Settlements Report

Total Package Increases for Union Craft Workers in Construction

2019 YEAR END

CLRC Construction Labor Research Council

SECTION I. FIRST YEAR TOTAL PACKAGE INCREASES IN 2019

The Construction Labor Research Council (CLRC) has analyzed settlements for union crafts in the construction industry. *The first year of new settlements agreed upon during 2019, from January—December, had an average increase of 2.9 percent ($1.67).* **Exhibits 1.1 and 1.2** show the 14-year trend, plus a two year forecast, for the total package (wages, fringe benefits and other employer payments combined). Although there is a well-documented shortage of craft workers, this modest rate of growth in employee compensation indicates that the worker shortage is not putting strong upward pressure on pay. In fact, the 2019 first year average* percent increase was no higher than 2018, both at 2.9 percent. CLRC projects a 0.1 percent annual increase for the next two years.

Exhibit 1.1

First year increases, shown as percentages

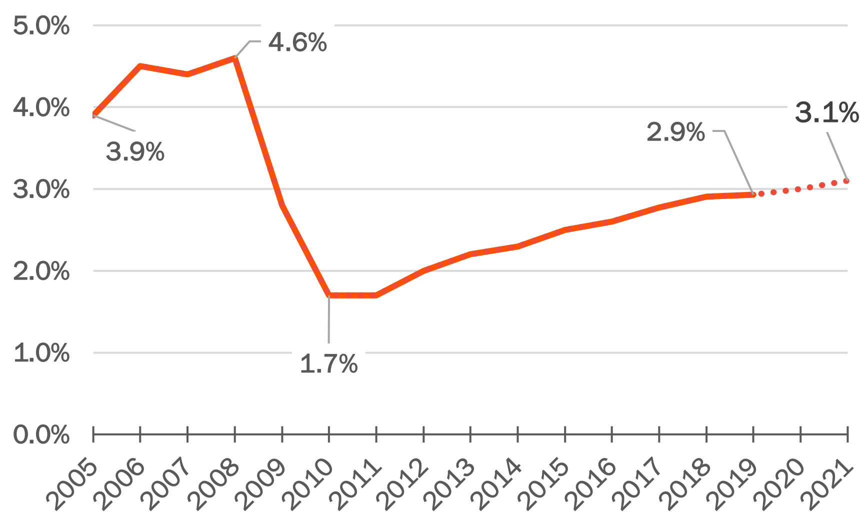

Exhibit 1.2

First year increases, shown as dollar amounts

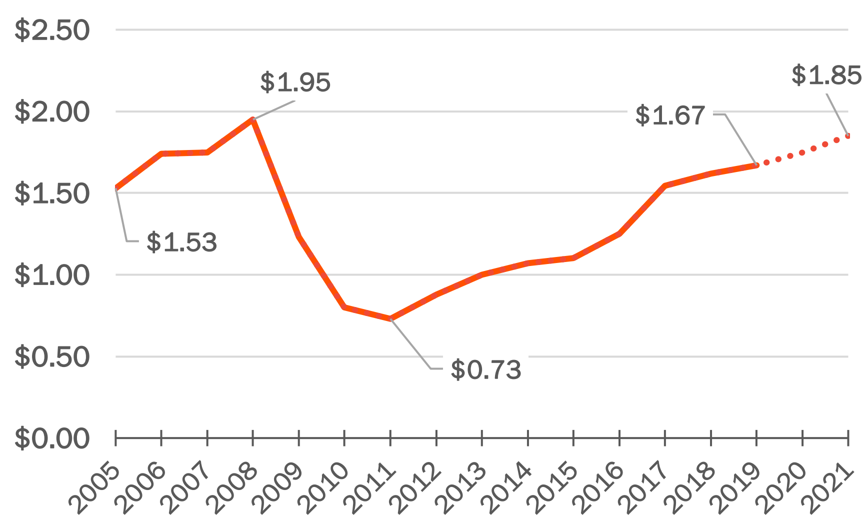

Exhibit 1.1 shows that the average increase has slowly and steadily risen since 2010/11. **Exhibit 1.2** shows that the average dollar amount increase for 2019 settlements grew by just under $1.00 since 2011 ($0.73 in 2011 to $1.67 in 2019).

Section I
This section contains results for the first year of newly bargained settlements and is useful for understanding current trends.
Section II
Section II (page 8) of this report covers all years of negotiated settlements and is better for summarizing the total amount actually paid/earned by contractors/employees. This also provides data on already negotiated future increases.

*The overall/US average is calculated by first averaging each craft, and then averaging the craft averages so that each craft is weighted equally.

Exhibit 1.3 displays the distributions for the first year increases of new settlements reached in 2017, 2018 and 2019. As the exhibit shows, the plurality of increases for 2019 data was in the 3.1–3.5% range. The mode (category with the most data points) in 2018 was lower, 2.6–3.0%. In 2019, 56 percent of the settlements were from 2.1 to 3.5 percent. Interestingly, the number of increases greater than 4.0 percent has ticked up for at least the past three years.
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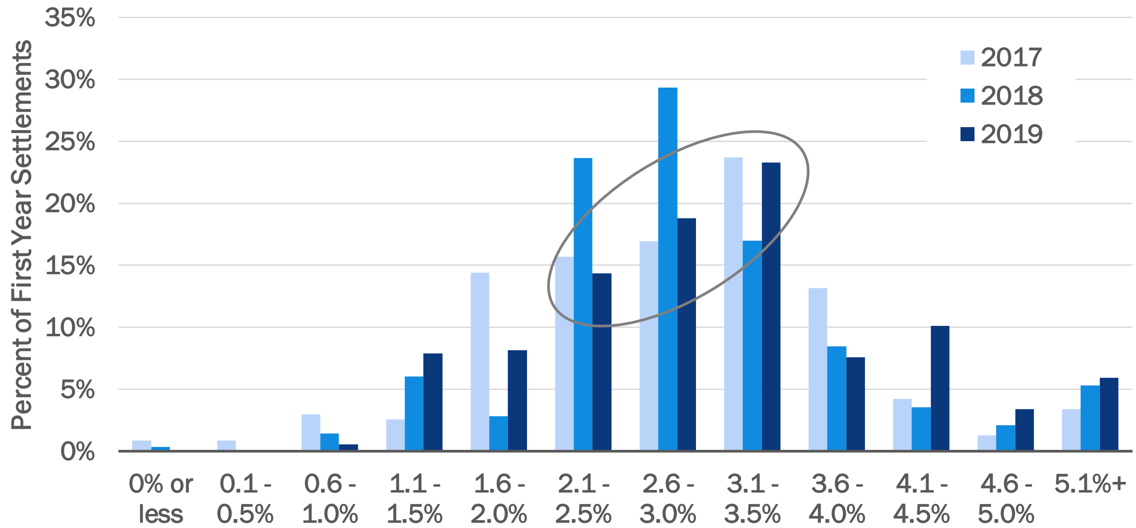
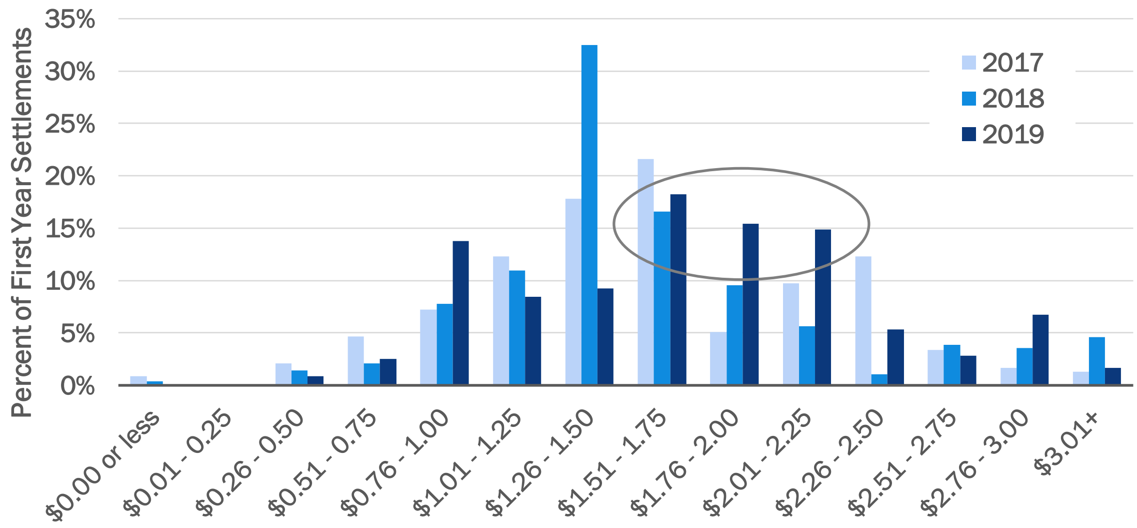
Exhibit 1.3
Distribution of first year increases in new settlements, shown as percentages



The distributions of first year increases for 2017, 2018 and 2019 as dollar amounts are shown in **Exhibit 1.4**. For 2019, about half (49 percent) of the results ranged from $1.51 to $2.25 and about a third (35 percent) were lower than $1.51. The $2.76--$3.00 range has been growing in popularity.

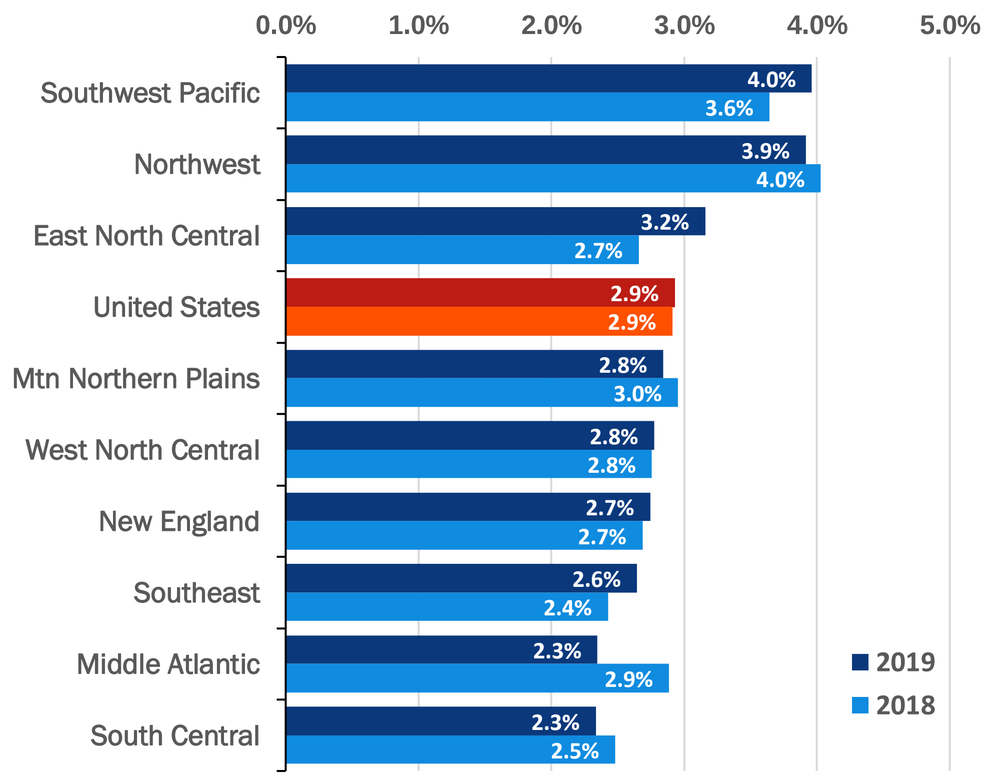
Exhibit 1.4
Distribution of first year increases in new settlements, shown as dollar amounts



Exhibits 1.5 and 1.6 display the results for first year increases for 2018 and 2019 by region in descending order based on 2019 data. The US average (i.e., The average of each craft's average.) was 2.9 percent in both 2018 and 2019. As shown in **Exhibit 1.5**, the largest average percent increases in 2019 were clearly on the west coast—the Southwest Pacific and Northwest regions. The smallest increases were in the Middle Atlantic and South Central regions. Three regions in 2019 exceeded the 3.0 percent threshold.

Exhibit 1.5

First year increases in new settlements as percentages, by region in descending order



Regions

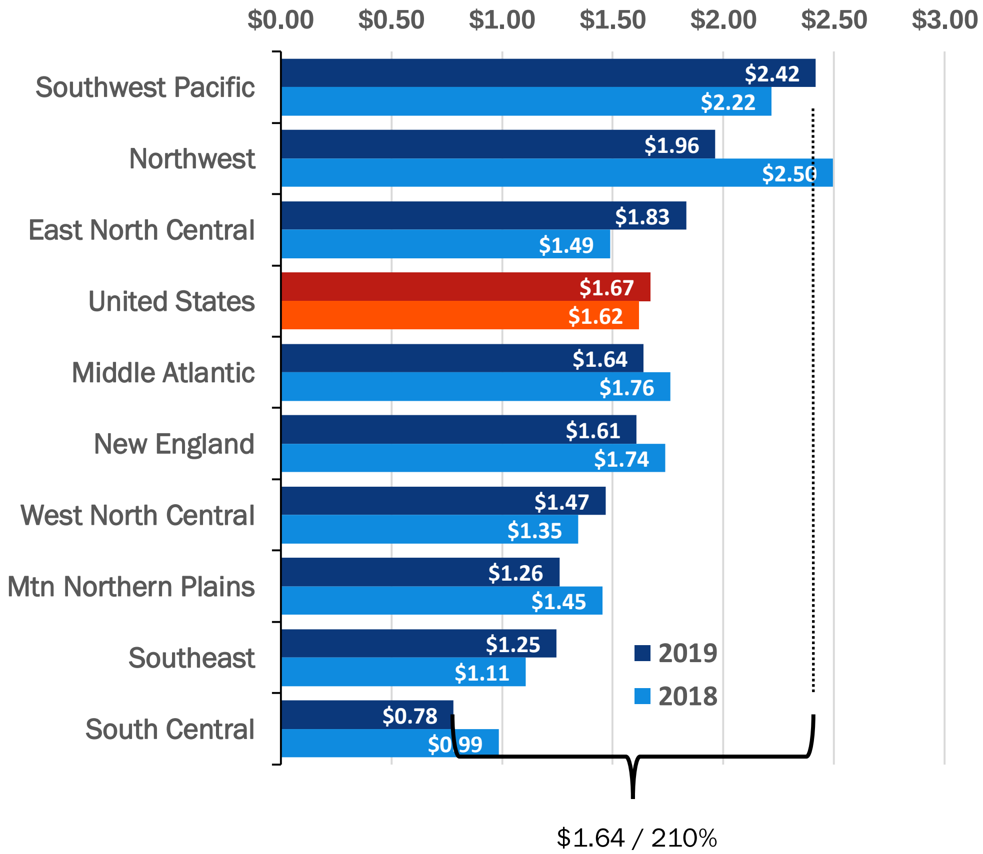
New England: CT, MA, ME, NH, RI, VT
Middle Atlantic: DC, DE, MD, NJ, NY, PA
Southeast: AL, FL, GA, KY, MS, NC, SC, TN, VA
East North Central: IL, IN, MI, MN, OH, WI, WV
West North Central: IA, KS, MO, NE
South Central: AR, LA, NM, OK, TX
Mountain Northern Plains: CO, MT, ND, SD, UT, WY
Southwest Pacific: AZ, CA, HI, NV
Northwest: AK, ID, OR, WA

NOTE: In addition to actual differences, variation in rates from craft to craft and region throughout this report to region can be influenced by the composition of the data sample. For example, a craft with a large/small average increase may be partially affected by having more data from regions with higher/lower increases. Similarly, high/low increases in a particular region may be partially due to that region having more/less data from crafts with higher/lower increases. See **Exhibit 2.9** for a more detailed craft by region look at the data in order to better understand how various craft and region data cuts interact with each other.

Exhibit 1.6 shows the regions with the average dollar amount of their first year increases in descending order based on 2019 data. The largest increases were again on the west coast—the Southwest Pacific and Northwest regions—and the smallest were in the Southeast and South Central regions. There was a large discrepancy between the highest and lowest increases ($1.64). That is, the Southwest Pacific region's average increase was over three times the South Central region's average. The Southeast and South Central regions also have some of the lowest pay rates; this differential rate of growth will accentuate those differences.

Exhibit 1.6

First year increases in new settlements as dollar amounts, by region in descending order

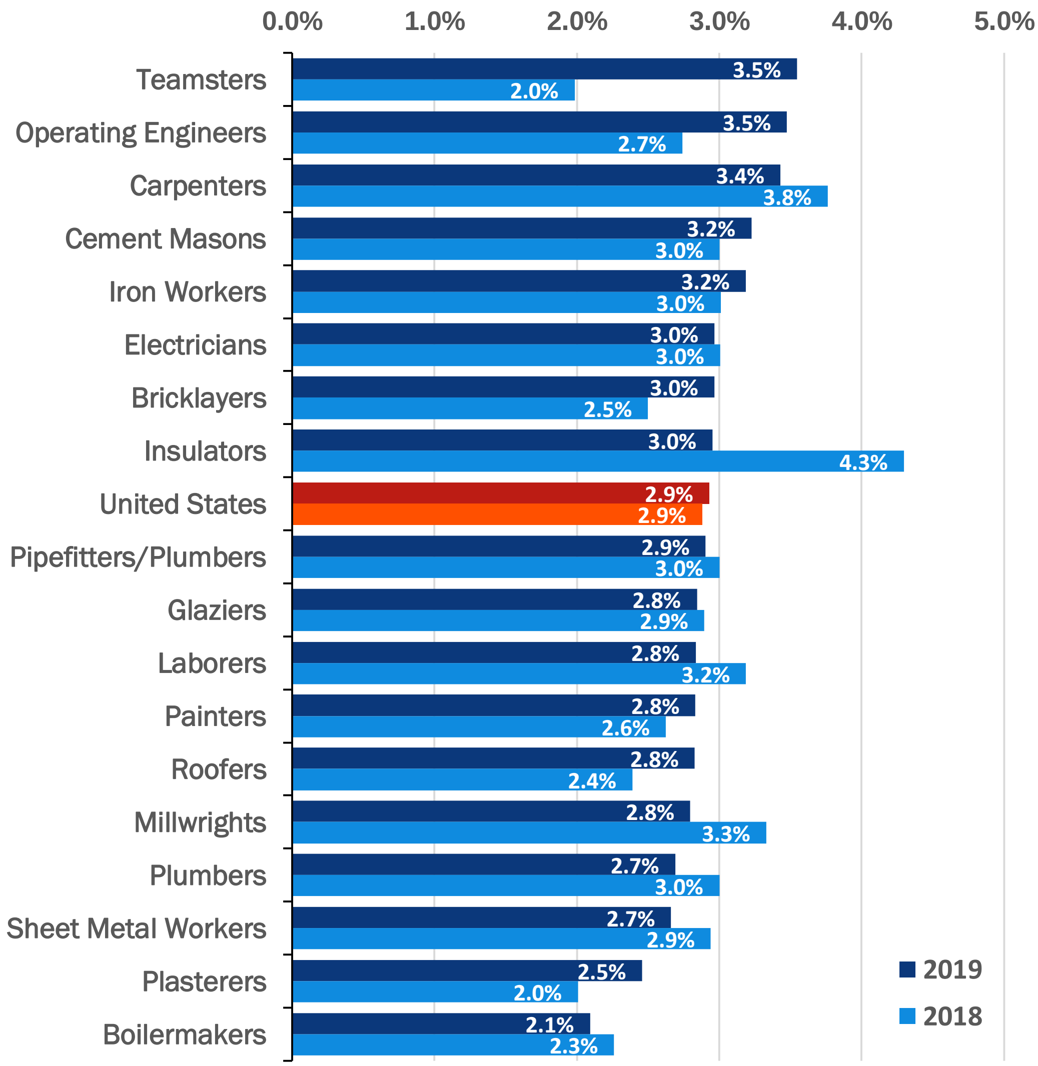


The following associations sponsor this report:

- Associated General Contractors of America (AGC)
- Central States Insulation Association (CSIA)
- FCA International (FCA)
- International Council of Employers of Bricklayers and Allied Craftworkers (ICE)
- Mechanical Contractors Association of America (MCAA)
- National Electrical Contractors Association (NECA)
- National Fire Sprinkler Association (NFSA)
- North American Contractors Association (NACA)
- Sheet Metal and Air Conditioning Contractors' National Association (SMACNA)
- Signatory Wall and Ceiling Contractors Association (SWACCA)
- The Association of Union Constructors (TAUC)

The average first year percent increases by craft for 2018 and 2019 are displayed in **Exhibit 1.7** in descending order based on 2019. For 2019, the data ranged from 2.1 percent for Boilermakers to 3.5 percent for Teamsters. Eight crafts had an average that was at least 3.0 percent in 2019.

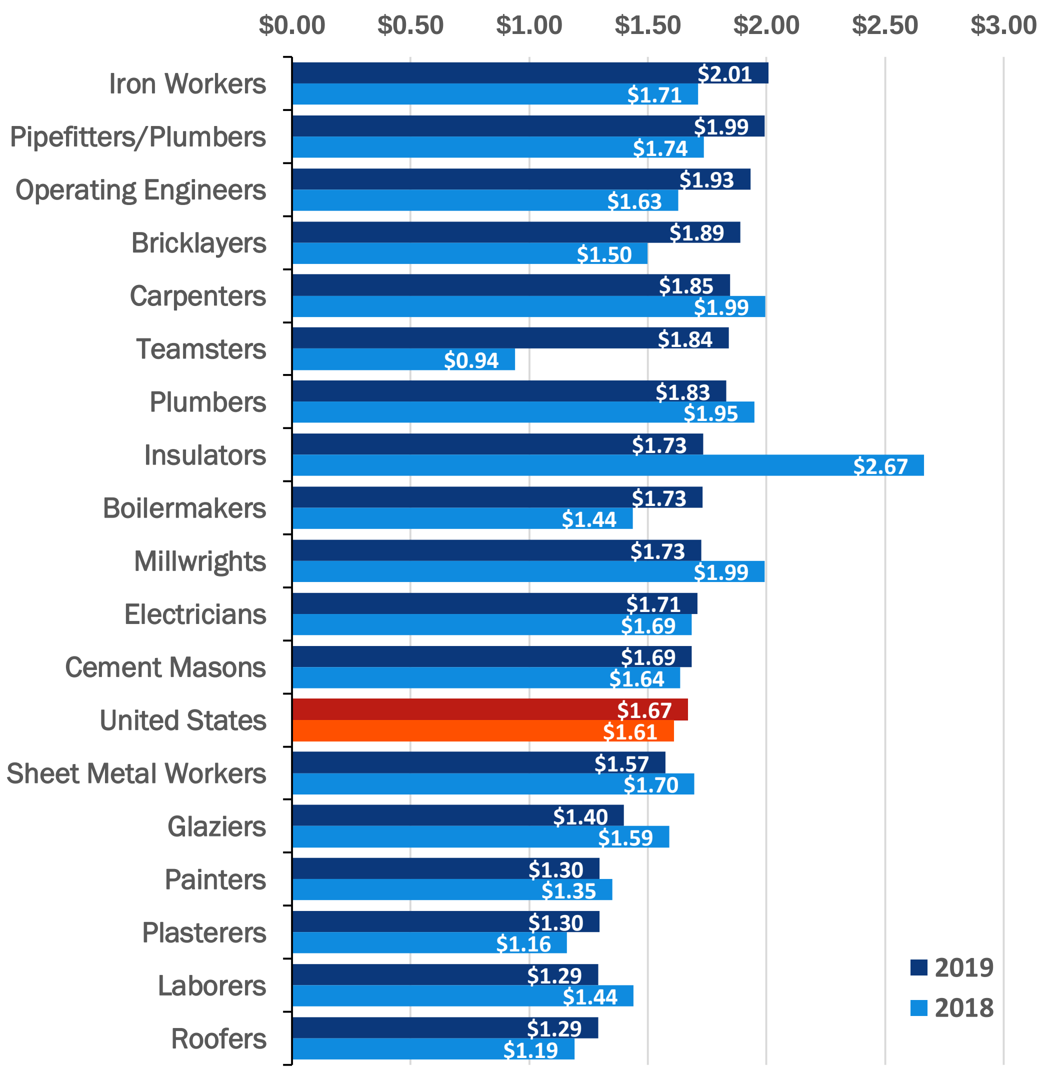
Exhibit 1.7
First year increases in new settlements as percentages, by craft in descending order



In **Exhibit 1.8** the average first year increases by craft are shown as dollar amounts in descending order based on the 2019 data. One craft had an average increase higher than $2.00—Iron Workers. Five crafts had an average lower than $1.50. Bricklayers and Teamsters saw significant jumps in the size of their increases from 2018 to 2019. Some of these changes may be partially influenced by the geographic regions comprising their data sets.

Exhibit 1.8

First year increases in new settlements as dollar amounts, by craft in descending order



SECTION II. TOTAL PACKAGE INCREASES FOR ALL CONTRACT YEARS

Section II of this report includes not only the first year of new settlements (see **Section I**), but also the ensuing years (all years after the first year). For example, for the 2019 results this section includes data from new negotiated settlements in 2019, the 2nd year of settlements reached in 2018 and the 3rd year of settlements from 2017. This data is useful for understanding the total amount paid/earned by contractors/employees. Data from all years of a contract is also useful for making projections based on already negotiated future increases (CLRC already has hundreds of data points for 2020 - 2025 increases). *The average increase for 2019 was 2.9 percent and $1.60. CLRC projects an increase to 3.1 percent and $1.80 by 2021.*

Exhibit 2.1

All increases, shown as percentages

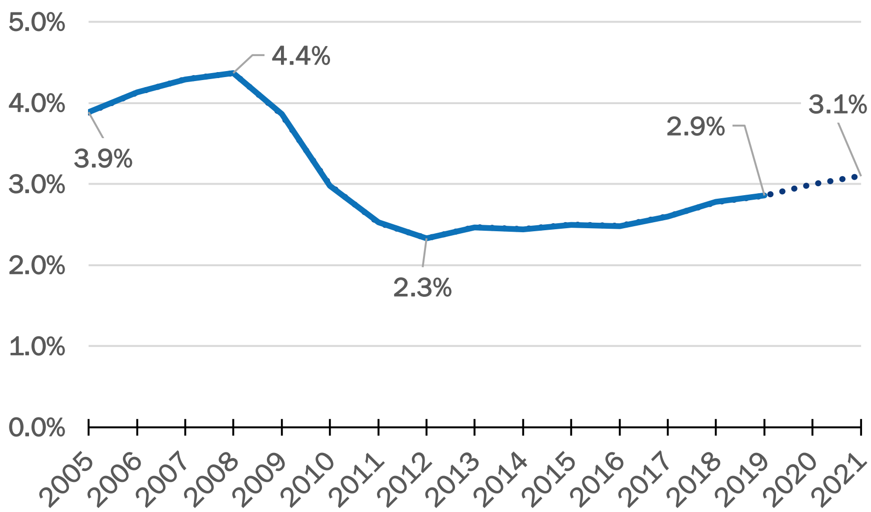


Exhibit 2.1 shows that, in percentage terms, the average increase rose slowly, by just over half a percent, from 2012 to 2019. As was the case with first year data in **Section I**, increases before the Great Recession were much higher.

Exhibit 2.2

All increases, shown as dollar amounts

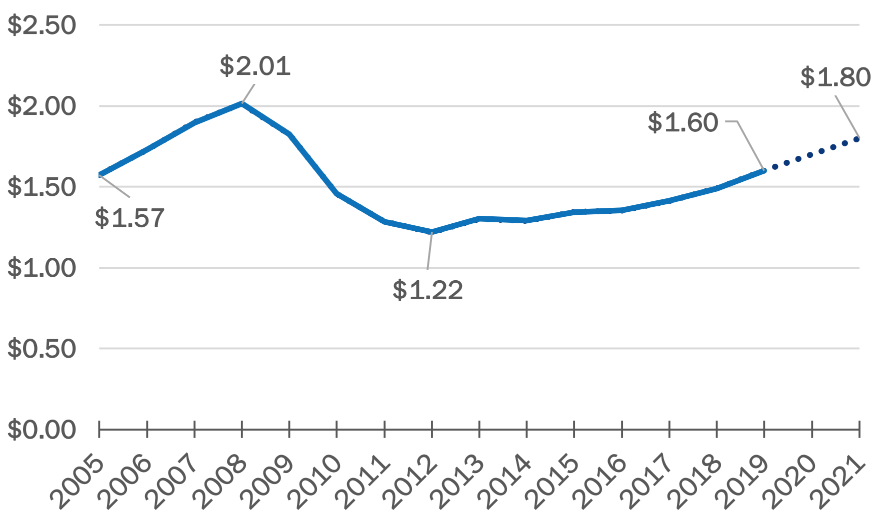


Exhibit 2.2 shows that the average dollar amount increase grew by $0.38 from 2012 to 2019 and still remains below the high mark of $2.01 in 2008. By 2021, CLRC projects the average increase for all years of settlements combined to be $1.80.

Exhibit 2.3 illustrates how increases are distributed across a range. The most common increase in 2017, 2018 and 2019 fell in the 2.6–3.0% range. Most other increases landed in the adjacent ranges. Consequently, 66 percent of all increases during 2019 were from 2.1 to 3.5 percent.

Exhibit 2.3
Distribution of all increases, shown as percentages

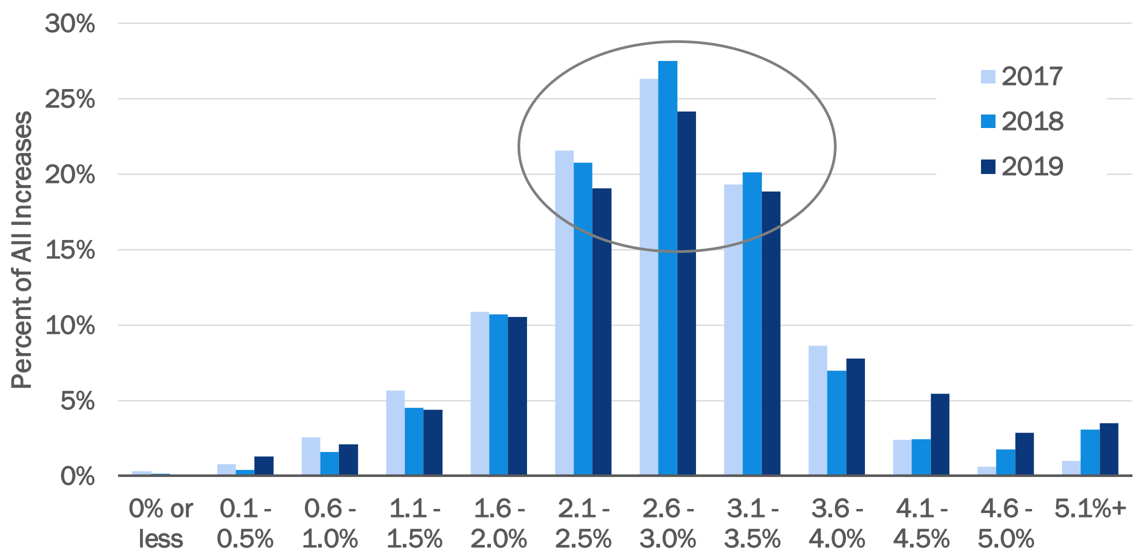
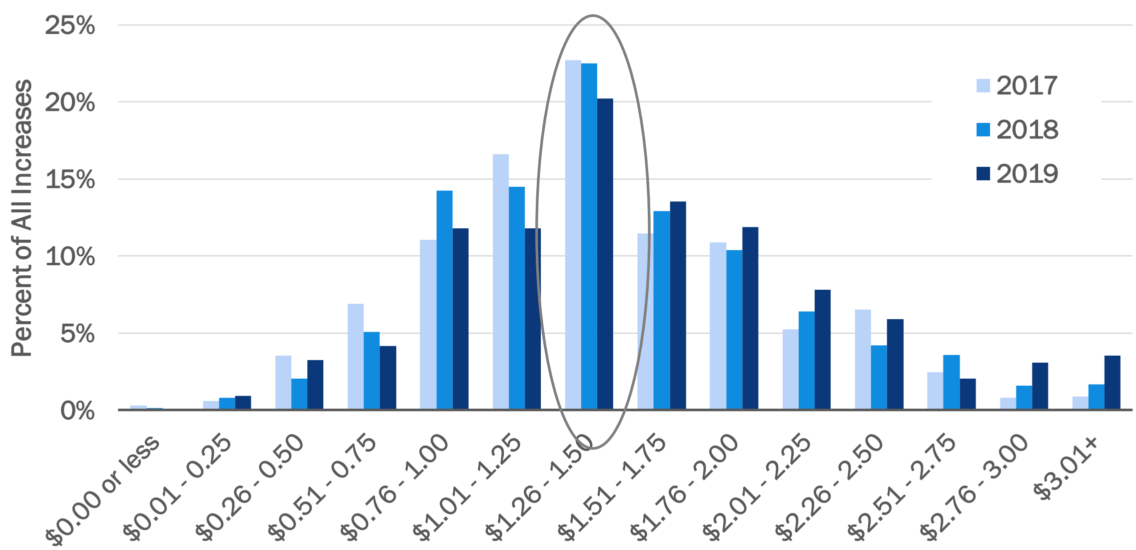


Exhibit 2.4 shows that the most common increase in 2017, 2018 and 2019 was in the $1.26–1.50 range. The number of negotiated increases that are more than $1.75 is clearly trending upward.

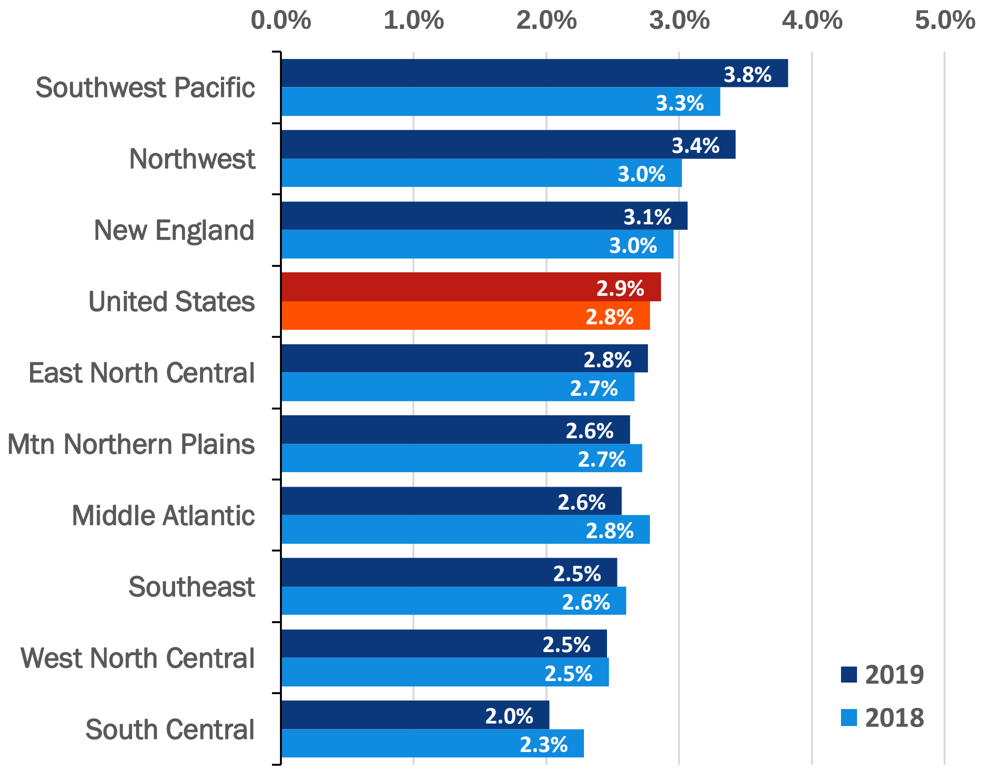
Exhibit 2.4
Distribution of all increases, shown as dollar amounts



Exhibits 2.5 and 2.6 display the results for all increases for 2018 and 2019 by region in descending order based on 2019 data. As shown in **Exhibit 2.5**, the largest average increases in 2019 were again on the west coast (Southwest Pacific and Northwest regions). The smallest increases were in the South Central region of the US. For 2019, three regions averaged greater than 3.0 percent. The US average (which is the average of each craft's average rate) was 2.9 percent in both 2018 and 2019.

Exhibit 2.5

All increases as percentages, by region in descending order



Regions

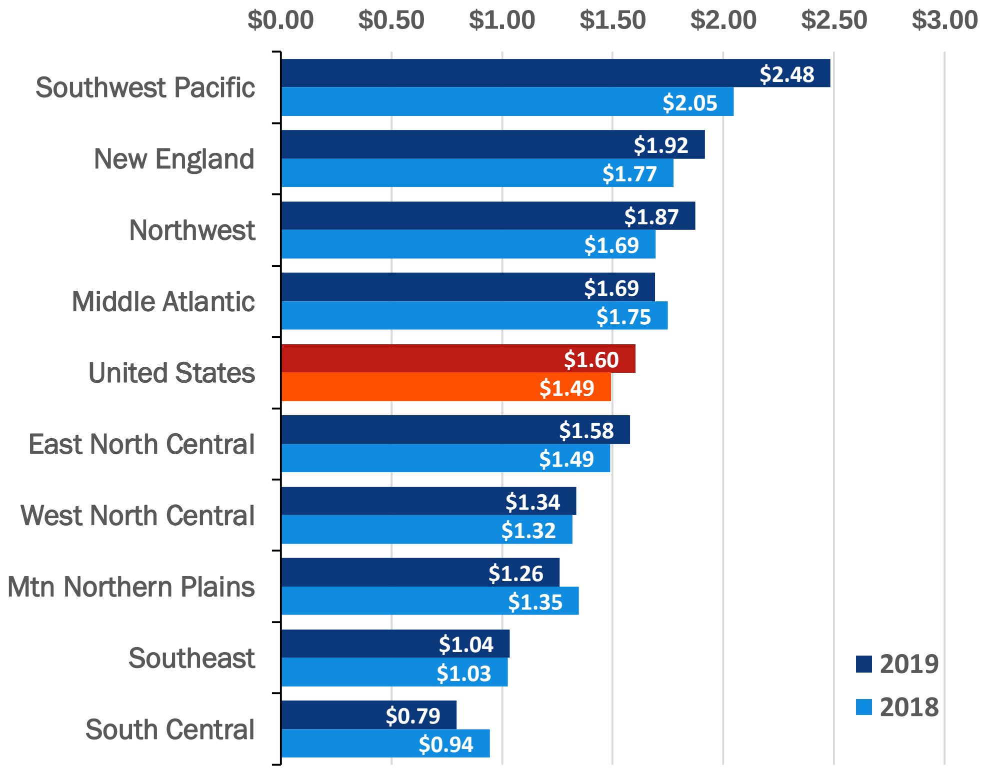
New England: CT, MA, ME, NH, RI, VT
Middle Atlantic: DC, DE, MD, NJ, NY, PA
Southeast: AL, FL, GA, KY, MS, NC, SC, TN, VA
East North Central: IL, IN, MI, MN, OH, WI, WV
West North Central: IA, KS, MO, NE
South Central: AR, LA, NM, OK, TX
Mountain Northern Plains: CO, MT, ND, SD, UT, WY
Southwest Pacific: AZ, CA, HI, NV
Northwest: AK, ID, OR, WA

NOTE: The methodology for the all increases trend lines (**Exhibits 2.1 and 2.2**) was adjusted beginning with the June 2018 (2018-Q2) Settlements Report to match that used for the first year of new settlements (**Exhibits 1.1 and 1.2**). All trend lines are now the average of each craft's average. This way each craft is weighted equally. Consequently, the trend lines in this report may be slightly inconsistent with those in previous publications.

Exhibit 2.6 shows the regions with the dollar amount of their increases in descending order based on 2019 data. As was the case in **Exhibit 2.5**, most of the largest increases were on the west coast (Southwest Pacific and Northwest regions). However, the New England states also carried larger increases in 2019. The smallest increases were in the Southeast and South Central regions. The US all craft average for 2018 was $1.49 and for 2019 it was higher at $1.60.

Exhibit 2.6

All increases as dollar amounts, by region in descending order



Exhibits 2.7 and 2.8 display the results for all increases for 2018 and 2019 by craft in descending order based on 2019 data. **Exhibit 2.7** shows that the largest average increases in 2019 belonged to Iron Workers (3.4 percent) and Glaziers (3.2 percent).

Like last year, the smallest increase was with the Boilermakers at 1.8 percent. Most crafts were tightly clustered together in 2019; nearly all were within half a percent of each other, in the 2.6 to 3.1 percent range.

Exhibit 2.7

All increases as percentages, by craft in descending order

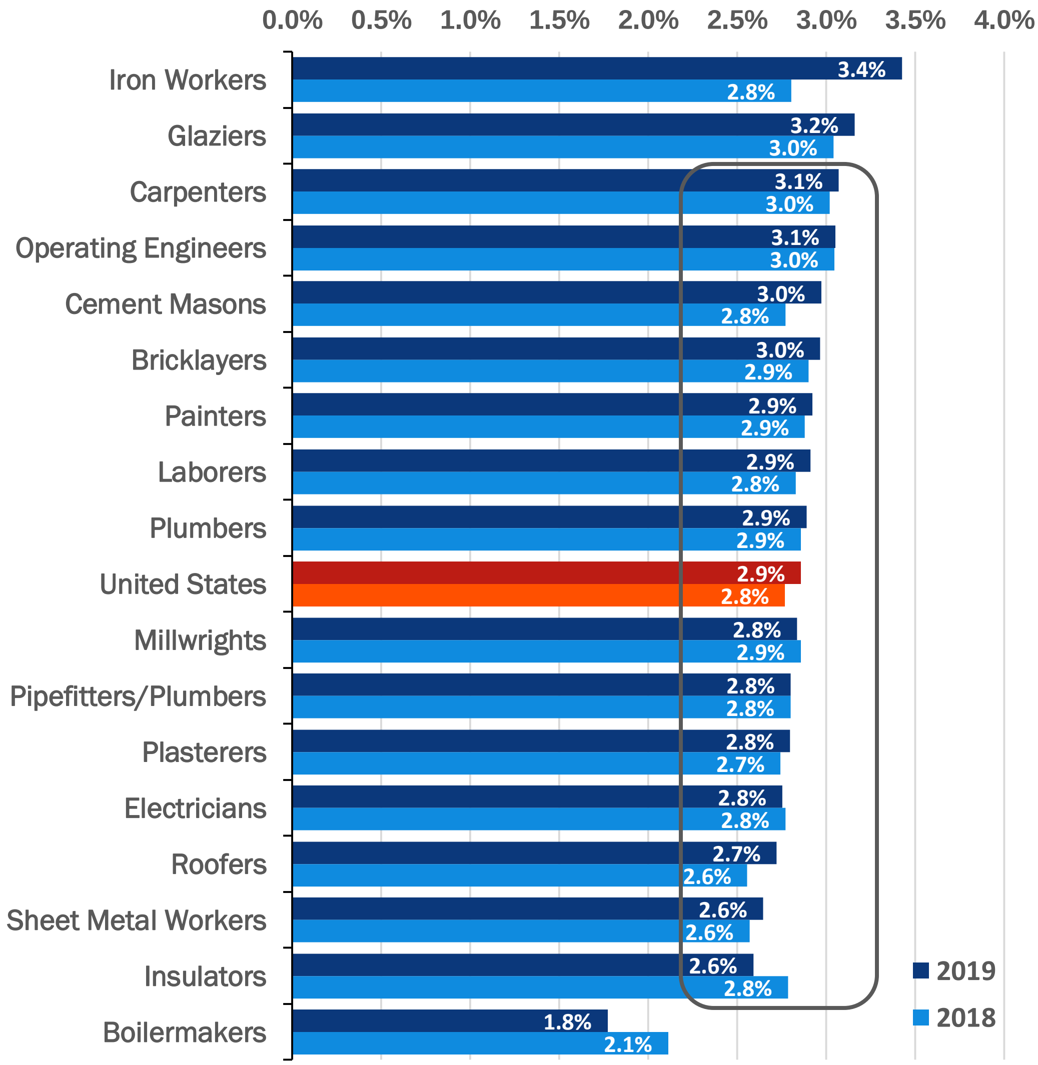


Exhibit 2.8 reflects the crafts with the dollar amount of their increases in descending order based on 2019. The largest increases in the 2019 data were with the Iron Workers ($2.16) and were $0.30 higher than the next highest craft, on average. The smallest increases were with the Boilermakers ($1.18) and were about a dollar less ($0.98) than the Iron Workers.

Exhibit 2.8

All increases as dollar amounts, by craft in descending order

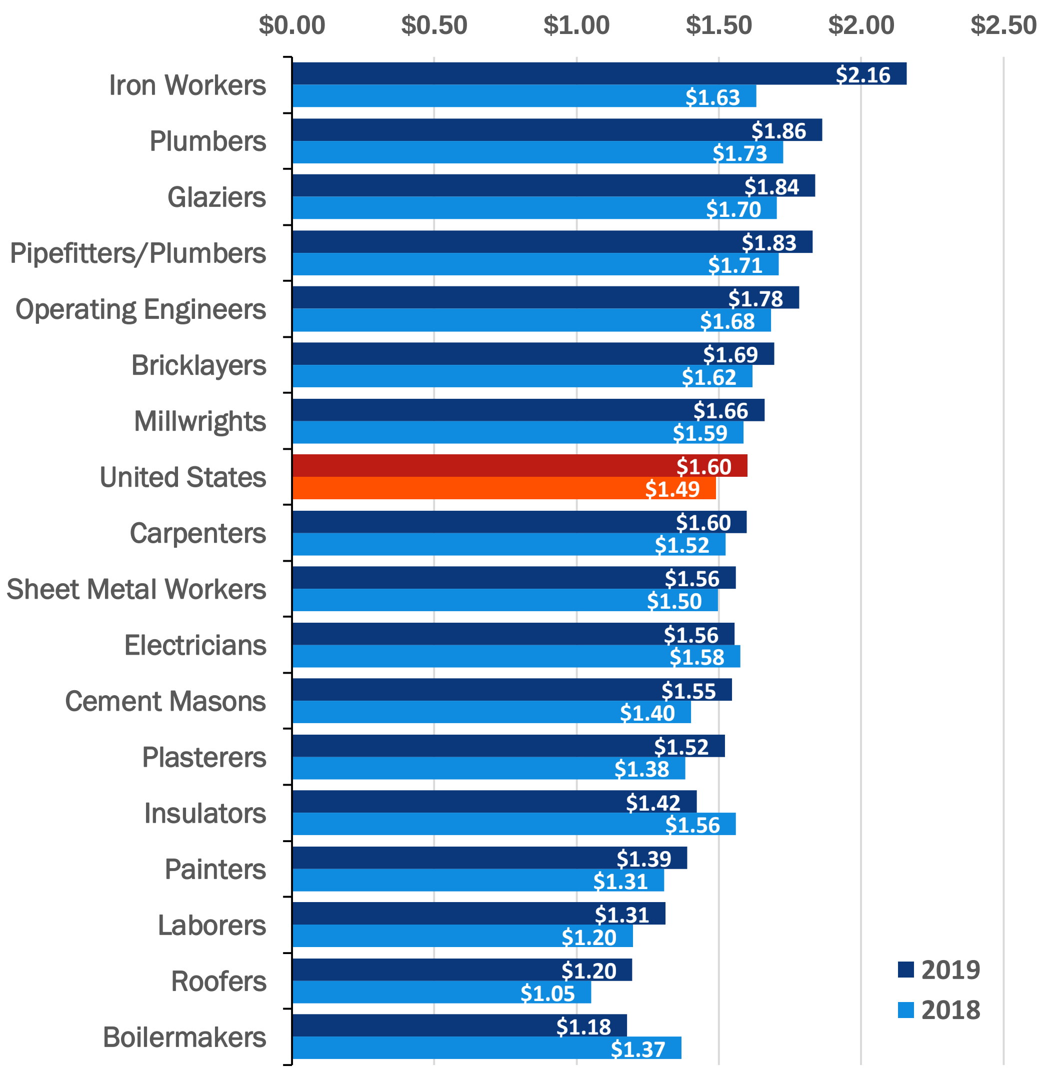


Exhibit 2.9 provides even more specific data cuts. It contains the total package increase rates (dollar and percent) for each craft for each region. This information will help users of this report more precisely understand relevant rates for specific crafts in specific regions. This data can also provide insights into the craft and region rates presented elsewhere in this report.

Exhibit 2.9
All increases, craft by region matrix

United States	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase $	$1.92	$1.69	$1.04	$1.58	$1.34	$0.79	$1.26	$2.48	$1.87
Increase %	3.1%	2.6%	2.5%	2.8%	2.5%	2.0%	2.6%	3.8%	3.4%
Boilermakers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.72	$1.50	$0.84	$1.38	$1.41	$0.89	$0.68	$1.46	$0.30
Increase %	2.6%	2.0%	1.6%	2.1%	2.1%	1.7%	1.1%	1.8%	0.4%
Bricklayers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.88	$1.56	$1.22	$1.82	$1.21	-	$1.00	$2.63	$1.50
Increase %	2.6%	2.4%	3.5%	3.2%	2.2%	-	2.2%	4.0%	2.6%
Carpenters	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.42	$1.37	$1.06	$1.57	$1.41	$0.84	$1.24	$2.25	$2.23
Increase %	2.1%	2.1%	2.8%	2.9%	2.9%	2.4%	3.3%	3.9%	4.3%
Cement Masons	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$2.25	$1.04	$0.95	$1.49	$0.96	$0.65	$1.75	$2.23	$1.90
Increase %	3.2%	1.5%	2.2%	3.0%	2.1%	2.0%	3.9%	4.5%	3.7%
Electricians	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.73	$2.05	$1.00	$1.59	$1.55	$0.84	$1.29	$2.39	$1.50
Increase %	2.6%	3.1%	2.6%	2.6%	2.8%	2.2%	2.7%	3.6%	3.2%
Glaziers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$2.20	$2.13	-	$1.65	$1.14	-	-	-	-
Increase %	4.5%	3.1%	-	2.7%	2.3%	-	-	-	-
Insulators	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	-	$1.71	$1.18	$1.53	$1.25	$0.65	$0.79	$2.35	$2.26
Increase %	-	2.9%	2.4%	2.9%	2.0%	1.6%	2.0%	3.7%	3.4%
Iron Workers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.80	$1.80	$1.18	$1.83	$1.53	$0.90	$1.80	$4.67	$2.00
Increase %	2.5%	2.7%	2.3%	3.0%	2.6%	2.1%	3.0%	6.7%	2.9%
Laborers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.69	$1.11	$0.78	$1.21	$1.12	$0.75	$1.30	$1.95	$1.69
Increase %	3.0%	2.2%	2.7%	2.6%	2.5%	3.1%	3.1%	3.9%	3.8%
Millwrights	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.70	$1.44	$1.14	$1.62	$1.40	-	$1.05	$2.92	$1.99
Increase %	2.5%	2.1%	2.7%	2.9%	2.5%	-	2.3%	4.0%	3.4%
Operating Engineers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$2.20	$2.01	$0.92	$1.68	$1.30	$1.05	$1.50	$2.18	$2.09
Increase %	3.2%	3.1%	2.2%	2.7%	2.4%	2.8%	2.9%	3.5%	3.9%
Painters	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$2.20	$1.23	$0.91	$1.35	$1.10	-	-	$2.00	-
Increase %	4.5%	2.6%	2.6%	2.7%	2.3%	-	-	3.4%	-

Exhibit 2.9 (continued)

All increases, craft by region matrix

Pipefitters/Plumbers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase $	-	$2.20	$0.93	$1.70	$1.51	$0.63	$1.57	$2.34	$3.01
Increase %	-	2.8%	2.1%	2.7%	2.5%	1.4%	3.2%	3.1%	4.0%
Plumbers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	-	2.23	-	2.06	1.71	0.55	1.93	2.01	-
Increase %	-	3.0%	-	3.1%	2.8%	1.2%	3.6%	2.7%	-
Plasterers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$2.25	$1.40	-	$1.57	$1.00	$0.56	-	$2.00	$0.84
Increase %	3.2%	3.1%	-	3.0%	2.2%	1.8%	-	4.7%	1.4%
Roofers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.50	$1.08	$0.92	$1.40	$1.26	-	-	-	-
Increase %	3.0%	2.2%	2.8%	2.8%	2.7%	-	-	-	-
Sheet Metal Workers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$3.25	$2.00	$1.23	$1.73	$1.68	$0.86	$1.15	$2.75	$1.41
Increase %	3.7%	2.6%	2.7%	2.7%	3.0%	1.9%	2.5%	3.5%	2.4%
Teamsters	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.58	$1.85	$1.07	$1.27	$1.05	-	-	$2.45	$1.96
Increase %	3.0%	3.3%	2.7%	2.4%	2.2%	-	-	4.1%	4.0%

Regions

NE–New England: CT, MA, ME, NH, RI, VT
MA–Middle Atlantic: DC, DE, MD, NJ, NY, PA
SE–Southeast: AL, FL, GA, KY, MS, NC, SC, TN, VA
ENC–East North Central: IL, IN, MI, MN, OH, WI, WV
WNC–West North Central: IA, KS, MO, NE
SC–South Central: AR, LA, NM, OK, TX
MNP–Mountain Northern Plains: CO, MT, ND, SD, UT, WY
SWP–Southwest Pacific: AZ, CA, HI, NV
NW–Northwest: AK, ID, OR, WA

Construction Labor Research Council
1250 Connecticut Avenue NW, Suite 700
Washington, DC 20036
202-347-8440
www.clrcconsulting.org