price Index (CPI).

Overview

This report examines [Local 101] wage and fringe benefits rates in light of the following established benchmark data:

- Nonunion wage and fringe benefits increases
- CPI

The analyses include longitudinal comparisons of [Local 101]'s wage and fringe benefits rates to the benchmark sources. Beginning with [Local 101]'s actual wage and fringe benefits rate in 2000, \$30.00, the annual increases for the two benchmark sources were used to model what [Local 101]'s rates would have been each year since then if their increases were the same as the benchmark sources.

For example, in 2001 [Local 101] received a 4.2 percent increase. The CPI and nonunion increases that year were 2.8 and 4.1 percent, respectively. Thus, after one year the actual rate for [Local 101] was \$31.25, and the CPI and nonunion modeled rates for [Local 101] were \$30.85 and \$31.23, respectively. This procedure was repeated each year for 2001 – 2022. Results are shown beginning on the next page for wage and fringe benefits rates and annual increases.

Consumer Price Index (CPI)

The CPI is perhaps the best known and most respected economic indicator in the United States. It is published monthly by the Bureau of Labor Statistics (BLS) in the Department of Labor. The CPI value shows the change in prices for goods and services (i.e., inflation) and provides a useful comparison point for union pay increases. This report uses the United States CPI rate, which examines prices paid for a basket of consumer goods and services purchased in the U.S.

Nonunion

The nonunion data come from the Employment Cost Index (ECI). The ECI is produced by BLS and measures the change over time in labor costs. It often is used in determining pay increases for both blue and white collar workers.

Results

[Local 101]’s actual wage and fringe benefits rates were compared to rates derived from using CPI and nonunion data. Specifically, the annual increases for the CPI and nonunion sources were applied to the union rate of \$30.00 in 2000. **Exhibit 1** shows [Local 101]’s actual wage and fringe benefits rates from 2000 to 2022 compared to what they would have been if the CPI and nonunion increases had been applied each year, beginning with the starting rate of \$30.00 in 2000.

As **Exhibit 1** shows, [Local 101]’s wage and fringe benefits rate in 2000 was \$30.00 and in 2022 it was \$58.25. If the union increases since 2000 had been equivalent to the nonunion increases, the union rate in 2022 would have been \$52.89. Similarly, if the union increases since 2000 were the same as the CPI, the union rate would have been \$49.33 in 2022. Thus, the wage and fringe benefits hourly rate for [Local 101] was \$5.36 and \$8.92 higher in 2022 than it would have been if the increases were the same as nonunion increases and the CPI, respectively.

Exhibit 1

Wage and Fringe Benefits Growth: [Local 101] Compared to Benchmark Data

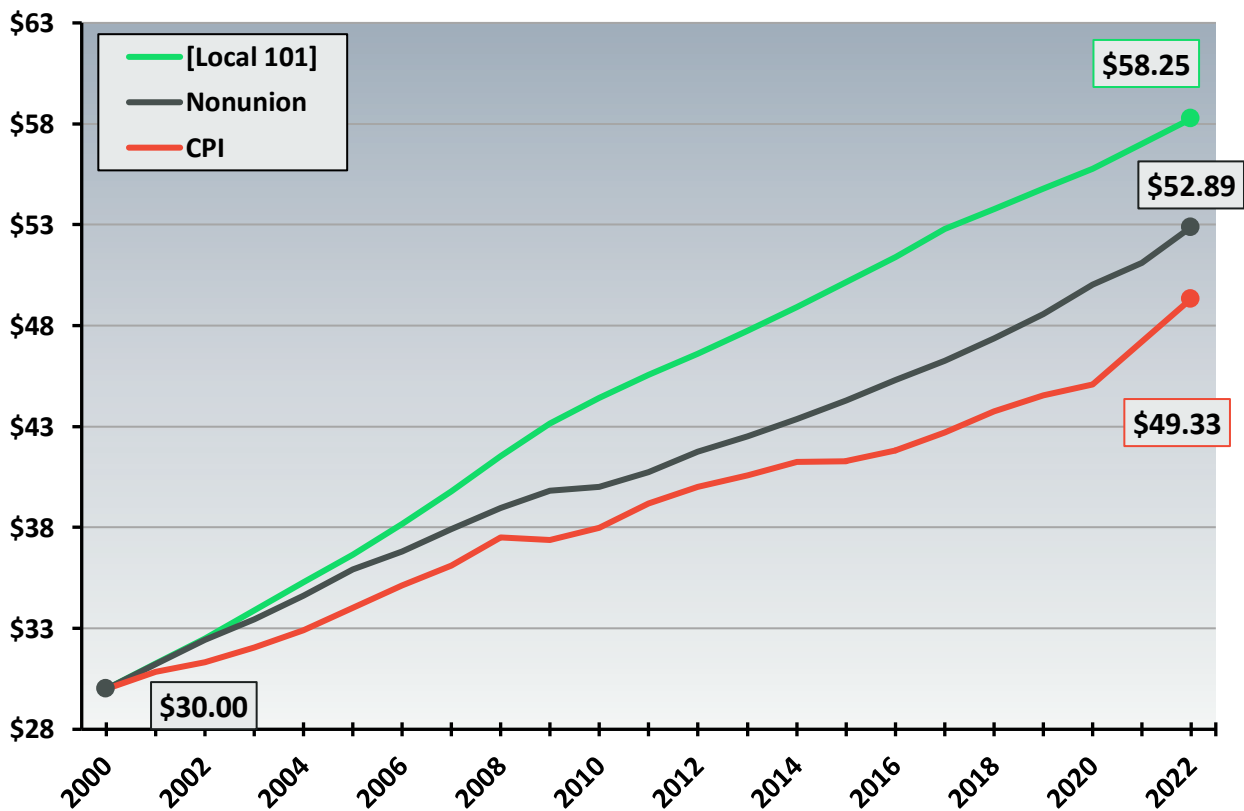


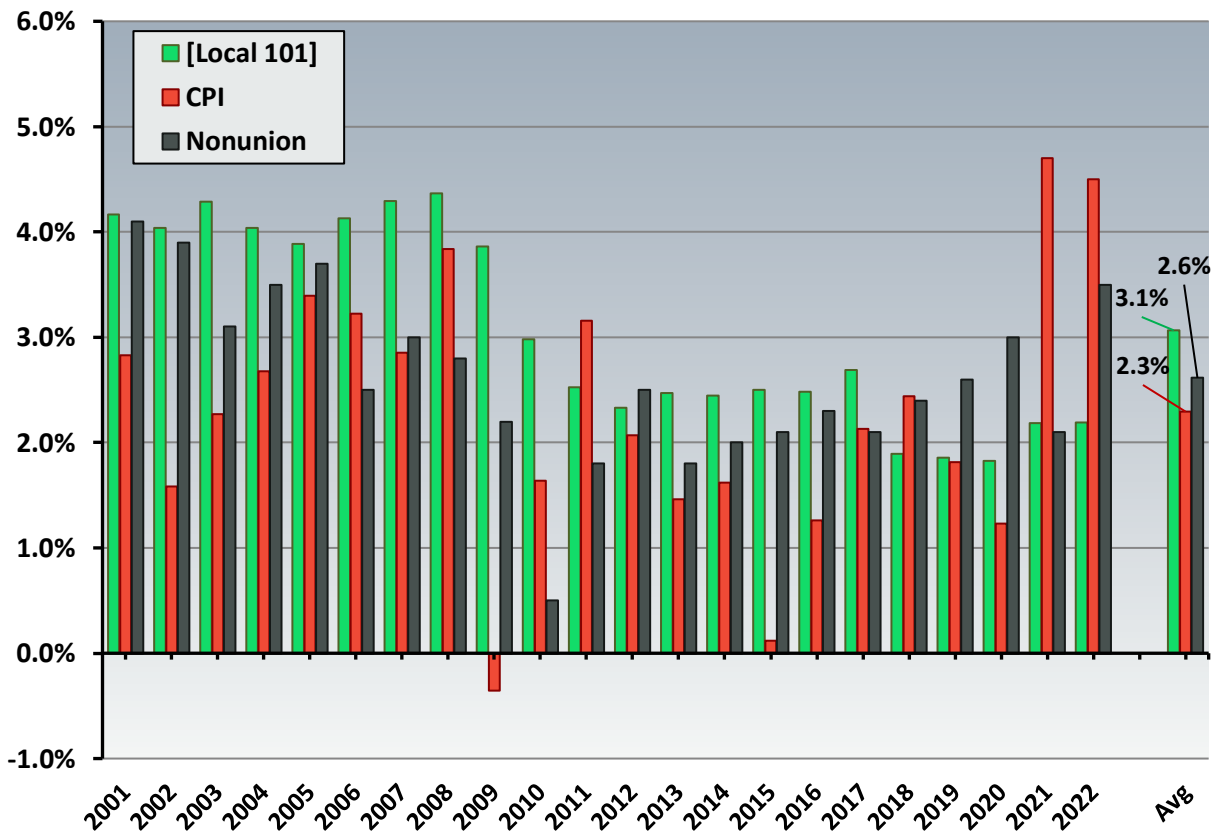
Exhibit 2 shows the percent increase, year-by-year, for [Local 101], nonunion workers, and the CPI. Careful examination shows that [Local 101]’s increases were greater than the CPI increases for 18 of 22 years, and greater than the nonunion increases 17 of 22 years shown in the chart below.

Since 2001, the average annual union increase was 3.1 percent while the nonunion average was 2.6 percent and the CPI average was 2.3 percent.

The first decade (2001-2011) of increases is the primary reason for [Local 101]’s average increase being higher than the benchmarks. During this time period, the union’s average (3.9 percent) was 1.1 percent higher than nonunion average increases (2.8 percent) and 1.4 percent higher than CPI (2.5 percent). Comparatively, from 2011 to 2022 the union’s average increase (2.3 percent) was 0.1 percent lower than nonunion (2.4 percent) and only 0.2 percent higher than CPI (2.1 percent).

Exhibit 2

Annual Increase: [Local 101] Compared to Benchmark Data



Another useful way to compare [Local 101]’s wage and fringe benefits package to benchmark data is to look at the cumulative cost impact. In other words, from 2000 – 2022, what was the total financial difference between the union’s actual pay and what it would have been if the increases had been the same as the nonunion increases or the CPI during this time? **Exhibits 3 and 4** answer this question based on the actual hours under the contract.

The orange area in **Exhibit 3** illustrates the “extra” amount paid by union contractors each year compared to nonunion rates. For example, in 2022 at 100,000 hours worked under the contract, and with a union rate that was \$5.36 higher than it would have been if nonunion increases were used, the additional wage and fringe benefits payments were \$536,484.

The black area in **Exhibit 3** shows the cumulative impact of the difference between the union’s actual increases and the nonunion benchmark. Specifically, from 2000 – 2022, union contractors paid a total of \$8,405,027 more than they would have if increases were the same as the nonunion increases.

Exhibit 3

Cumulative Total Cost: [Local 101] Based on Nonunion Increases

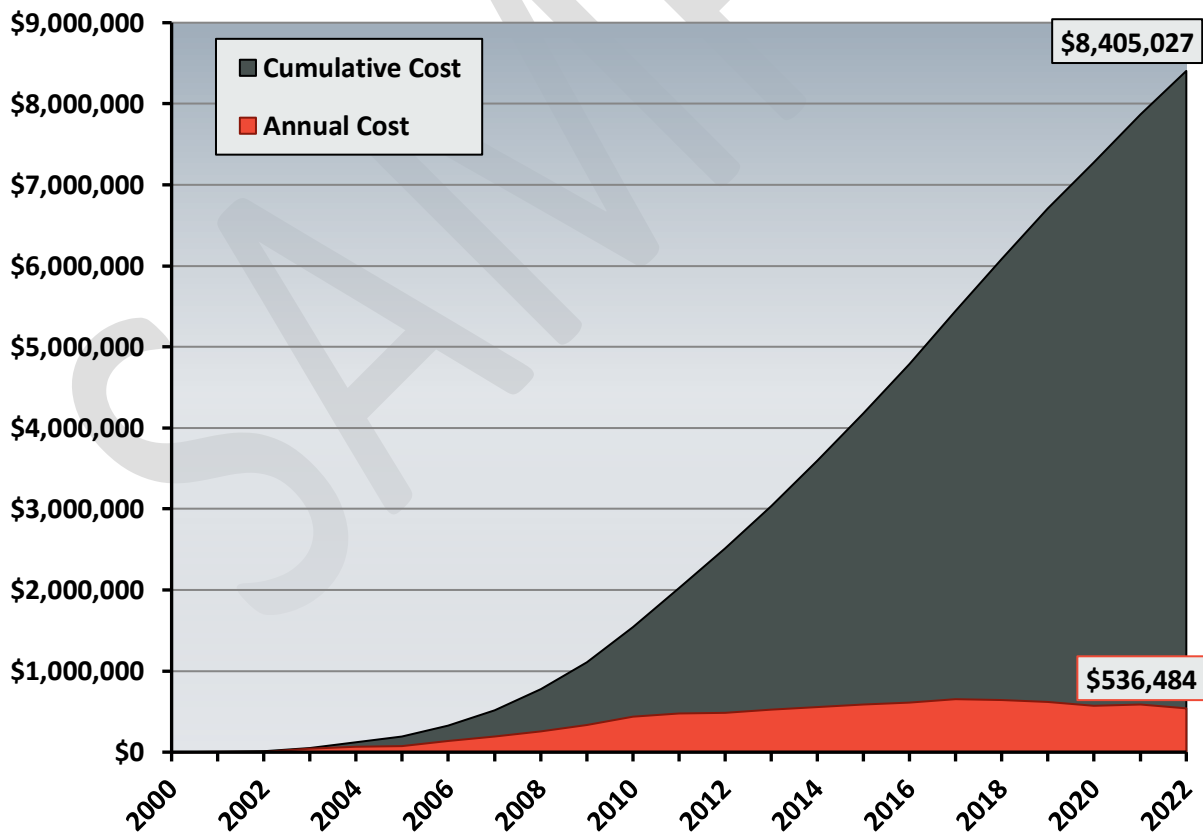
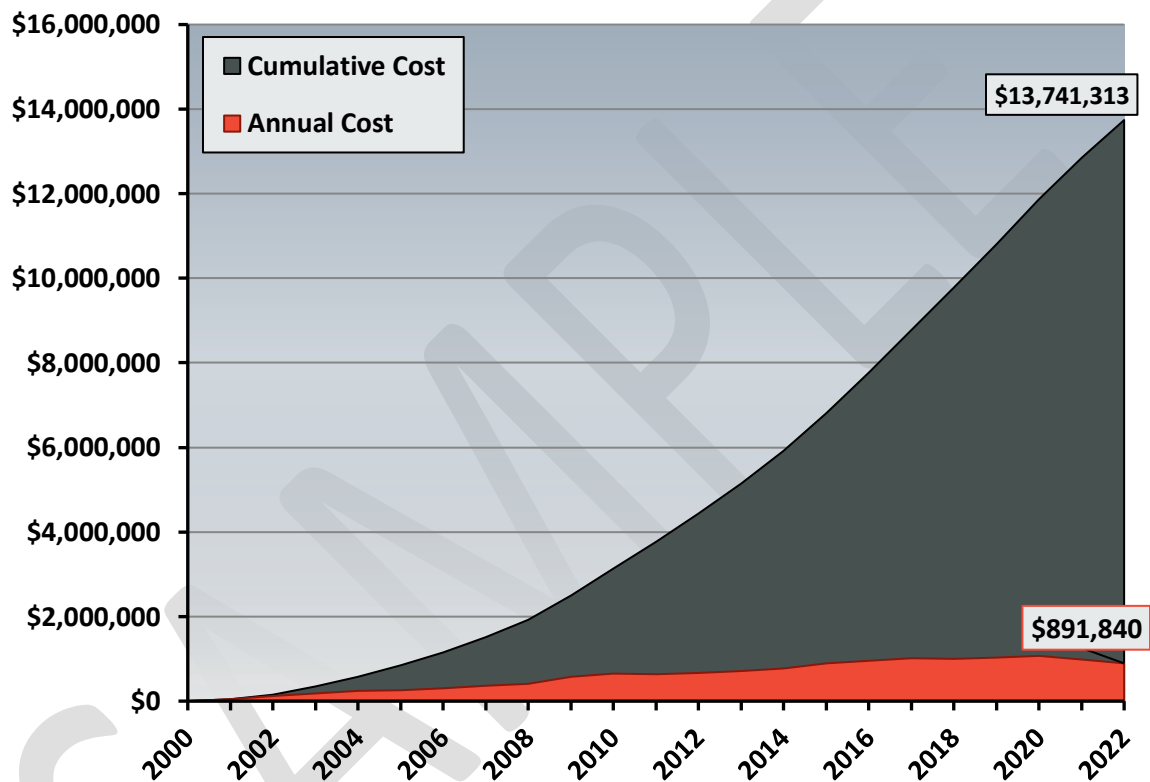


Exhibit 4 is similar to **Exhibit 3**, except that it uses the CPI as the benchmark comparison instead of nonunion increases. Results show that in 2022, the difference in wage and fringe benefits rates resulted in payments of \$891,840. By the end of 2022, union contractors paid a total of \$13,741,313 more since 2000 than they would have if their increases were the same as the CPI increases during this time period.

Exhibit 4

Cumulative Total Cost: [Local 101] Based on the CPI



Summary and Conclusions

This report clearly shows that what might appear to be relatively small differences in wage and fringe benefits increases end up being large actual cost differences over time. To illustrate, the average annual difference between the union and nonunion increases was 0.5 percent. However, after about a decade and a half, these union increases resulted in a rate that was \$5.36 (10.1 percent) more than it would have been had the union increases paralleled the nonunion increases.

Similarly, in 2022 the union rate was \$8.92 (18.1 percent) higher than the CPI benchmark. The CPI average increase (2.3 percent) was 0.8 percent lower than the union average increase (3.1 percent) from 2001 to 2022.

The gaps in wage and fringe benefits rates among the three sources tested in this report are based on a common starting point of \$30.00 for wage and fringe benefits in 2000. If this study had gone farther back in time the results would typically show even larger differences between union rates and the CPI and nonunion benchmark comparisons. This is because the gap grows larger for each year included in the analysis due to union increases usually being larger than benchmark increases.

It is important to note that this report is not built on assumptions or theoretical underpinnings. The findings are based on actual data using basic math and statistics. The union wage and fringe benefits rates, the CPI and nonunion rates are all real values accessible to anyone who wants to use them.

The costs reflected in this report will actually be larger when wage driven items such as overtime and FICA are included. For example, the \$8.92 difference between the union and CPI-based wage and fringe benefits rates will translate to even higher costs when overtime is calculated since it is a percent of the wage rate.

This report is not attempting to promote the nonunion increases or the CPI. Rather, its purpose is simply to share objective comparisons between union increases and two relevant benchmark sources.

This report has been prepared from information collected and maintained by CLRC. Reasonable efforts have been made to ensure the accuracy of the data, summaries and analyses. However, accuracy cannot be guaranteed. CLRC disclaims any liability from damages of any kind which may result from the use of this report.



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