

The New England Carpenters Union: Building Partnerships from Concept through Construction

New England Carpenters
Labor Management



The New England Carpenters Union. Well trained. Highly trusted.



Increase value. Reduce risk.

The alliance between the New England Carpenters union and signatory contractors has become the largest partnership in the building industry. Together we offer project owners greater productivity, superlative quality, and unmatched value. We've always been focused on the welfare of our member carpenters, but we also recognize a shared responsibility between carpenters and contractors to meet deadlines and budgets.

We believe that every project can *and should* be a union project. From large commercial office and retail spaces to hospitals, schools and residential projects, our experience cuts across many different industry sectors. Through our partnership and collaboration, owners can add value and minimize financial risk.

- 125 years of building expertise
- 24,000 member carpenters
- 1,500 signatory contractors
- Union carpenters market share in New England has increased 17% in the last ten years

Source: Research Department, New England Carpenters Labor Management

- Each of the *Boston Business Journal's* "Top 25 General Contractors in Massachusetts" is signatory to an agreement with the Carpenters union.

Source: Boston Business Journal, Book of Lists, 2004-2007

"The fit with the Carpenters union for us is the quality of the work. And they help us hold schedule, which means also holding budget."

Peter Palandjian, Chairman and CEO
Intercontinental Real Estate Corp.

Diversity of Skills, Specialties, Expertise

Count on us to deliver the proper skill set for every project. Not only can we do it all, we do it with exceptional quality and professionalism. We represent carpenters and contractors with expertise in so many areas of building, we get the job done right the first time.

We help owners on a wide variety of construction projects. From carpenters and contractors to pile drivers and

drywallers, floorcoverers to mill cabinet shops, we can support your project with a ready and capable work force.

Our Contractor Relations Department understands the market niche, financial capacity and work capability of each of our signatory contractors and can identify those who are available in specific geographic locations.

Our Contractor Relations Department can provide precisely the right team for your project anywhere in New England.

SPECIALTY	# OF SIGNATORY CONTRACTORS
General Contracting	444
Piledriving	57
Concrete	169
Drywall	235
Wood Frame	37
Door and Window	257
Finish	162
Ceilings	132
Flooring	157
Mill Shops	42

The Returns of Productivity: Time & Money

Improved worker efficiency and productivity can keep a project on schedule and on budget. It enhances a contractor's profitability and helps to ensure that he or she is focusing on quality and cost containment.

Howard Wial, in his study, "Do Lower Prevailing Wages Reduce Public Construction Costs?" finds that real savings in public construction costs are more likely to come from investments in worker training. These investments can

make workers more productive, thereby lowering costs without cutting wages.

According to a 2004 study conducted by Dean Findley of Independent Analysis, union projects are almost 17% more productive than non-union jobs. This is due to the skills training a carpenter receives from the union, as well as safety training, management/supervisory skills training, better on-site management, and job stability.

81% of those surveyed said they could save more than 5% of their annual field labor costs through better management of productivity.

Source: FMI's "2004 — 2005 Contractor Productivity Survey"

“One of the hallmarks of the Carpenters union is the professionalism. This gives me, as a developer, a great deal of comfort.”

**Jim Keefe, President
Trinity Financial**

Along the high-skill path under collective bargaining, the following holds true:

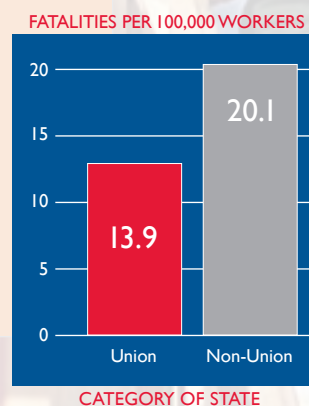
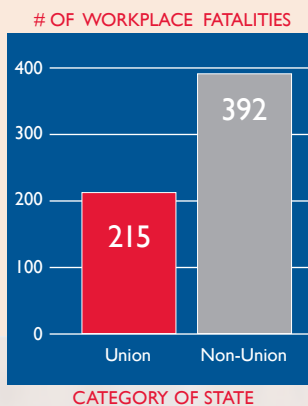
- Workers are one-third more likely to have some college education.
- Workers have substantially more apprenticeship training.
- In the case of heavy-and-highway contractors and specialty contractors:

- Contractors get 14-18% more output from each worker.
- Contractors get 17-20% more value added per worker.

In contrast, in the open shop, the following holds true:

- Workers are twice as likely to be high school dropouts.
- Workers are twice as likely to be young and inexperienced.

Source: Peter Phillips: Dual worlds: the two growth paths in US construction, 2003.



CONSTRUCTION WORKPLACE FATALITIES in the ten least unionized states were 82% higher than fatalities in the ten most unionized states.

Source: 2004 study, Bruce Nissen



Training First & Foremost

When our highly-skilled union carpenters complete a project, it ranks in quality on par with the top craftsmanship in the world. From soundness of construction to aesthetics of the finish, quality is our top priority.

With 24,000 well-trained men and women across New England, we guarantee a deep pool of qualified workers for every type of project. Our apprenticeship program continues to generate the workforce of the future. In fact, more than 6,000 carpenters are taught each year by nearly 100 expert instructors at our 15 training facilities. Those apprentices reflect the diversity of all of the communities throughout New England, and they graduate prepared for a career, not just a job.

We're committed to providing well-rounded carpenters across the entire range of building disciplines. Therefore skill upgrades make up a significant portion of our educational initiative. There are more than 65 training classes available at no cost to our members, including some of the industry's most in-demand topics:

- Finish Carpentry
- Construction Supervisors License
- Cabinet Making
- Foreman Training
- Blueprint Reading I & II
- 10 & 30 hour OSHA Safety
- Computer Aided Design
- Solid Surface
- Survey/Project Layout
- Drywall Certification

- Over 6,000 carpenters trained each year
- 93 full and part-time instructors at 15 training facilities
- Approximately \$8 million spent each year on apprentice training and skills upgrades

Safety training is also stressed because safety problems on the site can have disastrous consequences for productivity, corporate liability, and personal livelihood. A workforce trained in safety is extremely valuable to the overall project, and it's in the contractor's best interests to help maintain and develop training programs that continue to keep his or her team safe and productive while delivering competitive advantages.

“The Carpenters union provides opportunity for quality construction, excellent careers and exceptional training. Through their community partnerships they ensure that opportunity is available where it's needed most— to young adults in our inner cities.”

Andrew L. Cortés, Director
YouthBuild Providence

Approximately three out of every four new apprentices in the U.S. enroll in programs created by collective bargaining.

NEW ENROLLMENTS IN CONSTRUCTION APPRENTICES



Source: Peter Phillips, Gerhard Bosch, "Building Chaos: An International Comparison of Deregulation in the Construction Industry".

Approximately 4,500 members in our training facilities each year are experienced carpenters upgrading or expanding their skill-sets.

Delivering Value to the Bottom Line

The cooperation between the Carpenters union and signatory contractors leads to reliable business partnerships and enhanced value.

Union projects are built on more stable and predictable costs due to greater collaboration and pre-established pricing between contractors and carpenters. Non-union projects often come with a greater level of uncertainty. Weak management, flawed bidding, limited access to a sufficient and skilled workforce, lack of safety precautions

as well as other shortcuts lead to project delays and increased final costs.

In addition to reliable pricing and quality, union carpenters help minimize exposure to risk. They are much more than skilled hands on a project. They are your neighbors. They are also active leaders in communities across New England, speaking out early in the development process on local decisions on zoning and permits. This means your deadlines can be met, doors will be open, and you can be generating revenue faster.

368

The number of cities in New England where Carpenters have a presence as active citizens and effective advocates for development.

According to a 2007 Wharton School study, New England has the most stringent local regulatory environment for development in the country. (source: "A New Measure of the Local Regulatory Environment for Housing Markets: The Wharton Residential Land Use Regulatory Index", 2006). To reduce financial risk, you need the assistance of a strong network of supporters such as our carpenter citizens.

"My business has grown exponentially because I've worked with the Carpenters union."

Bob Fitch, Owner
New Haven Partitions

Progress through Partnership

One of our greatest assets is our alliance with contractors across New England. The Carpenter Labor Management Program joins skilled and dedicated craftworkers with experienced, business-oriented contractors and project owners. More than 1,500 construction companies have already chosen to do business with the Carpenters union.

Working together, the union and signatory contractors have been able to develop comprehensive and affordable health and retirement plans. These plans provide for a more secure future for workers and their families, resulting in greater stability and productivity on the job.

We have also modernized our policies in the interest of keeping schedules and budgets, including the ability for second shifts, off shifts, and extended work hours. Years ago, union rules restricted carpenters from traveling beyond their local jurisdiction. Today, contractors can take their seasoned crew with them on projects throughout New England.

Today's Carpenters union has adapted its rules and procedures to ensure that they serve the needs of our partners in the development and contracting communities.

Unions have taken an active role in cooperating with contractors and government to develop apprenticeship programs that produce craftsmen who are highly skilled in all aspects of their trade, rather than a narrowly defined set of tasks.

Source: Steven Allen, "Unionized Construction Workers Are More Productive"

Formal apprenticeship programs jointly administered by unions and contractors provide a means to assure the availability of an adequate pool of labor.

Source: Steven Allen, "Unionized Construction Workers Are More Productive"

Character & Integrity Count

During the last decade, many non-union contractors have attempted to gain a competitive edge by skirting state and federal laws. Practices such as cash compensation, misclassification of employees as “independent contractors,” and the abuse of undocumented immigrants hurt workers, discourage legitimate contractors from bidding on an uneven playing field, and divert dollars away from federal and state coffers.

Owners and developers cannot afford to ignore these realities or view them as “someone else’s problem.” Tolerating unethical and illegal employment practices represents a considerable risk. Union contractors operate above board in their business dealings, and as a result everyone wins: project owners, carpenters, contractors and communities.

Economists estimate that as much as \$130 billion of productivity is lost each year in America due to workers lacking health insurance.

Source: “Hidden Costs, Value Lost: Uninsurance in America”, National Academy Press, June, 2003

The nation’s growing underground economy is estimated to be nearly \$3 trillion a year and 9 percent of the “real” economy. In 2005, the gap between taxes collected and taxes that should be paid was estimated to be \$400 billion.

Source: Mark Erlich, “A Clash of Interests on Guest Workers”, The Boston Globe, May 15, 2005

In 2005, the cost of health care provided to people without insurance that is not paid by the uninsured themselves will exceed \$43 billion nationally. By 2010, this cost will increase to \$60 billion.

Source: www.results.org

Employee Misclassification occurs when an employer categorizes a worker as an “independent, Form 1099 contractor” in order to avoid paying taxes or providing benefits. Annual effects of 1099 Misclassification in Massachusetts include:

- \$150 million lost in income tax revenue
- \$91 million in workers compensation premiums are unpaid.
- As much as \$35 million in unemployment insurance is unpaid.
 - Legitimate businesses make up for these lost revenues in the form of higher taxes and premiums.

Source: “The Social and Economic Costs of Employee Misclassification in Construction”, 2004.

What Others are Saying

“I truly believe that if someone wants to have a successful business, and they value producing quality work, the Carpenters union is a very good partner.”

Beth Sturtevant, President/Owner
CCB Inc.

“My life and the success of my business have been greatly enhanced by my relationship with the Carpenters union.”

John Kendzierski, President
Professional Drywall Construction

“The Carpenters union has a terrific training program. It’s really training the workforce for tomorrow.”

George Allen, Co-Founder
Archer Corporation

“The Carpenters union is a key to JL Marshall’s success.”

Kenney Marshall
JL Marshall & Sons

“The Carpenters union has been instrumental in helping us achieve tremendous growth over the last five years. The quality of our work, productivity, and client retention far exceeds what we were able to achieve before becoming a signatory contractor.”

Steve Weinig, President
Hamilton Construction Mgmt Corp.



UNION INVOLVEMENT AT EVERY PHASE:

PRECONSTRUCTION

Action:
member activism in communities

Positive result:
limiting risk, exposure

BIDDING

Action:
contractor relations

Positive result:
identifying qualified, available, reliable contractors and subs

BUILDING

Action:
supplying qualified, reliable crafts workers

Positive result:
quality construction that is safe and efficient

PROJECT DELIVERY

Action:
understanding delays cost money

Positive result:
opening doors on time, allowing actual use of new facility



Union jobs are almost 17% more productive than non-union jobs.

Source: Independent Project Analysis

The trades continue to improve their training programs, with particular attention on instructor training, which will allow them to swing into higher gear as the demand for workers climbs.

Source: Hazel Bradford, "Toning Up Union Muscles"

**New England Carpenters
Labor Management**



125 Years of Building Expertise

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