



Market Share Analysis

***The Southern Tier of NY &
Mohawk Valley MCA***

UA Local 112

The Construction Labor Research Council

One of the most important business considerations for contractors is market share. Market share shows the prevalence of union work in a given area, and perhaps more importantly, the trend over time. The Construction Labor Research Council (CLRC) is pleased to provide this Market Share Analysis for the Southern Tier of NY & Mohawk Valley Chapters of MCA and UA Local 112.

Terms

There are two important terms to understand regarding this study: *market share* and *employment*. *Market share* is the ratio of union to total industry employment. In other words, it is the percent of the total industry in an area that is made up of union workers. This number shows what proportion of the market is worked by union workers, but does not show the size of the market.

Employment refers to the number of workers, union or total industry. It signals the actual size of the market. It is possible for market share to increase even though employment decreases. Thus, when looking at this study it is equally important to look at both market share (See the chart titled, "Market Share.") and employment (See the chart titled, "Percent Change in Employment from the Previous Year.").

Methodology

Market share was determined by dividing the number of Local 112 workers by the total number of union and nonunion steamfitters/plumbers in the geographical area covered by Local 112. This ratio shows the percent of the total industry employment that is represented by the union.

$$\frac{\text{Local 112 Employment}}{\text{Total Steamfitter/Plumber Employment in the Geographic Region Covered by Local 112}} = \text{Market Share}$$

Local 112 Employment

The employment count for Local 112 was calculated by dividing the total hours worked each year by 1,600, which represents full-time employment for one year for one employee.

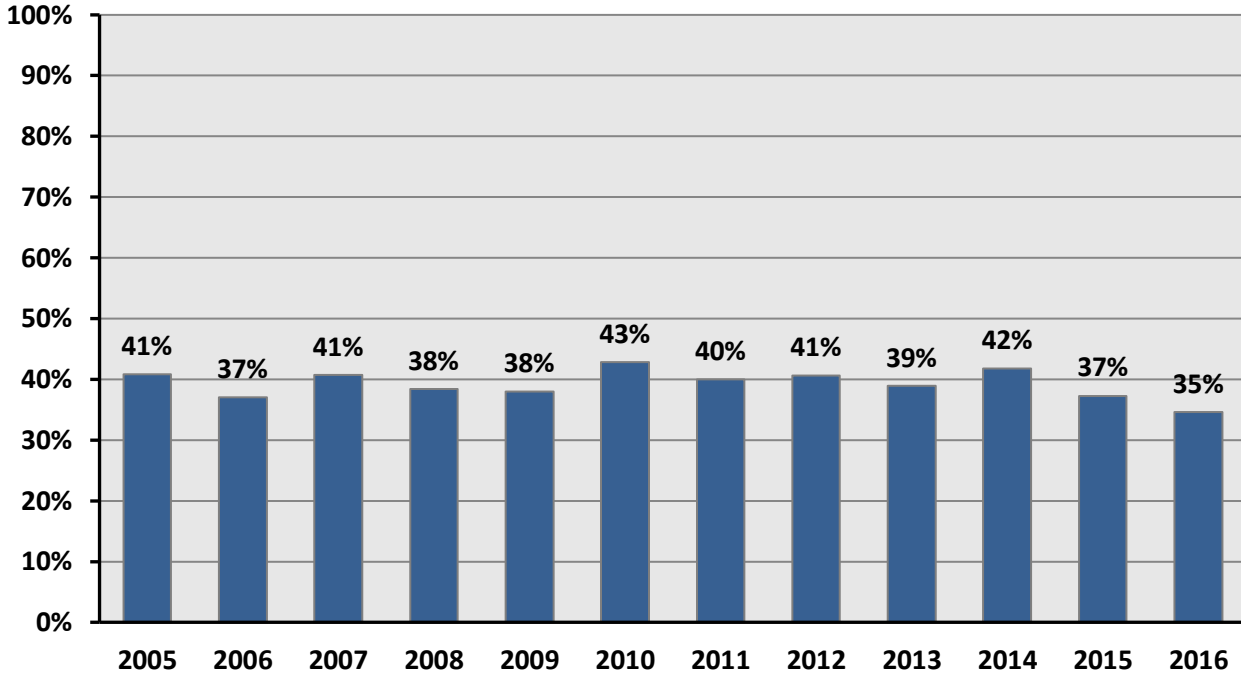
$$\frac{\text{Local 112 Hours}}{1,600} = \text{Local 112 Employment}$$

Total Steamfitter/Plumber Employment

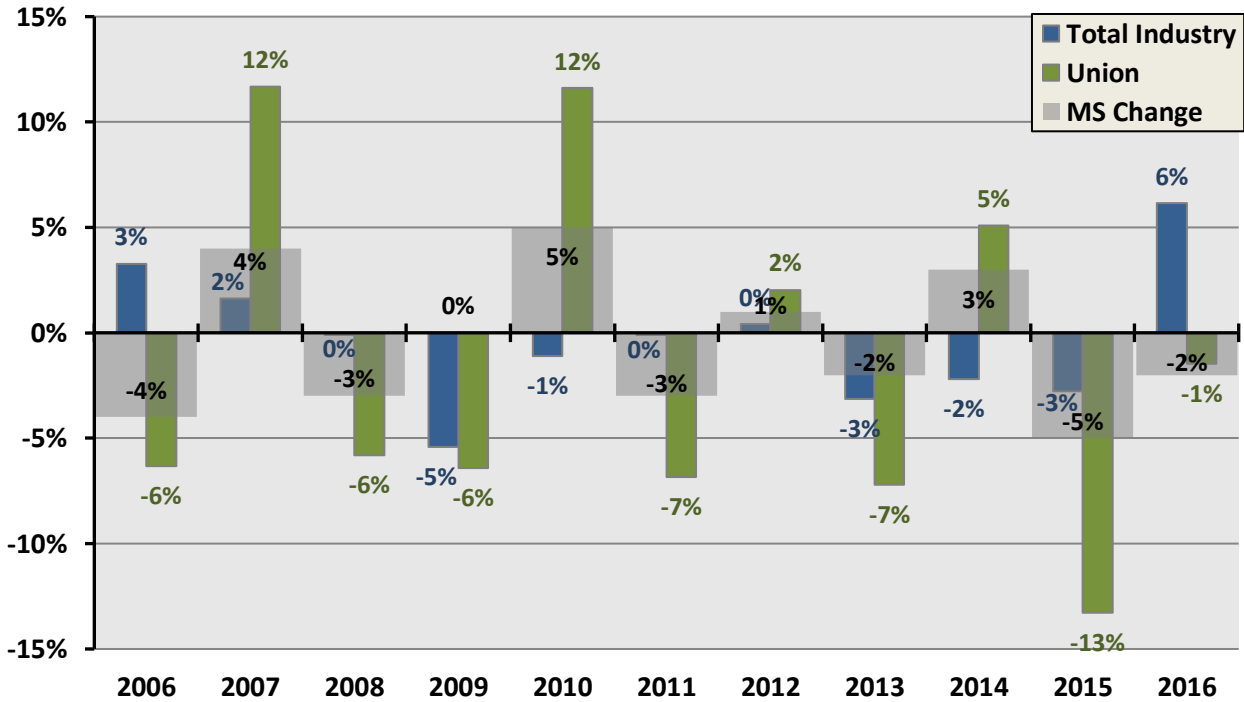
The total steamfitter/plumber employment was obtained from the Department of Labor's Bureau of Labor Statistics (BLS). The most current research indicates that approximately 10.9 percent of the workers in the construction industry are steamfitters/plumbers (including service). Therefore, employment in construction in the area was multiplied by this percent to reasonably estimate the total number of steamfitters/plumbers for use in this study.

$$\frac{\text{Construction Employment} \times 10.9\%}{\text{Total Steamfitter/Plumber Employment}}$$

Market Share

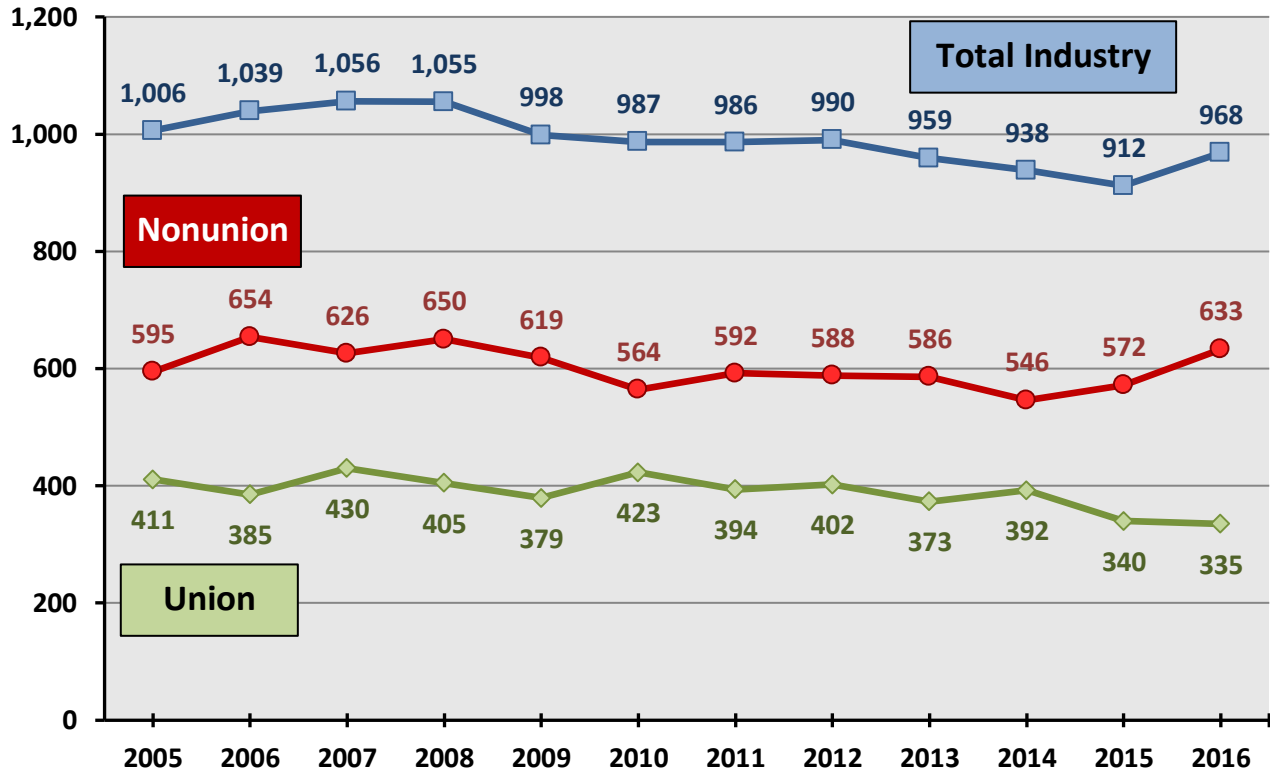


Percent Change in Employment from the Previous Year



The blue (Total Industry) and green (Union) bars in the chart above represent the change in employment. The grey bars represent the change in Local 112's market share.

Employment Count



Summary Table

| Year | Union | | | Nonunion | | | Total Industry | | | Market Share |
|------------------------------|------------|-------------|-------------|------------|-----------|-----------|----------------|-------------|------------|--------------|
| | Employment | Change | | Employment | Change | | Employment | Change | | |
| | | # | % | | # | % | | # | % | |
| 2005 | 411 | - | - | 595 | - | - | 1,006 | - | - | 41% |
| 2006 | 385 | (26) | -6% | 654 | 59 | 10% | 1,039 | 33 | 3% | 37% |
| 2007 | 430 | 45 | 12% | 626 | (28) | -4% | 1,056 | 17 | 2% | 41% |
| 2008 | 405 | (25) | -6% | 650 | 24 | 4% | 1,055 | (1) | 0% | 38% |
| 2009 | 379 | (26) | -6% | 619 | (31) | -5% | 998 | (57) | -5% | 38% |
| 2010 | 423 | 44 | 12% | 564 | (55) | -9% | 987 | (11) | -1% | 43% |
| 2011 | 394 | (29) | -7% | 592 | 28 | 5% | 986 | (1) | 0% | 40% |
| 2012 | 402 | 8 | 2% | 588 | (4) | -1% | 990 | 4 | 0% | 41% |
| 2013 | 373 | (29) | -7% | 586 | (2) | 0% | 959 | (31) | -3% | 39% |
| 2014 | 392 | 19 | 5% | 546 | (40) | -7% | 938 | (21) | -2% | 42% |
| 2015 | 340 | (52) | -13% | 572 | 26 | 5% | 912 | (26) | -3% | 37% |
| 2016 | 335 | (5) | -1% | 633 | 61 | 11% | 968 | 56 | 6% | 35% |
| Net Change: 2005-2016 | | (76) | -18% | | 38 | 6% | | (38) | -4% | -6% |

Discussion

Market share for Local 112 fluctuated from 37 – 43 percent from 2005 – 2014. From 2014 – 2016, market share steadily fell to 35 percent, the lowest mark in the 12 year timeframe. The highest mark, 43 percent, occurred in 2010.

All of the increases in market share (i.e., 2007, 2010, 2012, 2014) were a result of the union gaining more workers, as a percent, than the total industry. For example, in 2007 union growth was 12 percent (green bar), while total industry growth was 2 percent (blue bar), resulting in the 4 percent increase in market share (grey bar) that year.

When market share fell, it was because the union lost more of their workforce than the total industry, as a percent. The most dramatic example was in 2015, when union employment fell by 13 percent while total industry employment fell by 3 percent, resulting in the 5 percent decrease in market share.

With respect to net changes, Local 112 lost 76 workers (-18 percent) from 2005 – 2016. During the same time period, the net change for the total industry was also a decrease in employment of 38 steamfitters/plumbers (-4 percent). This differential decline between the union and the total industry workforces produced the net 6 percent decline in market share from 2005 – 2016.

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