

Executive Summary

The Associated Builders and Contractors, better known as “ABC,” is a trade association based in Alexandria, Virginia. On its website, in public documents and numerous forums, ABC describes itself as the “voice” of the construction industry. ABC makes this claim based on its “75 chapters representing 23,000 merit shop construction and construction related firms, with nearly two million employees.” On occasion, ABC has claimed that it represents “80 percent of construction” because of its ties to “merit-shop” or non-union contractors.¹

ABC’s is unique among construction industry trade associations in that its national agenda is ideological and anti-union, rather than focused on construction related issues. ABC is a critic of prevailing wage (Davis-Bacon) laws and project labor agreements (PLAs), yet ABC also supports repeal of the Obama health care law, endorses repeal of the estate tax, and supports capital gains tax reductions. More recently, ABC has ramped up spending on anti-government, anti-union new media, including websites, Facebook pages and YouTube videos.

This study analyzes ABC from a number of different perspectives, including its origins, its membership and density among contractors in the American construction industry, its finances, its formal apprenticeship and craft training programs (along with its affiliate, the National Center for Construction Education and Research, NCCER), and ABC’s more recent electronic issue advocacy.

Key Findings:

- The total number of ABC’s member-contractors (sub and general) amounts to only 1% of the total number of licensed or registered construction contractors in the United States.²
- In no state does the percentage of ABC’s member-contractors (sub and general) exceed 6% of the total number of licensed or registered contractors in any of the 46 states where ABC operates.
- ABC’s national organization had annual revenue of \$19.6M on average over the last three years. This puts ABC in the middle ranks of national trade associations, with roughly the same annual budget at the Business Roundtable or the Associated General Contractors of America (AGC).
- Nationally, joint [labor-management] apprentice training committee (JATC) programs enroll far more construction apprentices than ABC apprentice training programs, train apprentices in a broader range of crafts, have higher aggregate completion rates and have agreements with many more signatory contractors. While the aggregate demographic data for these two systems is quite similar, the relative difference in the size of the two systems – JATC vs. ABC – means that the actual number of women and people of color enrolled in the JATC programs is much larger than those enrolled with ABC.³
- The Building Trades unions and their affiliated contractors spend an estimated \$750 million a year on apprentice training, making the JATC system one of the largest private education systems in the nation.

¹ The “voice” reference is from the ABC Website, www.ABC.org; the 80 percent reference is found in Rossman, J. [2005, April]. Statement of Joseph E. Rossman, Vice President of Fringe Benefits, Associated Builders and Contractors, Inc., *Small Business and Health Insurance: Easing Costs and Expanding Access*, Testimony before the Senate Committee on Health, Education, Labor and Pensions. Retrieved from www.help.senate.gov/imo/media/doc/Testimony--Rossman.pdf

² ABC membership data from www.ABC.org at the time this study was conducted; total number of licensed or registered construction contractor was compiled on a state-by-state basis. In states with no contractor licensing or registration requirements, the contractor data is from the Bureau of Labor Statistics, Quarterly Census of Employment and Wages, total number of privately owned construction establishments, as of Dec. 2010.

³ The author thanks Steve Bannister, the University of Utah, who was assisted by Professor Cihan Bilginsoy, the Department of Economics, University of Utah, for performing the data extraction and analysis in this section of the report.

ABC – Origins

How did an organization founded in Baltimore in 1950 by seven anti-union contractors become one of the loudest advocates for anti-union interests in one of the nation's leading industries? Beginning in the late 1960s, leaders of the nation's largest construction "users" – the heads of some industrial corporations that eventually became the Business Roundtable – began a well-financed campaign to drive construction wages down and to drive the Building Trades unions and unionized contractors out of industrial construction, primarily construction of factories and power generation facilities. These CEOs were drawn to ABC because of its advocacy for a "low road" strategy for labor relations in construction, characterized by low wages, minimal benefits and limited opportunities for training and advancement. ABC's alliance with the Business Roundtable transformed ABC from a small, regional group to a national trade association with a well-funded presence in Washington DC and many state capitols. When the Roundtable's campaign limited opportunities for unionized contractors, ABC seized this opportunity to claim representation of the entire open-shop sector. As the data presented in this report demonstrates, however, only a tiny fraction of contractors actually belong to ABC. What these data reveal is that ABC is more accurately characterized as an astro-turf political organization with a well funded PR and lobbying machine, and a slight capacity for workforce development.⁴

The Building Trades and the Construction Industry

At the beginning of the 20th century, skilled workers in the building and construction trades had organized strong craft-based unions with significant density throughout the US. Construction was (and still is) a very diverse industry. Firms of varying size and scope tackled a wide range of construction projects in a rapidly expanding nation. Most construction firms were small and locally oriented, yet both small and large firms were dependent on highly skilled workers to complete their projects. This was especially true on industrial projects such as steel frame buildings or utility plants that were increasingly technologically sophisticated. On projects like these that required huge capital investment and exacting building standards, project owners worked with unionized contractors which had access to the most highly skilled trades people. For their part, union leaders worked cooperatively with unionized contractors throughout the industry.⁵

During these formative years, the Building Trades unions developed two key institutions that solved important challenges confronting construction users, contractors and construction workers. The first was the hiring hall. The hiring hall solved the problem of maintaining a highly skilled workforce in an industry characterized by seasonal fluctuations, market volatility and the intermittent nature of project based work. Workers were attached to craft, union and industry, rather than to employer. The hiring hall was thus the vital link between employers and skilled union labor across a variety of construction projects. If employers' needs were short

⁴ The Business Roundtable/ABC alliance is noteworthy from a historical perspective. Most journalists and labor analysts commonly assume that the current attacks on organized labor began with President Reagan's firing of the Professional Air Traffic Controllers Organization (PATCO), following a PATCO strike in 1981. As important as the PATCO firings were, the current attacks on labor actually began with the formation of the Construction Users Anti-Inflation Roundtable (CUAIR) in the late 1960s. It was CUAIR that orchestrated the campaign to drive construction wages down and limit the role for unions and unionized contractors.

⁵ See Palladino, G. [2005]. *Skilled Hands, Strong Spirit: A Century of Building Trades History*. Ithaca and London: Cornell University Press; for the union cooperation with contractors, see Palladino, 68.

term, the hiring hall provided workers with prospects for continuity of employment across various projects and the ability to accumulate the annual work hours necessary to finance their health care and pensions. Formal apprenticeship programs prepared new entrants for journeyman status and also provided opportunities for journeymen to upgrade their skills when technology changed. These jointly funded apprenticeship and training programs allowed unions to maintain high quality training standards and to limit the number of apprentices in the pipeline, when necessary, to forestall unemployment. Apprenticeship programs were jointly funded through collective bargaining contracts. Importantly, early union apprenticeship programs in some localities were organized in cooperation with local educational leaders (later this role was taken over by government regulators), which provided third party evaluation and accreditation for program curricula.⁶

The Building Trades' considerable density within the construction industry ebbed during the 1920s and 1930s, and then rebounded during World War II when the entire labor movement was included in the planning and execution of war production. In exchange for a no-strike pledge for the duration of the war, unions were generally accorded union shop agreements for their role in the war effort. After the war, however, some contractors resisted union shop agreements. In 1950, seven anti-union contractors in Baltimore founded ABC in an effort to roll back union density in the Mid-Atlantic States during the post-war building boom. For the next twenty years, ABC remained a small, regional, anti-union organization.

The Corporate Counterattack: The Business Roundtable

In the 1960's, the political and economic context for labor-management relations changed when the Viet Nam War led to shortages of skilled construction workers, and war production exerted inflationary pressures on the economy. With density high and labor in short supply, Building Trades locals around the country pressed for wage increases that would keep up with spiraling inflation. Strikes and other work stoppages were common in construction during the late 1960s.⁷ Confronted by demands for higher pay, corporate leaders mobilized to drive down construction labor costs. They were driven by two concerns. First, they believed that higher labor costs drove up the cost of new industrial plants and facilities. Second, they were concerned that higher construction wages might lead industrial workers to advocate for higher pay. In October 1968, 200 industrial owners and contractors met in Houston to organize a management-led bargaining committee designed to drive construction wages down.⁸

The next month, the CEOs of many of these same corporations called a separate meeting and appointed former US Steel Chair Roger Blough Chair of the Construction Users Anti-Inflation Roundtable (CUAIR). Despite their free market ideology, CIAIR's first initiative was to pressure the Nixon Administration to take action on construction labor costs. At the same time, CIAIR leaders planned a well funded campaign against unionized construction. Part of their strategy was to directly intervene in collective bargaining by organizing a series of regional

⁶ See Haber, W. [1930]. *Industrial Relations in the Building Industry*. Cambridge: Harvard University Press, Ch. V and VIII.

⁷ See Palladino, 169-173; see also Linder, M. [1999]. *Wars of Attrition: Viet Nam, the Business Roundtable and the Decline of Construction Unions*. Iowa City: Farnpihua Press, 182.

⁸ For details of the Houston meeting, see Center to Protect Worker's Rights. [1979 October]. *The War on Wage Protection: The Business Offensive*. Washington DC: CPWR, 11-12; for labor costs, see Linder, 220-21.

forums in which corporate leaders could put direct pressure on contractors to limit wage increases. CUAIR leaders believed that many small contractors were unreliable when dealing with unions and thus required direct supervision.⁹

CUAIR also embraced the open shop movement, which led them to join forces with ABC in 1970. Blough and other CEOs believed that ABC had had success in recruiting skilled craft workers without reliance on unions. As their part of this alliance, CUAIR promoted ABC and the open shop movement in corporate-owned media. Most importantly, they pushed CUAIR members to steer business to open shop contractors. Over the next few years many Fortune 500 companies went strictly non-union after years of working with union-friendly contractors. In response, some large unionized firms established non-union divisions to take advantage of these new opportunities, a process known as “double breasting.” CUAIR also pushed industrial leaders to make other changes. They pressured industrial firms, for example, to hold the line on strikes directed at open shop contractors, rather than settling because they wanted industrial facilities to be completed on time.¹⁰

In October 1972, CUAIR merged with the Labor Law Study Committee and became the Business Roundtable (a third anti-labor organization, the March Group, joined this alliance in 1973). Under the Roundtable’s mantle, Blough and his colleagues expanded their campaign to generate public support for the open shop and “reforms” such as the repeal of the Davis-Bacon Act. With greater opportunities for open shop contractors, ABC expanded its membership and established affiliated state chapters. With increased visibility and greater resources to devote to lobbying and political efforts, ABC began to speak for the entire open shop movement, despite its limited density among contractors nationally (see the next section of this report). Samuel Cook, in his official history of ABC, *Freedom in the Workplace*, noted that with CUAIR support, ABC experienced “phenomenal” growth and began to receive “surprisingly favorable attention” from corporate media outlets such as *Newsweek*, *Time*, *Fortune* and *Reader’s Digest*. Cook attributed ABC’s success to “open shop projects of high quality.” He was perhaps unaware that the Roundtable had signed a contract with *Reader’s Digest* in 1975 – worth \$1.2 million – for a series of anti-union, pro-open shop editorials. One *Reader’s Digest* editorial was called *It’s Your Move on Inflation, Mr. President*. The editorial called for the repeal of the Davis-Bacon Act.¹¹

The Building and Construction Trades Department (Building Trades) of the AFL-CIO, whose affiliated unions had lost considerable density by the late 1970s, particularly in the industrial sector, labeled the Business Roundtable’s campaign “the war against wage protection.” Department leaders argued that Business Roundtable support was the real reason for the open shop’s growth and ABC’s outsized reputation, rather than the quality of open shop projects.

⁹ Linder cites an *Engineering News Record* article as the basis for his claim that large contractors initiated the meetings that led to the development of CUAIR, p. 182; even if this is correct, it was the CEOs that had the resources and ability to influence collective bargaining on the scale required to drive the CUAIR agenda. See also Palladino, 173-176; *The War on Wage Protection*; Payne, P. [1979 July]. The Plot to Subvert Labor Standards. *AFL-CIO Federationist*, 17-21; for more on the regional collective bargaining forums, see Payne, 14,

¹⁰ For CUAIR’s alliance with ABC, see Linder, 202; for the boycott of union contractors and double breasting, see Erlich, M. and Grabelsky, J. [2005 September]. Standing at a Crossroads: The Building Trades in the 20th Century, *Digital Commons@ILR*, 2-3. Retrieved from <http://digitalcommons.ilr.cornell.edu/articles/281/>

¹¹ Cook, S. [2005]. *Freedom in the Workplace*. Washington DC: Regnery Publishing, Inc., 295-97; for more on the *Reader’s Digest*, see Linder, 215; *The War on Wage Protection*, 24-26 and Payne, 20.

They argued, in fact, that the Business Roundtable boycott excluded many unionized contractors that were *more* efficient than their open shop competitors. As the Building Trades journal, *The Builders*, explained, "The dramatic growth of the 'open shop' over the past decade doesn't have much to do with the free enterprise traditions of innovation, hard work or competition. Instead it is the direct result of a carefully crafted plan by America's biggest businesses to slash the wages of union carpenters, plumbers and electricians."¹²

Over the years, the refusal of many members of the Business Roundtable to engage with unionized contractors and the open shop's anti-union, low road strategy drove wages and benefits down. Moreover, it damaged the well established apprenticeship training capacity that had for many years provided the industry with an adequate supply of skilled workers. Although the Business Roundtable and the ABC failed to break the Building Trades unions, union density fell sharply, particularly in industrial construction. According to Hirsch and Macpherson's *UnionStats.com* website, in 1973 39.5% of private construction workers were unionized. By 1983, this number had fallen to 27.5%. Similarly, open shop lobbyists failed to secure repeal of the Davis-Bacon Act, but they successfully achieved regulatory changes that restricted its application. At the state level, open shop advocates contributed to the repeal of "little Davis-Bacon" laws in nine states after 1979. Once a ticket to the middle class, most open shop construction jobs today are characterized by low wages, few benefits, insufficient concern with health and safety, and scarce opportunity for training or advancement.¹³

¹² Building and Construction Trades Department, AFL-CIO. [1979]. Special Report: These Men Want to Bust Your Union. *The Builders*, 2. *The Builders* was accessed in the George Meany Memorial Archives, National Labor College.

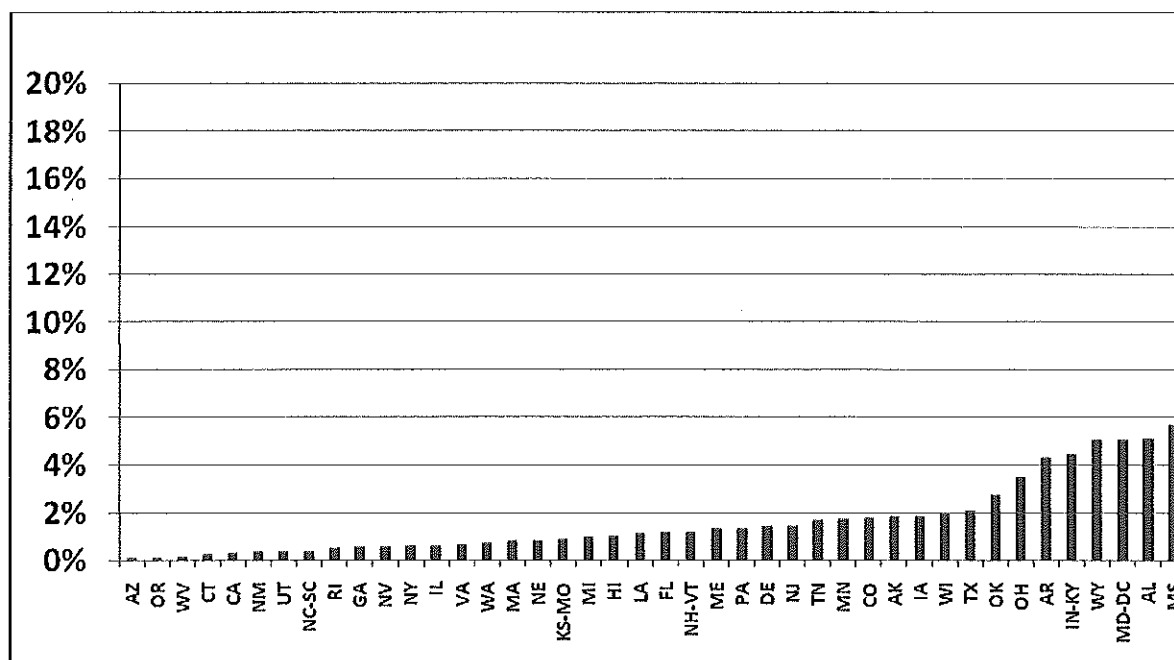
¹³ Hirsch, B. and Macpherson, D.012]. *Unionstats.com*. Union Membership, Coverage, Density and Employment among Private Construction Workers, 1973-2010. Retrieved from <http://www.unionstats.com/>; for the attempts to repeal the Davis-Bacon Act, see *The War on Wage Protection*, 31-76.

ABC – Membership and Density

The total number of ABC's member-contractors (sub and general) amounts to only 1% of the total number of licensed or registered construction contractors in the United States.¹⁴

A state-by-state analysis of ABC's density among licensed or registered contractors shows a similar picture: In no state does the percentage of ABC's member-contractors sub and general) exceed 6% of the total number of licensed or registered contractors in any of the 46 states where ABC operates. This directly contradicts ABC's claim that it is the "voice" of the industry (See Chart I).

Chart I
ABC Contractors (Sub and General) as % of State Total,
Licensed/Registered Contractors



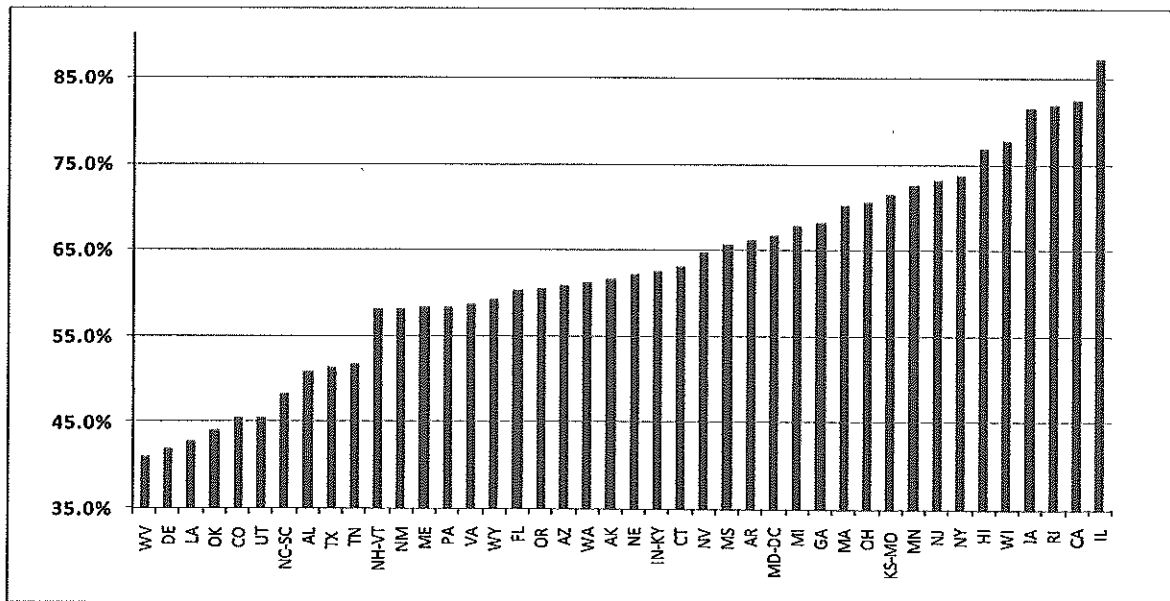
Further, within ABC's membership there is a substantial number of "construction related firms" that are not contractors (see Chart II).

- At the time this analysis was completed, there were 44 Chevrolet dealers included in the ABC membership, as well as 673 insurance brokers/dealers and 59 banks.

¹⁴ ABC membership data from www.ABC.org at the time this study was conducted; total number of licensed or registered construction contractor was compiled on a state-by-state basis. In states with no contractor licensing or registration requirements, the contractor data is from the Bureau of Labor Statistics, Quarterly Census of Employment and Wages, total number of privately owned construction establishments, as of Dec. 2010.

- Among the “construction related firms” included in the ABC membership are the Land and Sea Restaurant in Corpus Christi, Texas, Freddie's Bar-B-Que in Sapulpa, Oklahoma, the Rose of Sharon European Florist in Jacksonville, Florida and Diamond State Party Rentals of Wilmington, Delaware.
- In nearly one-fifth of the states surveyed in this analysis, ABC contractors (subs and general) made up less than half of the ABC state chapters' total membership.
- Data compiled for this report confirms the findings of previous studies of the composition of the ABC membership by the AFL-CIO's Building and Construction Trades Department, the Los Angeles/Orange Counties Building, Construction & Trades Council and the National Heavy & Highway Coalition.¹⁵

Chart II
ABC Contractors (Sub and General)
As Percentage of Total ABC Membership by State



What is ABC? ABC is a small trade association with a well financed public relations and lobbying machine. Despite its claims about its ability to speak for 80 percent of the construction industry, ABC is more of an astro-turf, ideological and political organization than one with deep “grassroots” membership support among builders and contractors.

¹⁵ ABC Membership Study. [2004]. Building and Construction Trades Department, AFL-CIO; Slawson, R. [2010 March 24]. Let's Expose the ABC. *Building Trades News*, Retrieved from http://www.buildingtradesnews.com/index.php?option=com_content&view=article&id=572:lets-expose-the-abc&catid=20&Itemid=120; National Heavy and Highway Alliance. [2009]. The ABCs of the ABC. Retrieved from <http://www.heavy-highway.org/study-reports.aspx>

ABC – Finances

The data summarized below is based upon an analysis of 2009 tax returns (990s) for 80 ABC chapters.¹⁶ This analysis includes financial data from two ABC state organizations (FL and MI) that exist for the purposes of coordinating ABC activities in those states. Each ABC chapter follows a different protocol for reporting revenue and expenditures, and the organization on the whole has a long list of funds, trusts and other initiatives that is not out of character for a trade association with such a decentralized structure. ABC's national organization funds two related subsidiary organizations: the Trimmer Educational Foundation and the Construction Legal Rights Foundation, which provides legal services for chapters fighting PLAs. ABC has a related for-profit entity, ABC Services Corp., which publishes ABC's *Construction Executive* magazine.

- ABC's national HQ had annual revenue of \$19.6M on average over the last three years.
- This puts ABC in the middle ranks of national trade associations. ABC has the same annual budget at the Business Roundtable, another well know lobbying association, and the Associated General Contractors of America (AGC). ABC has only 1/10th the budget of the biggest lobbying organizations such as the Chamber of Commerce or the American Petroleum Institute (API), both with annual revenue of approximately \$200M per year.
- ABC has more chapters than AGC, although on average AGC chapters appear to have larger annual revenue. The average ABC chapter has revenue of approximately \$1M per year, although many chapters are much smaller than this.
- On average, ABC chapters collected \$490K in dues; the national total for 2009 was \$39M for all state chapters combined.
- The Wisconsin chapter (a statewide chapter) collected the most dues, \$1.6M in 2009. ABC guidelines suggest that state chapters collect three times the amount of dues that are forwarded to the national organization, in order to give the chapters the necessary revenue to fund chapter activities. ABC's Pelican Chapter (Louisiana) had the largest revenue in 2009 - \$4.6M.
- The average dues payment from state chapters to the national organization was \$124K per chapter in 2009; the largest payment was \$400K from the Mississippi chapter.
- ABC's PAC spent \$1.5M on average over the past ten federal election cycles. *FollowtheMoney.org*, a campaign money tracking site, reports that ABC chapters have spent \$12M since 2000 on state legislative initiatives, although this is not a complete list.¹⁷ To cite one example, in 2008, ABC's Free Enterprise Alliance contributed \$334,692 to two ballot initiatives in Colorado, one on a right to work law and one on paycheck protection. Although FEA lost both initiatives, these state-level expenditures demonstrate ABC's financial commitment to anti-union initiatives and related causes.

¹⁶ ABC 990 forms were retrieved from the Guidestar website: <http://www2.guidestar.org/>

¹⁷ National Institute on Money in State Politics. Retrieved from <http://www.followthemoney.org/database/search.phtml?searchbox=ABC>

ABC/NCCER – Apprentice and Craft Training Programs

When open-shop contractors expanded their operations in the 1970s, one of the dilemmas they faced was a lack of skilled labor. The vast majority of construction apprentices were trained by joint [labor-management] apprentice training committees (JATCs), many of which had been established in the early 20th century. In an attempt to develop a parallel system of open shop training, ABC established both formal apprentice and craft training programs. As it tried to expand its workforce development capacity, ABC confronted another problem with their formal apprentice training programs. As ABC has acknowledged, its efforts have been limited by a lack of broad open shop contractor and owner support for the cents-per-hour funding necessary to pay for training programs.¹⁸ Open shop contractors, with their focus on lower costs, have typically pursued a short term, low cost approach to training. They have little incentive to invest in four or five year programs, such as those in place at the JATCs, especially if workers seek better pay and benefits once they are trained. As a result, the open shop sector tends to devote far fewer resources to training programs when compared to the JATC programs.

Apprentice Training Programs – Previous Research

There have been numerous state-level studies conducted over the past few years that have compared the record of JATC programs and open shop apprentice training programs (see Appendix B). Overall, the finding in these studies, which examined apprentice training in Indiana, Kentucky, Massachusetts, Pennsylvania, Washington and West Virginia, are similar to the findings presented below. The six studies summarized in Appendix B found that the JATCs comprise the vast majority of apprenticeship programs nationally and train an overwhelming majority of the construction apprentices in the United States. These studies also found that the JATC programs train apprentices in a much broader range of crafts and have higher completion rates than their non-union counterparts.

Apprentice Training Programs – Data and Methods

The next section of this report compares ABC's formal apprentice training programs with the JATC programs nationally and on a state-by-state basis. The data summarized below is drawn from an analysis of the Department of Labor's Office of Apprenticeship (OA) RAPIDS database.¹⁹ These data were acquired by the author in a Freedom of Information Act request and were used to construct a comparative analysis of ABC apprentice training programs and JATC programs in the period from 2002 – 2011. Individual state data for program enrollment, completion rates, apprentice demographics and totals by craft are included in Appendix A.²⁰

The findings presented in this report are consistent with the state-level research reports cited above (a complete listing of these studies is found in Appendix B). The JATC programs examined in this report enrolled far more construction apprentices than did the ABC programs, trained apprentices in a broader range of crafts, and had higher aggregate completion rates. The JATC programs also had a vastly higher level of participation by signatory contractors. While

¹⁸ Whyte, D. and Green, S. The Skilled Workforce Shortage. *National Center for Construction Education and Research White Paper*, 8.

¹⁹ The author thanks Steve Bannister, the University of Utah, who was assisted by Professor Cihan Bilginsoy, the Department of Economics, University of Utah, for performing the data extraction for this section of the report.

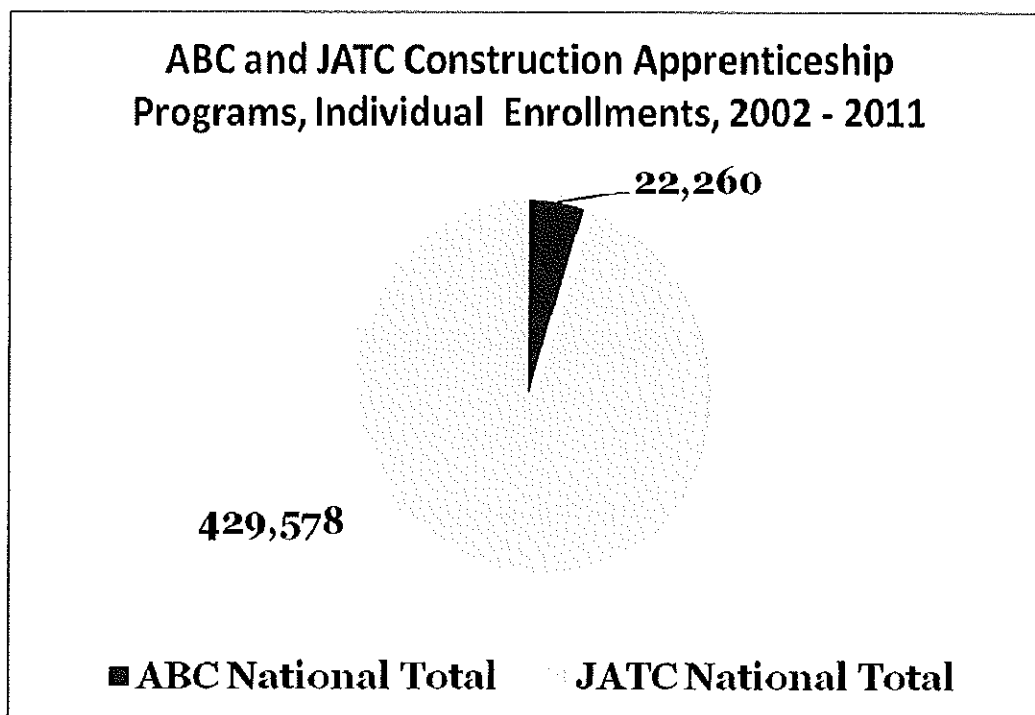
²⁰ As with any large data set, there are always challenges related to coding and data entry. If readers note any suspected issues with the state data in Appendix A, they should contact the author.

the aggregate demographic data for these two training systems were quite similar, the relative difference in the size of the two systems – JATC vs. ABC – means that the actual number of women and people of color enrolled in the JATC programs was much larger. ABC, for example, had a similar aggregate percentage of Hispanic apprentices in their programs nationally (for ABC, Hispanics made up 20.0% of all apprentices, while for the JATCs Hispanics were 20.5% of all apprentices), but in actual numbers this meant that ABC enrolled 4,460 Hispanic apprentices, while the JATCs enrolled 88,206 Hispanic apprentices from 2002-2011.

Apprentice Training Programs – Total Number of Individual Apprentices, 2002-2011

Based upon an aggregate analysis of construction apprentice training programs in states that were included in the OA RAPIDS database, there were 429,578 individual apprentices enrolled in the JATC programs from 2002 – 2011. During the same period, there were 22,260 individual apprentices enrolled in ABC programs in participating states²¹ (see Chart 3). It is important to note that the data presented here does not include all non-union apprentice training programs (those programs, in other words, run by non-union organizations *not* affiliated with ABC). The purpose of this report is to compare the union affiliated training programs – the JATCs – with ABC’s apprentice training programs. One might expect that ABC, which describes itself as the “voice” of the construction industry, would devote resources to education and training that were commensurate with the role that ABC claims for itself in the industry.

Chart 3



²¹ The data for this report was drawn from the Department of Labor’s Office of Apprenticeship RAPIDS database. A number of states do not participate in the OA data system. Those states are NOT included in this report.

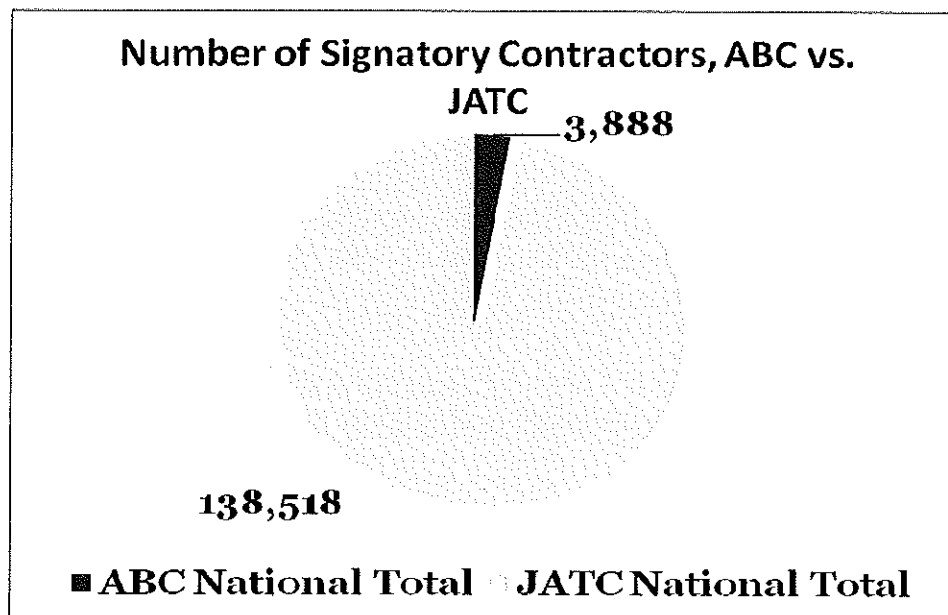
Apprentice Training Programs – Completion and Cancellation Rates, 2002 - 2006

The JATC programs in states participating in the OA database had higher aggregate completion rates than the ABC programs. The aggregate completion rate for the JATC programs was 44.0 percent, while the aggregate cancellation rate was 49.0 percent. The aggregate completion rate for the ABC programs was 37.8 percent, while the cancellation rate was 57.1 percent (see Chart 4). In 2011, 6.9 percent of the apprentices that began their apprenticeship between 2002 and 2006 were still enrolled in the JATC programs, while 5.1 percent were still enrolled in the JATC programs.

Apprentice Training Programs – Contractor Participation

Another way to compare the relative size – and quality – of the ABC and JATC apprentice training programs is to examine the number of signatory contractors that participate. Based upon an aggregate analysis of construction apprentice training programs in states included in the OA RAPIDS database, there were 138,518 signatory contractors in the JATC programs from 2002 – 2011. During the same period, there were 3,888 signatory contractors in the ABC programs (see Chart 4). The ABC data does not include contractors affiliated with the National Center for Construction Education and Research (NCCER), an ABC affiliated institution. In 2008, *The Engineering News Record*, a construction trade journal, reported that NCCER had 75 signatory contractors.²² The JATC data on signatory contractors is consistent with data from a survey by the Building and Construction Trades Department (BCTD), AFL-CIO, of BCTD affiliated unions. The BCTD survey found that affiliated unions has agreements with 89,000 signatory contractors in 2011, exclusive of the currently unaffiliated United Brotherhood of Carpenters (UBC) and International Union of Operating Engineers (IUOE).

Chart 4



²² Rubin, D. [2008 September 3]. From Open-Shop to New NCCER Goal: Reaching for the 'Stars'. *Engineering News-Record*, Retrieved from <http://enr.construction.com/features/bizLabor/archives/080903-1.asp>

Apprentice Training Programs – Program Funding

Building Trades unions and their affiliated contractors have made a much larger financial commitment to education and training than ABC has. The aforementioned BCTD survey found that the Building Trades affiliates spent an estimated \$630 million on training programs in 2010. This total does not include spending on apprentice training by the UBC and IUOE. If these two unions are included, total spending on the JATC programs by unions and their affiliated contractors is an estimated \$750 million annually. ABC's state chapters, by contrast, reported an estimated \$15 million in education and training revenue in 2009, while NCCER reported a total of \$8 million in education related revenue that same year, based on an examination of ABC and NCCER tax filings. In addition, ABC state chapters reported that they spent an estimated \$5 million for apprenticeship training and education in 2009, based on the same tax data.

In summary, ABC's workforce development capacity, based on its financial commitment and the corresponding size and scope of its apprentice training system, is dwarfed by the Building Trade unions' and affiliated contractors' investment in training of \$750 million annually, which has produced one of the nation's largest, private, self-funded education systems. This system enrolls far more construction apprentices than the ABC programs, trains apprentices in a broader range of crafts, and has higher aggregate completion rates. JATC programs also have a vastly higher level of participation by signatory contractors.

ABC Craft Training Programs

In the 1980s, ABC developed its own construction curriculum called the "Wheels of Learning." The Wheels program was based on the belief that most construction projects, particularly where some components were prefabricated offsite, required few highly skilled crafts people. In addition, open shop contractors tended to hire a much higher percentage of transient, lower paid "helpers" and other unskilled workers, and thus had little incentive to provide long-term training. ABC, for its part, argues that construction workers don't need four or five year union apprentice training programs. Instead, from ABC's low road perspective, workers require shorter and more flexible "modular" training geared to discrete tasks they might encounter on a particular job. This is the function of the Wheels curriculum. It was designed to provide exercises (known as training modules) specifically written for discrete constructions tasks.²³ ABC's assessment of its training needs, whether accurate or not for purposes of quality and efficiency, was more a function of its low wage employment policies than a fully thought out workforce development strategy. Because ABC failed to achieve adequate participation from open shop contractors in its training programs, the organization had little choice but to base its human resource and employment strategies on a large percentage of unskilled workers and "helpers," which were dependent on a few crew leaders, rather than on a workforce composed mainly of highly skilled craft workers.

In 1995, ABC established the National Center for Construction Education and Research (NCCER), which is located in Alachua, Fla. NCCER was designed to provide ABC and the open shop movement with independent, third party "accreditation" for NCCER sanctioned training programs and curriculum. As the NCCER website explains,

²³ For more on the construction "helper" issue, see Northrup, H. The 'Helper' Controversy in the Construction Industry, *Journal of Labor Research*, Vol. XIII, No. 4, Fall 1992, 426-429.

NCCER has developed a system for program accreditation that is similar to those found in institutions of higher learning. . . NCCER's accreditation process assures that students and craft professionals receive quality training based on uniform standards and criteria. These standards are outlined in the NCCER Accreditation Guidelines and must be adhered to by all NCCER Accredited Training Sponsors and Accredited Assessment Centers (emphasis added).²⁴

Under the NCCER "accreditation" system, "contractors, owner/operators, trade associations, organized labors [sic], government agencies, correctional facilities, temporary employment agencies, consultants, proprietary schools [and] other entities deemed appropriate by NCCER" may apply to become NCCER "accredited" training sponsors.²⁵ Sponsors must provide adequate space for training and NCCER certified instructors. They also must maintain program records and use only the NCCER's proprietary curriculum (now known as the Contren Learning Series). Under NCCER guidelines, sponsors who have their applications approved receive are visited by a NCCER auditor during their first three years of operation and once every three years after that to maintain their NCCER "accreditation."

The problem with NCCER's accreditation system is that it does not adhere to the university based model of third party accreditation that NCCER references on its website. Higher education accreditation bodies have their status as evaluators vetted, or "recognized" as it is called in the industry, by either the federal Department of Education or by the Council for Higher Education Accreditation (CHEA). CHEA is a voluntary association of 3,000 degree-granting colleges and universities that in turn oversees and approves the legitimacy of sixty institutional and programmatic accrediting organizations.²⁶ NCCER, by contrast, does not participate in this system. Thus NCCER is its own "accreditor." As the NCCER Accreditation Guidelines explain, "NCCER does not claim or intend to certify the compliance of any training program, sponsor, or employer with any local, state, or federal regulations, including, but not limited to, any regulation relating to apprenticeship or training, equal employment opportunity, education, or any other applicable statute."²⁷

In 2005 ABC and NCCER experienced a serious setback in their efforts after representatives from both organizations worked with investors to build a network of for-profit construction training schools. In October 2002, Decker College, a small, for-profit vocational school that had been recently purchased by a group of investors, named Dan Bennet its new CEO. Bennet's appointment was the culmination of extensive ties between Decker and ABC/NCCER.²⁸ Between 1983 and 1996, Bennet had been the highest ranking staff member (Executive Vice-President) of ABC. From 1996 to 2002 Bennet had served as the founding President of NCCER. In the months before Bennet's appointment, representatives from ABC joined with Decker's investors to file applications for three new campuses devoted to

²⁴ This quote is from the NCCER website, <http://www.nccer.org/>

²⁵ National Center for Construction Education and Research. [2001 March]. *Accreditation Guidelines and Program Compliance, Standardized Training Process, National Craft Assessment and Certification Program*, 16th Edition, 10.

²⁶ For more on CHEA, see <http://www.chea.org/>

²⁷ NCCER, *Guidelines*, 11.

²⁸ See Founding president leaves NCCER. [2003]. *Highbeam Research*, Retrieved from <http://www.highbeam.com/doc/1G1-96194393.html>

construction education in Indianapolis, Atlanta and Jacksonville. Decker would then partner with ABC chapters in each state to deliver curriculum from NCCER and recruit students.²⁹

Under Bennet's leadership, Decker's enrollment expanded rapidly to 3,700 students, although as early as 2004 students began to file complaints about the quality of Decker's programs and about enrollment and educational practices at the school. Officials from Louisville IBEW Local 369, after hearing complaints from students at Decker College, sent union instructors to apply for teaching positions at Decker in 2004. What they found raised serious concerns within the union. According to the IBEW, "Decker students were rushed through curriculums in electrical, carpentry and the heating, ventilation, and air conditioning trade (HVAC)" at its branch campuses. "Instead of remedial work," the IBEW found, students "who failed tests were given correct answers by instructors who were under pressure from school administrators to keep [federal student] loan money flowing in."³⁰

Based on these and other student's complaints, agents from the FBI and the Inspector General's Office of the Department of Education raided Decker's offices in Louisville as part of a fraud investigation. Shortly after the raid, the federal Department of Education denied Decker's application to continue offering federal student aid, and Decker closed its doors for good. Although no charges were ultimately filed after the raid, students filed lawsuits in Kentucky and Georgia "alleging that the school failed to provide adequate training or job placement services" and this incident proved embarrassing for both ABC and NCCER.³¹ In February 2008, the Kentucky Attorney General reached a settlement with Decker's bankruptcy trustee that provided financial relief to students in the construction programs at Decker.³²

²⁹ See For-Profit Decker College Left Workers Jobless and Broke On Its Path to Ruin, *IBEW Journal*, Jan-Feb 2006, Vol. 105, No. 1, 13-16, 39; see also Robbins, T. [2005 December 13]. Bill Weld's School Daze. *The Village Voice*, Retrieved from <http://www.villagevoice.com/2005-12-13/news/bill-weld-s-school-daze/>

³⁰ For-Profit Decker, 15.

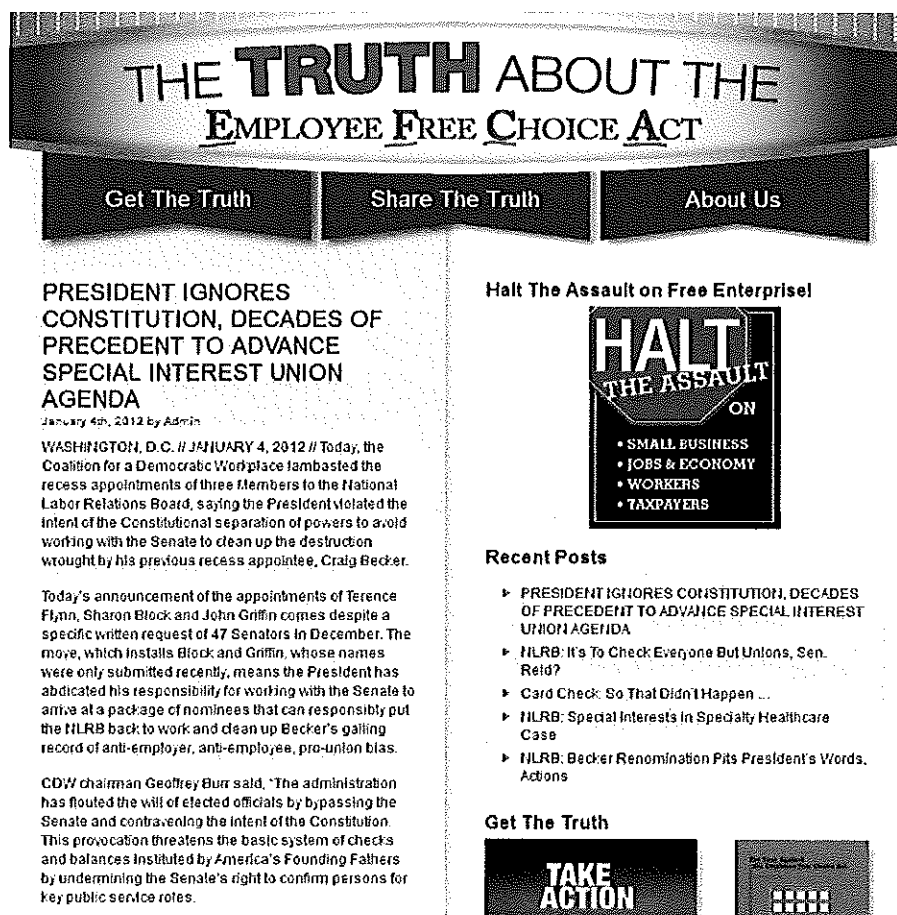
³¹ See *Building and Construction Trades Department Calls for State and Federal Investigations of the Associated Builders and Contractors Ties To Scandal- Ridden Decker College*, Retrieved from <http://www.thefreelibrary.com/Building+and+Construction+Trades+Department+Calls+for+State+and...-a0137722495>

³² Office of the Attorney General. [2008 February]. *Attorney General Conway Files Agreement That Helps Thousands of Decker College Students*, Retrieved from <http://migration.kentucky.gov/newsroom/ag/deckersettlement.htm>

ABC – Electronic Ideological Issue Advocacy

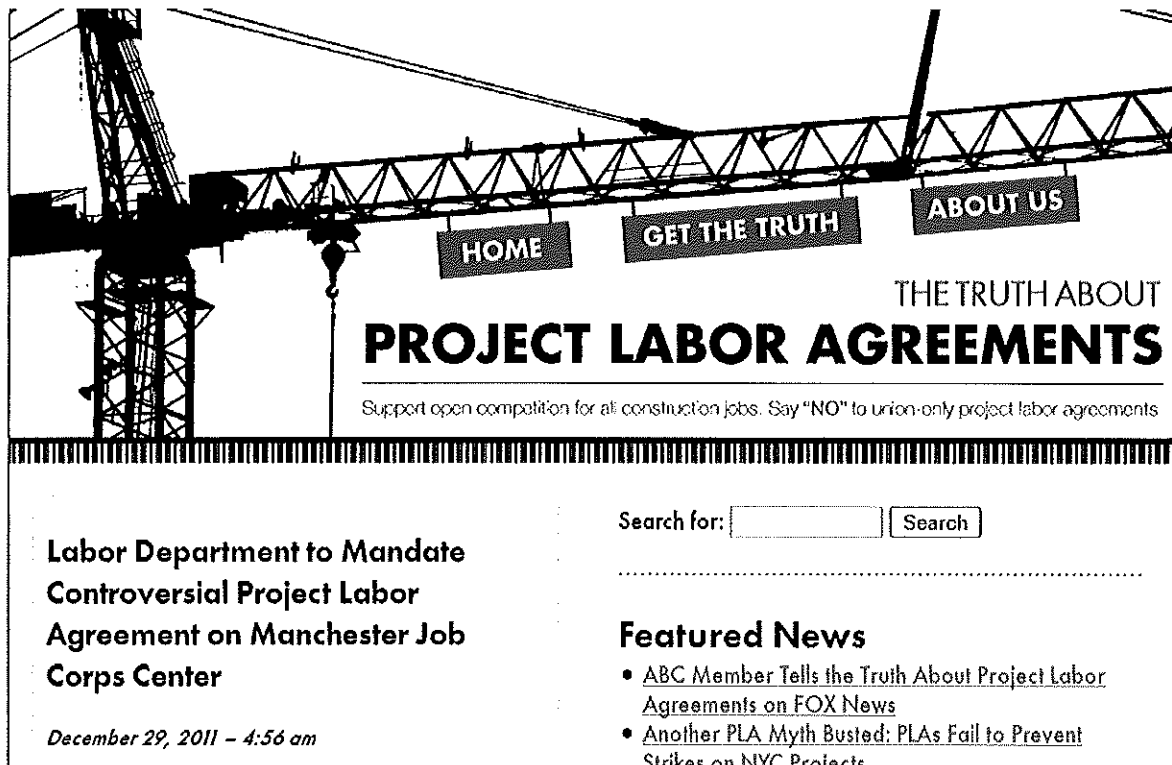
In contrast with most construction trade associations, ABC devotes considerable resources to far-right ideological advocacy. ABC has, for example, aligned itself in recent years with the American Legislative Exchange Council (ALEC). ALEC has attracted recent media attention as the source of “model legislation” designed to eliminate public services, abolish collective bargaining and enhance corporate power. ABC’s 2009 Chapter Legislative Guide contained 18 bills listed as “property of” ALEC, while ABC’s 2010 Legislative Handbook included 10 examples of copyrighted ALEC model legislation. Since 2009, ABC has increased its financial commitment to issue advocacy delivered via new media. When the Employee Free Choice Act was being debated in Congress, ABC launched a website called “thetruthaboutefca.com,” which directed visitors to anti-EFCA initiatives and offered opportunities for them to contact their elected representatives and donate to ABC. The EFCA site has a “Card Check Quiz” for visitors who are unfamiliar with the issue (See Figure 1).

Figure 1



To fight PLAs, ABC created a similar site called “thetruthaboutplas.com,” with news stories, a blog that tracks PLA proposals across the country and links to an anti-PLA Facebook page (see Figure II).

Figure II



More recently, ABC has launched a prominent new media campaign known as “Halt the Assault,” which includes a website and videos on YouTube and Facebook. The Halt campaign is based on the premise that our nation’s free enterprise system (“small business, jobs and the economy”) is under attack from “big labor and federal bureaucrats.” It features a Halt the Assault Action Pack complete with pre-written letters to the editor and opinion pieces for local newspapers. The Halt the Assault website has an online store where visitors can purchase buttons, shirts and Halt the Assault “decorative drink ware” (See Figure III).

In September 2011, ABC re-launched the Free Enterprise Alliance, formerly known as *Contractors for Free Enterprise*, which “was established to preserve, protect and defend the interests of merit contractors and the free enterprise system through motivating the public on key ABC issues” (see Figure IV). According to the FEA website, ABC’s “CFE Fund was recently infused with \$1 million to assist chapters in fighting union-only project labor agreements and other union threats.” FEA is “the action arm for small businesses, entrepreneurs and other advocates of limited government, open and fair (and intense) competition, and the economically

sound principles upon which America was built.” FEA’s mortal enemies are “union bosses and federal bureaucrats.” The Alliance website, part of a larger effort that includes “research,

Figure III

HALT THE ASSAULT

// INTRUSIVE GOVERNMENT // JOBS IN AMERICA // THE ECONOMY // TAKE ACTION // THE LATEST

DONATE NOW TO HALT THE ASSAULT!

It's Time to Halt the Assault on Small Business.

Sign up for our email newsletter

email address () - SUBSCRIBE

first name last name zip

TAKE ACTION Find out how you can help Halt the Assault TODAY!

HALT THE ASSAULT STORE

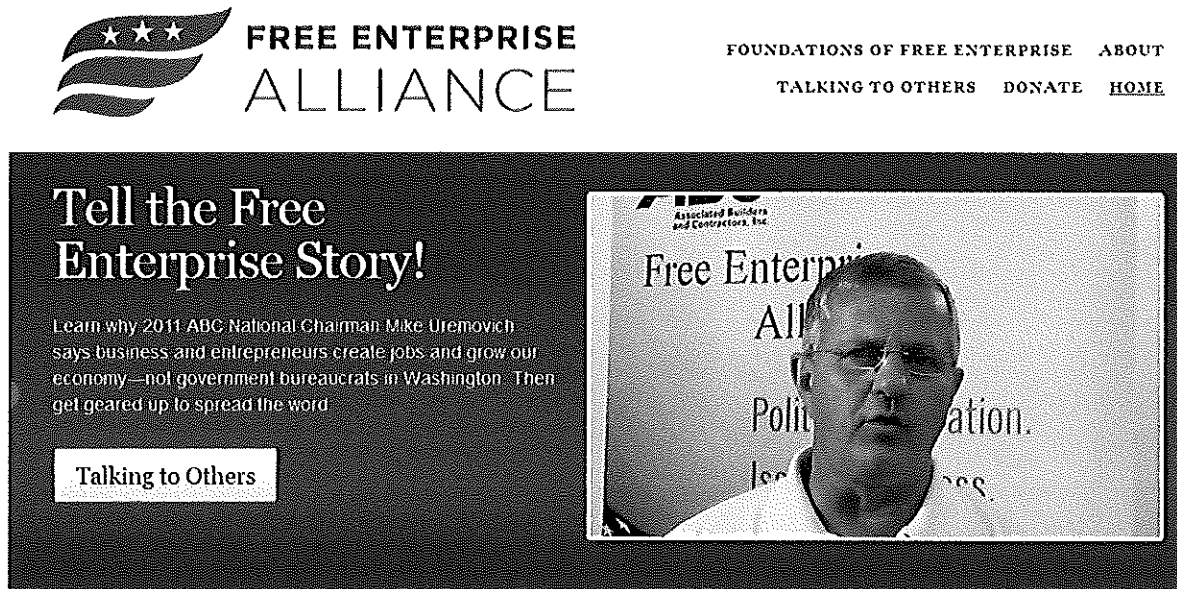
Latest News from the Blog

outreach, and national TV, radio, and billboard campaigns,” contains embedded YouTube videos on subjects such as the Austrian School of Economics, the morality of profit, and the importance of limiting government spending. Articles on the FEA website are authored by conservative luminaries such as John Stoessel and George Will.³³

One method that FEA is using to “motivate the public” is FEA’s “Paycheck Stuffers.” These “perfectly sized” PDF’s are designed to be stuffed into employees’ paychecks in order to build anti-union, pro-free enterprise sentiment. Stuffer topics include the FEA, the importance of de-regulation and the tenets of our “free enterprise” economy. Considered together, these issue advocacy campaigns demonstrate that ABC places a high priority on developing expensive new media as way to spread their anti-union, anti-government agenda.

³³ See <http://freeenterprisealliance.org/>

Figure IV



Videos



Articles



Books

NEWS FROM AROUND THE WEB

Conclusion

ABC's low road employment strategy may have produced short term gains for open shop contractors and construction users (although this point is worthy of debate because efficient unionized contractors were excluded from bidding jobs), but this strategy also produced negative consequences for the industry and society. Low wages and minimal training have had a detrimental effect on individuals and communities. As a result, many industry leaders decry what they perceive as a tendency of young people to reject construction as a career choice. ABC's low road advocacy devalued construction as an occupation. Where construction jobs once existed as an entry point to the middle class and as the backbone of local economies, it has been observed that today "Construction workers – union and non-union alike – now tend to work harder, for less money, and under harsher conditions."³⁴

For the industry as a whole, the second negative consequence has been chronic regional shortages of skilled workers in those areas of the country where anti-union campaigns and low road strategies have damaged the industry's training capacity. In effect, when major industrial users complain about labor shortages, these shortages are of their own making. In 1983, former

³⁴ Ehrlich, M. and Grabelsky, J. [2005 September]. Standing at a Crossroads: The Building Trades in the Twenty-First Century, *Articles and Chapters*, Paper 281. 4. Retrieved from <http://digitalcommons.ilr.cornell.edu/articles/281>

Roundtable Chair Roger Blough observed “The building trades unions over the years have bargained their way into an apparently adequate supply of funds from contractors to support the training of apprentice craftsmen, trade by trade. But open shop construction is starved for money to train its workers. In 1980, some \$230 million a year was pouring into union training programs, while less than 10% of this amount was being spent to train open shop workers. . . Only a small fraction of open shop contractors train their own employees or contribute to the 30-odd association-run training programs.”³⁵ This problem continues to challenge the industry.

In a June 2004 report by the Construction Users Round Table (CURT) entitled *Confronting the Skilled Construction Workforce Shortage*, CURT again expressed concern over “a growing gap between demand and supply of skilled construction labor.” The report concluded, “The open shop sector as a whole has not supported formal craft training and assessment to the extent necessary to effect real, meaningful, and lasting change.”

Acknowledging the Building Trades substantial commitment to construction education and training - one of the labor movement’s genuine success stories – the CURT report recommended that “owner companies only do business with contractors who invest in training and maintain the skills of their workforce,” and “where practical, contractors should actively support joint labor/management training programs.”³⁶ CURT’s recommendation was based on a simple idea: that any solution to regional skilled labor shortages must be approached on an industry-wide basis, not by individual contractors. This recognition offers hope that users, contractors and unions can build upon the joint apprenticeship training model and develop a new high road strategy to finally resolve the challenge of training sufficient skilled construction labor.

The author would like to thank the Department of Labor for access to the RAPIDS database.³⁷ In addition, both the Census Bureau and the Bureau of Labor Statistics provided invaluable perspective on the scale of the U.S. construction industry, which, in the last decade, exceeded \$ 1 trillion in value, employed nearly 10 million workers, and engaged nearly one million employers. On reflection, this paper is less about ABC and more about the resiliency of joint labor-management initiative that has produced the largest private sector occupational training program in North America. The JATC programs have proven resilient in the face of well financed efforts to eliminate them, primarily by interests operating outside the industry. This system brings inestimable value to the US and its workforce, and has grown over many generations. It is market sensitive, has expanded with the economy, and has been maintained (and self-funded) in good times and bad. The JATC system is a strategic resource for highly skilled workers, which has enabled generations of construction workers to earn family and community sustaining wages and benefits. And it holds each generation of workers to its very high training standards. It is the author’s hope that the conclusions in this analysis will lead to a renewed commitment and cooperative spirit among all stakeholders in the industry to expand training for the next generation of construction workers in the United States.

³⁵ Blough, R. [1983 January]. More Construction for the Money. *Summary Report of the Construction Industry Cost Effectiveness Project*, 26, Retrieved from

<http://www.ce.berkeley.edu/~tommelein/BRTMoreConstructionForTheMoney.pdf>

³⁶ Construction Users Roundtable. [2004]. *Confronting the Skilled Construction Workforce Shortage*, 6-8.

³⁷ The author thanks Dan Marshall of the AFL-CIO for commenting on an earlier draft of this report.