Settlements Report

Total Package Increases for Union Craft Workers in Construction

JUNE 2020

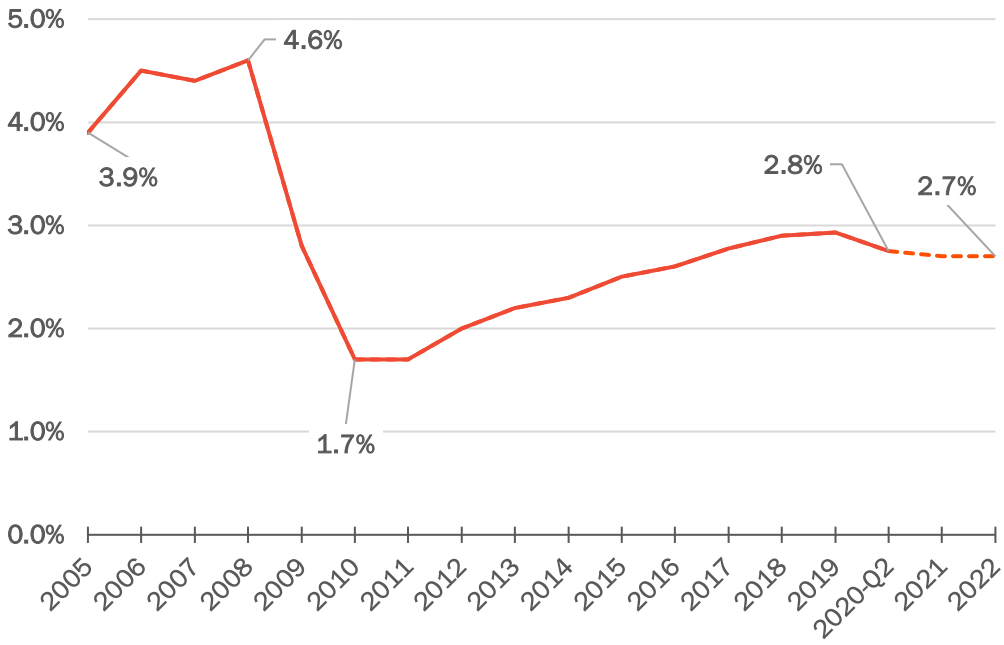
CLRC Construction Labor Research Council

SECTION I. FIRST YEAR TOTAL PACKAGE INCREASES THROUGH JUNE 2020

The Construction Labor Research Council (CLRC) has analyzed settlements for union crafts in the construction industry. *The first year of new settlements reached from January to June in 2020 (2020-June) had an average increase of 2.8 percent.* All data in this report are based on the total package (wages, fringe benefits and other employer payments). **Exhibit 1.1** shows the 15-year trend, plus a two year forecast, based in part on already known future increases. Two major forces are acting on the rates, the COVID-19 pandemic and the shortage of craft workers (which may become less prominent under the current circumstances). The net result was a slight decline (0.1 percent) in 2020-June. **Exhibit 1.1** shows that, until 2020-June, the average increase slowly and steadily rose by about 0.1 percent a year since 2010/11.

Exhibit 1.1
First year increases, shown as percentages

2020-June = settlements data from January through June



NOTE: Results in future editions of the *Settlements Report* (published after quarters II, III and IV in July, October and January, respectively) may be different than these results because many more settlements will be added as they become available during 2020.

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 9) of this report covers all years of negotiated settlements and is better for summarizing the total amount actually paid/earned by contractors/ employees. It also contains data on already negotiated future increases, which is useful for making projections.

Exhibit 1.2 shows that the average increase in dollars and cents for 2020-June was $1.58, $0.09 lower than the $1.67 rate in 2019. This was the first decline since 2011. However, the 2020-June average is still over twice what it was in 2011, the low point during the time span covered.

Exhibit 1.2
First year increases, shown as dollar amounts

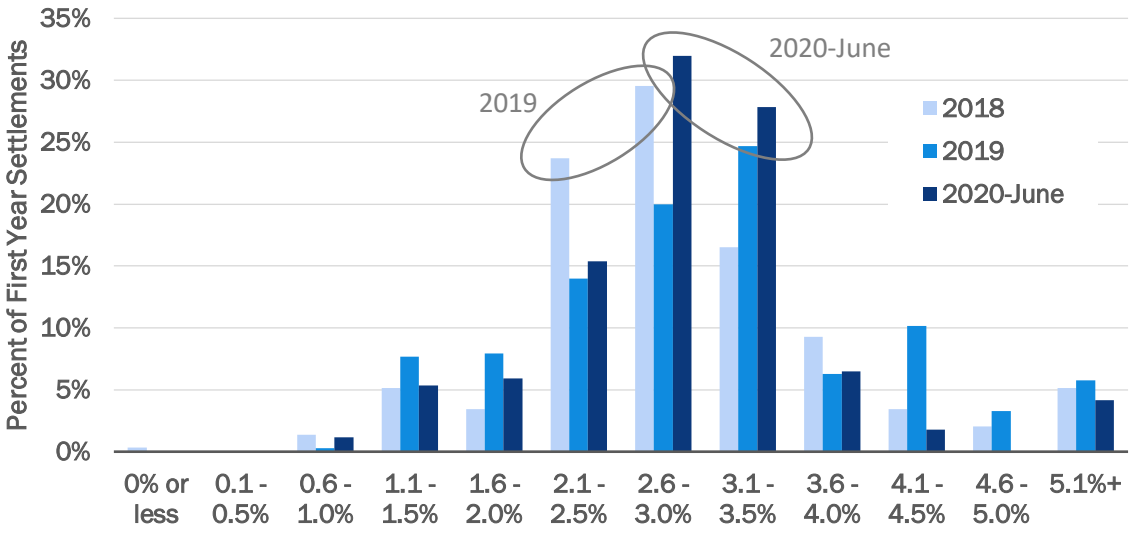
NOTE: The overall/US average is calculated by first averaging each craft, and then averaging the craft averages so that each craft is weighted equally. Interestingly, the settlement weighted averages (straight average of all settlements) is very close to the craft weighted data shown here.

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)

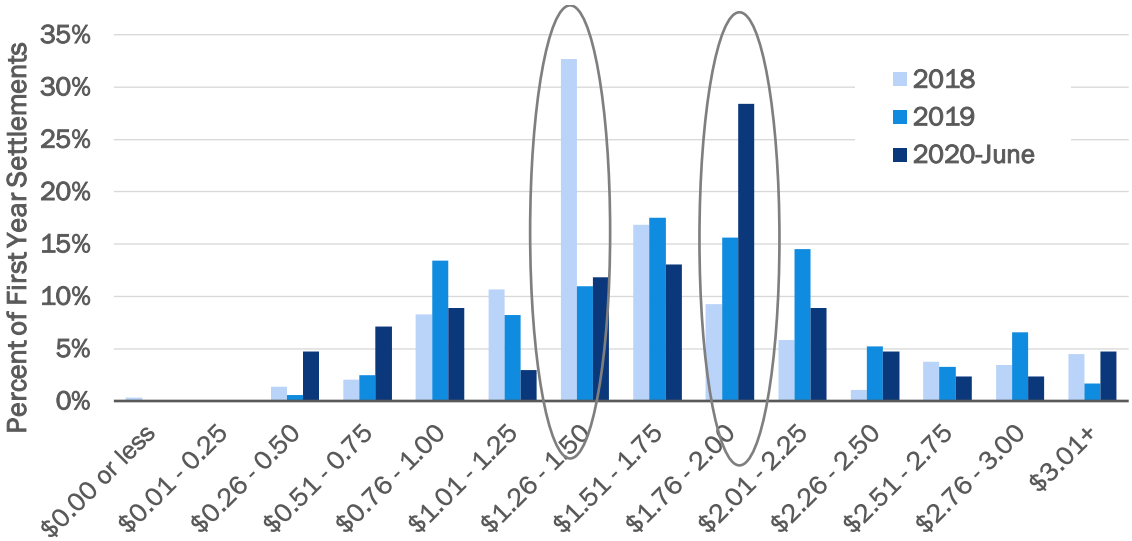
Exhibit 1.3 displays the distributions for the first year increases of new settlements reached in 2018, 2019 and 2020-June. The plurality of increases for 2019 was in the 3.1–3.5% range, and for 2020-June it was in the next lower range, 2.6—3.0%. For 2020-June, sixty percent of first year settlements were from 2.6 to 3.5 percent. In 2018, the most popular ranges were lower, 2.1—2.5% and 2.6—3.0%.

Exhibit 1.3
Distribution of first year increases in new settlements, shown as percentages



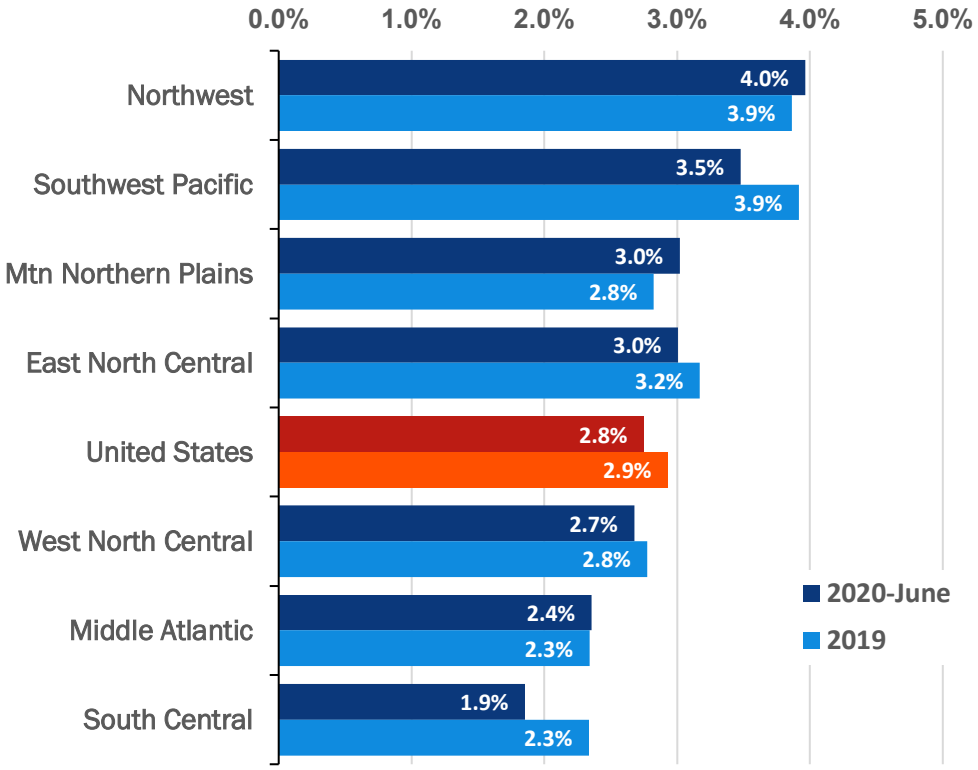
The distributions of first year increases for 2018, 2019 and 2020-June as dollar amounts are shown in **Exhibit 1.4**. For 2020-June the sweet spot where settlements landed more than any other range was clearly $1.76--$2.00. Although the overall US average declined slightly, the most common range in 2020-June was higher than in 2019 and 2018.

Exhibit 1.4
Distribution of first year increases in new



Exhibits 1.5 and 1.6 display the results for first year increases for 2019 and 2020-June by region in descending order based on 2020-June data. The US average (i.e., the average of each craft's average) was 2.8 percent in 2020-June and 2.9 percent in 2019. As shown in **Exhibit 1.5**, the largest averages were on the west coast—the Southwest Pacific and Northwest regions. The smallest increases were in the South Central region. Four regions in the 2020-June time period were at or above the 3.0 percent threshold.

Exhibit 1.5
First year increases in new settlements as percentages, by region in descending order



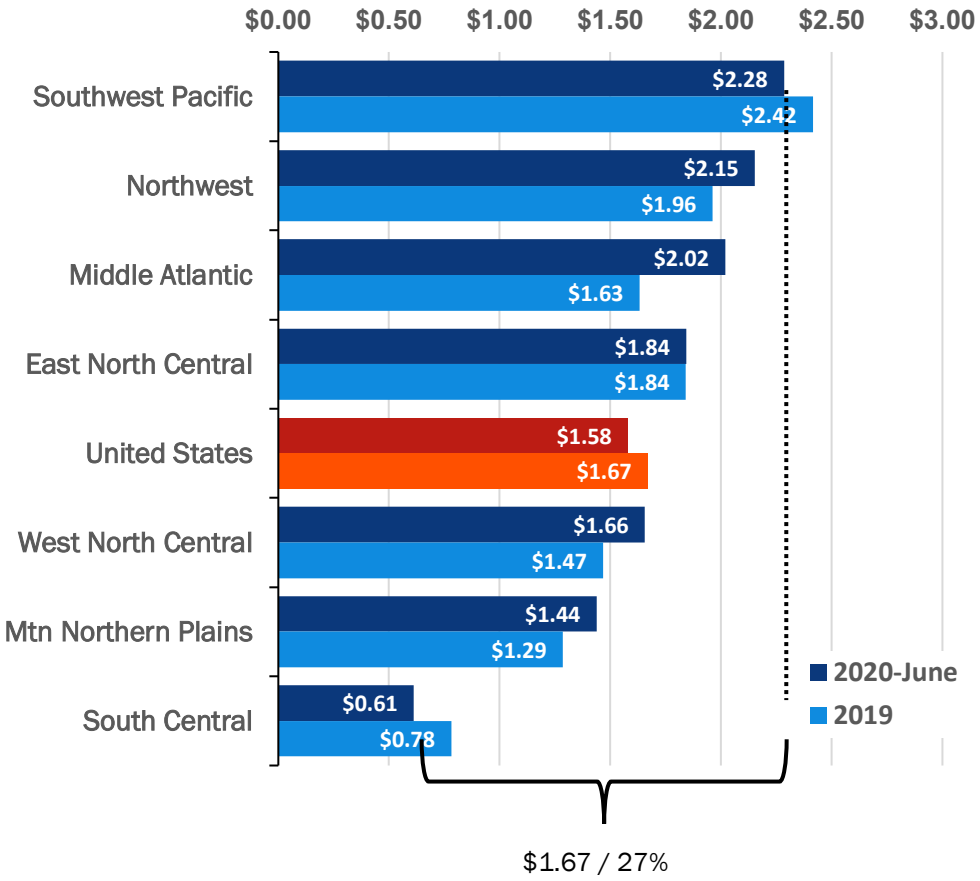
Regions

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

Exhibit 1.6 shows the regions with the average dollar amount of their first year increases in descending order based on 2020-June data. As was the case in percent increases in **Exhibit 1.5**, the largest increases were on the west coast—the Southwest Pacific and Northwest regions—and the smallest were in the South Central region. There was a large discrepancy between the highest and lowest increases ($1.67). That is, the South Central region's average ($0.61) was just 27 percent of the Southwest Pacific's ($2.28). The Southwest Pacific average was more than three times the South Central rate.

Exhibit 1.6

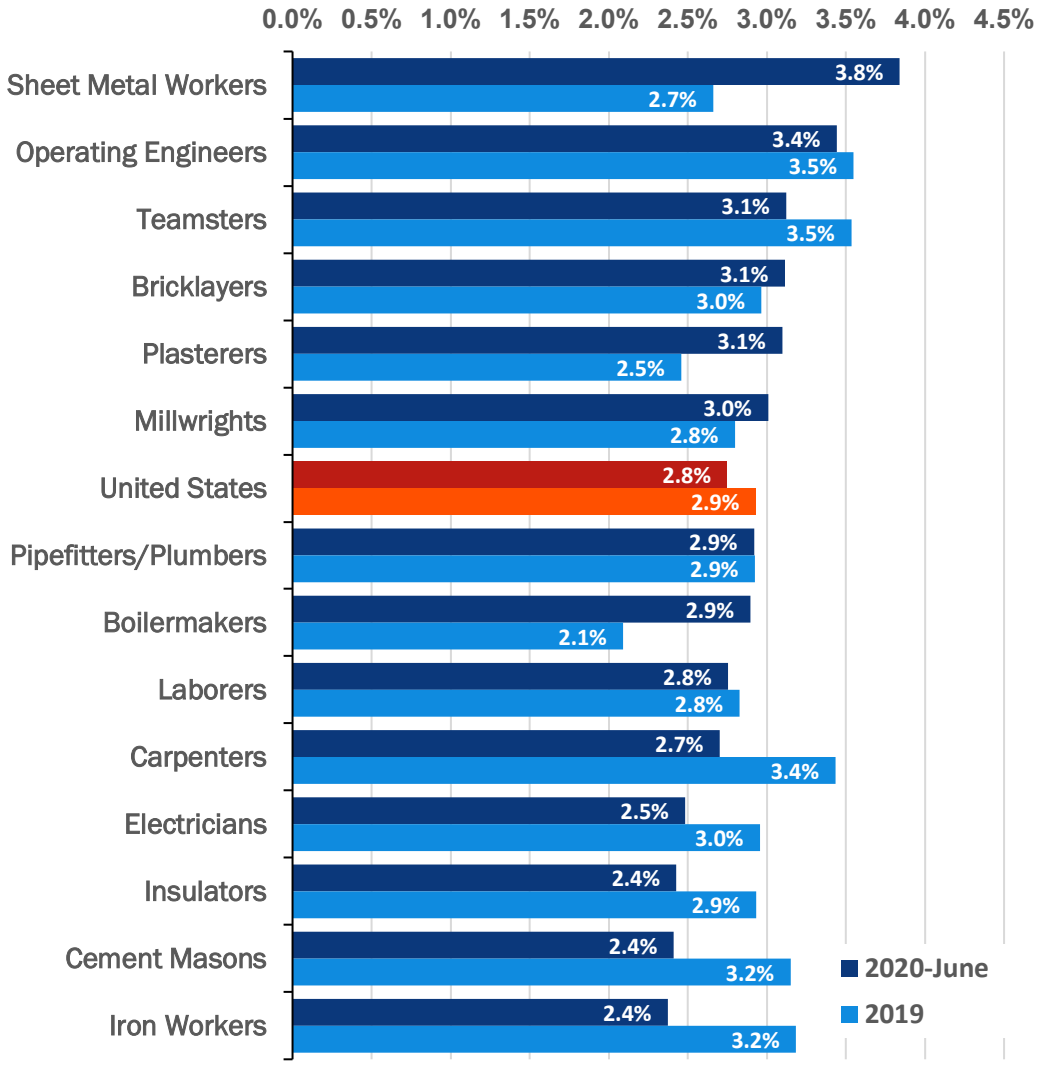
First year increases in new settlements as dollar amounts, by region in descending order



NOTE: In addition to actual differences, variation in rates from craft to craft and region throughout this report 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.

The average first year percent increases by craft for 2019 and 2020-June are displayed in **Exhibit 1.7** in descending order based on 2020-June. For 2020-June, the data ranged from 2.4 percent for Iron Workers, Cement Masons and Insulators to 3.8 percent for Sheet Metal Workers. Six crafts had an average that was at least 3.0 percent in 2020-June.

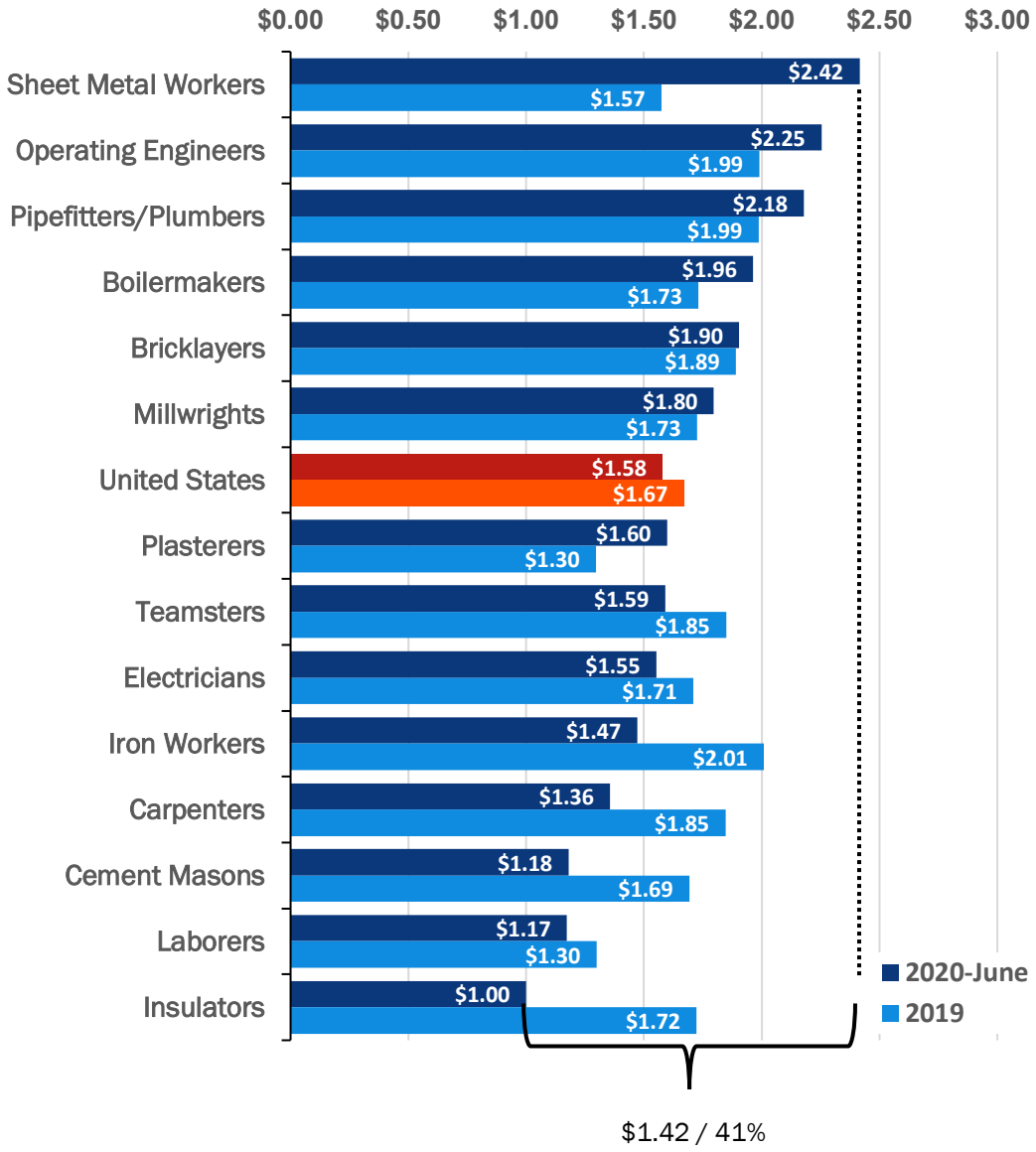
Exhibit 1.7
First year increases in new settlements as percentages, by craft in descending order



In **Exhibit 1.8** the average first year increases by craft are shown as dollar amounts in descending order based on the 2020-June data. Three crafts had an average increase higher than $2.00—Sheet Metal Workers, Operating Engineers and Pipefitters/ Plumbers. The discrepancy from high to low was $1.42; the low rate was 41 percent of the high rate. A number of crafts had a lower average increase in 2020-June than in 2019. This may change, however, as additional settlements are added in future Settlements Reports.

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, this section includes data from new negotiated settlements in 2020, the 2nd year of settlements reached in 2019 and the 3rd year of settlements from 2018. 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 for all contract years was 2.9 percent. CLRC projects a slight decline for 2021 and 2022.* **Exhibit 2.1** shows that, in percentage terms, the average increase fell just slightly, by 0.03 percent, from 2019 to 2020-June. As was the case with first year data in **Section I**, increases before the Great Recession were much higher. Already known future increases are a little lower, so the projection for 2021 and 2022 is slightly lower than the recent high in 2019.

Exhibit 2.1

All increases, shown as percentages

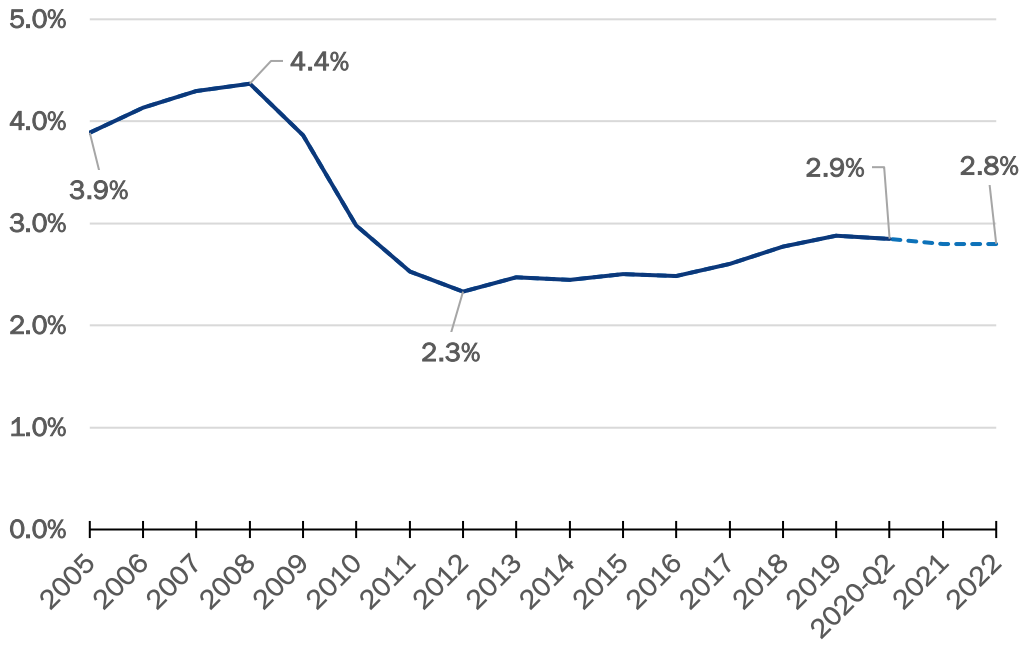
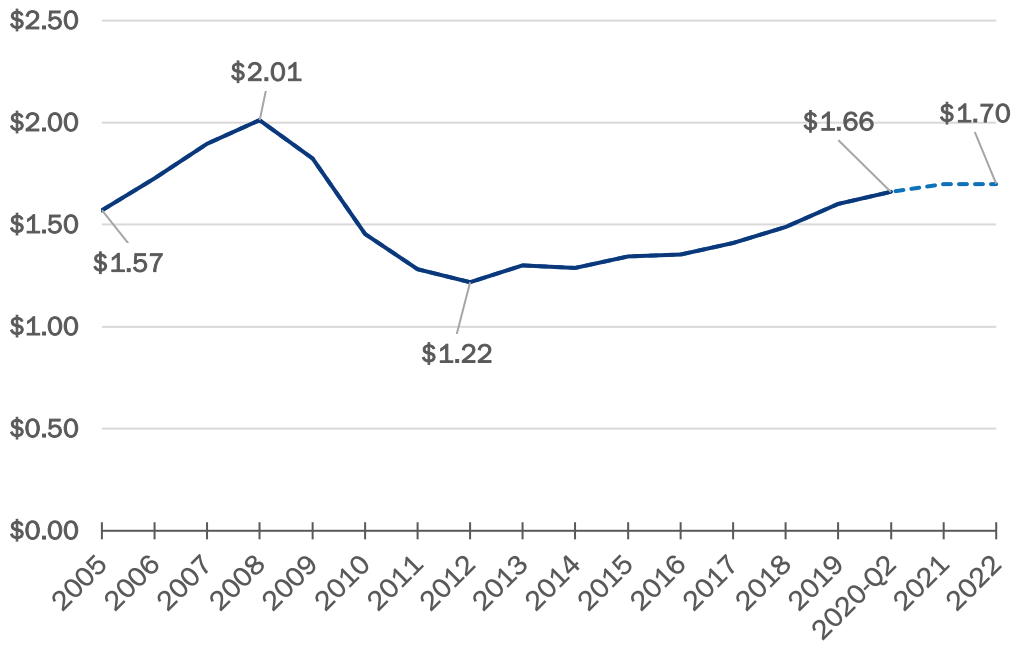


Exhibit 2.2 shows that the average dollar amount increase grew by a modest $0.44 from 2012 to 2020-June, and still remains below the high mark of $2.01 in 2008. By 2022, CLRC projects the average increase for all years of settlements combined to be $1.70.

Exhibit 2.2

All increases, shown as dollar amounts



NOTE: The methodology for the all increases trend lines in **Section II** (**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 in **Section I** (**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 2.3 illustrates how increases are distributed across a range. The most common range in 2018, 2019 and 2020-June was 2.6–3.0%. Most other increases were in the adjacent ranges. Consequently, 66 percent of all increases during 2020-June were from 2.1 to 3.5 percent.

Exhibit 2.3
Distribution of all increases, shown as percentages

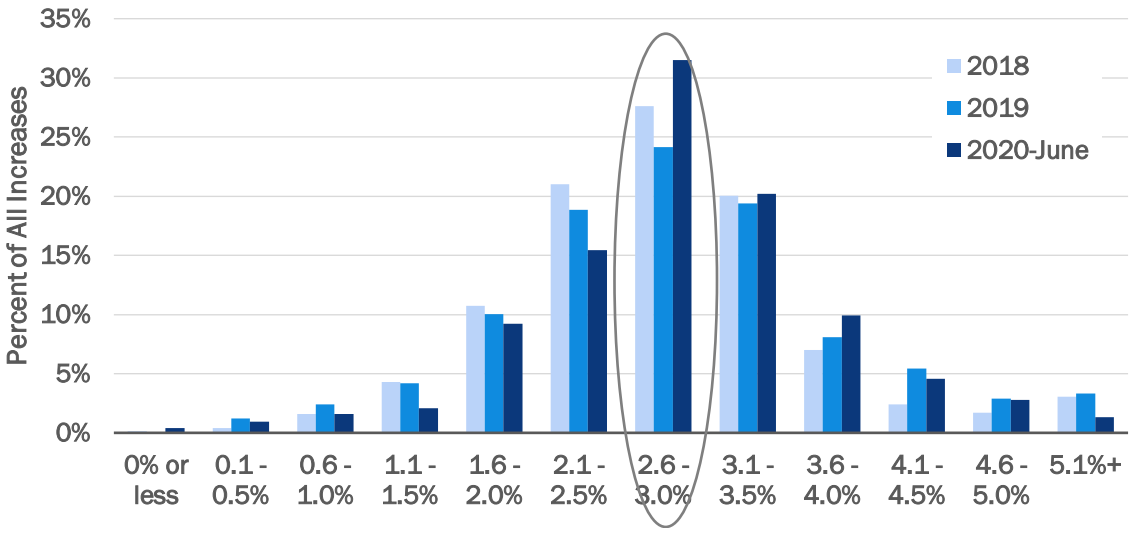
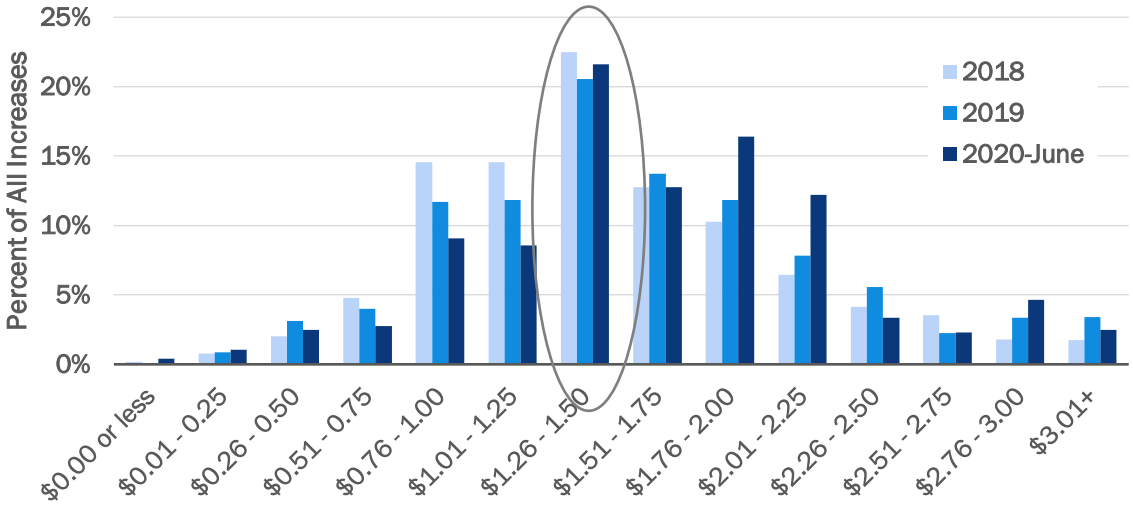


Exhibit 2.4 shows that the most common range in 2018, 2019 and 2020-June was $1.26–1.50. Although the overall US average barely changed in 2020-June, the percent of negotiated increases in some higher ranges, $1.76--$2.00 and $2.01–$2.25, is trending upward.

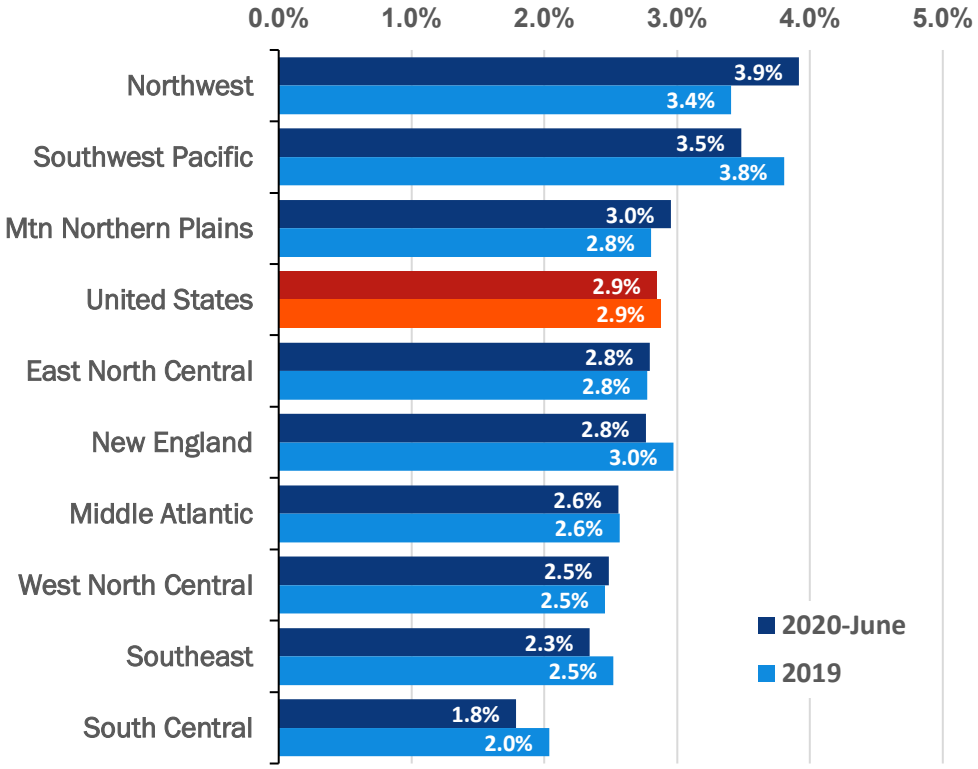
Exhibit 2.4
Distribution of all increases, shown as dollar amounts



Exhibits 2.5 and 2.6 display the results for all increases for 2019 and 2020-June by region in descending order based on 2020 data. As shown in **Exhibit 2.5**, the largest average increases in 2020-June were again on the west coast (Southwest Pacific and Northwest regions). The smallest increases were in the South Central region of the US. For 2020-June, three regions averaged at least 3.0 percent. Four regions experienced a decline in their averages from 2019 to 2020-June, and two had an increase. The US average was 2.9 percent in both 2019 and 2020-June

Exhibit 2.5

All increases as percentages, by region in descending order



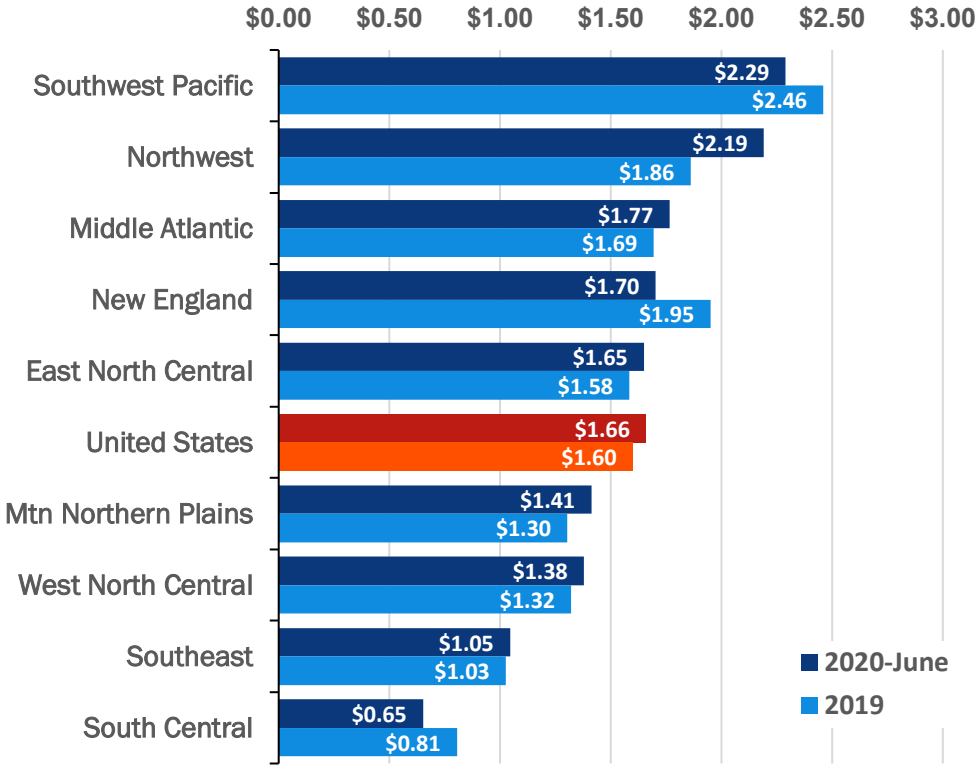
Regions

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

Exhibit 2.6 shows the regions with the dollar amount of their increases in descending order based on 2020-June data. As was the case in **Exhibit 2.5**, many of the largest increases were on the west coast (Southwest Pacific and Northwest regions). The smallest increases tended to be in the Southeast and South Central regions. Three regions experienced a decline in the average of their settlements from 2019 to 2020-June, and six had an increase. The US all craft average for 2019 was $1.66 and for 2020-June it was lower 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 2019 and 2020-June by craft in descending order based on the 2020-June data. **Exhibit 2.7** shows that the largest average increases in 2020-June belonged to Glaziers (3.4 percent). Glaziers also had the largest increase in 2019. The Glazier results were influenced by some larger increases in the New England region.

Like last year, the smallest increase was with the Boilermakers at 2.3 percent. Interestingly, Boilermakers have the highest average total package rate (see CLRC's *Union Labor Costs in Construction* report). Nine crafts were tightly clustered together around the mean in 2020-June (within 0.1 percent) and none were more than 0.6 percent different than the mean.

Exhibit 2.7

All increases as percentages, by craft in descending order

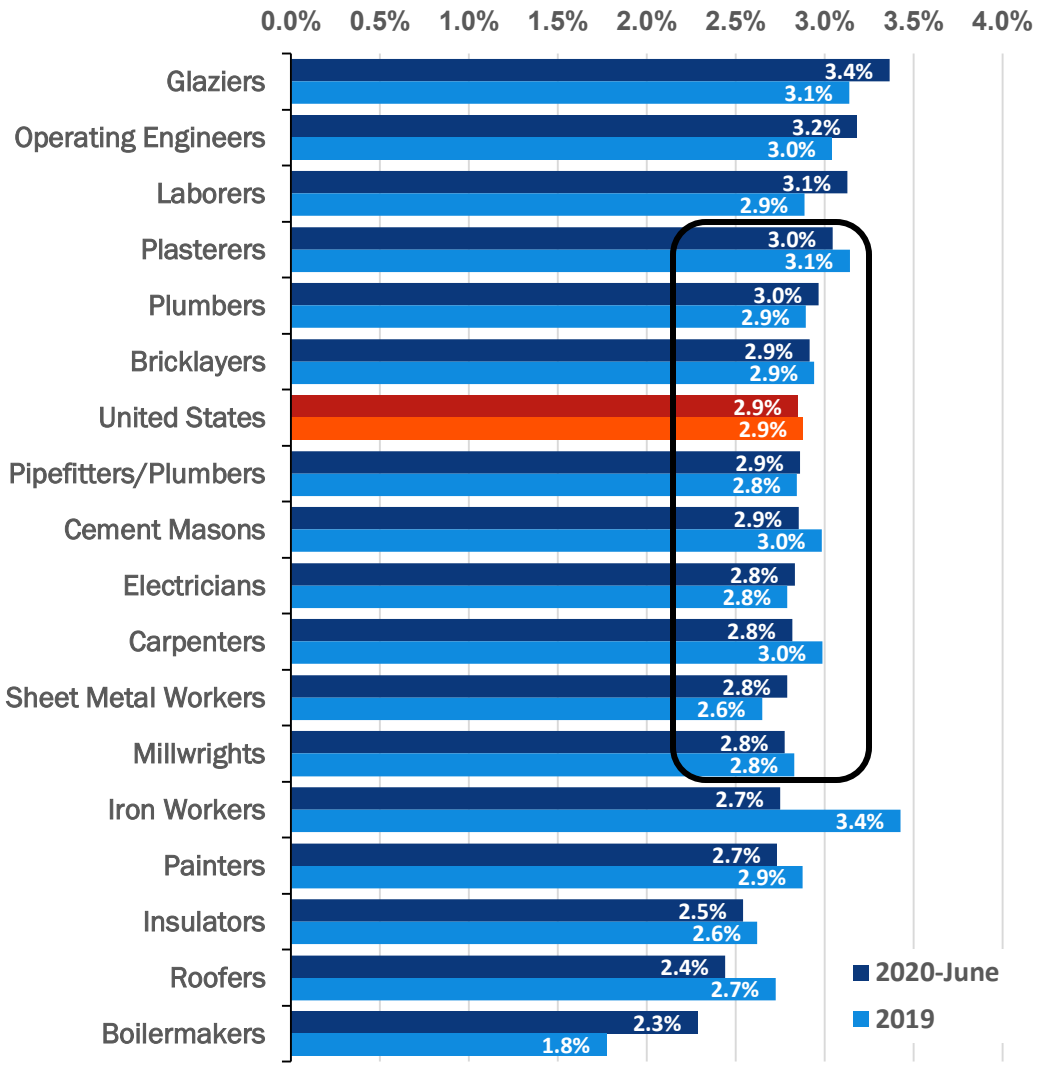
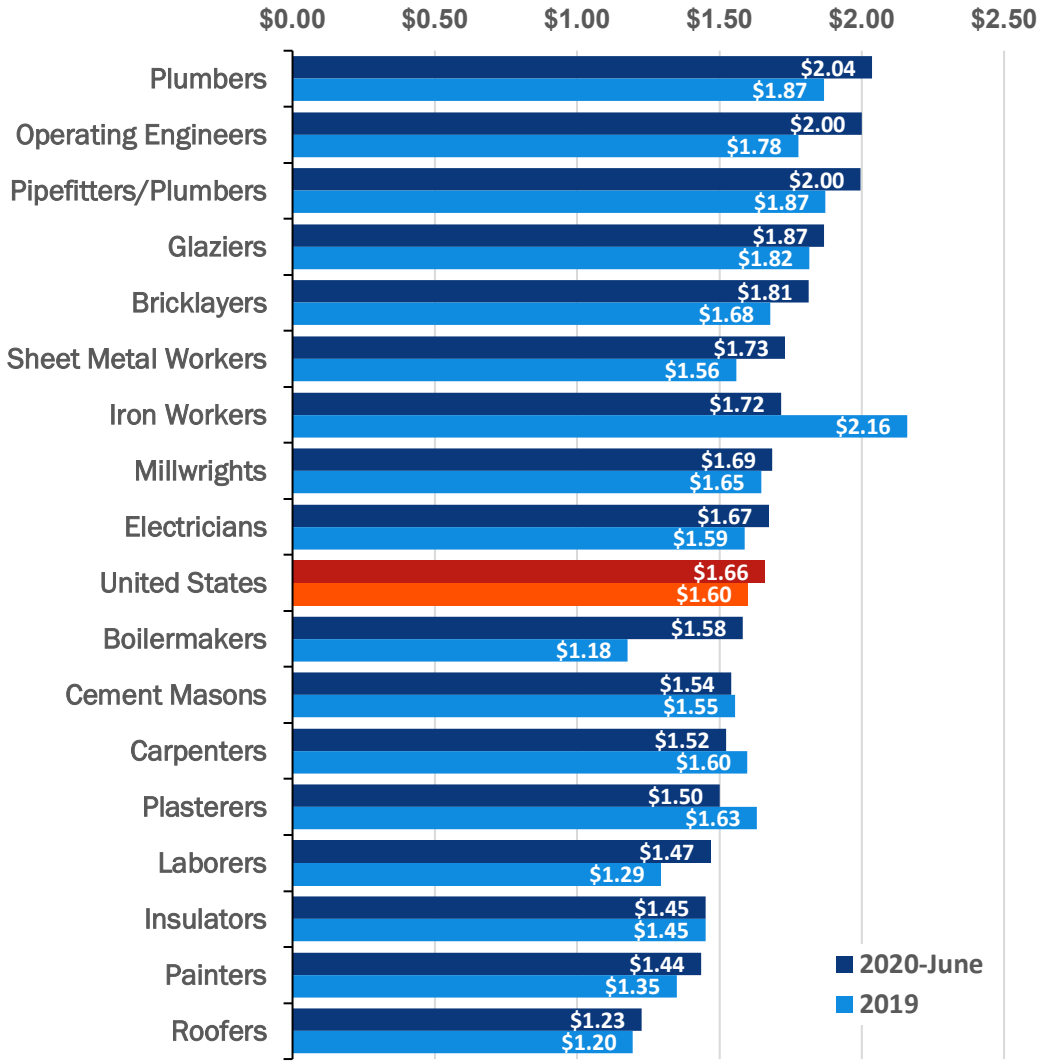


Exhibit 2.8 reflects the crafts with the dollar amount of their increases in descending order based on 2020-June. The largest increases in the 2020-June data were with the Plumbers ($2.04), Operating Engineers ($2.00) and Pipefitters/Plumbers ($2.00). The smallest increases were with the Roofers ($1.23). There were some larger increases for Iron Workers in the Southwest Pacific and East North Central regions in 2019, which pulled their average up a noticeable amount

Exhibit 2.8
All increases as dollar amounts, by craft in descending order



New

Exhibit 2.9 provides even more specific data cuts. These results are for all settlements, not just first year settlements. This matrix contains the total package increase rates (dollar and percent) for each craft within each region. This information will help users of this report more precisely understand the rates for each craft and each region. Use this matrix to gain insights about how regional data influenced craft averages, and conversely, how craft data influenced the regional averages in **Section II**.

Exhibit 2.9
All increases, craft by region matrix

United States		NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
	Increase $	$1.70	$1.77	$1.05	$1.65	$1.38	$0.65	$1.41	$2.29	$2.19
	Increase %	2.8%	2.6%	2.3%	2.8%	2.5%	1.8%	3.0%	3.5%	3.9%
Boilermakers		**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
	Increase $	$1.48	$1.44	$0.30	$1.65	$1.98	-	$2.24	-	-
	Increase %	2.2%	1.9%	0.5%	2.4%	2.9%	-	3.4%	-	-
Bricklayers		**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
	Increase $	$2.07	$1.64	-	$1.90	$1.20	-	-	$2.22	$1.75
	Increase %	2.8%	2.5%	-	3.2%	2.1%	-	-	3.3%	3.0%
Carpenters		**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
	Increase $	$1.12	$1.32	$1.35	$1.64	$1.45	$0.66	$0.79	$2.07	$2.10
	Increase %	1.9%	2.0%	3.4%	3.0%	2.9%	1.9%	2.0%	3.6%	3.8%
Cement Masons		**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
	Increase $	-	$1.90	-	$1.48	$1.00	$0.64	$1.75	$2.20	$1.79
	Increase %	-	2.6%	-	2.7%	2.1%	1.9%	3.7%	4.0%	3.4%
Electricians		**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
	Increase $	$1.78	$1.89	$1.01	$1.68	$1.62	$0.83	$1.48	$2.53	$2.75
	Increase %	2.6%	2.8%	2.6%	2.8%	2.9%	2.1%	2.8%	3.6%	4.4%
Glaziers		**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
	Increase $	$2.20	$1.88	-	$1.64	-	-	-	-	-
	Increase %	4.3%	2.6%	-	2.8%	-	-	-	-	-
Insulators		**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
	Increase $	-	-	$1.50	$1.63	-	$0.25	$1.03	$2.20	$1.81
	Increase %	-	-	2.6%	3.0%	-	0.6%	2.3%	3.2%	2.8%
Iron Workers		**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
	Increase $	$1.85	$1.86	-	$1.81	$1.57	$0.50	$2.05	-	-
	Increase %	2.5%	2.9%	-	2.9%	2.6%	1.1%	3.3%	-	-
Laborers		**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
	Increase $	$1.56	$1.37	$0.70	$1.33	$1.09	$0.55	$1.40	$1.86	$2.32
	Increase %	3.0%	2.5%	1.9%	2.7%	2.5%	2.2%	3.3%	3.5%	5.2%
Millwrights		**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
	Increase $	$1.16	$1.46	$1.00	$1.71	$1.22	-	-	$2.62	$2.38
	Increase %	2.0%	2.0%	2.0%	3.0%	2.5%	-	-	3.4%	4.0%
Operating Engineers		**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
	Increase $	$2.09	$2.13	$1.09	$1.75	$1.17	$0.70	-	$2.41	$2.81
	Increase %	3.0%	2.8%	2.3%	2.7%	2.2%	1.8%	-	3.6%	5.0%

Exhibit 2.9 (continued)
All increases, craft by region matrix

Painters		NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
	Increase $	$2.20	$0.96	-	$1.29	$0.90	-	-	$1.75	-
	Increase %	4.3%	2.0%	-	2.4%	1.8%	-	-	2.9%	-
Pipefitters/Plumber		**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
	Increase $	$2.68	$2.13	$0.82	$1.90	$1.65	$0.72	$1.51	$2.55	$2.92
	Increase %	3.5%	2.5%	1.6%	2.8%	2.6%	1.7%	3.0%	3.2%	3.8%
Plumbers		**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
	Increase $	-	2.55	-	2.25	1.68	-	1.65	-	-
	Increase %	-	3.1%	-	3.1%	2.7%	-	3.0%	-	-
Plasterers		**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
	Increase $	-	$1.33	-	$1.58	$0.78	-	$1.50	$2.13	$0.63
	Increase %	-	2.8%	-	2.8%	1.8%	-	3.7%	3.8%	1.0%
Roofers		**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
	Increase $	$1.50	$1.51	-	$1.25	$1.06	-	-	-	-
	Increase %	2.9%	3.0%	-	2.6%	2.1%	-	-	-	-
Sheet Metal Worker		**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
	Increase $	-	$2.26	$0.72	$1.80	$1.68	$1.00	$1.38	$3.13	$2.09
	Increase %	-	3.0%	1.7%	2.8%	2.9%	2.2%	2.9%	3.3%	3.4%
Teamsters		**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
	Increase $	$1.62	$1.92	$1.42	$1.36	$1.00	-	-	-	$1.89
	Increase %	3.0%	3.2%	3.3%	2.5%	2.2%	-	-	-	3.6%

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

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