

If there were any significant movement between the construction industry and other industries for our members, it should show itself in the table below, by increases in the number of laborers employed in manufacturing and other industries at times when the number of laborers employed in the construction industry is reduced. On the contrary, however, the seasonal variation in employment levels for laborers in all three (3) categories moves in the same direction, although at different levels of magnitude. For example, between January and July of 1967, the number of construction laborers employed increased from 559,000 to 952,000; or about seventy per cent (70%). In the same period, the number of laborers employed in manufacturing rose 12.2%, and in other industries, 33.9%. It is clearly evident that the construction laborer finds little opportunity for alternative employment in the off-season. What is true for our members, appears from all we can find out, to be equally true of other crafts. Thus, I think it is fair to say that the seasonal variation of employment among construction workers is almost exclusively compensated for by the unemployment compensation system. Examination of OASI data reveals that all persons employed in construction draw an average of 63% of their gross annual earnings from construction employment. Full-time employees—those who draw 50% or more of their earnings from the primary employment source—in the construction industry, average 90% of their gross annual earnings from construction employment.

TABLE III.—NONFARM LABORERS EMPLOYED, BY INDUSTRY OF EMPLOYMENT

1967	Nonfarm laborers	Construction	Manufacturing	Other industries
January.....	3,098	559	1,037	1,502
February.....	3,186	544	1,105	1,537
March.....	3,130	637	988	1,505
April.....	3,431	683	1,062	1,686
May.....	3,570	692	1,101	1,777
June.....	4,007	872	1,163	1,973
July.....	4,170	952	1,206	2,012
August.....	4,041	864	1,162	2,015
September.....	3,560	759	1,122	1,679
October.....	3,508	762	1,131	1,614
November.....	3,359	748	1,126	1,486
December.....	3,337	711	1,079	1,546

Source: "1967 Employment and Earnings," U.S. Department of Labor.

Since it can be demonstrated that the vast majority of our members, and presumably construction workers in general, cannot compensate for the seasonal employment factors by finding alternative employment, it is safe to say that seasonality in the construction industry costs the Federal Government millions of dollars in tax income each year. To illustrate this point, let us return for the moment to Table I, in which we showed the average working year of construction laborers at 815 hours, if casual employees are included; and at 1,364 hours if such workmen are excluded. On the earnings from these hours, the average construction laborer paid \$109.00 and \$449.00 in Federal Taxes, respectively. Let us assume that we succeed in increasing the number of hours worked by a mere per cent (10%) for an experienced, career construction laborer. This would raise the hours worked by such laborers from 1,364 hours to 1,500 hours per year; and increase their payment of Federal Income Taxes from \$449.00 to \$532.00, thus, a ten per cent (10%) increase in the number of hours worked would yield an 18.5% increase in Federal Income Tax. When the effects of this ten per cent (10%) increase for experienced construction laborers is extended to the whole survey group, we find that the average Federal Tax Payment rises from \$109.00 to \$144.00, while the average number of hours worked increases from 815 to 886, thus a seven per cent (7%) increase in hours worked yields a thirty-two per cent (32%) increase in Federal Tax Payments. If the pattern of hours worked by our members is typical of the whole body of 700,000 construction laborers, this means that seasonality imposes a tax loss on the Federal Government of more than twenty-five (25) million dollars in personal income taxes which could be paid by construction laborers, alone. This same argument applies with equal force to corporate taxes and to the Social Security System. It is clear that a large part of the Federal investment, in an effective Seasonality Program, would be returned in the form of tax revenue.