

SAMPLE

Market Share Evaluation

Chapter XYZ – Local 101

One of the most important business considerations for union 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 Chapter XYZ.

Terms

There are two terms important to understand regarding this study: *market share* and *employment*. *Market share* is the ratio of union to total industry. In other words, it is the percent of the total industry in an area that is union. 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.”).

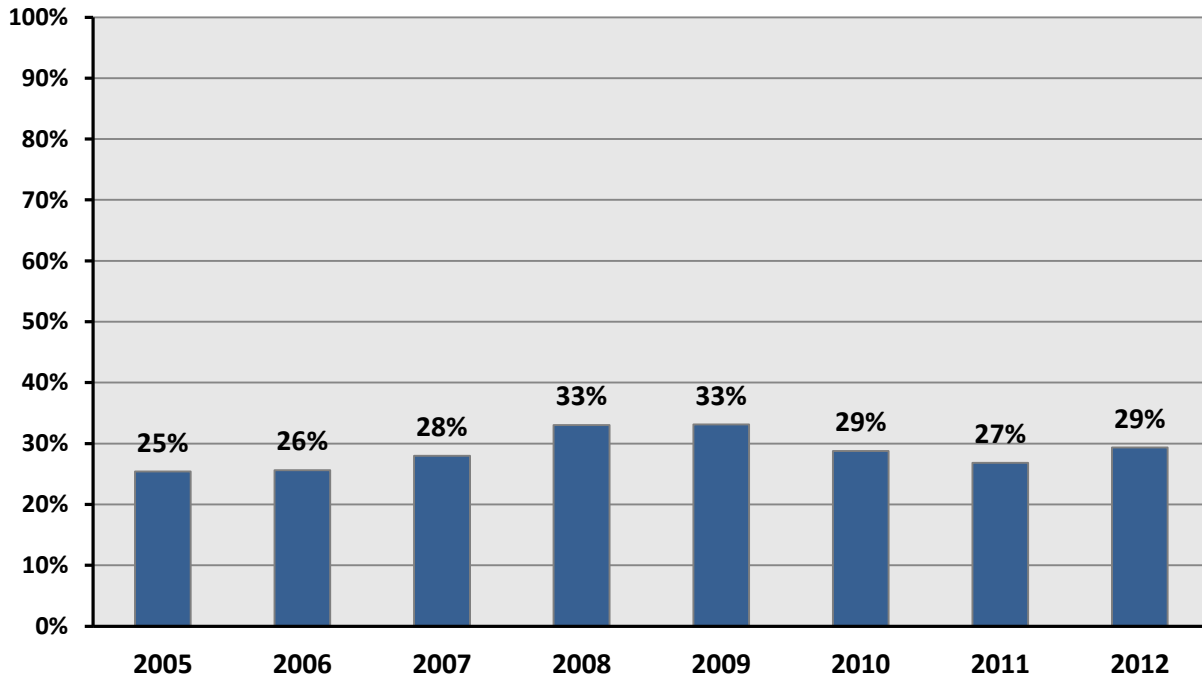
Methodology

Market share was determined by dividing the number of union workers in Local 101 by the total number of workers in that industry (union and non-union) in the geographical area covered by the union. This ratio shows the percent of the Local 101 area that is represented by the union.

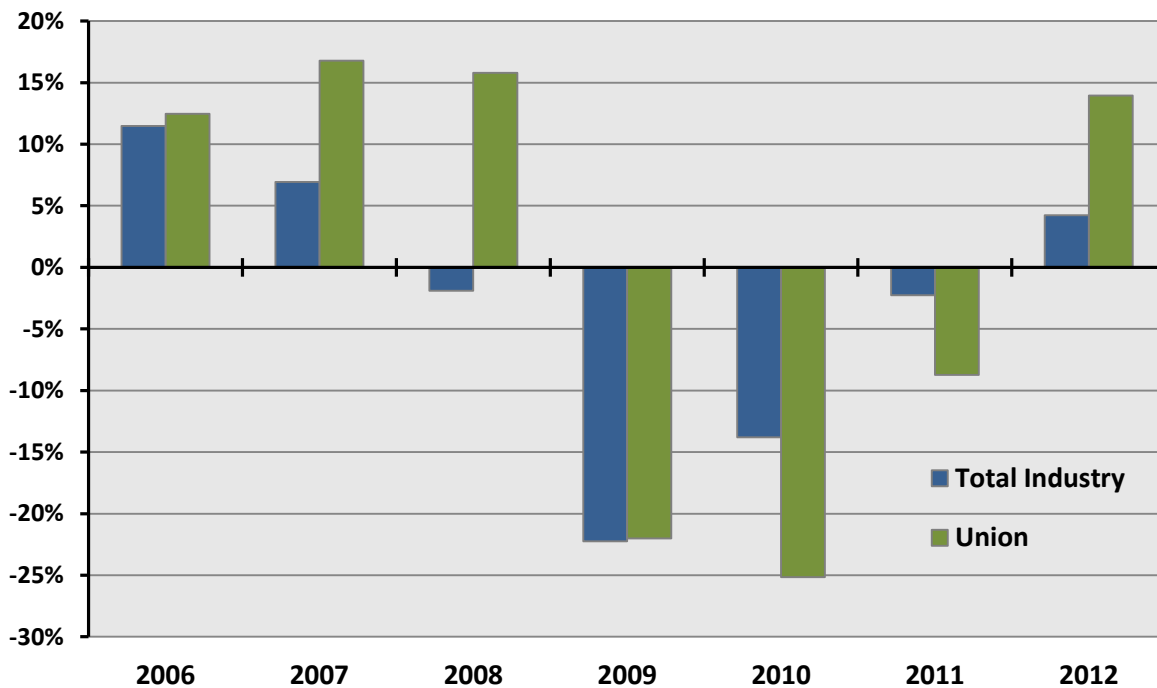
$$\frac{\text{Local 101 Employment}}{\text{Total Industry Employment}} = \text{Market Share}$$

Results

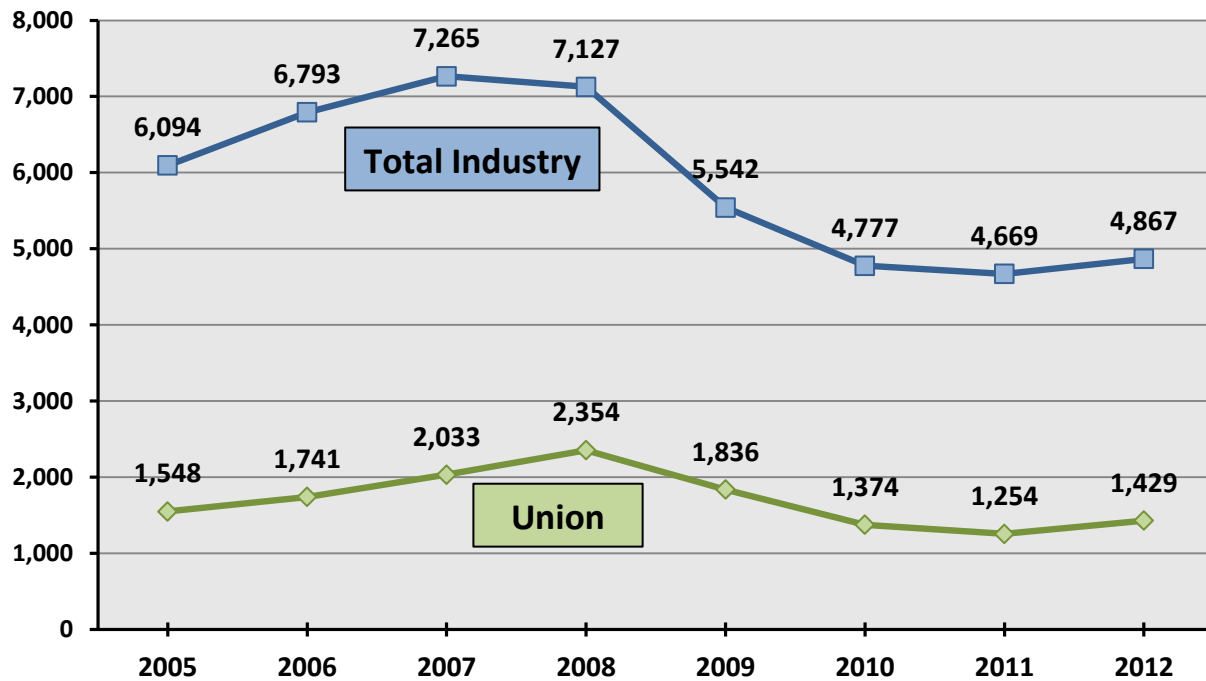
Market Share



Percent Change in Employment from the Previous Year



Employment



Summary Table

Year	Union			Total Industry			Market Share
	Employment	Change		Employment	Change		
		#	%		#	%	
2005	1,548	-	-	6,094	-	-	25%
2006	1,741	193	12%	6,793	699	11%	26%
2007	2,033	292	17%	7,265	472	7%	28%
2008	2,354	321	16%	7,127	(138)	-2%	33%
2009	1,836	(518)	-22%	5,542	(1,585)	-22%	33%
2010	1,374	(462)	-25%	4,777	(765)	-14%	29%
2011	1,254	(120)	-9%	4,669	(108)	-2%	27%
2012	1,429	175	14%	4,867	198	4%	29%
Net Change: 2005-2012		(119)	-8%		(1,227)	-20%	
2008 (peak union employment) to Current		(925)	-39%		(2,260)	-32%	

Discussion

Market share for Local 101 increased steadily from 2005 when it was 25 percent to 2008/2009 when it was 33 percent. Then, market share declined in 2010 and 2011 to 27 percent and finally rose modestly in 2012 to 29 percent.

From 2006 to 2008 union contractors' workforces grew significantly, increasing by 12 to 17 percent each year, and as a result market share increased. However, in 2009 and 2010 the union workforce declined more in two years than it had grown in the three previous years. Total industry also declined during this time, but not as much, as a percent. Most noticeably, in 2010 the union worker count fell by -25 percent while the total industry fell by -14 percent, resulting in a -4 percent decline in union market share. The market share increase in 2012 was because the union growth percent was larger than the total industry growth percent (i.e., union = 14 percent vs. total industry = 4 percent).

The net change since 2005 has been a loss of 119 union workers (-8 percent). Since the peak year of union employment in 2008, the union workforce has lost 925 workers or -39 percent.