

# ProSales

## Unions/Outlook Survey -- Partial Results, December 2008

Dec. 2, 2008

During November 2008, PROSALES conducted an online survey of LBM dealers, distributors, and manufacturers regarding how the credit crunch and financial crisis in the United States had affected their businesses. A total of 247 people responded to the survey by answering questions posted via the *SurveyMonkey.com* Web site. Respondents who requested the information received a complete set of results, including written comments. Here is a partial summary that omits those comments.

Aside from providing results for all respondents, this report gives the results for several subgroups:

- LBM dealers, molding/millwork dealers, and short line specialty dealers but NOT wholesalers or “other” respondents. (207 respondents)
- Building material wholesalers. (20 respondents.)
- Dealers located in New England and the Mid-Atlantic states: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, West Virginia, and the District of Columbia. (34 respondents)
- Dealers in the South and Southwest: Virginia, North Carolina, South Carolina, Tennessee, Kentucky, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas, Texas, and Oklahoma. (75 respondents)
- Dealers in the North Central states: Ohio, Indiana, Michigan, Illinois, Wisconsin, Minnesota Iowa, North Dakota, South Dakota, Nebraska, Kansas, and Missouri. (54 respondents)
- Dealers in the Western United States: Colorado, Wyoming, Utah, New Mexico, Arizona, California, Nevada, Montana, Idaho, Oregon, Washington, Alaska, and Hawaii. (44 respondents)

Please contact PROSALES editor Craig Webb with questions or comments, as well as with ideas for future surveys.

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**1. What Is Your Firm's Primary Business? (246 answered the question)**

	% of Respondents
Building Material Dealer/Lumberyard	76.8%
Molding/Millwork Company	3.7%
Short Line Specialty Dealer/Distributor	3.7%
Building Material Wholesaler	8.1%
Other	7.7%

**2. Type of Ownership**

	<u>Wholesalers</u> (18)	<u>Dealers/ Specialty/ Shortline</u> (207)	<u>All</u> (244)
Independent establishment	88.9%	94.2%	92.2%
Publicly traded company	5.6%	1.4%	2.5%
Private equity company	5.6%	4.3%	5.3%

*Dealer/Specialty/Short Line responses by region*

	<u>New England/ Mid-Atlantic (34)</u>	<u>South</u> (75)	<u>North</u> <u>Central (54)</u>	<u>West</u> (44)
Independent establishment	94.1%	94.7%	96.3%	90.9%
Publicly traded company	2.9%	0.0%	1.9%	2.3%
Private equity company	2.9%	5.3%	1.9%	6.8%

**3. What Is Your Job Title?**

	<u>Wholesalers</u> (20)	<u>Dealers/ Specialty/ Shortline</u> (207)	<u>All</u> (246)
Corporate executive (chairman, president, owner, partner, EVP, other administrator)	65.0%	70.5%	68.7%
General/store/department manager	25.0%	16.9%	17.9%
Any other title	10.0%	12.6%	13.4%

*Dealer/Specialty/Short Line responses by region*

	<u>New England/ Mid-Atlantic (34)</u>	<u>South</u> (75)	<u>North</u> <u>Central (54)</u>	<u>West</u> (44)
Corporate executive (chairman, president, owner, partner, EVP, other administrator)	67.6%	74.7%	68.5%	68.2%
General/store/department manager	20.6%	16.0%	18.5%	13.6%
Any other title	11.8%	9.3%	13.0%	18.2%

**4. In Which Region of the U.S. Do You Live?**

	<u>Wholesalers</u>	<u>Dealers/ Specialty/ Shortline</u>	<u>All</u>
	<u>(20)</u>	<u>(207)</u>	<u>(245)</u>
New England (ME, NH, VT, MA, RI, CT)	0.0%	4.8%	4.5%
Mid-Atlantic (NY, NJ, PA, DE, MD, WV, DC)	35.0%	11.6%	14.7%
Mid-South (VA, NC, SC, TN, KY)	10.0%	21.7%	19.2%
Deep South (GA, FL, AL, MS)	5.0%	7.2%	6.9%
Mideast (OH, IN, MI, IL)	5.0%	7.2%	9.4%
Southwest (LA, AR, TX, OK)	15.0%	7.2%	7.3%
Midwest/Plains States (, IA, WI, MN ND, SD, KS, NE, MO)	15.0%	18.8%	18.0%
Mountain West (CO, WY, UT, NM, AZ)	5.0%	8.2%	7.8%
Far Southwest (CA, NV)	5.0%	3.9%	3.7%
Northwest/Pacific (MT, ID, OR, WA, AK, HI)	5.0%	9.2%	8.6%

**5. What Is the Annual Sales Volume of Your Organization?**

	<u>Wholesalers</u>	<u>Dealers/ Specialty/ Shortline</u>	<u>All</u>
	<u>(19)</u>	<u>(206)</u>	<u>(243)</u>
\$1 to \$999,999	0.0%	1.9%	2.1%
\$1 million to \$9,999,999	10.5%	32.5%	30.5%
\$10 million to \$24,999,999	15.8%	30.6%	29.2%
\$25 million to \$99,999,999	26.3%	21.8%	23.5%
Over \$100 million	47.4%	13.1%	14.8%

*Dealer/Specialty/Short Line responses by region*

	<u>New England/ Mid-Atlantic (34)</u>	<u>South (75)</u>	<u>North Central (54)</u>	<u>West (43)</u>
\$1 to \$999,999	2.9%	1.3%	3.7%	0.0%
\$1 million to \$9,999,999	14.7%	36.0%	42.6%	27.9%
\$10 million to \$24,999,999	29.4%	38.7%	14.8%	37.2%
\$25 million to \$99,999,999	35.3%	16.0%	20.4%	23.3%
Over \$100 million	17.6%	8.0%	18.5%	11.6%

**6. What Percentage of Your Company's Sales Come from Building Professionals?**

	<u>Wholesalers</u>	<u>Dealers/ Specialty/ Shortline</u>	<u>All</u>
	<u>(20)</u>	<u>(207)</u>	<u>(246)</u>
0% to 24%	25.0%	2.9%	6.9%
25% to 49%	5.0%	8.2%	7.3%
50% to 74%	10.0%	24.2%	22.0%
75% or higher	60.0%	64.7%	63.8%

*Dealer/Specialty/Short Line responses by region*

	<u>New England/ Mid-Atlantic (34)</u>	<u>South (75)</u>	<u>North Central (54)</u>	<u>West (44)</u>
0% to 24%	5.9%	1.3%	3.7%	2.3%
25% to 49%	2.9%	2.7%	14.8%	13.6%
50% to 74%	17.6%	22.7%	27.8%	27.3%
75% or higher	73.5%	73.3%	53.7%	56.8%

**7. Does a Union Represent ANY of the Employees at Your Place of Work?**

	<u>Wholesalers</u>	<u>Dealers/ Specialty/ Shortline</u>	<u>All</u>
	<u>(20)</u>	<u>(203)</u>	<u>(243)</u>
Yes	30.0%	13.8%	15.6%
No	65.0%	86.2%	84.0%
Don't know	5.0%	0.0%	0.4%

*Dealer/Specialty/Short Line responses by region*

	<u>New England/ Mid-Atlantic (34)</u>	<u>South (73)</u>	<u>North Central (53)</u>	<u>West (43)</u>
Yes	26.5%	1.4%	22.6%	14.0%
No	73.5%	98.6%	77.4%	86.0%
Don't know	0.0%	0.0%	0.0%	0.0%

**8. Which Groups Does It Represent? Check All That Apply**

	<u>Wholesalers</u> (6)	<u>Dealers/ Specialty/ Shortline</u> (29)	<u>All</u> (37)
Drivers	100.0%	100.0%	100.0%
Yard crew	83.3%	93.1%	91.9%
Administrative staff	0.0%	6.9%	5.4%
Sales staff (including inside sales/support)	0.0%	6.9%	5.4%

*Dealer/Specialty/Short Line responses by region*

	<u>New England/ Mid-Atlantic (9)</u>	<u>South</u> (1)	<u>North</u> Central (13)	<u>West (6)</u>
Drivers	100.0%	100.0%	100.0%	100.0%
Yard crew	88.9%	100.0%	92.3%	100.0%
Administrative staff	0.0%	0.0%	7.7%	16.7%
Sales staff (including inside sales/support)	0.0%	0.0%	0.0%	33.3%

“Other” responses: Warehouse personnel, carpenters, production/mill shop.

**9. If Yes, How Many Different Unions Are There at Your Workplace?**

	<u>Wholesalers (7)</u>	<u>Dealers/ Specialty/ Shortline (32)</u>	<u>All (43)</u>
One	85.7%	59.4%	65.1%
Two	0.0%	18.8%	16.3%
Three or more	0.0%	12.5%	9.3%
Don't know	4.3%	9.4%	9.3%

*Dealer/Specialty/Short Line responses by region*

	<u>New England/ Mid-Atlantic (11)</u>	<u>South</u> (3)	<u>North</u> Central (12)	<u>West</u> (6)
One	72.7%	33.0%	50.0%	66.7%
Two	9.1%	0.0%	33.3%	16.7%
Three or more	9.1%	0.0%	16.7%	16.7%
Don't know	9.1%	66.7%	0.0%	0.0%

**10. If Your Company Has Multiple Worksites, Is It Unionized Anywhere Else?**

	Dealers/ Specialty/		
	<u>Wholesalers (14)</u>	<u>Shortline (128)</u>	<u>All (155)</u>
Yes	30.0%	12.5%	13.5%
No	65.0%	87.5%	86.5%
Don't know	5.0%	0.0%	0.0%

*Dealer/Specialty/Short Line responses by region*

	New England/ <u>Mid-Atlantic (24)</u>	<u>South (41)</u>	<u>North Central (37)</u>	<u>West (26)</u>
Yes	25.0%	0.0%	16.2%	15.4%
No	75.0%	100.0%	83.8%	84.6%
Don't know	0.0%	0.0%	0.0%	0.0%

**11. Since 2005, Has Any Union Tried To Organize Any Workers at Your Job Site?**

	Dealers/ Specialty/		
	<u>Wholesalers (18)</u>	<u>Shortline (192)</u>	<u>All (229)</u>
Yes	5.6%	6.8%	6.1%
No	94.4%	89.6%	90.0%
Don't know	0.0%	3.6%	3.9%

*Dealer/Specialty/Short Line responses by region*

	New England/ <u>Mid-Atlantic (34)</u>	<u>South (69)</u>	<u>North Central (51)</u>	<u>West (38)</u>
Yes	11.8%	0.0%	11.8%	7.9%
No	82.4%	98.6%	86.3%	84.2%
Don't know	5.9%	1.4%	2.0%	7.9%

**12. Which Unions Have Tried To Organize at Your Location?**

There were 17 responses. The Teamsters were identified nine times, the Carpenters union five times, and Iron Workers and Service Workers once each.

**13. If So, What Was the Result?**

	<u>Wholesalers (3)</u>	Dealers/ Specialty/ <u>Shortline (21)</u>	<u>All (26)</u>
The organizing attempt succeeded	0.0%	4.8%	3.8%
The organizing attempt failed	66.7%	61.9%	61.5%
Don't know	33.3%	33.3%	34.6%

*Dealer/Specialty/Short Line responses by region*

	New England/ <u>Mid-Atlantic (5)</u>	<u>South (2)</u>	<u>North Central (7)</u>	<u>West (7)</u>
The attempt succeeded	20.0%	0.0%	0.0%	0.0%
The attempt failed	60.0%	0.0%	85.7%	57.1%
Don't know	20.0%	100.0%	14.3%	42.9%

**14. Please Add Any Other Comments To Help Us Understand the Labor Union Situation at Your Company**

Survey respondents who requested them received a report containing the written comments.

**15. How Do You Expect This Year's Sales at Your Particular Facility To Compare With Those of 2007?**

	<u>Wholesalers (20)</u>	<u>Dealers/ Specialty/ Shortline (186)</u>	<u>All (224)</u>
Down 40%+	0.0%	6.5%	6.3%
Down 30%-39%	10.0%	12.9%	12.9%
Down 20%-29%	15.0%	18.3%	19.2%
Down 10%-19%	30.0%	32.3%	30.4%
Down 1%-9%	25.0%	10.8%	11.6%
Roughly equal	0.0%	8.1%	7.6%
Up 1%-9%	15.0%	7.5%	8.0%
Up 10%-19%	5.0%	3.8%	4.0%
Up 20%+	0.0%	0.0%	0.0%

*Dealer/Specialty/Short Line responses by region*

	<u>New England/ Mid-Atlantic (30)</u>	<u>South (69)</u>	<u>North Central (49)</u>	<u>West (38)</u>
Down 40%+	0.0%	10.1%	6.1%	5.3%
Down 30%-39%	3.3%	18.8%	6.1%	18.4%
Down 20%-29%	13.3%	21.7%	18.4%	15.8%
Down 10%-19%	46.7%	24.6%	32.7%	34.2%
Down 1%-9%	13.3%	7.2%	10.2%	15.8%
Roughly equal	10.0%	7.2%	10.2%	5.3%
Up 1%-9%	6.7%	7.2%	12.2%	2.6%
Up 10%-19%	6.7%	2.9%	4.1%	2.6%
Up 20%+	0.0%	0.0%	0.0%	0.0%

**16. If Your Company Has More Than One Location, How Do You Expect This Year's Sales at Your Entire Company To Compare With Those of 2007?**

	Dealers/ Specialty/		
	<u>Wholesalers (12)</u>	<u>Shortline (114)</u>	<u>All (137)</u>
Down 40%+	0.0%	5.3%	5.1%
Down 30%-39%	0.0%	12.3%	10.2%
Down 20%-29%	33.3%	24.6%	26.3%
Down 10%-19%	33.3%	27.2%	26.3%
Down 1%-9%	16.7%	11.4%	11.7%
Roughly equal	0.0%	8.8%	9.5%
Up 1%-9%	16.7%	10.5%	10.2%
Up 10%-19%	0.0%	0.0%	0.7%
Up 20%+	0.0%	0.0%	0.0%

*Dealer/Specialty/Short Line responses by region*

	New England/ <u>Mid-Atlantic (23)</u>	<u>South (39)</u>	<u>North Central (31)</u>	<u>West (21)</u>
Down 40%+	0.0%	7.7%	6.5%	4.8%
Down 30%-39%	0.0%	28.2%	3.2%	9.5%
Down 20%-29%	17.4%	28.2%	32.3%	14.3%
Down 10%-19%	43.5%	17.9%	22.6%	33.3%
Down 1%-9%	13.0%	2.6%	12.9%	23.8%
Roughly equal	17.4%	5.1%	9.7%	4.8%
Up 1%-9%	8.7%	10.3%	12.9%	9.5%
Up 10%-19%	0.0%	0.0%	0.0%	0.0%
Up 20%+	0.0%	0.0%	0.0%	0.0%

**17. Do You Expect Your Location Will Post an Operating Profit This Year?**

	Dealers/ Specialty/		
	<u>Wholesalers (20)</u>	<u>Shortline (188)</u>	<u>All (226)</u>
Yes	80.0%	55.3%	56.6%
No	20.0%	37.2%	36.7%
Don't know	0.0%	7.4%	6.6%

*Dealer/Specialty/Short Line responses by region*

	New England/ <u>Mid-Atlantic (31)</u>	<u>South (19)</u>	<u>North Central (50)</u>	<u>West (38)</u>
Yes	64.5%	53.6%	42.0%	68.4%
No	32.3%	37.7%	52.0%	21.1%
Don't know	3.2%	8.7%	6.0%	10.5%

**18. If Your Company Has More Than One Location, Do You Expect the Entire Company Will Post an Operating Profit This Year?**

	<u>Wholesalers (12)</u>	<u>Dealers/ Specialty/ Shortline (116)</u>	<u>All (137)</u>
Yes	66.7%	46.6%	49.6%
No	33.3%	44.8%	42.3%
Don't know	0.0%	8.6%	8.0%

*Dealer/Specialty/Short Line responses by region*

	<u>New England/ Mid-Atlantic (23)</u>	<u>South (41)</u>	<u>North Central (31)</u>	<u>West (21)</u>
Yes	60.9%	39.0%	29.0%	71.4%
No	34.8%	46.3%	67.7%	19.0%
Don't know	4.3%	14.6%	3.2%	9.5%

**19. How Do You Think Your Sales in 2009 at Your Location Will Compare With Your Expected Total Sales This Year?**

	<u>Wholesalers (20)</u>	<u>Dealers/ Specialty/ Shortline (184)</u>	<u>All (222)</u>
Down 40%+	0.0%	1.1%	1.4%
Down 30%-39%	5.0%	1.1%	1.4%
Down 20%-29%	15.0%	6.0%	6.8%
Down 10%-19%	5.0%	28.3%	27.5%
Down 1%-9%	25.0%	22.8%	21.6%
Roughly equal	25.0%	26.6%	26.6%
Up 1%-9%	20.0%	10.9%	11.3%
Up 10%-19%	0.0%	2.7%	2.7%
Up 20%+	5.0%	0.5%	0.9%

*Dealer/Specialty/Short Line responses by region*

	<u>New England/ Mid-Atlantic (31)</u>	<u>South (67)</u>	<u>North Central (50)</u>	<u>West (36)</u>
Down 40%+	0.0%	1.5%	2.0%	0.0%
Down 30%-39%	0.0%	3.0%	0.0%	0.0%
Down 20%-29%	0.0%	6.0%	6.0%	11.1%
Down 10%-19%	32.3%	22.4%	24.0%	41.7%
Down 1%-9%	19.4%	17.9%	32.0%	22.2%
Roughly equal	29.0%	32.8%	26.0%	13.9%
Up 1%-9%	16.1%	11.9%	8.0%	8.3%
Up 10%-19%	0.0%	4.5%	2.0%	2.8%
Up 20%+	3.2%	0.0%	0.0%	0.0%

**20. If You Work at a Company With Multiple Locations, How Do You Think Your Sales in 2009 Across the Entire Company will Compare With Your Expected Total Sales This Year?**

	<u>Wholesalers (19)</u>	<u>Dealers/ Specialty/ Shortline (116)</u>	<u>All (137)</u>
Down 40%+	0.0%	0.9%	0.7%
Down 30%-39%	0.0%	0.9%	0.7%
Down 20%-29%	9.1%	5.2%	6.6%
Down 10%-19%	0.0%	24.1%	22.6%
Down 1%-9%	45.5%	27.6%	27.7%
Roughly equal	36.4%	25.9%	27.0%
Up 1%-9%	9.1%	13.8%	13.1%
Up 10%-19%	0.0%	1.7%	1.5%
Up 20%+	0.0%	0.0%	0.0%

*Dealer/Specialty/Short Line responses by region*

	<u>New England/ Mid-Atlantic (23)</u>	<u>South (40)</u>	<u>North Central (31)</u>	<u>West (22)</u>
Down 40%+	0.0%	2.5%	0.0%	0.0%
Down 30%-39%	0.0%	2.5%	0.0%	0.0%
Down 20%-29%	4.3%	7.5%	3.2%	4.5%
Down 10%-19%	26.1%	22.5%	12.9%	40.9%
Down 1%-9%	21.7%	22.5%	35.5%	31.8%
Roughly equal	21.7%	32.5%	32.3%	9.1%
Up 1%-9%	21.7%	7.5%	16.1%	13.6%
Up 10%-19%	4.3%	2.5%	0.0%	0.0%
Up 20%+	0.0%	0.0%	0.0%	0.0%

**21. Do You Expect Your Operation Will Turn an Operating Profit in 2009?**

	<u>Wholesalers (19)</u>	<u>Dealers/ Specialty/ Shortline (187)</u>	<u>All (223)</u>
Yes	63.2%	58.8%	57.4%
No	21.1%	22.5%	24.2%
Don't know	15.8%	18.7%	18.4%

*Dealer/Specialty/Short Line responses by region*

	<u>New England/ Mid-Atlantic (30)</u>	<u>South (69)</u>	<u>North Central (51)</u>	<u>West (37)</u>
Yes	63.3%	62.3%	58.8%	48.6%
No	20.0%	21.7%	25.5%	21.6%
Don't know	16.7%	15.9%	15.7%	29.7%

**22. Please Add Any Other Comments Here To Help Us Understand Your Feeling About Your Company's Performance This Year and Next Year.**

Survey respondents who requested them received a report containing the written comments.