An Evaluation of the Current State of Unions in the Construction Industry and their Future

Cheyne Walsh
California Polytechnic State University
San Luis Obispo

Over the past fifty years, the United States has seen a tremendous decline in the amount of union members in the workforce. The trade unions in the construction industry have been no exception. Recently, the percentage of union members compared to the amount of employees have reached an all-time low. There has been a slight boost in members with the current climate of increased construction projects underway. But, unions still need to once again grow in strength to stay viable within the industry. Construction trade unions, especially the United Brotherhood of Carpenters, International Brotherhood of Electrical Workers, and Iron Workers, have strived to recruit more members through a variety of means. Additionally, unions have set goals to control enough market share to compete against the growing number of nonunion construction workers. Research and interviews among a variety of sources and various union members in California has shown a strong belief in strengthening unions because of their desirable benefits, training programs, higher pay and collective strength. Each individual local union strives to increase membership and market share within their given jurisdictions and have been increasingly doing so with support of their greater organizations. However, it remains questionable if they will achieve these presented goals due to an increasingly growing number of government policies targeting their growth. These policies include right-to-work laws and in some states, lack of prevailing wage laws. These policies do not directly destroy unions. They do greatly deteriorate their bargaining power when negotiating contracts. This in turn, leads to less union jobs. In California, construction unions have been able to maintain a decent amount of the project market share, largely variant on each district. However, the question remains how the construction industry would change if the union presence shrinks compared to the nonunion workforce. The shrinking amount of construction workforce would continue and labor would shift farther from the desirable blue collar career it once was.

Key Words: Unions, Industry, Craftsmen, Trades
Introduction

Unions have been an integral part of the American workforce, specifically construction, throughout the twentieth century and into the present day. Unions play a critical role in the daily craft activities on a construction site. Construction craft labor unions have a long tradition of creating greater job security, pay, safety, benefits to workers, and representing the individual worker’s rights to fair treatment by corporations. Benefits of a union revolve around their ability to collectively bargain contracts through greater negotiating power. This is achieved through banding like workers together under common representation. Collective bargaining provides the means of a specific workforce to negotiate a contract price that will not only pay for adequate labor hours but also provide benefits to their members. As prior stated, unionized workers experience better benefits such as health care, pensions, and training, compared to their nonunion or unorganized counterparts. However, unions face the challenge of negotiating contracts at a price that will support these extra costs. Unless unions are able to secure projects under these more expensive contracts, they will be unable to sustain their members with adequate work.

Detailed Literature Review

Recently there has been a heavy decline of unions bringing forth the question of whether there is a future for unions in the construction industry. Union statistics report private construction industry union members once totaled to 1.63 million in 1973. By comparison, in 2017 there were a total 1.10 million members. Furthermore, this drop in membership is even more greatly paralleled by the percent of total workers covered in the industry. Research has shown a decrease from 39.5% to 14% of total workers participating in their respective construction unions (Hirsch, B. T. & Macpherson D.A. 2013). Clearly unions have been steadily losing their grasp in the coverage of not only workers but also market share. This erosion varies greatly by jurisdiction geographic area. Market share describes the percentage of current construction jobs using union workers. Areas with greater union market shares are able to apply pressure to companies to use unions resulting in greater negotiating power with contracts. With this loss in overall market share and memberships, unions have been fighting an uphill battle to secure contracts and increase pay and job security. This continued downhill slide has also been contributed to by government policy and the public’s stance on unions. Both unions and companies are able to donate to and lobby candidates, and thus have political power to sway policy in either direction. Recently, a greater concentration in companies’ political power compared to unions, and recent policies such as the right-to-work laws, have eroded union authority.
**Figure 1:** Number of Union Members Among Private Construction Workers in the U.S.A. from 1973 to 2017

*Data Source:* Hirsch, B. T. & Macpherson D.A. 2013

**Figure 2:** Percentage of Union Members Among Private Construction Workers in the U.S.A. from 1973 to 2017

*Data Source:* Hirsch, B. T. & Macpherson D.A. 2013
Policies Affecting Unions

In order to further understand the decline in the construction industry unions, there needs to be an understanding of the history of unions rise and decline coupled with government policy. The American government, through policymaking, is an active partner in union strength just as the government policies strengthen American companies. Unions were already gaining much strength in the early twentieth century as more and more workers became members as they saw better pay and greater safety for their members. More specifically, construction unions earned a huge victory in the form of the Davis-Bacon Act of 1931. This act required government funded construction projects to pay prevailing wage to workers. After this bill was enacted, the construction union industry grew sharply along with other unions across the country. In the 1960’s, one in three American workers participated in a union and “(t)oday, it’s one in 10” (Bui Q. 2015). This sharp decline in the last fifty years can largely be attributed to companies growing in strength mostly due to a concentration of companies, relaxing antitrust laws and creating a gap between employees and unions. This last part is greatly attributed to the passing of Taft-Hartley Act of 1947 which prohibits closed unions, the forcing of employers to hire only union members, and allows for union shops instead. Union shops force employees to “join a union within a specified time after they begin employment”; however, the act encourages individual states to prohibit union shops through right-to-work laws (Britannica 2014). Supporters and opponents of the right-to-work laws dispute whether these have any real effect on the strength of unions and empowerment of individual employees. Unions argue these laws erode their bargaining power as they have more and more employees to opt out of the union and paying dues but still receive the benefits of union contracts with employers for employees. This weakens both the union’s economic means and presence in the industry, less members to strike, collective bargaining and so forth. Increasingly more and more states are adopting right-to-work laws, and unions continue to encourage voters against such laws all while companies promote them. Increasingly, these type of antionion policies create a greater challenge for unions to establish greater market share and increase membership numbers.

National Union Structure

The construction industry covers a diverse amount of projects and is one of the most encompassing industries in the world. As diverse as the fields of the construction industry are, so too are the types of workforce necessary to carry out such unique demands. Unions strive to represent each type of unique employee or contractor. Types of unions vary in every industry. The construction industry especially contains a wide variety from laborers to electricians to steelworkers. Thus, with each unique labor force comes union representation. However, with the exception of the Carpenters Brotherhood Union, almost all are either affiliated with the AFL-CIO or CtW. The AFL-CIO, American Federation of Labor and Congress of Industrial Organizations, functions as a “federation of 55 national and international labor unions that represent 12.5 million working men and women” and strives to promote unions and workforce benefits in communities and throughout different levels in the government (AFL-CIO n.d.). AFL-CIO focus is specifically on the construction industry through their founding of the North America’s Building Trades Unions, NABTU, which represents fourteen union affiliates in the industry, ranging from the International Brotherhood of Electrical Workers to the International Union of Elevator Constructors (NABTU n.d.). As a counterpart to the AFL-CIO, there is the
CtW, Change to Win, organization. The CtW represents 5.5 million people in the U.S. though a “democratic federation of labor unions” (CtW n.d.). Both of these unions try to bring protection to labor union workers through collective negotiating and are involved with the government on a national level. These national level organizations give voice to many smaller unions on a larger scale. They promote the strength of collective bargaining through policymaking against companies and organizations whom promote, for the most, part against individual employee empowerment. Through these large voices, local unions are able to operate with great empowerment in their local districts. Construction industry unions operate within districts governed by geographical areas as to not compete with one another in order to negotiate with projects higher pay. Each district is able to then contribute to the greater regional and national programs and fund such benefits as pensions, training, and so on for their unions.

Local Union Structure

With this national understanding of unions defined, local unions will be easier to further discuss. Local unions break up geographical areas to provide project labor and can move members around to other districts if there is a demand for greater workforce. Local unions of each unique trade cooperate with one another to further their collective strength and have the ability to employ as many workers as possible. This greater pool to pull workers from promotes both the union’s interests of greater member strength and the employees’ interests of employment. The structure of each union is highly democratic with leaders at levels being elected by each member who also have a say in how the organization is run. There is commonly a national level board with tiers of regional councils under them with local level boards following. On the local level, there are often delegates to the regional councils from the local district councils who are elected by a number of members in that community, namely journeymen, retirees, and apprentices (CBU n.d.). These are the local active members whom are out on the jobsite and are highly active in their unions. They are the face of the union they belong to. These men are highly encouraged to be active union members. They are the foundation to the entire structure. Without their active role in their local communities and recruitment of new members, the unions would not have the strength to fight for their overall goals. I was able to understand firsthand how important these individuals are to the overarching structure and how many of these members understood how significant their role was beyond just a career.

Methodology/Analysis

Through the course of my research, I was able to interview many union members and attend union meetings. This afforded an understanding of the current mindset of unions and their future aspirations. I preformed many phone interviews with a range of individuals who were immediately within the union structure or union members. I was also able to attend a carpenters union meeting in which they discussed a range of topics including their goals for the southwest region to attain by 2020. What I gathered from talking with members is how appreciative they are of their union employment when so many other blue collar jobs are no longer as sustainable as they once were. The main benefits unions and their members promote that separate unions from the unorganized workforce include; higher pay, training programs, and other employment benefits. The union and their members also visualize the unions maintaining a strong foothold within the industry and expect growth as long as certain goals are met.
Higher Pay

These men and women earn a middle class wage in an economy where many skilled craftsmen are unable. Many members stated they were able to join their craft out of high school, some without even graduating or receiving their GED. Union membership enabled well-paying employment. Often the job is very labor demanding. But union members are well compensated for their time and are able to afford a middle class lifestyle when so many other jobs have fallen by the wayside. Across the country in 2016, average construction related union pay was consistently at least $6 per hour more than nonunion. Furthermore, the greatest pay discrepancy was in the West with union pay being $8.72 per hour more than nonunion pay (Dong, X., Wang, X., & Katz, R. 2018). These average pay differences demonstrate the level of great pay union workers receive and highlight one of the biggest draws to join.

Training Programs

Many members point to the greater training opportunities they are able to receive. The structure within the construction industry unions is greatly dependent upon experience. There are set periods of apprenticeship time before a member achieves journeyman status. Unions largely focus on giving proper training to members before giving them more responsibility within their respective craft. This is due to the dangerous nature of construction. Construction workers need to rely and trust one another to safely operate equipment and their respective duties. Not only to complete a job, but to get home safely each day. This level of dependency requires years of experience. Consequently, unions largely promote based on both merit and seniority. Many construction unions promote training programs to further their members’ knowledge along the lines of gaining skills respective to the industry and new technologies. As the construction field grows increasingly dependent upon new innovative technologies, unions pride themselves in being on the forefront of the most up to date technologies and the access for any member to master them. These training programs enable members to showcase these new found skills in the field. These members are able to rise above other workers in both their abilities and skills. These greater abilities and skills are increasingly considered when firms decide whether to hire unions or nonunion workers for their project.

Other Benefits

Union members enjoy a number of employment benefits the unorganized workforce does not receive. These benefits include health insurance, pensions, and more that are supported by membership dues. Unions finance these benefits through the collected dues that they then use to finance training, politics and investments to grow their members’ contributions. Members largely point to their health insurance as a huge selling point for membership as many of their unorganized constituents either do not receive such or pay greatly their employers for such. Furthermore, many look forward to their growing pensions as a retirement plan when others will need to work much later in life before retirement. Unions also have the ability to provide greater employment opportunities than nonunion as they can send members to other districts for work when there is none in their area.

Future Goals

The construction industry unions expect and rely greatly on their members to maintain and grow their strength in the coming years. Unions primarily focus in the years to come on promoting
their public image and government policy changes. In their campaign to sharpen their policy image, many unions are calling on their members to participate in their community more. This comes in the form of organized volunteer work, presence in local government events, and social media campaigns. For the carpenters union specifically, they will reward this participation by sending members to national events and other venues, through rewards programs. Unions are very aware of their shrinking roles across the country as membership has not quite rebounded to their liking. They wish to encourage local communities and government agents to support them. This positive perception is important when policies such as prevailing wage laws or right to work laws appear on the ballot. Unions obviously hope to sway public support for such measures. For union as a whole, future viability is largely dependent on policymaking. Unions are increasingly encouraging their members to get involved in their communities and local politicians.

**Conclusion and Future Research**

As presented, unions within the construction industry have set forth many goals to their members to achieve future strength and support within their communities. However, it remains questionable if these measures will be enough to prevail against policy changes set against union growth. With the fate of the unions still in question for the future, there is a reasonable assumption unions may not be able to rebound to their past strength. Perhaps, unions could even greatly decline given the number of policies aimed against them. Greater research into the current state of laws pertaining to unions will be necessary to shed evidence on whether this trend can be reversed. Also, as to what effect each distinct law specifically has on the unions of the construction industry. If unions were to further decline, there would be a decrease of both pay and safety measures that once dominated the industry. Projects continually will be awarded to the lowest bidder and with that comes the need for cheaper labor which more often than not means less skilled. Skilled craftsmen will find the need to work for less and less pay as the market continues to cheapen. The once blue collar construction jobs will continue to shrink. Overall, the construction workforce will increase in lesser paying jobs with an increasingly incompetent workforce. This in, turn will continue to sway the public’s opinion against construction workers. Construction will continue to be an increasingly less desirable career. This contributes to further the lack of interest entering this workforce and decrease expectations of the pay for hard work. The construction industry will become increasingly hard to manage as well as produce quality craftsmanship as its workers become increasingly less respected. The hard won workers’ rights unions have achieved over the years will diminish back to the once unsafe and low paid construction work it once was.
References


