ABC Research Project

IUPAT
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ABC Research Project

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Professor of Labor Studies
National Labor College
ABC Research Project:

- ABC Origins
- ABC Membership and Density
- ABC Finances
- ABC/NCCER Apprenticeship Programs
- ABC Electronic Ideological Advocacy
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ABC Origins
• founded in Baltimore in 1950 by seven anti-union contractors

• Beginning in the late 1960s, the Construction Users Anti-Inflation Roundtable (Business Roundtable) began a well-financed effort to cut construction costs, which aligned them with the anti-union ABC

• This alliance changed ABC from a small, regional trade association to one with national scope and ambition

• BCTD’s The Builder labeled this the “War on Wage Protection:” “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.”
ABC Membership and Density Data

- ABC **exaggerates its representation** in the construction industry.

- ABC’s membership amounts to only 0.03% of all construction businesses in the US, based on data from the Bureau of Labor Statistics (establishments).

- State-by-state – In no state does ABC’s member-contractors (both sub and general) exceed 6% of the total number of licensed or registered contractors **in any of 46 states where ABC has a chapter or chapters**.

- ABC is **NOT** the “voice” of the industry, lacking broad based membership, it appears to be an astro-turf organization.

- ABC **inflates its membership by including non-contractors**. Examples include such “construction related firms” as the Land and Sea Restaurant in Corpus Christi, TX, Freddie's Bar-B-Que in Sapulpa, OK and Diamond State Party Rentals of Wilmington, DE.
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ABC Membership Data: State by State Analysis

[Bar chart showing membership data for different states, with states like AZ, OR, WV, CT, CA, NM, UT, NC-SC, RI, GA, NV, NY, IL, VA, WA, MA, NE, KS-MO, MI, HI, LA, FL, NH-VT, ME, PA, DE, NJ, TN, MN, CO, AK, IA, WI, TX, OK, OH, AR, IN-KY, WY, MD-DC, AL, MS.]
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Contractors as Percentage of ABC State Total Membership

35.0% 45.0% 55.0% 65.0% 75.0% 85.0%

WV DE LA OK CO UT AL TX IN TN NH-VT ME PA VA NY WA AK NE IN-KY CT RI NV MS AR MD-DC MI GA MA OH MN NJ NY HI WI IA RI CA IL
### ABC Membership and Density – State Analysis

#### ABC New Jersey Chapters

<table>
<thead>
<tr>
<th>ABC Chapter Membership</th>
<th>New Jersey Chapter</th>
<th>Registered Homebuilders - State Total&lt;sup&gt;2&lt;/sup&gt;</th>
<th>ABC Contractors as % of State Total</th>
<th>Contractors as % of Chapter Total&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subcontractors</td>
<td>71</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>General Contractors</td>
<td>19</td>
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<td></td>
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<tr>
<td>Corporate Services</td>
<td>22</td>
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<tr>
<td>Material Suppliers</td>
<td>10</td>
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<td></td>
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<tr>
<td>Professional Field Services</td>
<td>0</td>
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<tr>
<td>Vendor Services</td>
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<td>Manufacturers</td>
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<td>Industry Organizations</td>
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<tr>
<td>Program/Development Managers</td>
<td>0</td>
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<tr>
<td>Engineers</td>
<td>0</td>
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<tr>
<td>Architects</td>
<td>0</td>
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<tr>
<td>Total</td>
<td>123</td>
<td>6,109</td>
<td>1.5%</td>
<td>73.2%</td>
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</tbody>
</table>

**NOTES**

Source: ABC Membership Database, 8/16/11

<sup>1</sup>Includes sub and general contractors

<sup>2</sup>New Jersey Department of Law and Public Safety, Division of Community Affairs, Office of the Director, Bureau of Homeowner Protection, number of registered homebuilders as of 8/31/11.
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ABC Finances

• based upon my analysis of tax returns (990s) for 80 ABC chapters
• total ABC chapter revenue is approximately $80M annually
• ABC national office (VA) has annual revenue of approximately $20M
• ABC HQ has same annual budget as Business Roundtable
• ABC Pelican Chapter (LA) had largest revenue in 2009 - $4.6M
• ABC PAC spent $1.5M on average per federal election cycle last ten years

• *FollowtheMoney.org* reports that ABC chapters have spent at least $12M since 2000 on state legislative initiatives
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ABC/NCCER Apprenticeship Programs

• 2004 BCTD study – I conducted similar analysis

• new – state-by-state JATC comparisons (in Report appendix)

• Data from DoL OA database (RAPIDS) – only 34 states

• Data: Enrollments 2002 - 2011

  Completion and cancellation rates, 2002-2006

  Demographic profiles very similar, larger totals
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DoL Registered apprenticeship system: by the numbers

• Union apprentices made up 70 percent of all construction apprentices in 2010¹

• 35 ABC apprenticeship programs in the OA database

• BCTD unions have 80,000 signatory contractors and spend an estimated $630 million annually on training²

• Construction apprenticeship enrollments, 2002-2011 – 429,578 apprentices JATC and 22,430 ABC

Sources: ¹Employment and Training Reporter, 6 September 2010; ²BCTD unions. These figures do not include the Carpenters or Operating Engineers; ³DoL, OA Rapids database.
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1) Registered apprenticeship system: national enrollment

Total Construction Apprenticeship Program
Enrollments, 2002 - 2011

Source: ¹DoL, Office of Apprenticeship RAPIDs database.
1) Registered apprenticeship system: enrollment in five states

Total Apprenticeship Program Enrollment, Selected States, 2002-2011

Source: \(^1\)DoL, Office of Apprenticeship RAPIDs database.
1) Registered apprenticeship system: national completion rates

| Source: 1DoL, Office of Apprenticeship RAPIDS database. |

<table>
<thead>
<tr>
<th></th>
<th>ABC National Total</th>
<th>JATC National Total</th>
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<tbody>
<tr>
<td>Cancellation Rate</td>
<td>59.2%</td>
<td>49.0%</td>
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<tr>
<td>Completion Rate</td>
<td>35.8%</td>
<td>44.0%</td>
</tr>
<tr>
<td>Still Registered</td>
<td>5.0% 6.9%</td>
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</table>
2) **ABC/NCCER Craft Training Programs: by the numbers**

- NCCER administers self-accrediting system for centers, trainers
- Largest problem – Lack of broad owner support for cents-per-hour funding stream necessary to increase capacity\(^1\)
- **NCCER had 75 signatory contractors in 2008\(^2\)**
- ABC chapters reported $5.7M in craft training revenue, $4.2M in apprentice program billing and $5.2M in other revenue in 2009\(^3\)
- NCCER reported $1M in accreditation training, $6M in royalties (books and modules) and $900K in inventory revenue in 2009\(^4\)
- Total = $23M for ABC and NCCER in 2009

**Sources:**  
\(^1\)NCCER Whitepaper: *The Skilled Workforce Shortage*, p8.; \(^2\)ENR, *From Open-Shop to New NCCER Goal: Reaching for the ‘Stars’*, 3 September 2008; \(^3\)ABC Chapter 2009 990s; \(^4\)NCCER 2009 990.
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ABC Electronic Ideological Advocacy: http://halttheassault.com/