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

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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:
    - \[ \frac{[(\text{wages paid to blue-collar construction workers })+(\text{total fringe benefits})\times(\text{blue-collar construction workers/total employees})]}{\text{(net value of construction work)}} \]
Labor Cost Share vs. Construction Unionization

- 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.
As unionization increases, productivity per construction worker hour tends to rise.

The correlation coefficient is 0.73, a very strong relationship.
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.
Productive workers are better compensated. Since union construction workers tend to be more productive, they earn more.

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