

# **SAMPLE**

## Union-Nonunion Wage and Fringe Benefits Comparison

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### *Chapter XYZ – Local 101*



The Construction Labor Research Council (CLRC) is pleased to provide this report which compares the wage and fringe benefits package between Chapter XYZ and Local 101 to similar nonunion data in the same geographic region.

## Overview

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Union data for Local 101 were obtained from their wage sheet effective January 1, 2013. Nonunion wage data came from the Occupation Employment Statistics program at the Bureau of Labor Statistics (BLS) in the Department of Labor. Nonunion fringe benefits data came from the Employer Cost for Employee Compensation program at BLS.

### Cost Difference and Percent Difference

The "\$ Diff" results show how much higher the union rate is than the nonunion rate for each pay category outlined in the analysis. The "% Diff" results show how much lower the nonunion rate is compared to the union rate as a percent. (Note, if the percent difference were calculated to represent how much *higher* the union rate is than the nonunion rate, the percent difference values would be larger due to a lower number, the nonunion rate, in the denominator of the ratio).

### 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 2013, the expiration date for Local 101's package. The aging factor used was 2.2 percent, which was the average union increase for 2012 as measured by CLRC.

## Results

Category	Union	Nonunion	\$ Diff	% Diff
<b>Wages</b>	<b>\$23.65</b>	<b>\$18.51</b>	<b>\$5.14</b>	<b>22%</b>
<b>Fringe Benefits</b>				
Health	\$5.31	\$2.44	\$2.87	
Local Pension	\$4.13	\$0.81	\$3.32	
Scholarship	\$2.19	-	\$2.19	
Defined Contribution	-	\$0.74	-\$0.74	
<b>Total</b>	<b>\$11.63</b>	<b>\$3.99</b>	<b>\$7.64</b>	<b>66%</b>
<b>Other Costs</b>				
Training	\$0.12	-	\$0.12	
Industry Fund	\$0.23	-	\$0.23	
Energy Mgmt Trust Fund	\$0.03	-	\$0.03	
Apprentice	\$0.28	-	\$0.28	
State B/T	\$0.01	-	\$0.01	
<b>Total</b>	<b>\$0.67</b>	<b>\$0.00</b>	<b>\$0.67</b>	<b>100%</b>
<b>Total</b>	<b>\$35.95</b>	<b>\$22.49</b>	<b>\$13.46</b>	<b>37%</b>

Effective Date: February 2013

Aging Factor: 2.2%

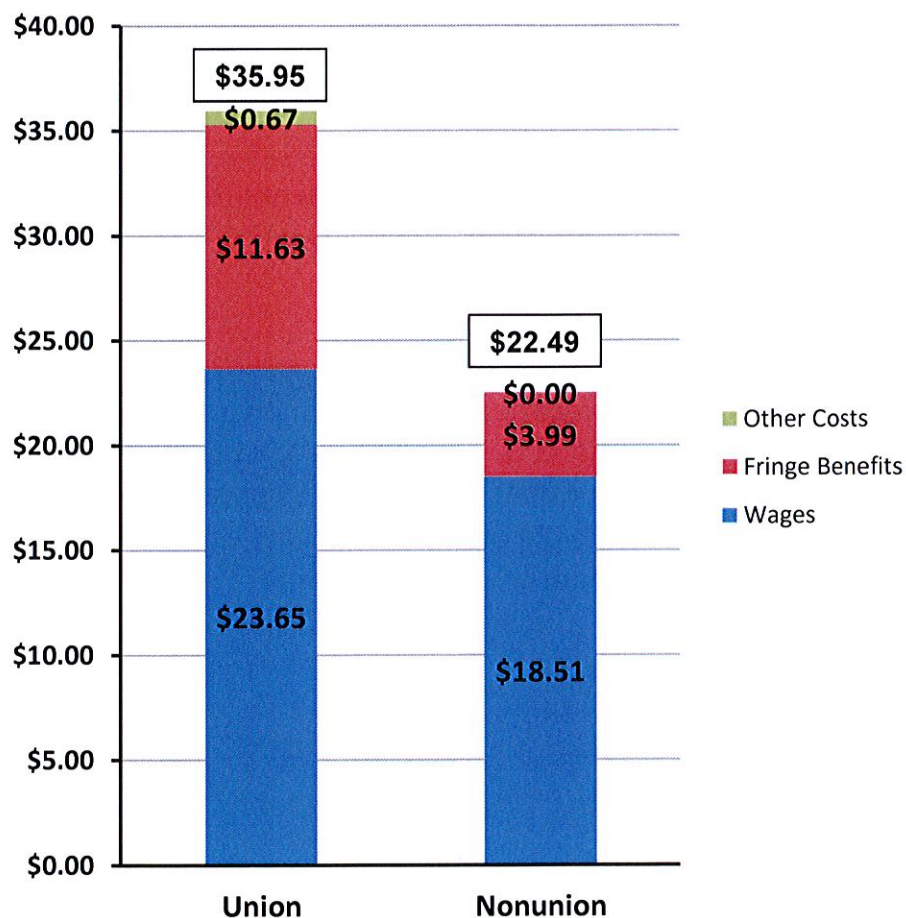
Nonunion Data Source: Department of Labor/Bureau of Labor Statistics

The union wage rate is \$23.65 and the nonunion wage rate is \$18.51. The difference between the union and nonunion wage rates is \$5.14. As a percent, the nonunion wage rate is 22 percent lower than the union wage rate.

The union fringe benefits rate is \$11.63 and the nonunion fringe benefits rate is \$3.99. The difference between the union and nonunion fringe benefits rates is \$7.64. As a percent, the nonunion fringe benefits rate is 66 percent lower than the union fringe benefits rate.

The union rate for the other costs category is \$0.67. There are no comparable costs for the nonunion worker.

The union total rate is \$35.95 and the nonunion total rate is \$22.49. The difference between the union and nonunion total rates is \$13.46. As a percent, the nonunion total rate is 37 percent lower than the union rate.



## Summary

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The union rates are higher than the nonunion rates for all categories included in this analysis. The gap is most noticeable for fringe benefits where the union rate is nearly triple the nonunion rate. The union total rate is much larger than the nonunion total rate.

The ratio of union to nonunion for wages is 1.3 to 1. In other words, for every wage dollar spent by nonunion contractors on wages, union contractors spend \$1.30. The ratio for fringe benefits is 2.9 to 1. The ratio for the total rate is 1.6 to 1, meaning that for every \$1.00 paid by nonunion contractors for labor, union contractors pay \$1.60.

The nonunion wage rate used in this report was compared to pay data statistics from a private firm which specializes in analyzing nonunion pay. That rate for nonunion wages was very similar to the rate used in this report, further validating the reliability of the data used in this report.

Finally, the pay difference can also be considered from a productivity perspective. Specifically, given the union to nonunion pay discrepancy, how much more productive do the union workers need to be to neutralize the difference? Findings show that in order to compensate for the pay difference, union workers would need to be 160 percent more productive than nonunion workers. In other words, the union worker would need to accomplish in 5.0 hours what the nonunion worker does in an 8 hour day.