ICERES Annual Report

Union Membership in the Skilled Construction Trades, 2013-22

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KEY STATS

15.6%

Unadjusted union membership rate of skilled construction tradespeople, not including self-employed workers, 2022

17.9%

Adjusted union membership rate of skilled construction tradespeople, accounting for worker misclassification, 2022

29.9%

Adjusted union membership rate of skilled tradespeople in non-residential construction, accounting for worker misclassification, 2022

35.7%

Highest regional (Mid-Atlantic) adjusted union membership rate of skilled construction tradespeople, 2022

5.2%

Lowest regional (South Atlantic) adjusted union membership rate of skilled construction tradespeople, 2022

INTRODUCTION

This report summarizes union membership rates within America's skilled construction trades over the last 10 years (2013-22). This analysis fills an important information gap on construction union activity given shortcomings of the two most-cited sources of union data in the United States: the Bureau of Labor Statistics' annual report (LINK) and the site unionstats.com (LINK).

Currently, both sources provide union membership rates for the construction *industry*, but these totals incorporate engineers, accountants, office staff and anyone employed by a construction firm. While both sources also present union density for construction and extraction *occupations*, those projections include workers employed in other industries (e.g., manufacturing). What is important for construction stakeholders, however, is union membership rates within blue-collar occupations for workers employed by construction firms; these estimates are not available from either source.

To provide consistent measures, this report largely adheres to the statistical methodology used by the BLS. This means examining the results of the Current Population Survey (CPS), a nationally-representative household survey administered jointly by the BLS and Census Bureau on a monthly basis. The BLS method of estimating union membership rates effectively divides the number of people who identify as employed union members on the survey by the number of people who identify as employees (and not self-employed).

UNDERSTANDING YEAR-TO-YEAR FLUCTUATIONS

The estimates offered in this report are generated by the results of a relatively large household survey administered each month by the BLS and Census. But the survey nevertheless only reaches a fraction of American households. Through sheer luck, it may be that surveys in a given month or year are more or less likely to reach the homes of unionized skilled tradespeople. As a result, some degree of year-to-year fluctuations in the estimated number of union members may occur simply due to the luck of the draw; in the research parlance, this is an understood problem of "sampling error." As a result, readers are encouraged not to overemphasize minor fluctuations in year-to-year results but instead look for more substantative patterns that emerge over multiple years.

TECHNICAL DETAILS

This report uses CPS microdata as provided by ipums.org, a service offered by the University of Minnesota. This report focuses on employed (but not self-employed) workers in the construction industry (Census industry code 770). Skilled trades occupations are defined as those with Census occupation codes between 6200 and 9760; limiting the focus to only "construction occupations" (6200-6660) results in numerous skilled trades occupations to be omitted (millwrights, HVAC, electrical line installers, and some laborers and operating engineers). Unlike the BLS, the approach used in this report excludes "allocated" data—or answers provided by a Census algorithm when a person does not answer a question—except when needing to estimate the total number of union members (the numerator for the "adjusted" rates described on the next page).

National Union Membership Rates, 2013-22

UNADJUSTED VS. ADJUSTED UNION MEMBERSHIP RATES

This report relies on data from the Current Population Survey, a large, nationally representative survey jointly administered each month by the Bureau of Labor Statistics and the Census Bureau. To estimate the share of skilled trades workers who belong to a labor union, this study first presents an "unadjusted" measure. This approach follows the exact method used by the Bureau of Labor Statistics: effectively dividing the number of respondents who identify as union members by the total number of respondents who identify as employees (and not self-employed).

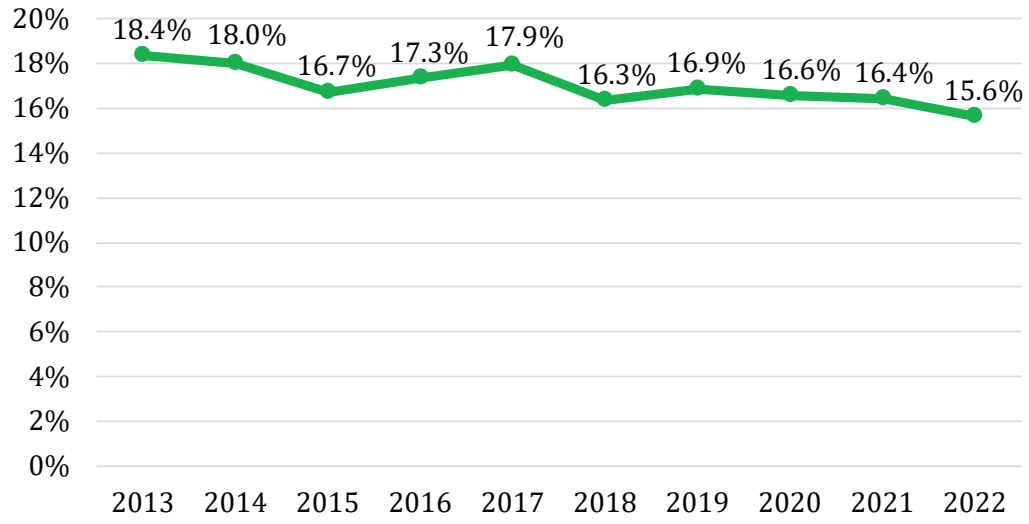
But the BLS's default approach blindly assumes that anyone who claims to be an employee is, in fact, an employee. However, numerous studies on worker misclassification in the United States reflect that a substantial number of independent contractors and workers in the underground construction economy falsely believe themselves to be regularized employees when they are technically self-employed in the eyes of federal labor law. This means that the BLS's standard approach underestimates union membership rates among *actual* employees.

To address this issue, this report presents an "adjusted" union membership rate. This divides the estimated number of employed union members by the number of legal jobs (think W-2s and tax withholding) as documented through unemployment insurance records. Combining aggregated industry-level UI records (QCEW) with survey data of employers (OES)—which provides an estimate of the relative share of white- and blue-collar employees in the industry—from the BLS, this report identifies the number of "legal" blue-collar employees as the more appropriate denominator.

UNION MEMBERSHIP RATE, NATIONAL, UNADJUSTED, 2013-22

Analysis

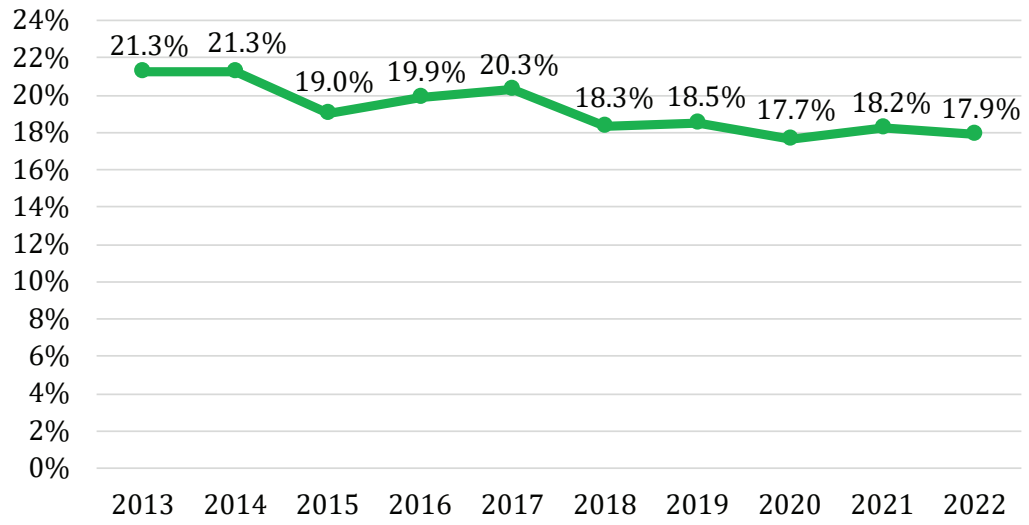
Using the BLS's standard approach, the results suggest that 15.6% of skilled trades workers in the construction industry belonged to a labor union in 2022. The decline in union density is likely due to much faster growth rates in residential construction (which is almost entirely non-union) and regulatory changes at the state level in 2015-18: the passage of right-to-work laws in three states and repeal of prevailing wage laws in six states.



UNION MEMBERSHIP RATE, NATIONAL, ADJUSTED, 2013-22

Analysis

The union membership rate is higher after accounting for worker misclassification by 2-3 percentage points, with a 17.9% rate in 2022. Curiously, blue-collar employees have comprised an increasingly smaller percentage of legal industry employment over the last five years. This is either reflective of increased misclassification or the greater influence of residential contractors (who are more apt to misclassify) given the hiring boom in residential.



Regional Union Membership Rates, 2022

REGIONAL UNION MEMBERSHIP RATES

It is well accepted that union membership varies markedly across states and regions for reasons that fall outside the scope of this report. However, generating state-specific union membership rates for a given year using the BLS's methodology is somewhat unreliable as estimates in small-population states are often based on a limited number of survey responses. Through sheer luck—which economists call "sampling error"—none of the 25 Maine tradespeople who answered the BLS's survey in 2022 were unionized, causing the BLS's method to suggest that Maine had a 0% union membership rate in the industry. The Maine State Building & Construction Trades Council would likely disagree. Given the unreliable nature of state-specific estimates, this report aggregates union membership by Census-defined regions. This should alleviate—but not entirely resolve—issues related to sampling error.

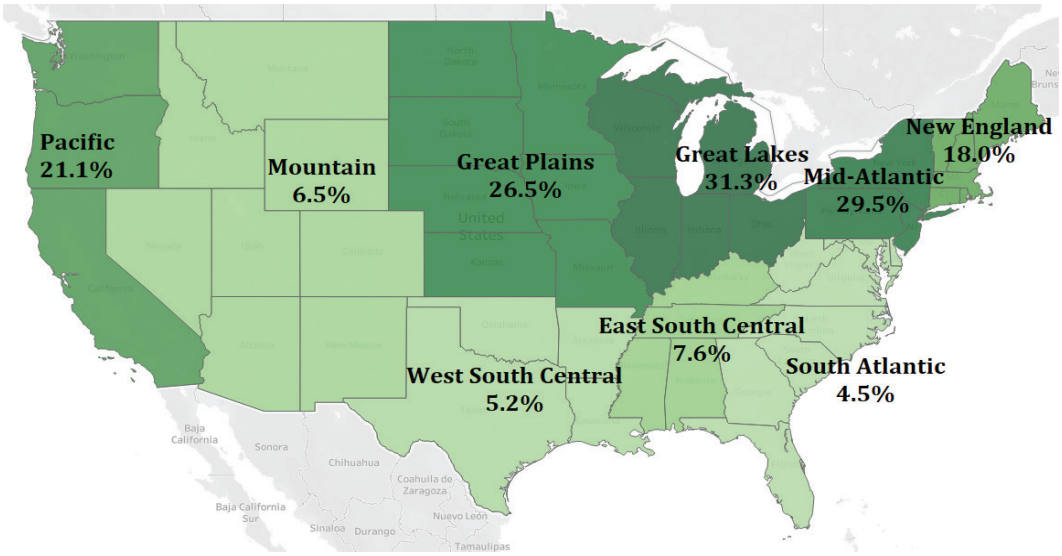
Be advised that unadjusted approaches preferred by the BLS feature workers' union status as categorized by their state of residence and not state of work; this is simply a limitation of the underlying survey. Specific to "adjusted" rates, this does create a slight mismatch given that the numerator (number of union tradespeople) is based on where people live while the demoninator (number of all legally-employed tradespeople) is based on where people work. The scale of the error this creates in both unadjusted and adjusted rates, however, should be marginal.

Note that regional union membership rates among legal employees are not necessarily equal to union contractors' market share due to differing regional rates of self-employment, misclassification and the strength of the underground construction economy.

UNION MEMBERSHIP RATE, BY REGION, UNADJUSTED, 2022

Analysis

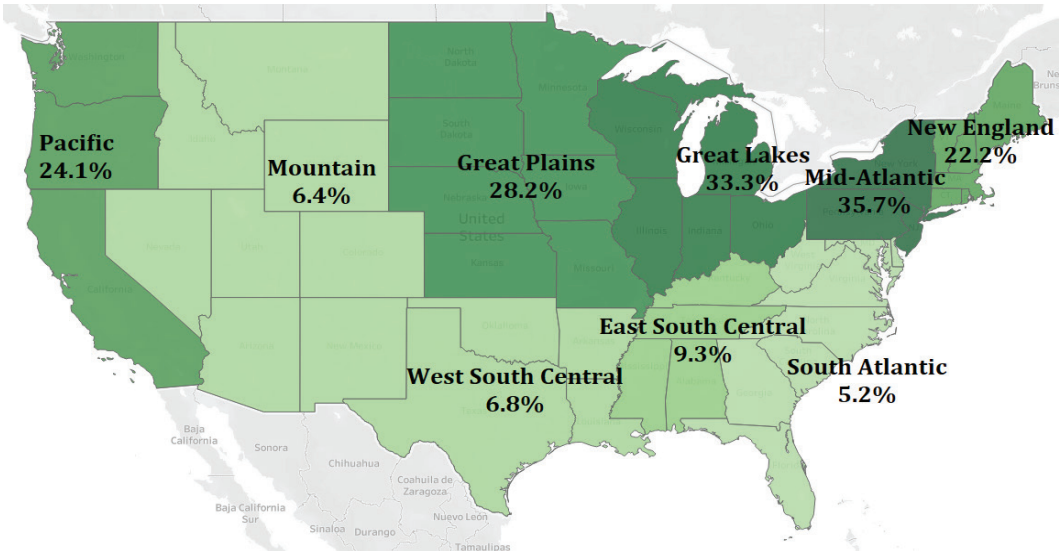
As to be expected, union density is much higher in the Midwest, Northeast, and West Coast compared to the Southeast and Mountain regions. Over the course of the last decade, there has been a year-over-year decline in density that has occurred in the Great Lakes and Great Plains, with less obvious softening in both Northeastern regions, and the East South Central and Pacific regions. Other regions have largely stayed flat.



UNION MEMBERSHIP RATE, BY REGION, ADJUSTED, 2022

Analysis

Adjusting union membership rates for possible worker misclassification predictably increases estimated rates across most regions. While the largest absolute increases in union rates occur in the Northeast and West Coast, estimated union density rates increased by over one-fifth in East and West South Central regions after accounting for possible misclassification.



Non-Residential Union Membership Rates, 2013-22

RESIDENTIAL VS. NON-RESIDENTIAL CONSTRUCTION

The U.S. contsruction industry is largely bifurcated into residential construction and non-residential construction (e.g., industrial, commerical, heavy and highway, institutional). Union tradespeople are almost entirely employed in the non-residential sector. This makes estimates of *construction-wide* union membership rates to be misleading, especially given the wide swings in employment that accompany the booms and busts of residential construction in the last 20 years.

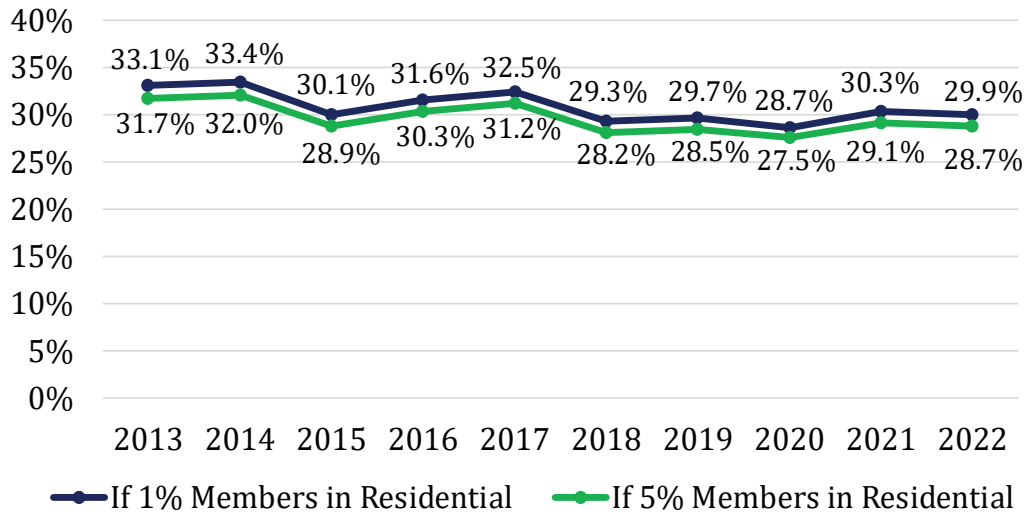
A better measure of union activity in the construction space would be to focus on membership rates among non-residential workers. Fortunately, the Department of Labor classifies construction employers on the basis of whether a majority of their work is residential or non-residential. Through subsequent unemployment insurance filings (the BLS QCEW data series), one can aggregate employment totals for each subsector; this constitutes the demoninator for the calculation of membership rates.

The challenge, however, is generating the numerator: the number of union workers operating in residential and non-residential construction, respectively. The household survey that identifies workers' union status does provide an estimate for the total number of union workers in the overall industry, but does not distinguish between the two subsectors. As a result, any estimate of union density in non-residential construction must make assumptions about the proportion of union workers in residential vs. non-residential, thereby introducing a margin of error into the estimates. As a result, this study offers two estimates of the proportion of union workers operating in residential construction: 1% and 5%.

UNION MEMBERSHIP RATE, NON-RESIDENTIAL, NATIONAL, ADJUSTED, 2013-22

Analysis

The results suggest that union density is about 30% among skilled tradespeople working primarily on non-residential projects. While this has remained stable over the last five years, it is a slight decline from 2013-17. While there is no direct proof, the timing of this decline largely coincides with the passage of right-to-work laws in three states (KY, WI, WV) and the repeal of state prevailing wage laws in six states (AR, IN, KY, MI, WV, WI).



UNION MEMBERSHIP RATE, NON-RESIDENTIAL, BY REGION, ADJUSTED, 2022

Analysis

Using the more conservative assumption that 5% of union members work in residential construction, the graph at right estimates the union membership rate among legally-employed tradespeople of non-residential construction contractors by region in 2022. As to be expected, unions are much stronger in the Northeast, Midwest and West Coast and weaker in the South and Mountain regions.