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FOR IMMEDIATE RELEASE

NEW STUDY SHOWS SKILLED CRAFT UNIONS AND BIOPHARMACEUTICAL INDUSTRY PARTNERSHIP RESULTED IN $14 BILLION IN MAJOR CONSTRUCTION PROJECT INVESTMENT OVER SIX YEARS

Investment Created Thousands of Jobs, Drove Economic Growth and Delivered Life-Saving Medicines to Patients

(Washington) December 13, 2018 – The nation's leading building trade unions today released a first-of-its-kind report on the economic impact of the long-standing partnership between skilled craft unions and the biopharmaceutical industry. America's building trades helped drive more than $14 billion in investment across 11 states on major construction projects (over $5 million) active at any point between 2012 and 2017. During the same time period, skilled craft union workers earned a minimum of $454 million – in addition to tens of millions of dollars in funding for union health insurance and pension benefits.

"Following one of the worst economic downturns in our nation's history, this data reinforces how we are driving critical investment that supports middle-class families with good jobs, while taking cutting-edge science from concept to reality," said Eric M. Dean, General President of the International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers Union and chairman of the Pharmaceutical Industry Labor-Management Association (PILMA). "With this report, we can now quantify the tremendous impact of the partnership between skilled craft unions and the life sciences sector on regional economies throughout the country and, more importantly, on America's skilled union workers."

The study was produced by the Institute for Construction Economic Research (ICERES), a non-partisan network of academic researchers whose goal is to find pragmatic solutions to workplace and labor market issues in the construction industry. Data for the study were provided by Industrial Information Resources (IIR), a global consulting firm specializing in market data on major power, energy, and industrial infrastructure projects in the United States.

Additional key findings of the report include:

- 14 different trades contributed more than half a million labor hours each to biopharmaceutical industry construction projects.
- Electricians, instrumentation technicians, and plumbers and pipefitters accounted for more than half of the 15.6 million total union labor hours analyzed.
- In 2017 alone, private-sector biopharmaceutical companies required the equivalent of 4,447 full-time construction workers to build and renovate their facilities.

- When all construction projects active between 2012 and 2017 were considered across the 11 states (rather than only $5+ million projects), the total investment rose to $22.4 billion.

“The medical breakthroughs that our scientists are focused on every day would quite simply not be possible without the help of skilled craft unions,” said Donald Bohn, Vice President of U.S. Government Affairs for Johnson & Johnson and Co-Chair of PILMA. “The state-of-the-art labs and manufacturing facilities that we have built together require a level of precision and exacting specifications that only comes from a combination of experience and training.”

The biopharmaceutical sector turns to union contractors and their workers, in part, because of their long-established and highly-effective training and apprenticeship programs. Building, refurbishing, and retrofitting biopharmaceutical facilities to handle next-generation research and development requires an educated, skilled, and experienced labor force. Union construction apprenticeship programs are among the most successful and long-standing workforce development systems in the U.S., allowing enrollees to “earn while they learn.”

North America’s Building Trades Unions spend over $1.4 billion a year on these education programs without imposing a nickel of student debt or requiring a dime of taxpayer money. Workers develop skills while working on a jobsite and participating in classroom learning in the evenings. A conservative estimate based on the data gathered for the study shows the pharmaceutical and biotech industry was responsible for a minimum of $4.7 million in funding for union apprenticeship programs in these 11 states between 2012 and 2017.

“The life sciences sector has been a training ground for generations of Sheet Metal apprentices across the country, with a steady volume of employment opportunities for workers to earn while developing their skills on the jobsite,” said Joseph Sellers, Jr., General President of SMART, the International Association of Sheet Metal, Air, Rail and Transportation Workers. “Our members are proud to be an integral part of an industry that brings life-saving treatments to people. In fact, there are instances where our workers – or their families – benefit from the medicines that are created in the facilities they help build.”

The trend lines in the study show that the biopharmaceutical industry is accelerating investment in building and renovating its facilities. Investment increased every year between 2012 and 2017 and is expected to continue growing in 2018. IIR projects the total investment to approach $4.6 billion in 2018 and remain above $4.3 billion annually through 2020. Continuing this trend requires market and regulatory conditions that incentivize continued investment in the health and prosperity of America’s workforce.

The full report is available at www.pilma.org/unionjobs.

Study Methodology

The report examined private-sector biopharmaceutical construction projects active at any time between 2012 and 2017 in 11 states (CA, CT, IL, MA, MD, NJ, NY, OH, OR, PA, and WA). The states included in this report were selected by PILMA. The report relies extensively on data from Industrial Information Resources (IIR), a global consulting firm specializing in market data on major power, energy, and industrial infrastructure projects in the U.S. The study team identified major private-sector projects in each state and made estimates of total industry construction spending and labor demand based on IIR data. Projects that were co-developed with academic

institutions, government (e.g. NIH), and hospital systems were not included in the analysis. The second part of the study integrated data from IIR and the U.S. Census Bureau to examine the economic impact of the partnership between the pharmaceutical and biotech industry and construction trades unions.

About the Iron Workers International

The International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers Union, AFL-CIO (IW), is a proud trade association whose beginnings go back to the 1890s. The IW represents 120,000 members in North America. Members of our union have worked on nearly every major construction project - the Golden Gate Bridge, the Sears Tower, the St. Louis Arch, the Oil Sands Plant Expansion in Alberta, the World Trade Center and Freedom Tower. IW represent ironworkers who work on bridges, structural steel, ornamental, architectural, and miscellaneous metals, rebar and in shops.

About Pharmaceutical Industry Labor-Management Association

PILMA is a coalition of labor organizations and companies in the pharmaceutical industry who have joined forces to grow this important sector in our economy, create high-quality jobs, and promote medical innovations to cure disease. More information is available at www.pilma.org.

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