

LABOR COSTS IN THE HIGHWAY, STREET, AND BRIDGE CONSTRUCTION SECTOR

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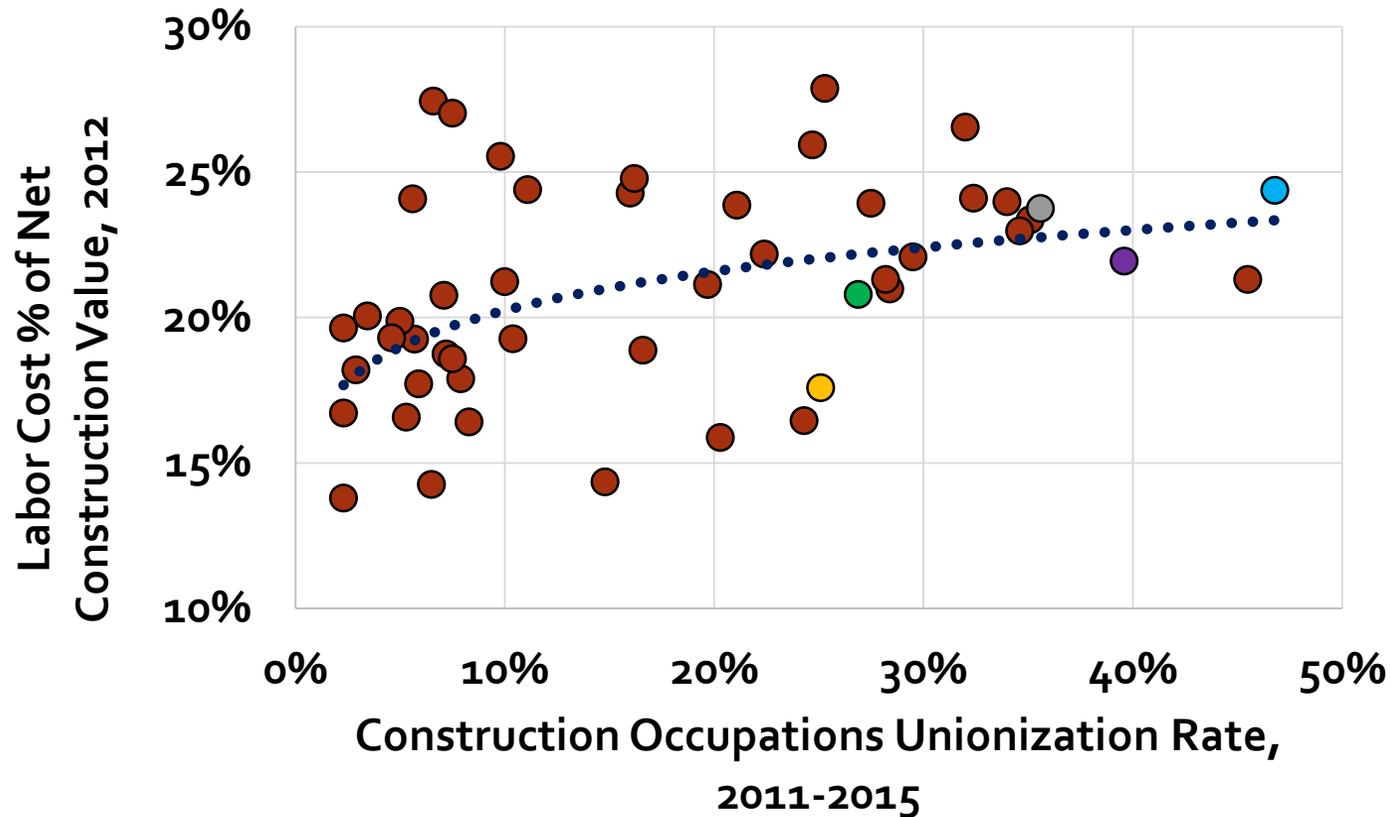
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Data

- **2011-2015 data on unionization in construction occupations (i.e., blue-collar construction workers on *both* public and private projects) from the *Current Population Survey* from the Bureau of Labor Statistics (BLS)**
 - See [“Construction Trades” codes 6200-6765 here](#) for a list of construction occupations.
 - Five years of data is used to increase the sample size for statistical significance.
- **2012 *Economic Census of Construction* data from the U.S. Census Bureau.**
 - Data is for the “highway, street, and bridge construction” sector, the vast majority of which is funded using federal, state, and/or local tax dollars.
 - The labor cost share is calculated as:
 - $[(\text{wages paid to blue-collar construction workers}) + (\text{total fringe benefits}) * (\text{blue-collar construction workers} / \text{total employees})] \div (\text{net value of construction work})$

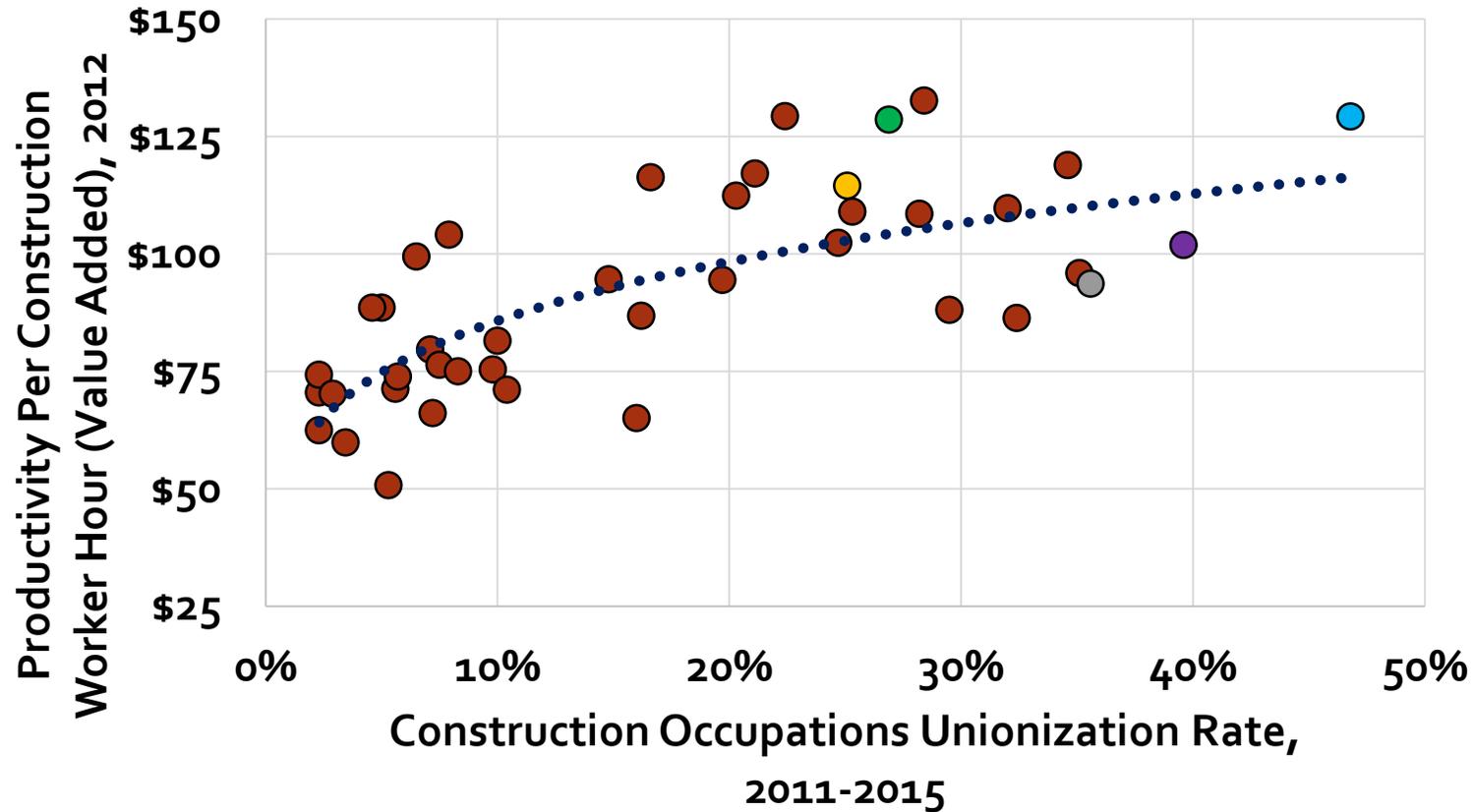
Labor Cost Share vs. Construction Unionization



Illinois Indiana Iowa Minnesota Wisconsin

- The labor cost share never exceeds 28%, even among states with the highest levels of unionization.
- The correlation coefficient is 0.45, a moderate relationship.

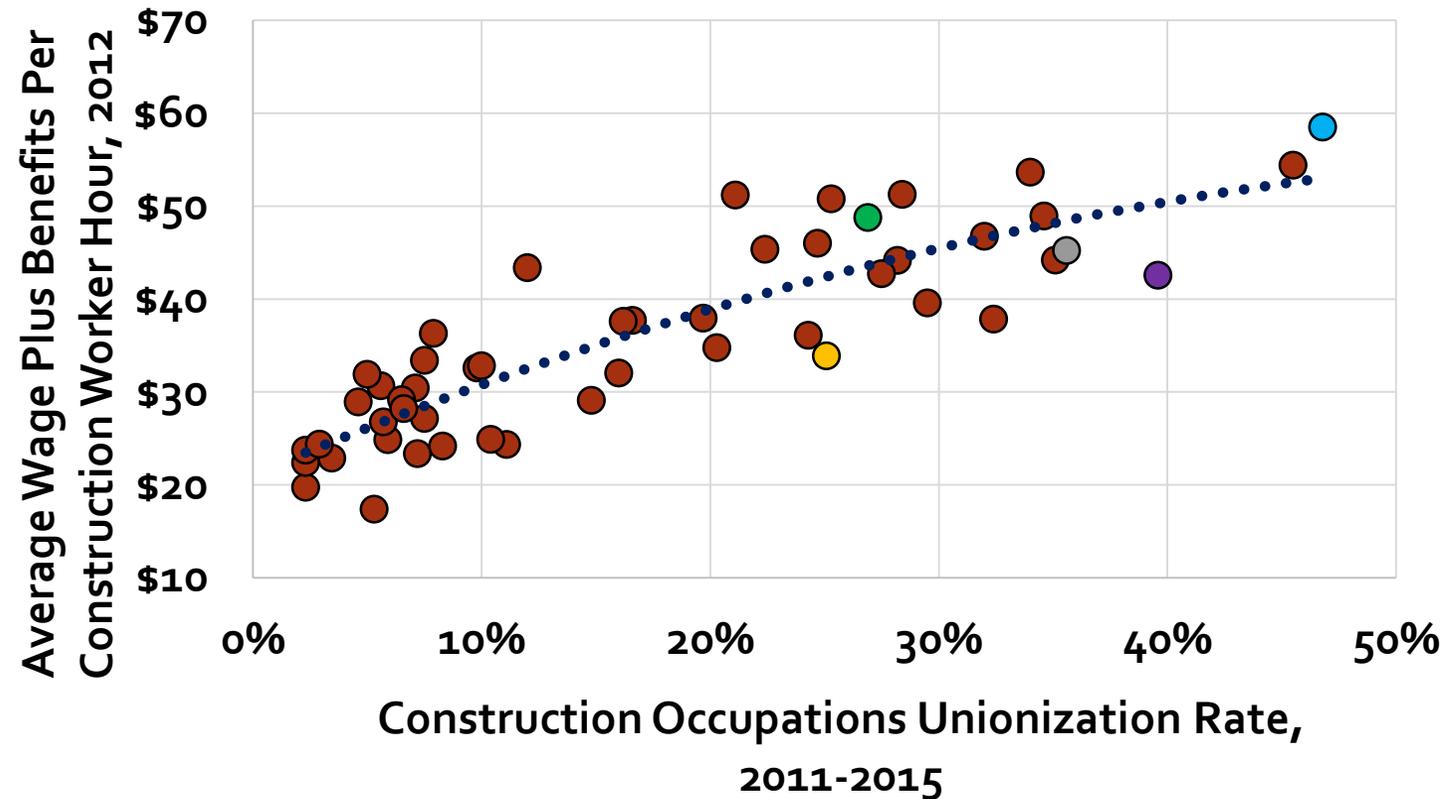
Productivity vs. Construction Unionization



- As unionization increases, productivity per construction worker hour tends to rise.
- The correlation coefficient is 0.73, a very strong relationship.

Illinois Indiana Iowa Minnesota Wisconsin

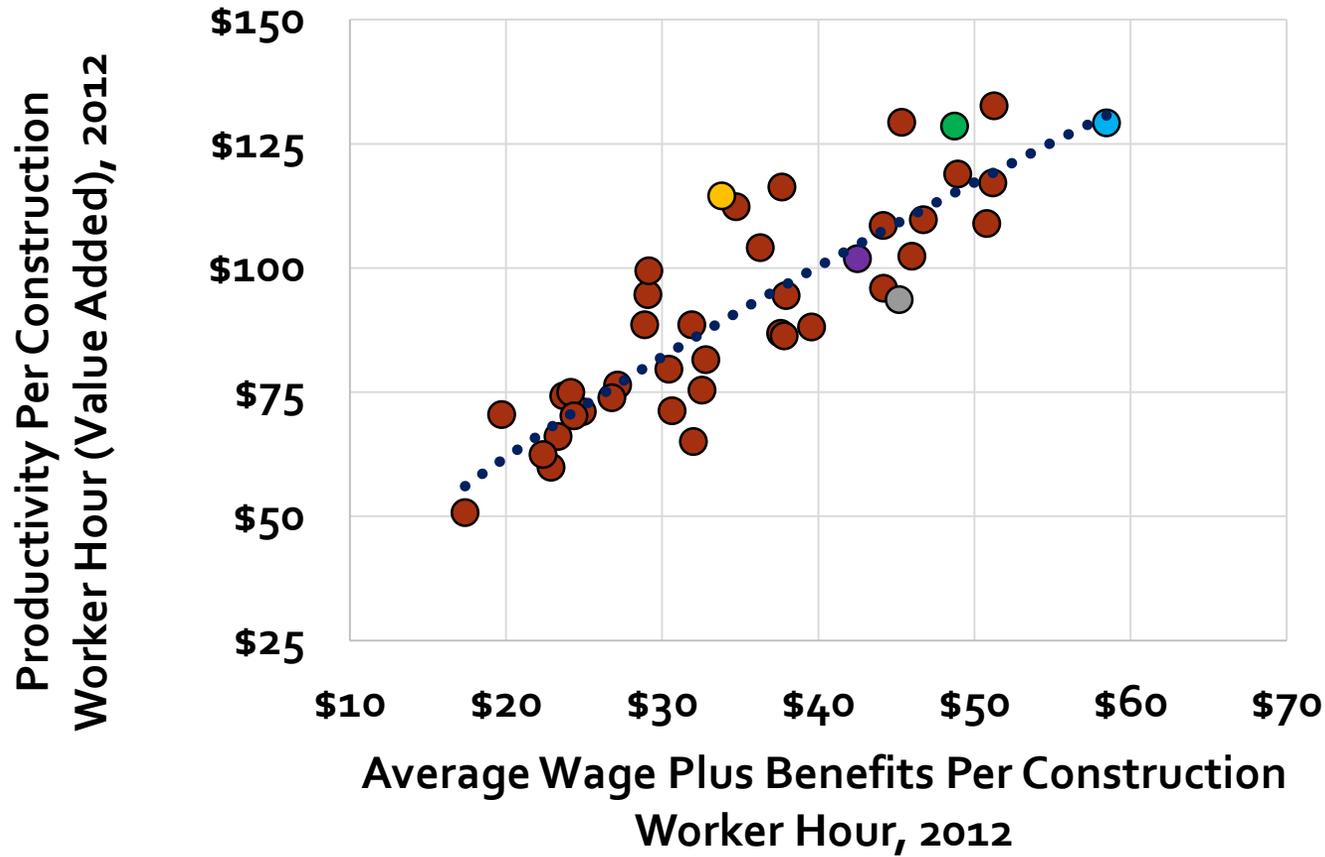
Compensation vs. Construction Unionization



Illinois Indiana Iowa Minnesota Wisconsin

- The main purpose of unionization is to raise worker wages per hour. Trades unions are effective at this.
- The correlation coefficient is 0.87, a very strong relationship.

Productivity vs. Compensation



Illinois Indiana Iowa Minnesota Wisconsin

- Productive workers are better compensated. Since union construction workers tend to be more productive, they earn more.
- The correlation coefficient is 0.87, a very strong relationship.