

# You Ought To Know

ISSUE: 13

*In this special issue of You Ought to Know, we look at a few topics that are inextricably linked and of relevance to us all – the growth in hours earned across the Province, why contractors don't bid on all jobs, and the imperfect data we use to measure market share. As always, we ask – and then answer – questions. But this time, we're also asking and not answering. A little food for thought for readers.*



## Does growth in hours earned generally equate to growth in membership?

We wish we knew! While we have data on the hours earned across Ontario within each local area, we do not have all the membership information across the IBEW locals. It would certainly be interesting to see if membership numbers have grown over the years in lockstep with hours earned.

As the chart here shows, looking back to 1980, hours earned across the province were 11.5 million. In 1989, they rose substantially to 18.3 million. In 2022, hours earned were 23.2 million – just over double after 42 years.

Hours earned were at a low point in 1993 when they dropped below 10 million, and then slowly increased to 15 million by 2000. In 2008, they hit a high of just over 20 million which, we would argue, is consistent on average with the hours over the past 5 years.

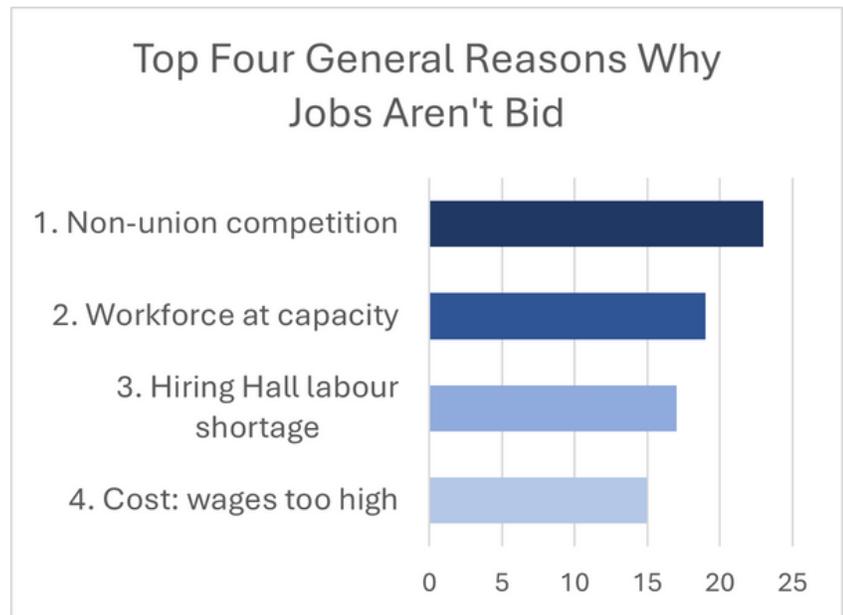
Growth in earned hours? For sure, but not as much as we'd like to see – and certainly not as much as the growth in hours of electrical work performed in the Province. Growth in membership? We do not know.

## Why don't contractors bid on all available jobs?

It has been suggested that one of the reasons our hours have not increased in step with province-wide hours is because contractors do not bid on enough work. In 2023, we reached out to 400 of our contractors to ask them why they chose not to bid on jobs within the previous 6-9 months. Out of those who responded with project-specific data, the top reason for not bidding on new projects was that their workforce was at capacity. The second reason was that they avoided projects where non-union contractors were known bidders.

For contractors who shared concerns in general, the top four reasons for not bidding on new projects were: (1) knowledge of non-union bidders on projects; (2) their workforce being at capacity; (3) shortage of labour from union halls; and (4) labour being priced too high.

It costs money to bid on a project; the cost varies based on contractor size and project size. From what we understand, there are many factors at play for projects that have known non-union competition. Will the non-union company bid with a drastically lower labour rate? Will they bid with all hours needed to complete the job, or will they undercut the bid and add extras if successful? Do they already have a relationship with the client? Another issue is the timeliness of response if a contractor applies for stabilization funds or market recovery terms. They do not always get a response in time to bid the work. The current process lacks consistency and predictability, which is what our contractors need.



While not bidding on jobs is a contributing factor, it's not the only explanation for the lack of growth. What are the other factors that are holding us back?

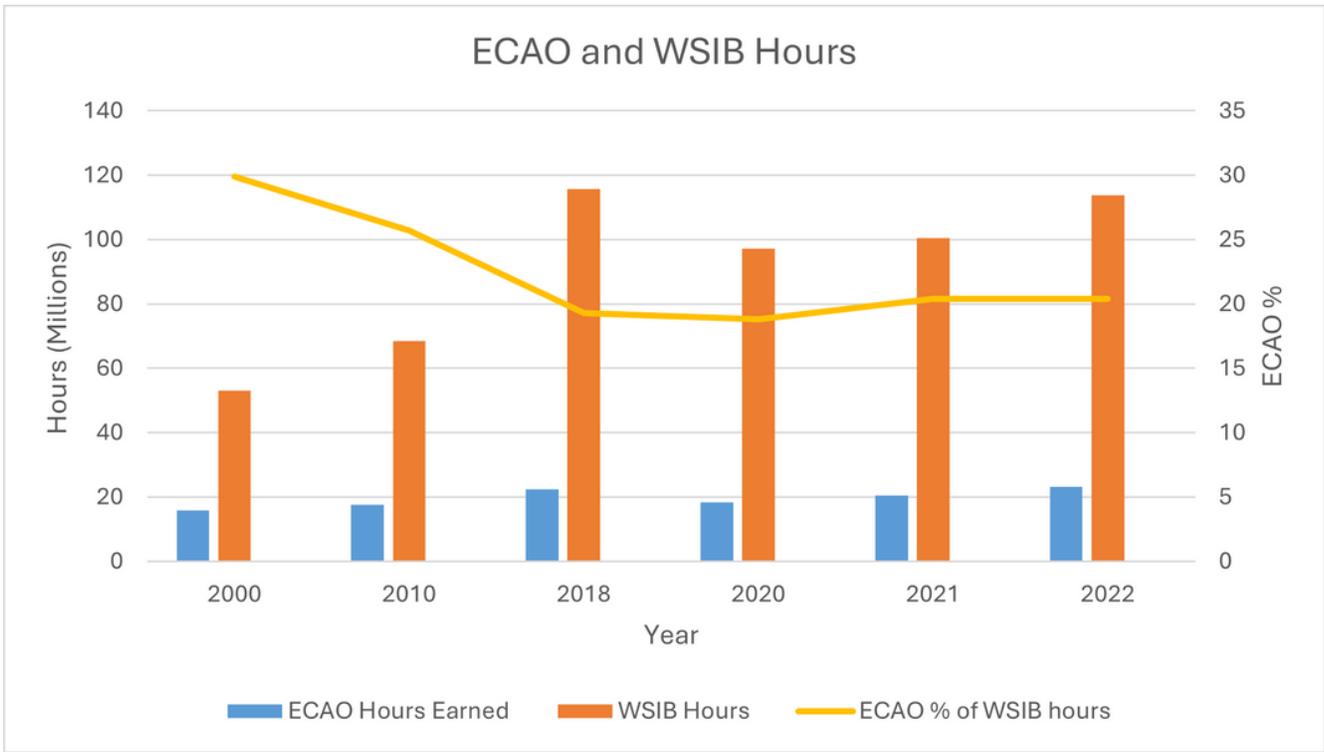
### Why do we look at WSIB data when talking about our hours?

ECAO realizes that there is no perfect way to measure our contractors' share of the market. Over the years, we have looked at WSIB reports in comparison with ECAO hours earned reports. While the method isn't perfect, looking back over the years demonstrates that there is clearly more growth in WSIB hours when compared to ECAO hours.

A few facts to help interpret the data:

- The WSIB report we use is based on NAICS 238210 – Electrical Contractors and Other Wiring Installation Contractors.
- The WSIB hours below include more than ICI hours, which is similar to the hours earned for ECAO.
- We do get contributions for other sectors, including residential for some areas. But even if you remove approximately 1 million hours for EPSCA and 2 million hours for residential from the WSIB hours, that does not provide a significant decrease in total hours reported.
- We use only one of the hours reports from WSIB, which does not include hours worked by those in the line sector or network cabling sector.

Look at the numbers below and you can see a pattern. The hours for the rate group have grown. ECAO contractor hours have not kept pace with this growth.



|   | 2000              | 2010              | 2018              | 2020              | 2021              | 2022              |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| WSIB hours: Rate Group 704/NAICS 238210 | 53,100,000        | 68,356,818        | 115,798,137       | 97,227,200        | 100,459,744       | 113,773,988       |
| <b>Total ECAO hours earned</b>          | <b>15,858,523</b> | <b>17,577,085</b> | <b>22,389,921</b> | <b>18,266,958</b> | <b>20,534,171</b> | <b>23,243,568</b> |
| Difference                              | 37,241,477        | 50,779,773        | 93,408,216        | 78,960,242        | 79,925,573        | 90,530,420        |
| ECAO % of WSIB hours                    | 29.9%             | 25.7%             | 19.3%             | 18.8%             | 20.4%             | 20.4%             |

To close the gap, ECAO knows our contractors need to be more competitive, need to be able to rely on a growing and qualified workforce. They need to know about the availability (or not) of stabilization funds in a timely fashion, and they need consistency throughout the Province. Current conditions, such as different rules in each local area, no deadlines for applying for stabilization funds or market recovery terms, and not being able to get qualified workers from all union halls, are not favourable to ensuring competitiveness in the electrical, line nor low voltage markets. We need to work with our labour partners to grow our industry, and this begins with an examination of where we currently stand.

### Do you know what You Ought to Know?

We hope that you're benefitting from the facts and insights we've shared through the publication thus far, and we welcome your questions and content ideas for future issues at any time. Contact Jodi Travers, ECAO's Labour Relations Manager, at [jtravers@ecao.org](mailto:jtravers@ecao.org). You can find all previous issues on the ECAO website under Publications.