

# THE IMPACT OF CONSTRUCTION UNION DUES IN MINNESOTA

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AN ORGANIZATIONAL AND INDIVIDUAL-LEVEL ANALYSIS

*Report by: Midwest Economic Policy Institute*

*Website: [www.midwestepi.org](http://www.midwestepi.org)*

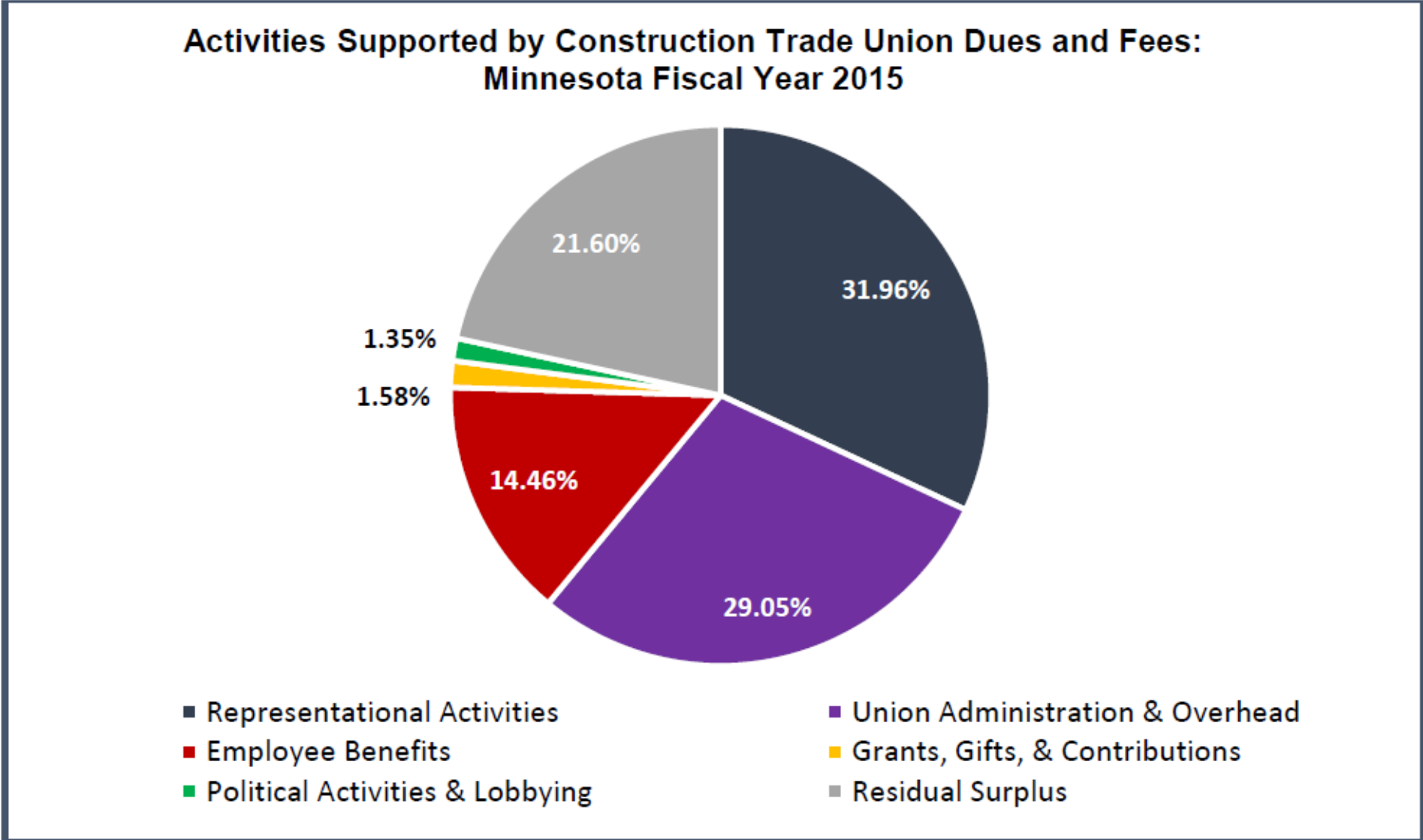
# Construction in Minnesota

- Construction workers are:
  - Productive, high-skilled, and well-paid
- 30.3 percent of construction workforce is unionized
  - Only 13.2 percent of U.S. construction industry is unionized
  - 77,786 members in construction labor organizations in MN
- Can voluntarily leave unionized contractor, opt out of certain dues, or vote to decertify
- ***So what are the benefits of being in a union and contributing membership dues?***

# Construction Union Dues in Minnesota

- The average union member contributed \$1,381 in annual dues, fees, and other membership payments - \$115 per month
- 1.4% of all membership dues collected are spent on political contributions and lobbying - \$17.47 per year
- 75.5% of membership dues collected is spent on bargaining and representation

FIGURE 4: ACTIVITIES SUPPORTED BY MEMBERSHIP DUES AND FEES IN MINNESOTA, REPORTING UNIONS, FY2015



Source(s): OLMS, 2015b. Form LM-2 Data.

# Return on Investment

- There are many personal benefits of being a union member
- Union membership increases the after-tax income of construction workers by **\$7,720 annually**
- Unions increase construction worker health insurance coverage by **13.1 percentage-points**

# Return on Investment

- Annual benefit-to-cost ratio of paying union dues:
  - For every **\$1** paid in dues and fees, a construction worker gets **\$5.59** in after-tax income

**\$1**



**\$5.59**

# Return on Investment

- This financial return is in **addition** to:
  - Better health coverage
  - Less chance of living below poverty line
  - Apprenticeship training
  - Higher job satisfaction

FIGURE 8: PERSONAL COSTS AND BENEFITS RATIO OF CONSTRUCTION UNION MEMBERSHIP IN MINNESOTA, 2015

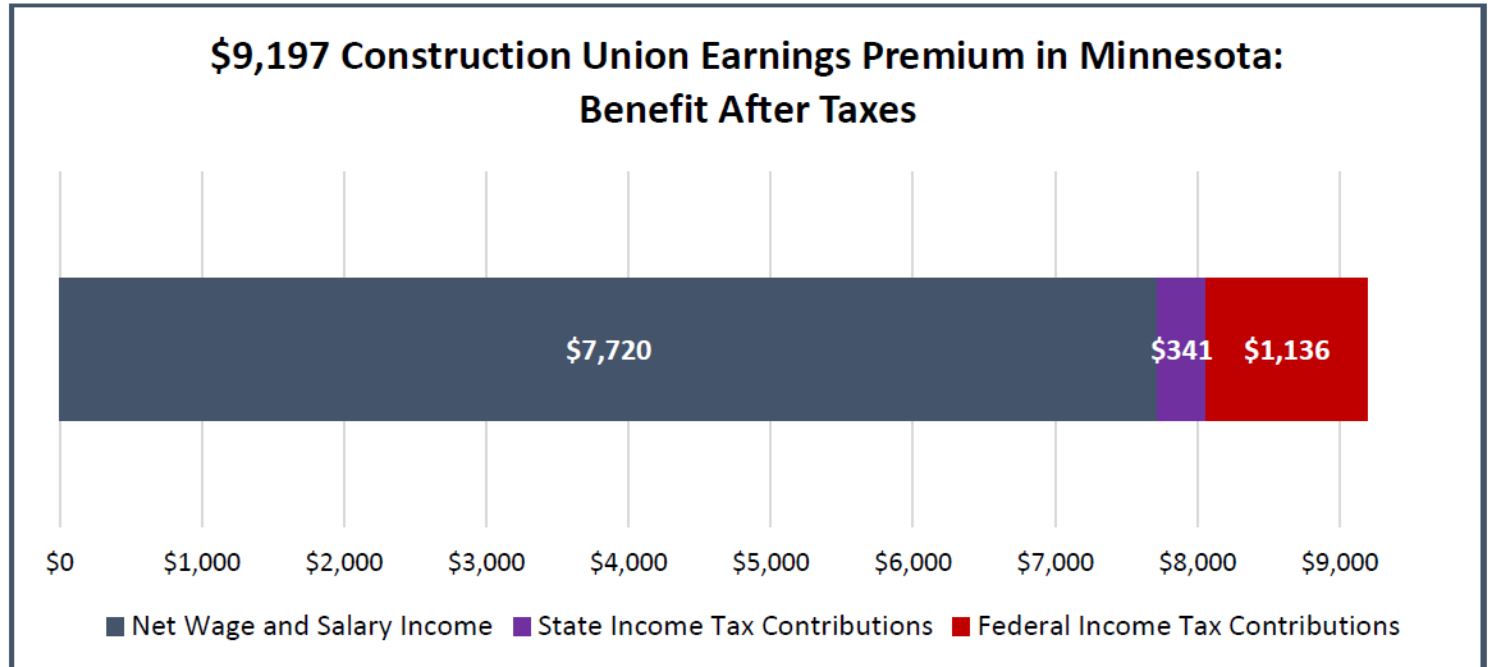
Annual Costs	Annual Benefits			Benefit-to-Cost Ratio
Average Dues and Fees	After-Tax Income Benefit	Health Insurance Coverage Benefit	Additional Benefit	After-Tax Return on \$1 of Dues
\$1,381	+\$7,720	+13.14%	+Voice at work, safety, apprenticeship training	+\$5.59

Source(s): OLMS, 2015b. Form LM-2 Data; Flood, et al., 2015. IPUMS-CPS. March Current Population Survey.

# Economic Impacts of Construction Unions

- Contribute \$1,136 more in federal income taxes per year than nonunion workers
- Contribute \$341 more in state income taxes than nonunion counterparts
- Average net wage and salary income of **\$7,720**

FIGURE 7: PERSONAL WAGE BENEFIT OF CONSTRUCTION UNION MEMBERSHIP IN MINNESOTA, AFTER TAXES, 2005-2014



Source(s): Flood, et al., 2015. IPUMS-CPS. March Current Population Survey. For complete earnings and tax information in a .txt format, contact author Frank Manzo IV at [fmanzo@midwestepi.org](mailto:fmanzo@midwestepi.org).



# Economic Impacts of Construction Unions

## Because union member earn higher incomes:

- Unionized construction workers create over 9,000 jobs
  - 1,300 direct jobs in labor organizations and almost 8,000 other jobs from higher earnings and consumer spending in union households
- \$808.6 million increase in economic output
- \$99.5 million more in state income tax revenue

# Positives of Trade Unions

- Return of investment is high
  - \$1 in dues = \$5.59 in after-tax income
- Higher salary, better benefits, safety training, and voice at work
- Unions stimulate the economy
  - Create over 9,000 jobs that would not be there without unionization
  - Boost Minnesota's economy with \$808.6 million in economic output

# Thank you

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