



# Settlements Report

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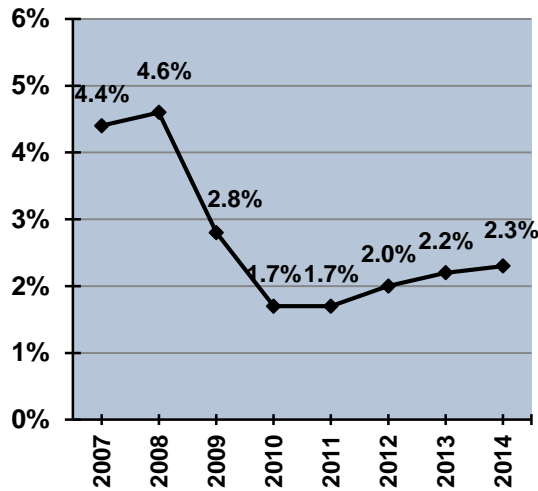
*December 2014*

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Settlements in the construction industry in 2014, as analyzed by the Construction Labor Research Council (CLRC), averaged the following: **first year—2.3 percent (\$1.07), second year—2.4 percent (\$1.31), and third year—2.5 percent (\$1.37)**. Statistics for 2014 in this report reflect wage and fringe benefits settlements combined from January through December 2014. **Exhibits 1 and 2** show the 7-year trend.

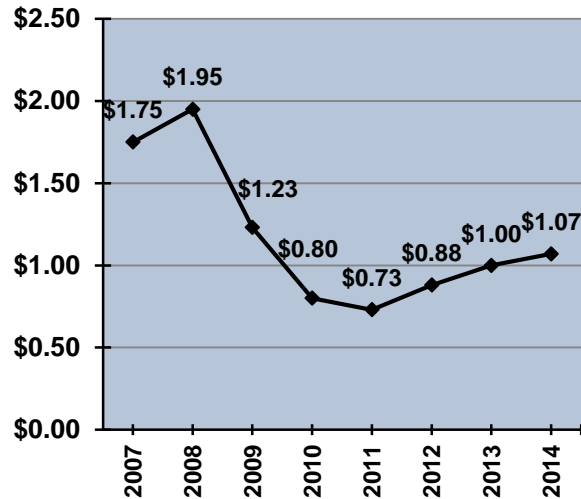
**Exhibit 1**

*First year settlements, shown as percents*



**Exhibit 2**

*First year settlements, shown as dollars*



As shown in **Exhibit 3**, the average of the increases as a percent for 2014 was slightly higher than 2013 for the first year (+0.1 percent) and modestly lower for years two (-0.2 percent) and three (-0.1 percent) of multi-year settlements. The dollar amounts were all higher in 2014 compared to 2013.

**Exhibit 3**

*Settlements in 2014 compared to settlements from 2012 and 2013*

Contract Year	2012		2013		2014	
	Percent	Dollar	Percent	Dollar	Percent	Dollar
<b>First</b>	2.0%	\$0.88	2.2%	\$1.00	2.3%	\$1.07
<b>Second</b>	2.3%	\$1.08	2.6%	\$1.30	2.4%	\$1.31
<b>Third</b>	2.4%	\$1.13	2.6%	\$1.34	2.5%	\$1.37

The number of settlements for no increase (0 percent) has decreased steadily since the high point in 2010.

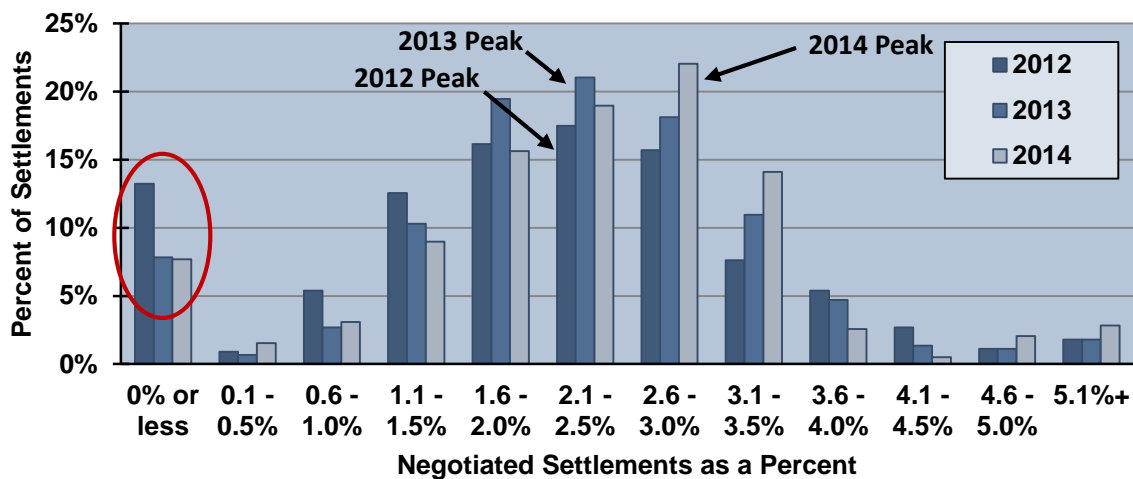
The Consumer Price Index (CPI) rose by 1.7 percent for the 12 months ending in October 2014\*

The median increases from January through December 2014 were similar to the averages at 2.3 percent (\$0.97) for the first year, 2.6 percent (\$1.30) for the second year, and 2.5 percent (\$1.20) for the third year. The median is the rate at which half of the agreements are higher and half are lower; it is less affected by outliers.

**Exhibits 4 and 5** show details about the first year of collectively bargained settlements. The most common settlement in 2014 was 2.6-3.0 percent. In 2012 and 2013 the most common settlement was lower, 2.1-2.5 percent. There was the same percent of settlements with no increase in 2014 as there was in 2013, 8 percent. However, these figures are down significantly from 2012 and 2011 when 13 percent and 20 percent, respectively, of the settlements were for no increase.

**Exhibit 4**

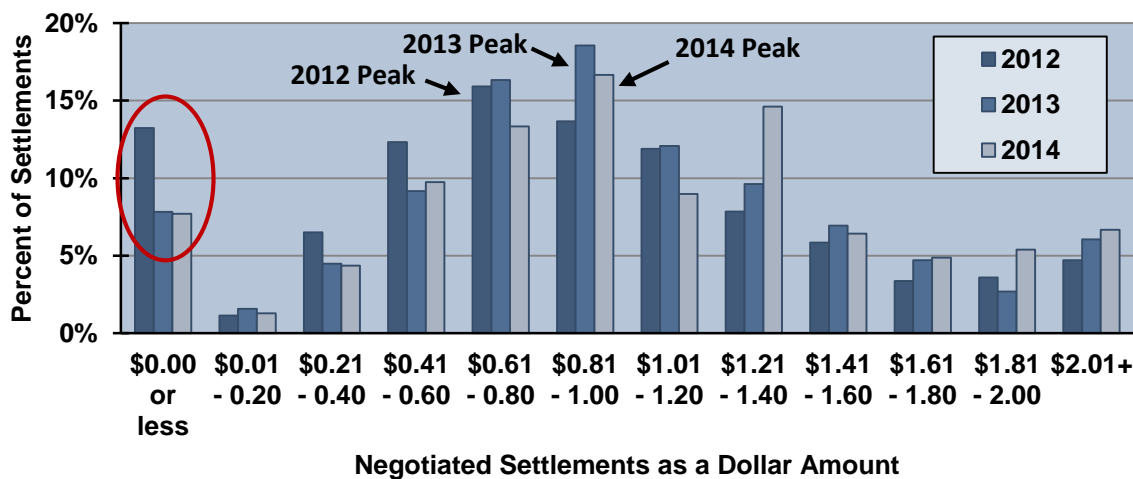
*Details for first year settlements shown as percents: 2012, 2013 and 2014*



**Exhibit 5** shows that the most popular increase amount in 2014 was \$0.81-\$1.00. This was the same as year ago and higher than two years ago, which was \$0.61-\$0.80.

**Exhibit 5**

*Details for first year settlements shown as dollars: 2012, 2013 and 2014*



## Settlements by Region

Average first year settlements for 2014 ranged from a low of 1.9 percent (median = 1.6 percent) in the New England region to a high of 2.7 percent (median = 3.0 percent) in the Southwest Pacific region, as shown in **Exhibit 6**. **Exhibit 7** shows the regions with the dollar amount of their agreements. The lowest average occurred in the South Central region at \$0.66 (median = \$0.54) and the highest average, conveyed as a dollar amount, was in the Southwest Pacific region at \$1.53 (median = \$1.65).

### Exhibit 6

Settlements by region shown as percents

Region	First Year			Second Year			Third Year		
	Count	Average	Median	Count	Average	Median	Count	Average	Median
New England	9	● 1.9%	● 1.6%	4	● 2.0%	● 1.8%	4	● 2.1%	● 1.9%
Middle Atlantic	34	● 2.3%	● 2.4%	11	● 2.3%	● 2.7%	8	● 2.8%	● 3.0%
Southeast	108	● 2.5%	● 2.1%	3	● 1.6%	● 1.6%	-	-	-
East North Central	175	● 2.3%	● 2.5%	56	● 2.6%	● 2.7%	45	● 2.5%	● 2.7%
West North Central	14	● 2.1%	● 2.2%	7	● 2.3%	● 2.0%	5	● 2.3%	● 2.1%
South Central	19	● 2.1%	● 1.8%	5	● 1.4%	● 1.6%	3	● 1.4%	● 1.5%
Mountain-Northern Plains	-	-	-	-	-	-	-	-	-
Northwest	5	● 2.5%	● 2.8%	-	-	-	-	-	-
Southwest Pacific	23	● 2.7%	● 3.0%	15	● 2.9%	● 3.0%	9	● 3.2%	● 3.1%
<b>United States</b>	<b>390</b>	<b>● 2.3%</b>	<b>● 2.3%</b>	<b>101</b>	<b>● 2.4%</b>	<b>● 2.6%</b>	<b>75</b>	<b>● 2.5%</b>	<b>● 2.5%</b>

● Equal to or lower than United States results

● Higher than United States results

### Exhibit 7

Settlements by region shown as dollar amounts

Region	First Year			Second Year			Third Year		
	Count	Average	Median	Count	Average	Median	Count	Average	Median
New England	9	● \$1.13	● \$0.95	4	● \$1.25	● \$1.10	4	● \$1.30	● \$1.15
Middle Atlantic	34	● \$1.25	● \$1.24	11	● \$1.15	● \$1.10	8	● \$1.44	● \$1.25
Southeast	108	● \$0.82	● \$0.76	3	● \$0.60	● \$0.54	-	-	-
East North Central	175	● \$1.15	● \$1.20	56	● \$1.41	● \$1.40	45	● \$1.40	● \$1.37
West North Central	14	● \$0.89	● \$0.83	7	● \$1.02	● \$0.80	5	● \$1.14	● \$0.90
South Central	19	● \$0.66	● \$0.54	5	● \$0.58	● \$0.57	3	● \$0.61	● \$0.60
Mountain-Northern Plains	-	-	-	-	-	-	-	-	-
Northwest	5	● \$1.40	● \$1.48	-	-	-	-	-	-
Southwest Pacific	23	● \$1.53	● \$1.65	15	● \$1.67	● \$1.65	9	● \$1.85	● \$1.60
<b>United States</b>	<b>390</b>	<b>● \$1.07</b>	<b>● \$0.97</b>	<b>101</b>	<b>● \$1.31</b>	<b>● \$1.30</b>	<b>75</b>	<b>● \$1.37</b>	<b>● \$1.20</b>

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### 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. Northwest: AK, ID, OR, WA. Southwest Pacific: AZ, CA, HI, NV.

## Settlements by Craft

Average first year settlements for 2014 ranged from a low of 1.7 percent for Bricklayers (median = 2.0 percent) and Plumbers (median = 1.9 percent) to a high of 3.3 percent (median = 2.8 percent) for Operating Engineers, as shown in **Exhibit 8**.

### Exhibit 8

Settlements by craft shown as percents

Craft	First Year			Second Year			Third Year		
	Count	Average	Median	Count	Average	Median	Count	Average	Median
<b>Boilermakers</b>	-	-	-	-	-	-	-	-	-
<b>Bricklayers</b>	39	1.7%	2.0%	10	2.1%	2.0%	6	2.0%	2.1%
<b>Carpenters</b>	35	3.0%	2.8%	14	3.0%	2.9%	12	2.9%	2.9%
<b>Cement Masons</b>	26	2.3%	2.2%	6	2.6%	2.6%	5	2.3%	2.4%
<b>Electricians</b>	29	1.9%	1.9%	11	1.8%	1.8%	7	2.1%	2.0%
<b>Insulators</b>	10	2.7%	2.4%	-	-	-	-	-	-
<b>Iron Workers</b>	82	2.3%	2.4%	-	-	-	-	-	-
<b>Laborers</b>	40	2.7%	2.7%	9	2.6%	2.8%	7	2.9%	3.1%
<b>Millwrights</b>	13	2.7%	2.8%	6	2.9%	2.8%	6	3.0%	2.9%
<b>Operating Engineers</b>	19	3.3%	2.8%	8	3.4%	3.2%	5	2.4%	2.3%
<b>Painters</b>	22	2.0%	1.8%	5	1.4%	1.8%	-	-	-
<b>Pipefitters/Plumbers</b>	22	2.1%	2.1%	6	2.2%	2.5%	5	2.5%	2.9%
<b>Plumbers</b>	5	1.7%	1.9%	-	-	-	-	-	-
<b>Plasterers</b>	14	2.5%	2.3%	5	3.2%	3.1%	-	-	-
<b>Sheet Metal Workers</b>	26	1.9%	2.1%	16	2.2%	2.3%	13	2.4%	2.7%
<b>Teamsters</b>	8	2.5%	2.5%	3	2.4%	1.9%	3	2.4%	2.1%
<b>United States</b>	<b>390</b>	<b>2.3%</b>	<b>2.3%</b>	<b>101</b>	<b>2.4%</b>	<b>2.6%</b>	<b>75</b>	<b>2.5%</b>	<b>2.5%</b>

● Equal to or lower than United States results

● Higher than United States results

The following associations sponsor this report:

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Mechanical Contractors Association of America (MCAA)

National Association of Construction Boilermaker Employers (NACBE)

National Electrical Contractors Association (NECA)

National Fire Sprinkler Association (NFSA)

North American Contractors Association (NACA)

Sheet Metal and Air Conditioning Contractors' National Association (SMACNA)

The Association of Union Constructors (TAUC)

## Settlements by Craft (continued)

**Exhibit 9** outlines the 2014 settlements as dollar amounts. Results range from a low of \$0.76 (median = \$0.82) for Bricklayers to a high of \$1.41 (median = \$1.44) for Operating Engineers.

**Exhibit 9**

*Settlements by craft shown as dollar amounts*

Craft	First Year			Second Year			Third Year		
	Count	Average	Median	Count	Average	Median	Count	Average	Median
<b>Boilermakers</b>	-	-	-	-	-	-	-	-	-
<b>Bricklayers</b>	39	● \$0.76	● \$0.82	10	● \$1.06	● \$1.01	6	● \$1.01	● \$1.10
<b>Carpenters</b>	35	● \$1.32	● \$1.32	14	● \$1.61	● \$1.50	12	● \$1.59	● \$1.55
<b>Cement Masons</b>	26	● \$1.08	● \$0.90	6	● \$1.23	● \$1.15	5	● \$1.10	● \$1.10
<b>Electricians</b>	29	● \$0.91	● \$0.79	11	● \$1.02	● \$1.10	7	● \$1.24	● \$1.15
<b>Insulators</b>	10	● \$1.02	● \$0.90	-	-	-	-	-	-
<b>Iron Workers</b>	82	● \$1.06	● \$1.05	-	-	-	-	-	-
<b>Laborers</b>	40	● \$1.04	● \$1.15	9	● \$1.12	● \$1.10	7	● \$1.25	● \$1.25
<b>Millwrights</b>	13	● \$1.50	● \$1.40	6	● \$1.72	● \$1.50	6	● \$1.79	● \$1.55
<b>Operating Engineers</b>	19	● \$1.41	● \$1.44	8	● \$1.93	● \$2.00	5	● \$1.36	● \$1.05
<b>Painters</b>	22	● \$0.77	● \$0.62	5	● \$0.66	● \$0.65	-	-	-
<b>Pipefitters/Plumbers</b>	22	● \$1.07	● \$0.97	6	● \$1.38	● \$1.58	5	● \$1.52	● \$2.00
<b>Plumbers</b>	5	● \$0.97	● \$1.10	-	-	-	-	-	-
<b>Plasterers</b>	14	● \$1.20	● \$1.02	5	● \$1.57	● \$1.65	-	-	-
<b>Sheet Metal Workers</b>	26	● \$0.96	● \$0.96	16	● \$1.29	● \$1.45	13	● \$1.53	● \$1.43
<b>Teamsters</b>	8	● \$0.99	● \$0.90	3	● \$1.12	● \$1.00	3	● \$1.13	● \$1.00
<b>United States</b>	<b>390</b>	<b>\$1.07</b>	<b>\$0.97</b>	<b>101</b>	<b>\$1.31</b>	<b>\$1.30</b>	<b>75</b>	<b>\$1.37</b>	<b>\$1.20</b>

● Equal to or lower than United States results      ● Higher than United States results

The November 2014 unemployment rate in the construction industry was 7.5 percent, down from 8.6 percent at the same time last year.

The November 2014 unemployment rate for the United States was 5.8 percent.\*

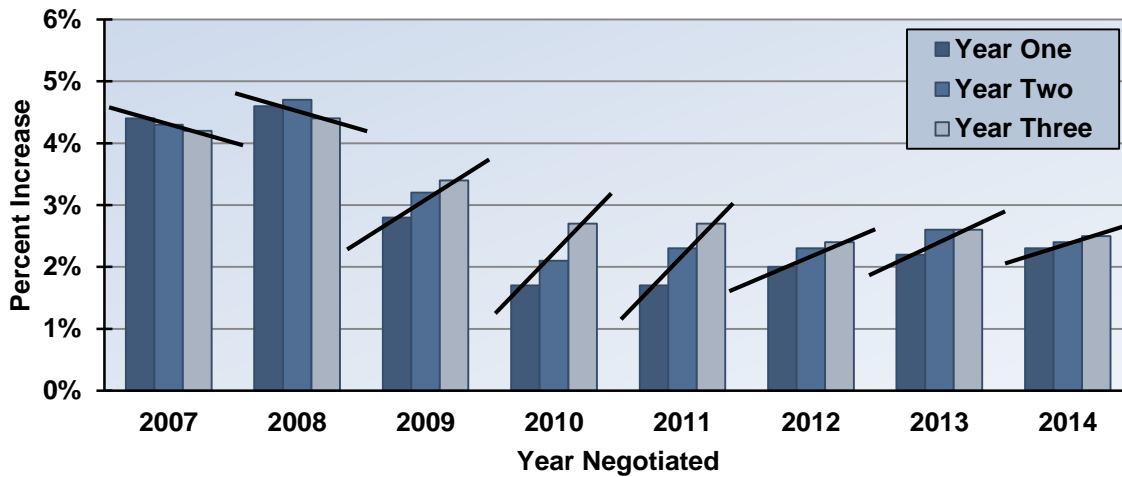
\*Source: Bureau of Labor Statistics

## Multiyear Settlements Trend

As illustrated by **Exhibits 11 and 12**, from 2009-2014, the trend was for smaller increases, but with each successive contract year containing a larger increase than the previous year, on average. In other words, year two had a larger increase than year one and year three had a larger increase than year two. Although this trend was less pronounced in 2012-2014, it is still somewhat evident, especially when looking at the dollar increase chart (**Exhibit 12**).

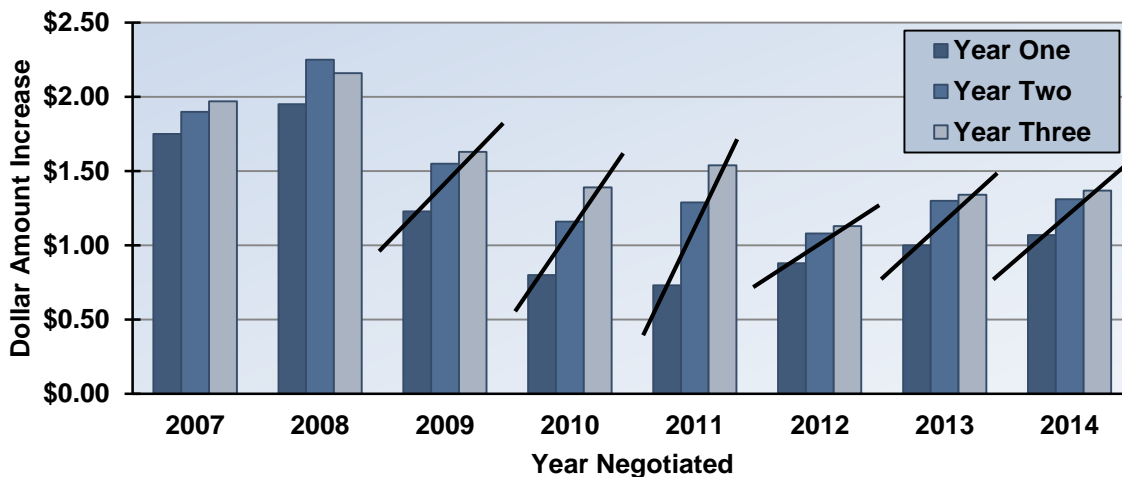
### Exhibit 11

Multiyear settlements trend shown as percents for years one, two, and three



### Exhibit 12

Multiyear settlements trend shown as dollars for years one, two, and three



Additional reports are available upon request. Companies/contractors, chapters, and local affiliates who are members of CLRC’s sponsor associations (see p. 4) receive discounted rates.

Report	Description	Benefit
<b>Market Share Analysis</b>	Shows what percent of a given industry (e.g., plumbing/pipefitting, carpenters) is worked by union contractors.	Allows management and labor to more precisely define their share of the market, and more importantly, the trend over time. Also, can document the impact of specific programs (e.g., market recovery, new classifications).
<b>Union – Nonunion Wage and Fringe Benefits Comparison</b>	Compares a specific local’s wage and fringe benefits package to nonunion data for that craft in the same geographic region.	Tangibly shows the difference in both dollars and percents between union and nonunion pay and fringe benefits.
<b>Contract Costing</b>	Provides a detailed cost analysis of 8–12 categories in a contract (e.g., 2 <sup>nd</sup> shift, foreman ratio, clean-up time) on a per employee per hour and total contract cost basis.	Helps the parties in collective bargaining better understand the real costs associated with contract language clauses.
<b>Wage and Fringe Benchmark Comparison</b>	Graphs actual wage and fringe benefits rates compared to indexes (e.g., CPI, nonunion) over time to show the trend.	Compares actual pay to what it would have been using an index.
<b>Custom</b>	Tell us what you are looking for, we can probably help you.	Offers you greater understanding and useful data to use during collective bargaining or internal business decisions.

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