

2025 Annual Labor Report

SMACNA's Labor Relations Department conducts the Annual Labor Report Survey (formerly, the State of the Industry Survey) which serves to enhance our understanding of labor relations in local areas and throughout the country. The survey and report initially started in 1989 and was conducted by the Construction Labor Research Council. Over time, the number of questions posed by the survey grew. In 2013, after consultation with a committee of chapter executives, SMACNA conducted a revised survey that was significantly shortened, and has remained largely the same since.

Twenty-two chapters responded to the 2024 Annual Labor Report Survey. The following is an overview of the survey results compiled by SMACNA's labor relations staff:

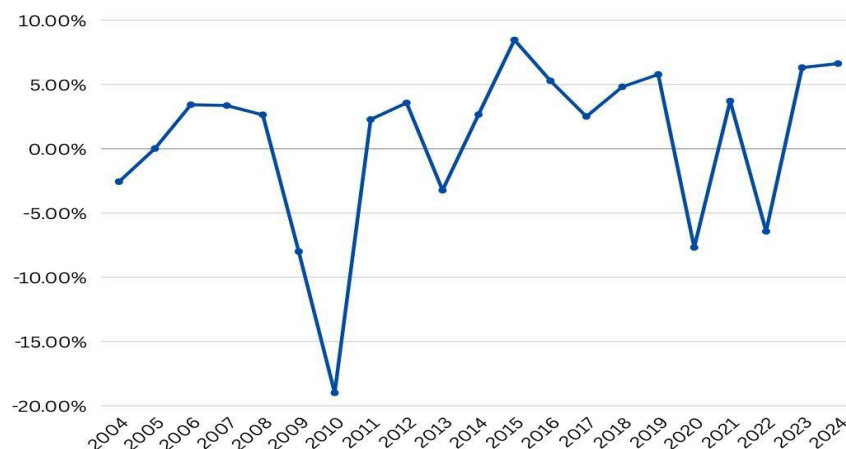
2024 Year in Review:

When comparing IFUS/Dues work-hours reported to SMACNA by local chapters in 2023 with work-hours reported in 2024:

- There was a 6.6% increase in work-hours reported
- Overall, there was an increase in work-hours with the Midwest region seeing the largest increase, followed by the Northeastern region, Southern region, and finally the Western region.

The chart below shows that work-hours have been increasing since the massive dip in 2010, and the 2024 work hours continue to have a significant increase from the work hours reported in 2022.

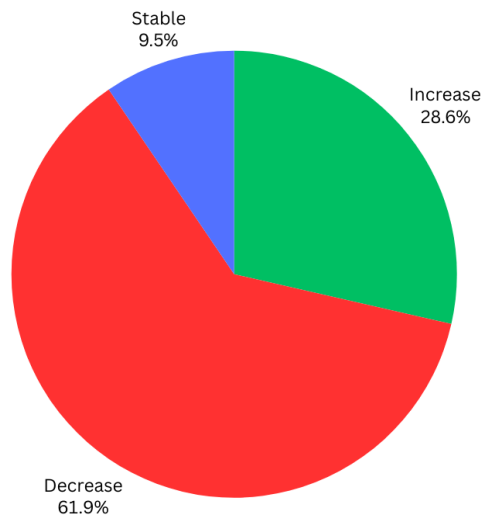
Work-Hour Changes (2004-2024)



2024 Work-Hour Projections

Based on responses from the 22 areas that completed the survey, work-hours are expected to increase by 28.6% in 2025, with nearly 29% of those areas anticipating growth. However, in 2025, based on industry fund workhour projections, industry-wide, workhours are projected to rise by 4% largely due to mega project activity. Meanwhile, 9.5% of responding chapters expect work-hours to remain stable, while 61.9% foresee a decline.

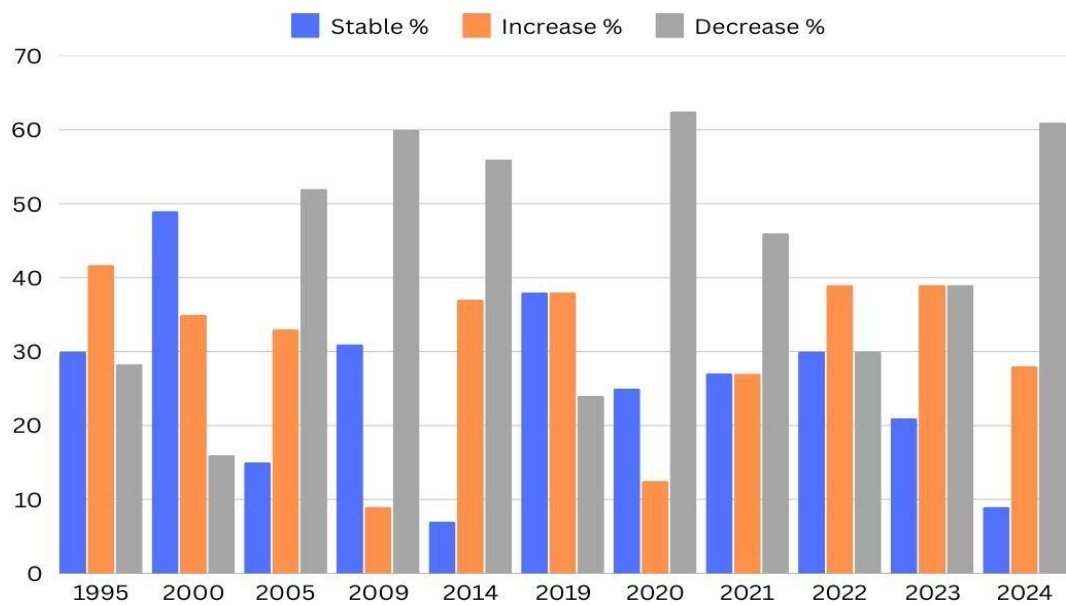
The Northeast is predicting the smallest decrease with only 0.7%. With the Southern region following with just a 4.4% decrease and the Midwest Region predicting a 17.9% decrease in work-hours. The Western region is predicting the largest decrease, an estimated 33.9% decrease in work-hours.



When this survey began in 1989, the vast majority, 76% of areas, projected a decrease in work-hours. By 1994, hours had recovered, with 71% of reporting areas projecting an increase in or stable work hours.

However, by 2005, the projections turned negative again with 52% of areas reporting a projected decrease in work-hours. The trend of the majority of regions projecting a decrease in work-hours continued until 2019, when 38% of respondents projected increased work-hours. Another 38% projected work-hours to stay stable. However, due to COVID-19 the areas projecting a decline in work-hours grew to a majority or near majority in 2020 and 2021.

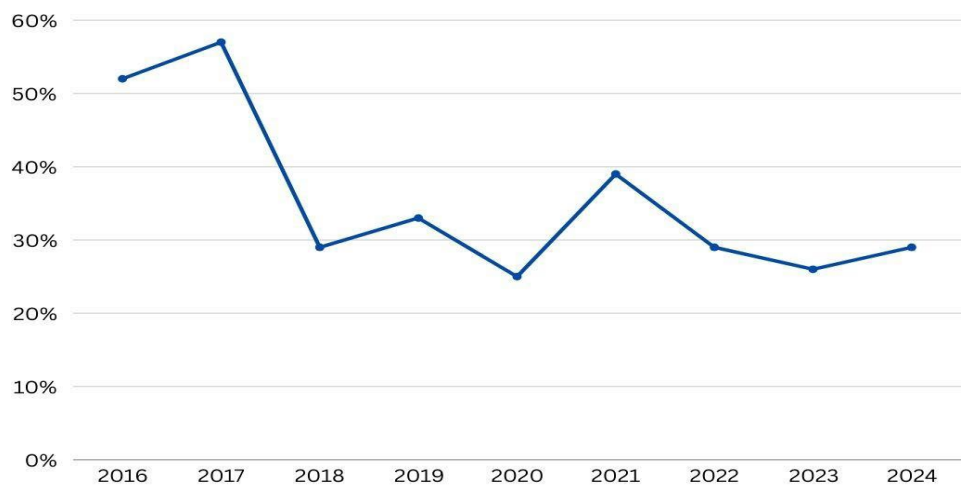
Work-Hour Projections (1995-2024):

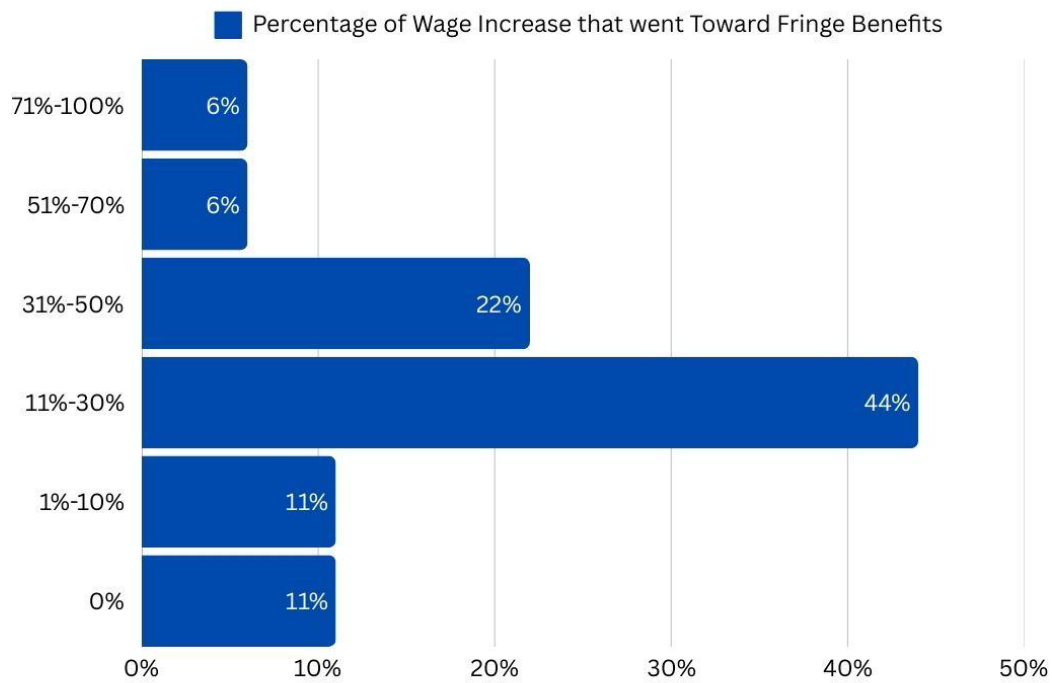


Fringe Benefits

The average percentage of increases allocated to fringes in 2024 increased from 26% to 29%. Of the responding chapters that received an increase to their wage and fringe package in 2024, only 12% allocated more than half of their area’s increase to fringes and about 22% of areas allocated 10% or less of their area’s increase to fringes.

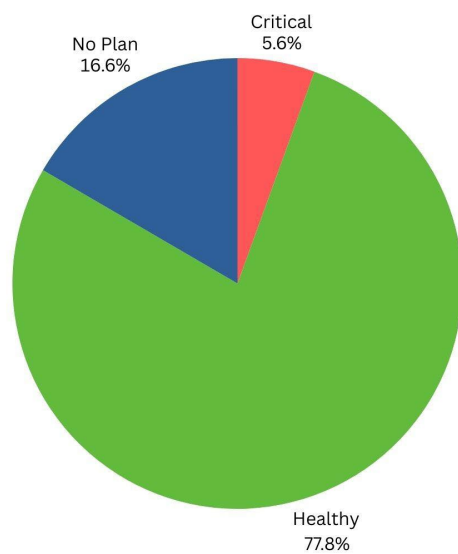
Average Increases Going to Fringes:





Funded Status of Local Pension Plans

Sixteen percent of responding chapters do not have a pension plan. Of those that have a local pension plan, 77% of areas' local pension plans are healthy (green zone plans). No areas reported that their pension plans are endangered, and 5% reported their local pension plans to be critical.



Grievance Activity

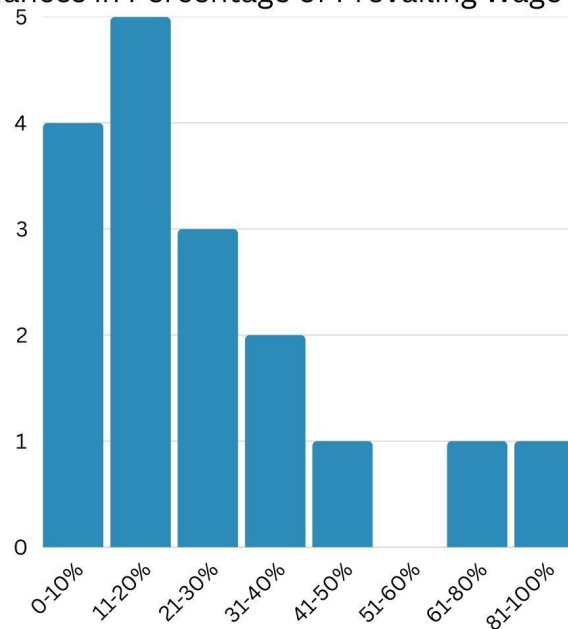
Most reporting chapters in this year's survey indicated that they expect grievance activity to decrease. Of the chapters that expect an increase, reasons included: increasing hours, new union leadership, and travel.

Davis-Bacon Work

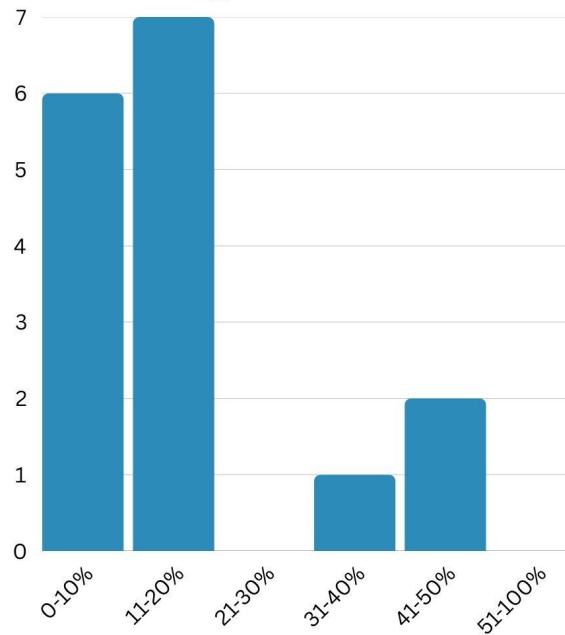
Prevailing wage work continues to be a market sector for most chapters, with only one chapter reporting that they did not perform any prevailing wage work in 2024. Many chapters reported significant portions of their total work was prevailing wage work.

For just over 80% of responding areas, prevailing wage work accounted for 40% or less of overall work, with 70% of responding chapters falling into the 0-30% range.

Variances in Percentage of Prevailing Wage Work



Variance in Percentage of Federal Davis-Bacon Work



Market Growth

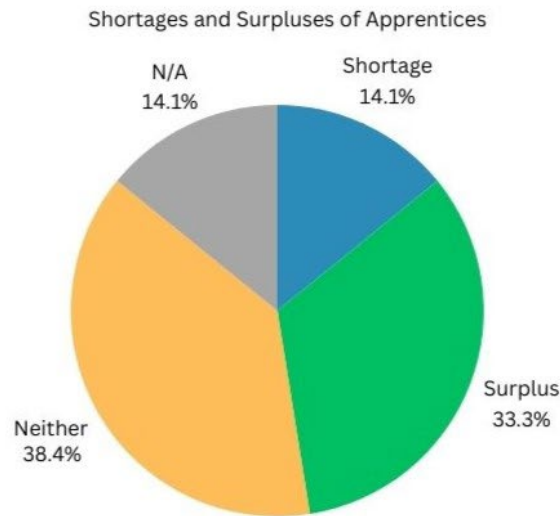
Of the twenty-two responding chapters, many report that mega-projects are driving or are expected to drive market growth throughout 2025. Another area that chapters expect to drive demand growth is Healthcare while the sectors that are expected to drive the least growth were reported to be “other” and Multifamily Residential. Some other notable areas for driving demand growth are Commercial Building, High Tech/Life Science, and Higher Education.

Mega-Projects:

There were ten mega-projects reported by responding chapters set to take place or continue throughout 2025. These include Data Centers, OKC Thunder Arena, Texas Instruments, Battery Plants, and more. These mega-projects are valued from 45 million to 15 billion dollars. Many of these projects are expected to peak in the summer of 2025 but production is expected to last through 2025 and into 2026 for many projects.

Shortages and Surpluses of Apprentices:

38% of responding chapters reported neither a surplus nor shortage of apprentices in 2024 while 14% reported a shortage and 33% reported a surplus. 14% of responding chapters did not report.



Negotiations

Approximately 22% of respondents indicated that they had negotiated for a new collective bargaining agreement in 2024 or plan to negotiate. Of the areas that negotiated in 2024, or plan to negotiate in 2025, innovative contract language or programs include:

- Language for expansion of architectural/roofing
- Recapturing Residential Market
- Specialist Programs

Many responding areas reported that a shortage of qualified workers was the greatest challenge faced in 2024. The areas experiencing these shortages have stated that the major obstacles encountered were lack of skills experience and lack of workers in general.

Recruitment and Retention/Diversity and Inclusion

More than 70% of local areas are experiencing difficulties recruiting qualified workers. With many reporting that shortages of apprentices are their greatest challenge. To combat this the responding chapters have implemented:

- More advertising (TV & Digital)
- Job Fairs at High Schools
- Recruiting non-experienced workers

Approximately 44% of responding chapters have implemented diversity and inclusion efforts to attract or retain women, minorities, or persons with disability to the trade. Many local areas use summer programs and trainings to recruit and retain a more diverse group of workers.