



Settlements Report

September 2014

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Settlements in the construction industry so far in 2014, as analyzed by the Construction Labor Research Council (CLRC), averaged the following: **first year—2.3 percent (\$1.14), second year—2.6 percent (\$1.35), and third year—2.4 percent (\$1.32)**. Statistics listed as “2014-Sept” in this report reflect wage and fringe benefits combined from January through September 2014. **Exhibits 1 and 2** show the 7-year trend.

Exhibit 1

First year settlements, shown as percents

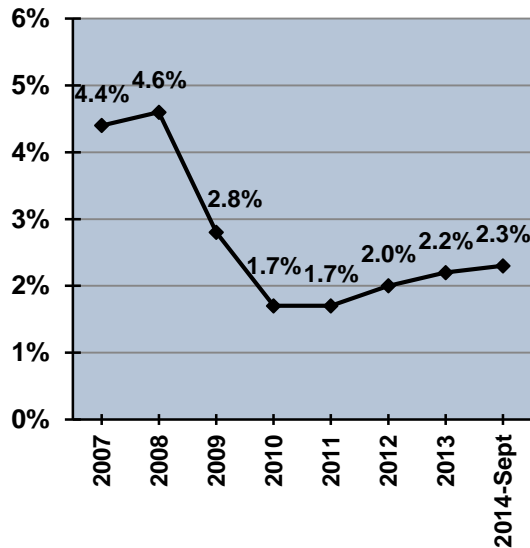
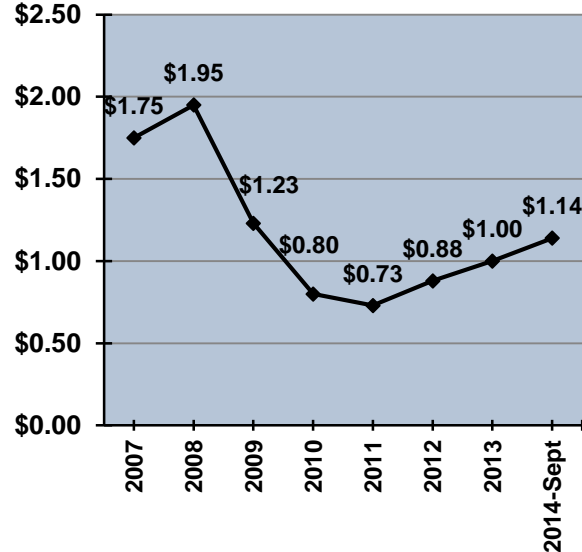


Exhibit 2

First year settlements, shown as dollars



Increases to date in 2014, both as percents and dollar amounts, were very similar to 2013 and slightly higher than increases in 2012, as shown in **Exhibit 3**.

Exhibit 3

2014-September settlements compared to settlements from 2012 and 2013

Contract Year	2012		2013		2014-Sept	
	Percent	Dollar	Percent	Dollar	Percent	Dollar
First	2.0%	\$0.88	2.2%	\$1.00	2.3%	\$1.14
Second	2.3%	\$1.08	2.6%	\$1.30	2.6%	\$1.35
Third	2.4%	\$1.13	2.6%	\$1.34	2.4%	\$1.32

NOTE: These results are still preliminary for 2014. CLRC will publish its final *Settlements Reports* in December of 2014, which will summarize settlements for the full year.

The median increases from January through September 2014 were similar to the averages at 2.3 percent (\$1.09) for the first year, 2.6 percent (\$1.29) for the second year, and 2.4 percent (\$1.36) 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 so far in 2014 was 2.6 - 3.0 percent. In 2012 and 2013 the most common settlement was lower, 2.1 - 2.5 percent. There were the same percent of settlements with no increase through September 2014 as there were in 2013, 8 percent, down from 13 percent in 2012.

Exhibit 4

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

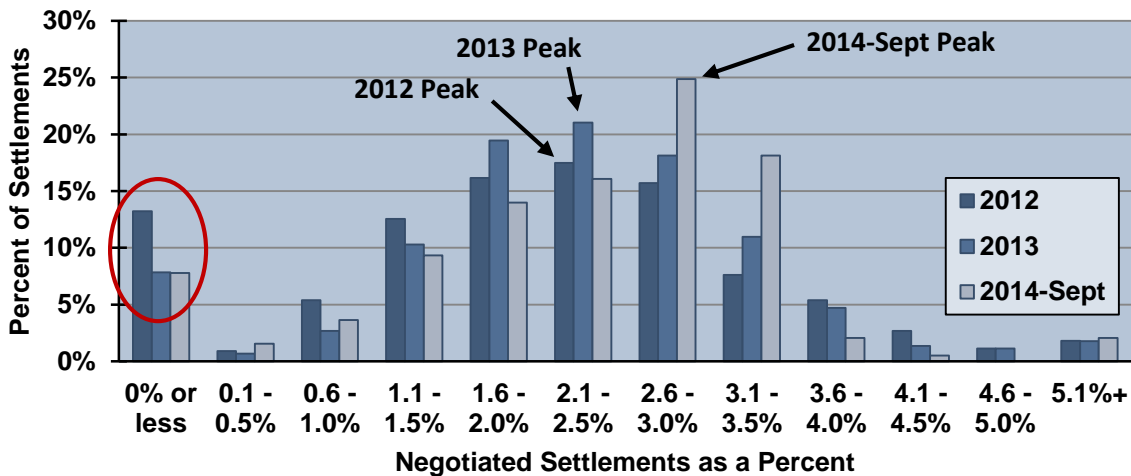
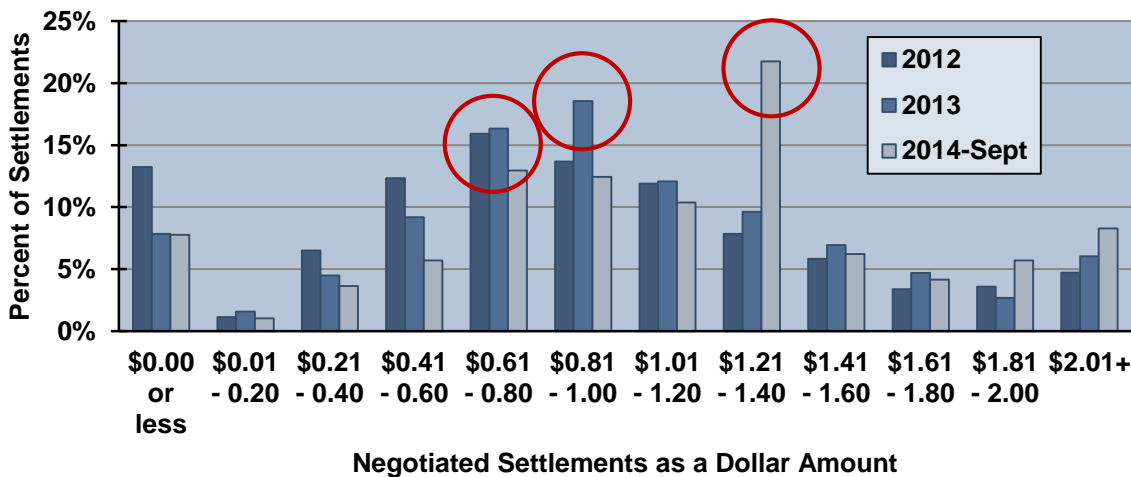


Exhibit 5 shows that the most popular increase amount to date in 2014 was \$1.21 - \$1.40. Compare this to last year’s most common increase, which was much lower, at \$0.81 - \$1.00, or 2012’s which was \$0.61 - \$0.80.

Exhibit 5

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



Settlements by Region

Average first year settlements for 2014-September ranged from a low of 1.6 percent in the New England (median = 1.5 percent) and Southeast (median = 1.8 percent) regions to a high of 3.0 percent (median = 3.2 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 Southeast region at \$0.57 (median = \$0.71) and the highest average, conveyed as a dollar amount, was in the Southwest Pacific region at \$1.66 (median = \$1.75).

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	4	● 1.6%	● 1.5%	4	● 2.0%	● 1.8%	4	● 2.1%	● 1.9%
Middle Atlantic	11	● 2.2%	● 2.2%	5	● 2.0%	● 2.2%	4	● 2.5%	● 2.7%
Southeast	5	● 1.6%	● 1.8%	3	● 1.6%	● 1.6%	-	-	-
East North Central	147	● 2.3%	● 2.6%	53	● 2.6%	● 2.8%	43	● 2.5%	● 2.8%
West North Central	8	● 2.0%	● 1.9%	7	● 2.3%	● 2.0%	5	● 2.3%	● 2.1%
South Central	10	● 2.4%	● 1.8%	5	● 1.4%	● 1.6%	3	● 1.4%	● 1.5%
Mountain-Northern Plains	-	-	-	-	-	-	-	-	-
Northwest	-	-	-	-	-	-	-	-	-
Southwest Pacific	8	● 3.0%	● 3.2%	7	● 3.4%	● 3.2%	7	● 3.3%	● 3.3%
United States	193	● 2.3%	● 2.3%	84	● 2.6%	● 2.6%	68	● 2.4%	● 2.4%

● 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	4	● \$0.97	● \$0.92	4	● \$1.25	● \$1.10	4	● \$1.30	● \$1.15
Middle Atlantic	11	● \$1.15	● \$1.20	5	● \$1.15	● \$1.19	4	● \$1.56	● \$1.24
Southeast	5	● \$0.57	● \$0.71	3	● \$0.60	● \$0.54	-	-	-
East North Central	147	● \$1.15	● \$1.20	53	● \$1.44	● \$1.50	43	● \$1.42	● \$1.43
West North Central	8	● \$0.95	● \$0.73	7	● \$1.02	● \$0.80	5	● \$1.14	● \$0.90
South Central	10	● \$0.75	● \$0.62	5	● \$0.58	● \$0.57	3	● \$0.61	● \$0.60
Mountain-Northern Plains	-	-	-	-	-	-	-	-	-
Northwest	-	-	-	-	-	-	-	-	-
Southwest Pacific	8	● \$1.66	● \$1.75	7	● \$1.91	● \$1.67	7	● \$1.94	● \$1.60
United States	193	● \$1.14	● \$1.09	84	● \$1.35	● \$1.29	68	● \$1.32	● \$1.36

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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-September ranged from a low of 1.7 percent for Painters (median = 1.8 percent) and Plumbers (median = 1.9 percent) to a high of 3.4 percent for Operating Engineers (median = 3.1 percent), 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
Boilermakers	-	-	-	-	-	-	-	-	-
Bricklayers	23	2.0%	2.0%	5	2.3%	2.2%	4	2.2%	2.3%
Carpenters	19	2.8%	2.7%	13	3.0%	2.9%	12	2.9%	2.9%
Cement Masons	17	2.6%	2.8%	6	2.6%	2.6%	5	2.3%	2.4%
Electricians	20	1.8%	1.8%	10	1.8%	1.8%	7	1.1%	1.9%
Insulators	-	-	-	-	-	-	-	-	-
Iron Workers	12	2.3%	2.5%	-	-	-	-	-	-
Laborers	23	2.5%	2.8%	5	3.0%	3.2%	4	2.8%	3.0%
Millwrights	10	2.5%	2.7%	6	2.9%	2.8%	6	3.0%	2.9%
Operating Engineers	8	3.4%	3.1%	5	3.8%	3.4%	5	2.4%	2.3%
Painters	13	1.7%	1.8%	5	1.4%	1.8%	-	-	-
Pipefitters/Plumbers	9	1.8%	2.0%	4	2.0%	2.0%	4	2.3%	2.3%
Plumbers	5	1.7%	1.9%	-	-	-	-	-	-
Plasterers	12	2.5%	2.3%	5	3.2%	3.1%	-	-	-
Sheet Metal Workers	19	1.9%	2.1%	16	2.2%	2.3%	13	2.4%	2.7%
Teamsters	-	-	-	-	-	-	-	-	-
United States	193	2.3%	2.3%	84	2.6%	2.6%	68	2.4%	2.4%

● Equal to or lower than United States results

● Higher than United States results

The following associations sponsor this report:

- Associated General Contractors of America (AGC)
- NEW: Central States Insulation Association (CSIA)**
- Finishing Contractors Association (FCA)
- International Council of Employers of Bricklayers and Allied Craftworkers (ICE)
- 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-September settlements as dollar amounts. Results range from a low of \$0.81 (median = \$0.75) for Painters to a high of \$1.46 (median = \$1.48) 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
Boilermakers	-	-	-	-	-	-	-	-	-
Bricklayers	23	● \$0.95	● \$1.00	5	● \$1.19	● \$1.10	4	● \$1.09	● \$1.20
Carpenters	19	● \$1.37	● \$1.32	13	● \$1.57	● \$1.50	12	● \$1.59	● \$1.55
Cement Masons	17	● \$1.34	● \$1.29	6	● \$1.23	● \$1.15	5	● \$1.10	● \$1.10
Electricians	20	● \$1.01	● \$0.79	10	● \$1.00	● \$1.10	7	● \$0.76	● \$1.15
Insulators	-	-	-	-	-	-	-	-	-
Iron Workers	12	● \$1.14	● \$1.28	-	-	-	-	-	-
Laborers	23	● \$1.09	● \$1.29	5	● \$1.36	● \$1.35	4	● \$1.24	● \$1.31
Millwrights	10	● \$1.41	● \$1.39	6	● \$1.72	● \$1.50	6	● \$1.79	● \$1.55
Operating Engineers	8	● \$1.46	● \$1.48	5	● \$2.11	● \$2.45	5	● \$1.36	● \$1.05
Painters	13	● \$0.81	● \$0.75	5	● \$0.66	● \$0.65	-	-	-
Pipefitters/Plumbers	9	● \$1.01	● \$0.85	4	● \$1.15	● \$1.05	4	● \$1.40	● \$1.50
Plumbers	5	● \$0.97	● \$1.10	-	-	-	-	-	-
Plasterers	12	● \$1.22	● \$1.02	5	● \$1.57	● \$1.65	-	-	-
Sheet Metal Workers	19	● \$1.07	● \$1.06	16	● \$1.29	● \$1.45	13	● \$1.53	● \$1.43
Teamsters	-	-	-	-	-	-	-	-	-
United States	193	\$1.14	\$1.09	84	\$1.35	\$1.29	68	\$1.32	\$1.36

● Equal to or lower than United States results

● Higher than United States results

The August 2014 unemployment rate in the construction industry was 7.7 percent, down from 9.1 at the same time last year.

The May 2014 unemployment rate for the United States was 6.1 percent.*

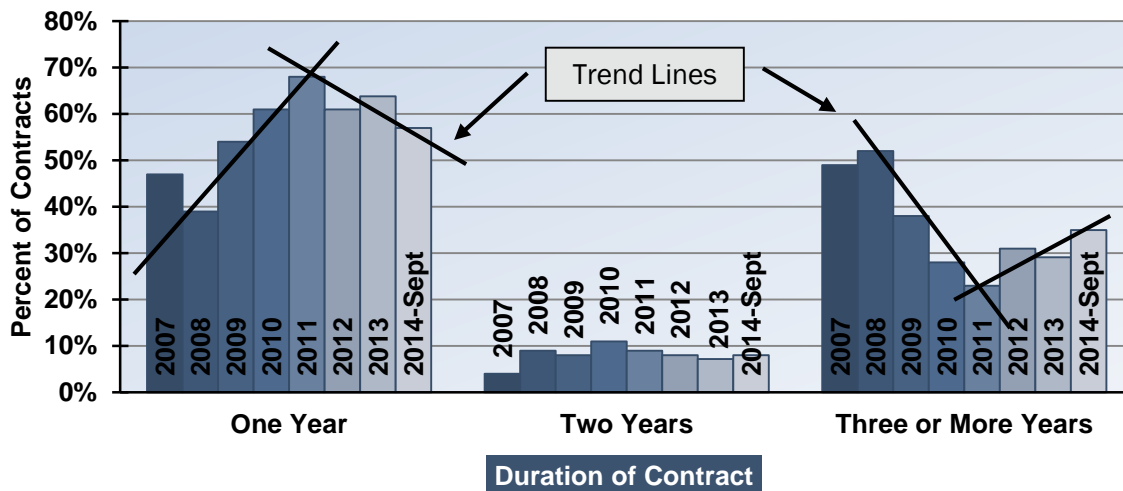
*Source: Bureau of Labor Statistics

Contract Length

From 2008 to 2011 there was a definite trend toward shortening the number of years in contract settlements. To illustrate, in 2008, 39 percent of the contracts were for one year; by 2011, 68 percent were for one year, nearly a 30 percent increase in just three years. Conversely, the percent of three year or longer terms went from 52 percent to 23 percent during this same time.

However, beginning in 2012 this trend stopped and somewhat reversed itself, with the percent of agreements for one year declining to just over 60 percent in 2012 and 2013, and then falling to 57 percent by 2014-September, as shown in **Exhibit 10**. Additionally, the percent of settlements with terms that are three years or more increased slightly to 35 percent so far in 2014.

Exhibit 10
Contract length trend



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

*Source: Bureau of Labor Statistics

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
Market Share Analysis	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).
Union – Nonunion Wage and Fringe Benefits Comparison	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.
Contract Costing	Provides a detailed cost analysis of 8–12 categories in a contract (e.g., 2 nd 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.
Wage and Fringe Benchmark Comparison	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.
Custom	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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