

## COVID-19 IMPACT ON FIRST YEAR SETTLEMENTS IN 2020

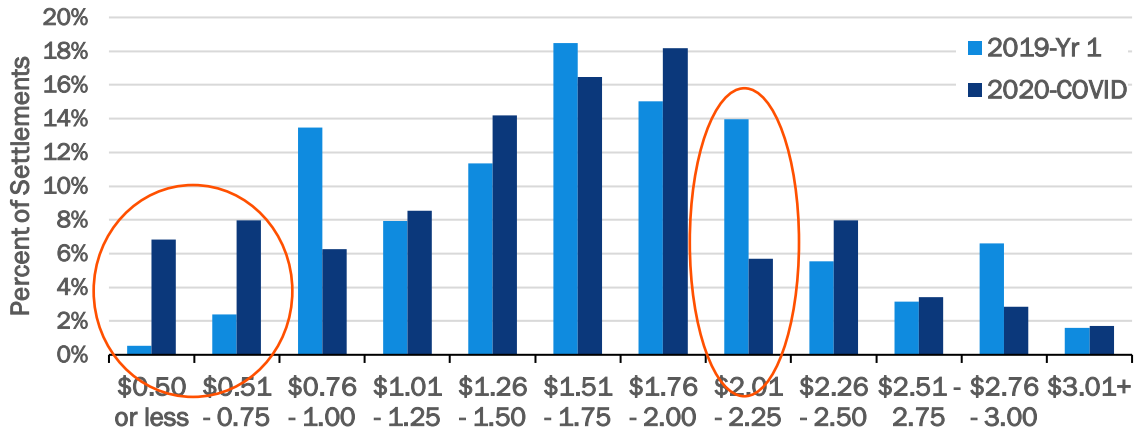
Due to the ongoing effects of the pertinent pandemic, CLRC has conducted additional analyses focused on identifying the impacts of COVID-19 on union craft pay data.

**Exhibits 1a and 1b** compare the distributions of first year settlements in 2019 (2019-Yr 1) and COVID-19 impacted first year settlements in 2020 (2020-COVID) (April 1 – September 30).

As shown by **Exhibit 1a**, as a proportion, many more settlements reached after April 1 in 2020 (2020-COVID) were in the ranges of \$0.75 and lower compared to 2019-Yr 1. There were also far fewer settlements in the \$2.01 - \$2.25 range in 2020-COVID. For most other ranges the two distributions were comparable, with the exception of \$0.76 - \$1.00. It is possible that the settlements that would have fallen within that range may have been shifted to the lower ranges in 2020-COVID.

### Exhibit 1a

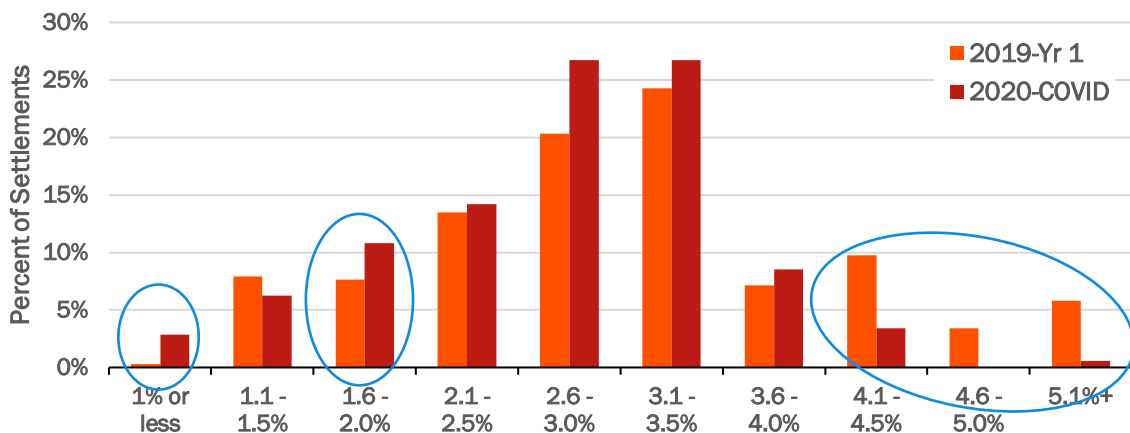
*Distribution of first year increases, shown as dollar amounts – first year 2019 and 2020-COVID*



**Exhibit 1b** shows how, as percentages, settlements have shifted due to COVID-19. The most notable change was at the top-end of the distribution. Less than five percent of 2020-COVID settlements surpassed four percent, while in 2019-Yr 1 nearly 20 percent met that threshold. There was also a higher percentage of 2020-COVID settlements in some of the lower ranges (1% or less and 1.6% - 2.0%).

### Exhibit 1b

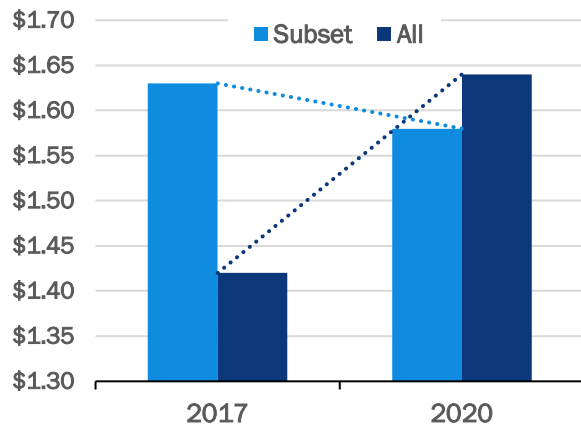
*Distribution of first year increases, shown as percentages – first year 2019 and 2020-COVID*



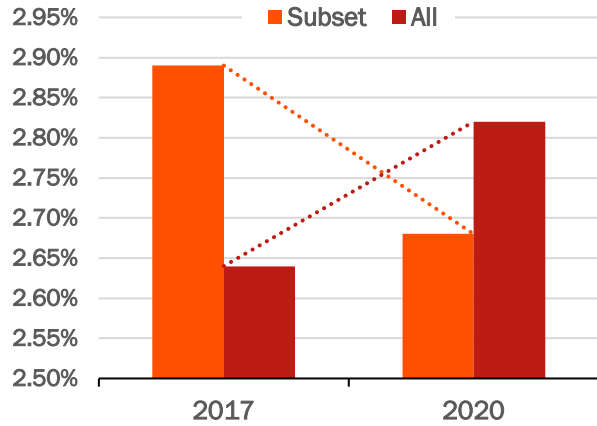
**Exhibits 2a and 2b** examine the average first year increase of a subset of the 2020-COVID settlements (*Subset*). That is, the portion of settlements that were negotiated in both 2020-COVID and 2017 (i.e., three year contracts). *Subset* is represented by the lighter-colored bars. The darker-colored bars represent the average for all increases for the same two time periods.

**Exhibits 2a and 2b** tell the same story. *Subset's* first year average increase in 2017 landed above the all-increase average, both in terms of dollars and percentages. When these same contracts contained in the *Subset* were negotiated in 2020, their average increase was not only lower than in 2017, but also lower than the all-increase average, which was not the case in 2017. These findings indicate that COVID-19 is driving the size of increases down for numerous settlements.

**Exhibit 2a**  
*Subset average of first year increases – dollar amount*



**Exhibit 2b**  
*Subset average of first year increase – percentage*



**Exhibit 3** shows the distribution of the length of contracts settled in 2018, 2019, and COVID-19 impacted 2020.

Interestingly, while there was a substantial increase in one-year contracts during the COVID-19 pandemic, there was also an increase in four-year contracts and a decrease in three-year contracts.

**Exhibit 3**  
*Distribution of contract length – first year 2018, 2019, and COVID-19 impacted 2020*

