



United Brotherhood of Carpenters and Joiners of America (UBC)

For Media Inquiries:
Jen McKernan, UBC Communications Director
jen.mckernan@carpenters.org | 702.667.2011

For immediate release –
January 11, 2022

39 Percent of Construction Worker Families on Public Assistance Costing Taxpayers \$28 Billion to Subsidize Worker Abuse

Washington, DC—A report just released by the University of California Berkeley Labor Center reveals that 39 percent of construction worker families nationwide are forced to enroll in one or more safety net programs to make ends meet. That is higher than the 31 percent of all workers enrolled in such programs. The yearly cost to state and federal governments is a staggering \$28 billion. Additionally, 31 percent of construction workers lack health insurance coverage, compared to 10 percent of all workers. Researchers attribute their findings to low pay, wage theft and illegal employment practices in the construction industry.

The \$28 billion price tag stems from construction families' reliance on a variety of safety net programs, including adult and children's Medicaid, the earned income tax credit, temporary assistance for needy families and the supplemental nutrition assistance program.

"This report shows just how outrageous the common, illegal business practices in the construction industry really are," said Douglas J. McCarron, General President of the United Brotherhood of Carpenters and Joiners of America (UBC). "It demonstrates that, not only are cheating contractors hurting construction industry families, but they are pocketing profits at the expense of taxpayers.

"We have a construction industry that rewards low-road employers and turns a blind eye to white collar crimes against blue collar workers. The result is that taxpayers foot the bill."

The authors of the report explain how construction, one of the nation's largest industries, once helped pave a pathway to the middle class for non-college educated workers. But today, as unionization declines and government entities fail to enforce labor standards, the industry is heading down a different road:

The labor standards enforcement void created by declining unionization in the industry has not been filled. Without government intervention, construction workers should expect to continue to be exploited and cheated, and lawful contractors should expect to find it more and more difficult to remain in operation.

A 2019 report by economists found that up to 20.5 percent of U.S. construction workers are illegally classified as independent contractors or paid off the books. The resulting state and federal tax losses, using mid-range numbers, amount to \$8.4 billion a year. Workers' compensation insurers lose \$2 billion. Additionally, construction workers have almost a billion dollars a year in wages stolen from them, and to add insult to injury, employers foist onto workers' backs \$3.48 billion in Social Security, Medicare and other employment taxes that they should be paying.

“Good employers and good jobs that support strong families and create a strong middle class are no accident of history. They are the result of hard-working people in the labor movement and the employers, legislators and allies who united to organize for progress,” said UBC General Vice President Frank Spencer. “This report needs to be a wake-up call to the construction industry, legislators and law enforcement. You better believe that the UBC will continue to take action.”

Regional councils affiliated with the UBC will protest construction worker abuse and tax fraud in the industry April 13-16 throughout the United States and Canada.