



FOUR WAYS HIRING A UA SIGNATORY CONTRACTOR CAN IMPROVE YOUR BOTTOM LINE

Rising costs continue to top the list of contractor challenges. A recent study finds 98% of large construction projects result in budget overages of more than 30%.¹ Some contributing cost factors, like weather and delays, are unpredictable. But others, like delays due to talent shortages, are controllable and can have a major impact on the bottom line.

When recruiting workers, it's important to understand how hiring UA signatory contractors can save time and money. From HVAC and refrigeration technicians to pipe welders and fitters, our highly skilled members have the preparation and skills to handle jobs of all sizes.

Here are four ways that hiring Local 601 steamfitters can save you time and money and improve your bottom line.

1 SKILLED WORKERS

Contractors who hire skilled labor from a UA signatory contractor can be confident that the job will get done right. In a recent study, project owners rated union labor as having a higher skill level than open shop workers.²

Crew mistakes due to lower skills and experience can lead to extensive repairs, potential injuries, project delays, and ultimately, a damaged reputation. While 56% of contractors report concern that workers don't have adequate skills,³ studies show union workers provide more reliable skilled labor.⁴

The United Association Steamfitters Local 601 offers the only comprehensive, five-year apprenticeship available to ensure workers are prepared with exceptional training. They are the "Keepers of the Craft" providing classroom instruction and real-world experience at top companies throughout Wisconsin. UA Local 601 offers continuing education and certification for every construction and

service specialty, including HVAC/Mechanical, Pipeline/Gas Distribution, HVAC Controls, Power Generation, HVAC/Mechanical/Chiller Service, Industrial Refrigeration, and Pipe Fabrication.





2 HIGHER PRODUCTIVITY

Union labor provides 14% higher productivity than open shop labor, according to the Independent Research Analysis (IPA), which surveyed over 1,550 construction projects.

Productivity is key to keeping any project budget on track, whether managing work in the office or on the job site. Studies indicate that low-skilled workers are a root cause of low productivity in construction.⁵ That's why project managers should hire UA signatory contractors who have extensive classroom and on-the-job training.

Findings also indicate that higher productivity from union labor translates into both fewer hours overall and fewer individuals needed to accomplish the same work. On average, projects employing union labor required nearly 10% fewer craft workers than non-union labor.⁵

UNION LABOR PROVIDES
14% HIGHER
PRODUCTIVITY
THAN OPEN SHOP LABOR

3 LESS TURNOVER

Construction project managers seeking a dependable workforce should consider the value of working with a UA signatory contractor who will ensure a quality job on time and on budget. A recent study shows that turnover rates are one-third less likely for union over open shop workers – that's for all types of trade specialties from pipefitters to steel, electrical and civil.

This is essential as "help wanted" is a common phrase in trade industries today. Over the past 20 years, about one in seven projects experienced a shortage of skilled labor, and that can have significant negative consequences on project outcomes. Projects that are short on labor are twice as likely to have at least a 10% cost overrun and schedule slip.⁶ A recent McKinsey study states that nearly 77% of construction projects are at least 40% late. While there are certainly other contributing factors like weather and equipment failures, nationwide labor shortages play a key role.



Unions also offer higher pay and better benefits, which help reduce turnover. On average, union labor earns wages 9.7% higher than open shop labor.

Michael Unger, Journeyman at Helm Mechanical notes that a major difference with Local 601 is that they not only offer the most comprehensive training for their steamfitters, but they also offer a fantastic compensation and benefits package that motivates workers and improves retention.

4 INCREASED SAFETY

There's no doubt that safer worksites save money. For every dollar invested in construction safety programs, OSHA studies indicate there is an average ROI of \$5 as illnesses, injuries and fatalities decline. Steamfitters Local 601 is committed to top-notch safety training for its members whether that's during the five-year apprenticeship or through continuing education that's available to seasoned workers.

From OSHA 30 and electrical safety training to certifications for infection control, members are always staying current with education and are held to strict safety standards. This means fewer accidents on the job, saving contractors time and money.

Safety also involves the health and wellness of workers. That's even more important today as 15% of construction workers in the United States have a substance abuse disorder.⁷ UA signatory contractors sourced from Local 601 undergo mandatory and random drug testing, with less than half a percent of those tested failing drug tests. Local 601 is also committed to its members' mental health and wellbeing. The union has its own mental health clinic and runs an Employee Assistance Program (EAP) that all members can access via the member-wide app.



Sources

¹ <https://gobridgit.com/blog/8-top-challenges-in-construction-industry/#~:text=A%20McKinsey%20study%20estimates%20that,change%20requests%2C%20and%20payment%20delays.>

² <https://www.mcaa.org/wp-content/uploads/2023/01/IPA-Study-Quantifying-the-Value-of-Union-Labor-in-Construction-Projects-FINAL.pdf>

³ [https://www.uschamber.com/economy/us-chamber-commercial-construction-index-q4-2021#~:text=Two-thirds%20\(66%25\)%20of,from%2044%25%20in%20Q3.](https://www.uschamber.com/economy/us-chamber-commercial-construction-index-q4-2021#~:text=Two-thirds%20(66%25)%20of,from%2044%25%20in%20Q3.)

⁴ <https://www.mcaa.org/wp-content/uploads/2023/01/IPA-Study-Quantifying-the-Value-of-Union-Labor-in-Construction-Projects-FINAL.pdf>

⁵ <https://www.mcaa.org/wp-content/uploads/2023/01/IPA-Study-Quantifying-the-Value-of-Union-Labor-in-Construction-Projects-FINAL.pdf>

⁶ <https://www.mcaa.org/wp-content/uploads/2023/01/IPA-Study-Quantifying-the-Value-of-Union-Labor-in-Construction-Projects-FINAL.pdf>

⁷ <https://americanaddictioncenters.org/workforce-addiction/blue-collar/construction-workers>

A STEAMFITTERS LOCAL 601 PARTNER

Choosing the right partner for your next construction project can help you get your project done on time and on budget. For the best outcome, use a Steamfitters Local 601 signatory contractor when you need to hire a steamfitter. Our members are experts in the trade with broad experience and top-notch training. **To learn more about Steamfitters Local 601 and the companies we work with, reach out to our team on our [website](#).**