Issue Date: October 15, 2021

Settlements Report

Total Package Increases for Union Craft Workers in Construction

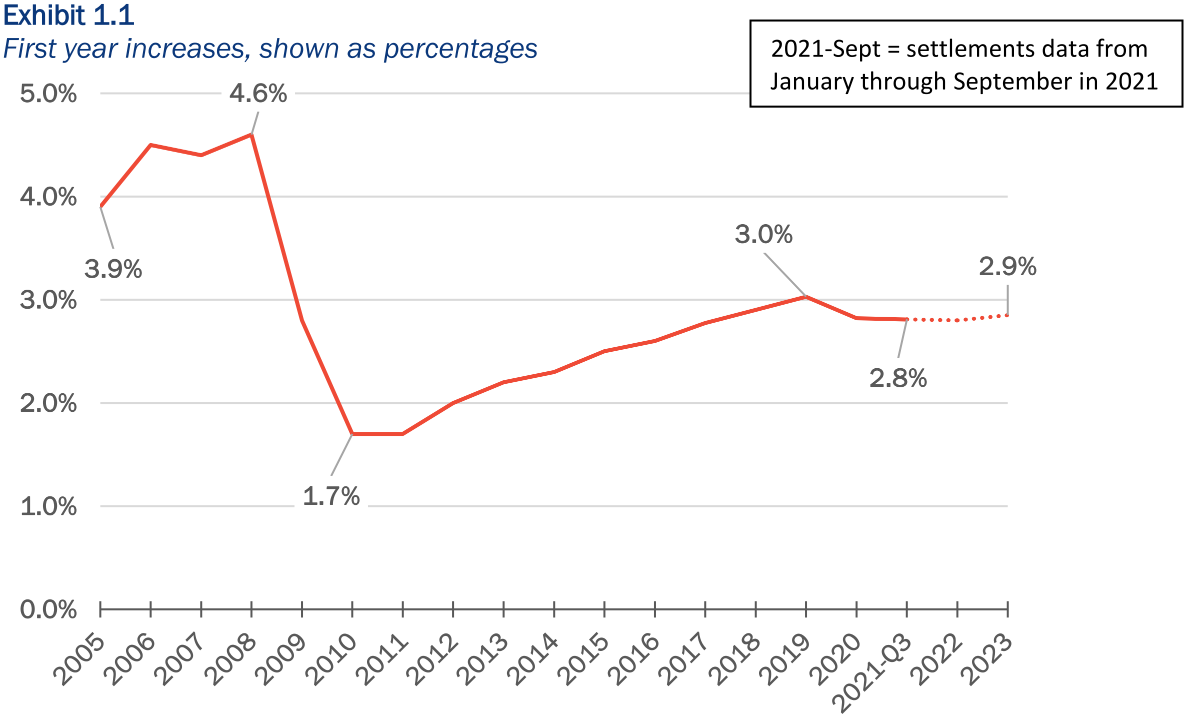
SEPTEMBER 2021

CLRC Construction Labor Research Council

SECTION I. FIRST YEAR TOTAL PACKAGE INCREASES THROUGH SEPTEMBER 2021

The Construction Labor Research Council (CLRC) reports that *the first year of new settlements reached from January through September in 2021 (2021-Sept) for union craft workers in the construction industry 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 16-year trend, plus a two-year forecast. From 2010/2011 until 2019 rates increased slightly yet steadily each year. However, this robust trend was reversed in 2020, with the first decline in the size of increases since 2010. So far in 2021, the rates are comparable to those in 2020. CLRC projects slightly higher increases for the near future. Key impacts on union wage rates include COVID-19, craft labor shortages, construction spending and the continued slow but steady decline in union density.

Exhibit 1.1
First year increases, shown as percentages



NOTE: Results in the final CLRC Settlements Report for 2021 (published in early January 2022) may be different than these results because many more settlements will be added as they become available during 2021.

Section I – First Year
This section contains results for the first year of newly bargained settlements and is useful for understanding current trends.

Section II – All Years
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 monetary increase for 2021-Sept was $1.63, similar to the average increase in 2020, and $0.10 below the recent peak of $1.73 in 2019. However, the 2021-Sept average remains more than double what it was in 2011, the low point during the time span shown.

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 those 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.

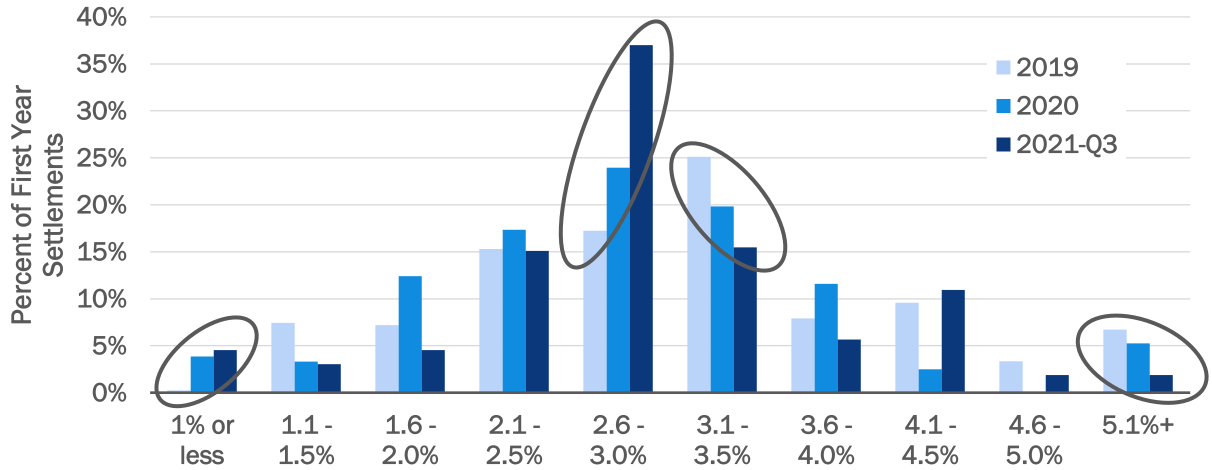
The following associations sponsor this report:

- 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 Alliance (SWACCA)
- The Association of Union Constructors (TAUC)

Exhibit 1.3 displays the percentage distributions for the first year increases of new settlements reached in 2019, 2020 and 2021-Sept. In 2019, 47 percent of the data was in the 0 - 3.0% range. In 2020, 61 percent fell in this range, and by 2021-Sept, 64 percent of the data was in this range, showing the trend of smaller increases. More specifically, the 2.6 - 3.0% range grew significantly in 2021-Sept while noticeably fewer settlements were in the next highest range, 3.1 – 3.5%. The emerging transition to the ranges with smaller increases in the three years shown can also be seen in the tails of the distribution. That is, the percentage of settlements in "1% or less" category has increased while the "5.1%+" range decreased.

Exhibit 1.3

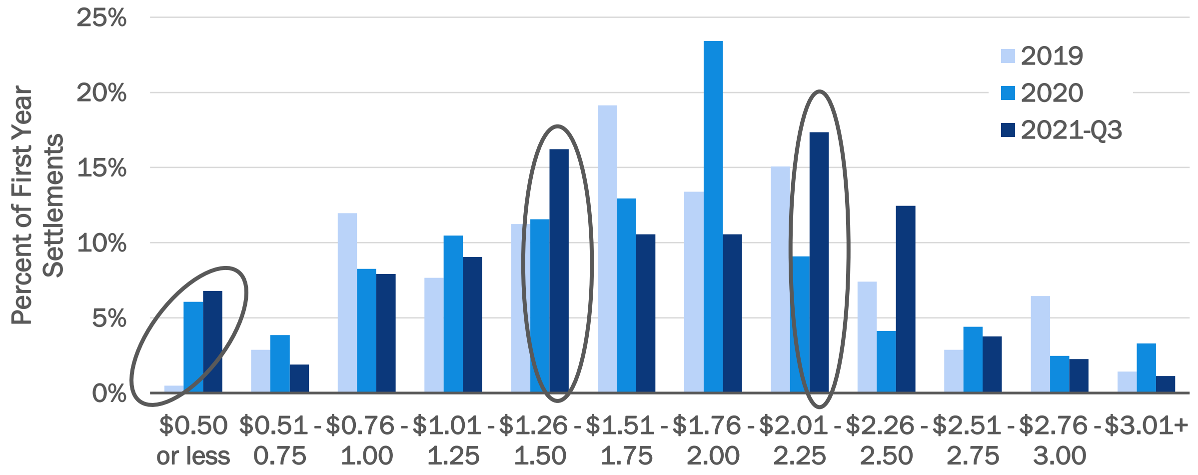
Distribution of first year increases in new settlements, shown as percentages



The distributions of first year increases for 2019, 2020, and 2021-Sept as dollar amounts are shown in **Exhibit 1.4.** Interestingly, the top two ranges for 2021-Sept were not adjacent to each other ($1.26 – 1.50 and $2.01 – 2.25). **Exhibit 1.4** also shows that very small increases have become more common in 2021-Sept. In fact, about seven percent of increases in 2021-Sept were "$0.50 or less" grouping, which is one percent more than in 2020 and six percent more than 2019.

Exhibit 1.4

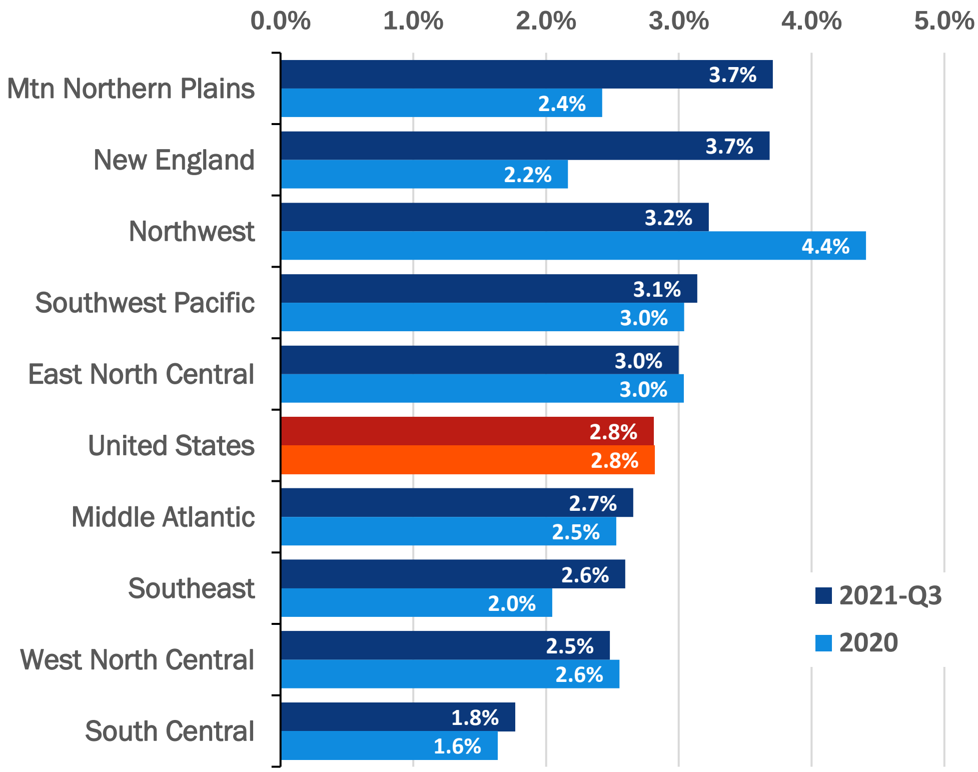
Distribution of first year increases in new settlements, shown as dollar amounts



Exhibits 1.5 and 1.6 display the results for first year increases for 2020 and 2021-Sept by region in descending order based on 2021-Sept data. The largest averages, as a percentage, were in the Mountain Northern Plains and New England regions. The smallest increases were in the South Central region. Four regions in the 2021-Sept time period were above the 3.0 percent threshold.

Exhibit 1.5

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



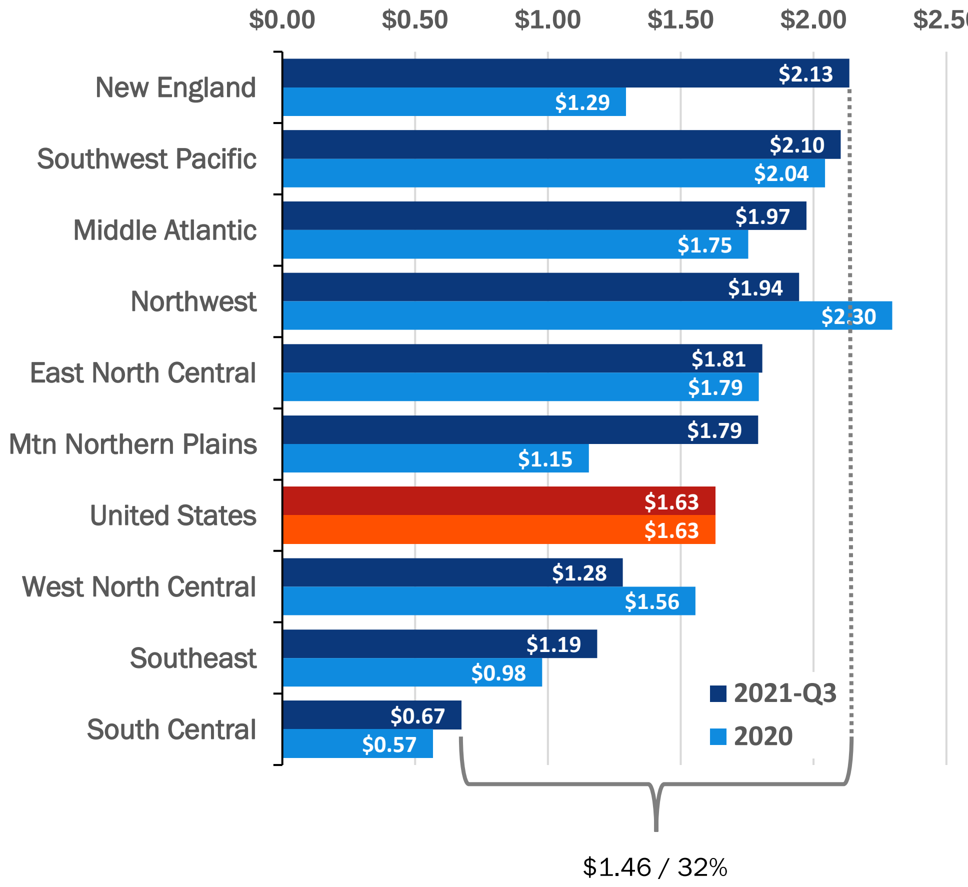
Regions

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 2021-Sept data. The largest average increase was in the New England region, and the smallest were in the two southern regions. There was a large discrepancy between the highest and lowest increases ($1.46). That is, the South Central region's average ($0.67) was just 32 percent of New England's average ($2.13); stated differently, the New England average increase 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

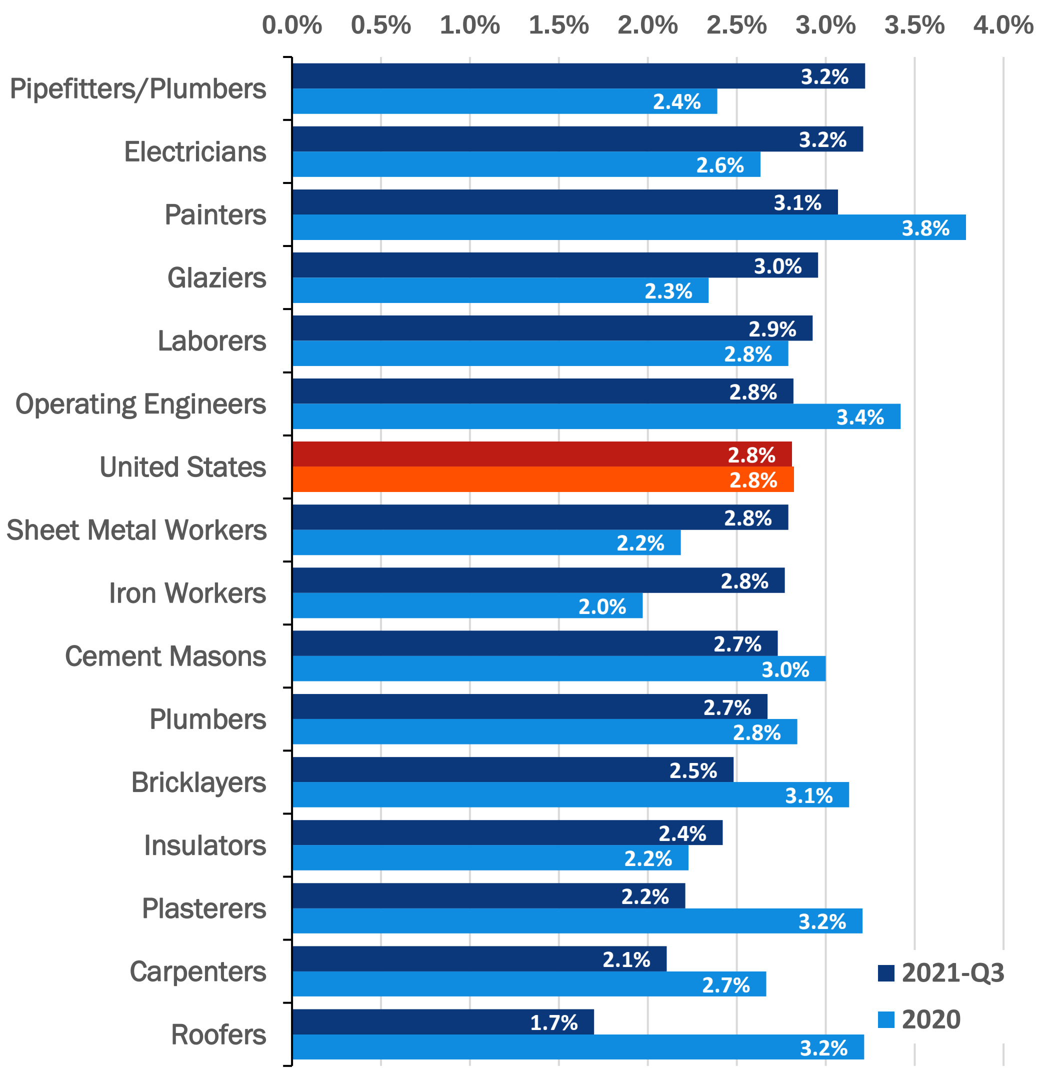


NOTE: In addition to actual differences, variation in rates from craft to craft and region to region throughout this report can be influenced by the composition of the data sample. For example, a craft with a large/small average increase may be partially affected by having more data from regions with 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 percentage increases by craft for 2020 and 2021-Sept are displayed in **Exhibit 1.7** in descending order based on 2021-Sept data. For 2021-Sept, the data ranged from 1.7 percent for Roofers to 3.2 percent for Pipefitters/Plumbers and Electricians. Three crafts had an average above 3.0 percent in 2021-Sept. One was below 2.0 percent, while the remaining crafts were fairly homogeneous, falling between 2.0 and 3.0 percent.

Exhibit 1.7

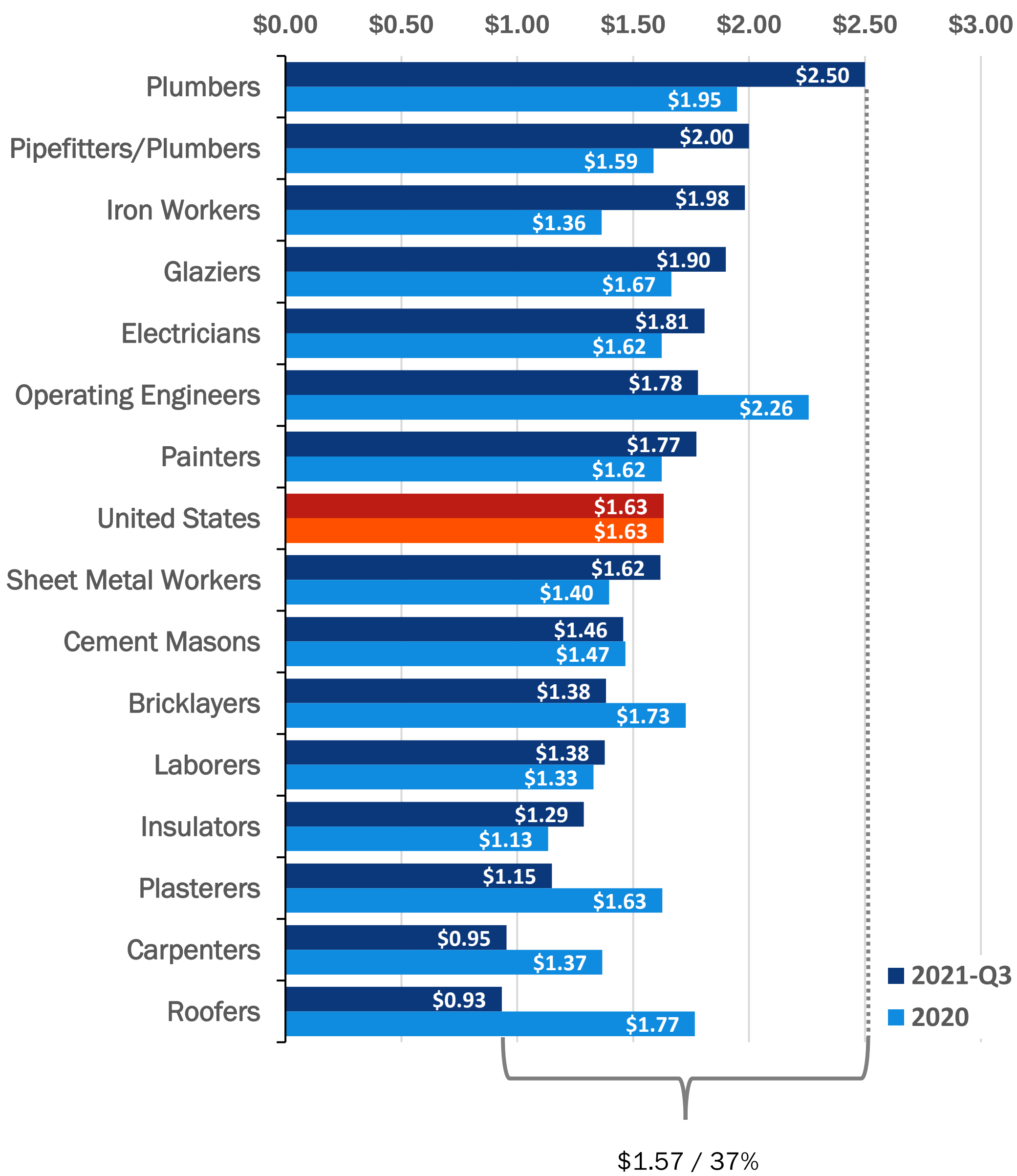
First year increases in new settlements as percentages, by craft in descending order



In **Exhibit 1.8** the average first year increases by craft are shown as dollar amounts in descending order based on the 2021-Sept data. Plumbers were the only craft with an increase higher than $2.00. There were two crafts with increases less than $1.00—Carpenters and Roofers. The discrepancy from the largest to smallest increase was $1.57; the low rate was 37 percent of the high rate.

Exhibit 1.8

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

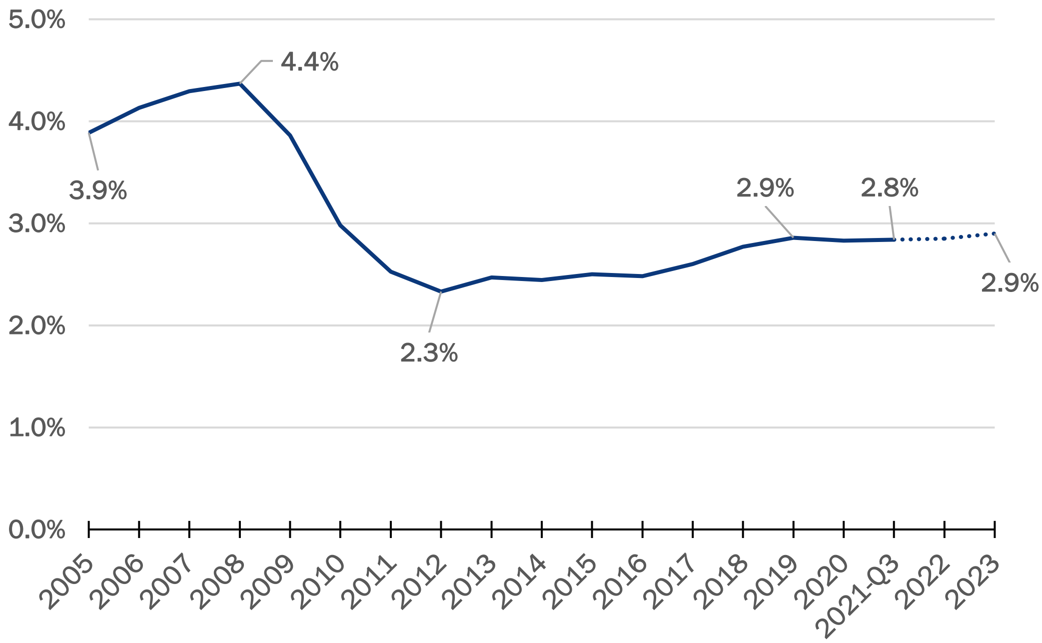


SECTION II. TOTAL PACKAGE INCREASES FOR ALL CONTRACT YEARS

The average increase in 2021-Sept for all contract years for union crafts in construction was 2.8 percent. CLRC projects a relatively flat trend, with a slight uptick of 0.1 percent through 2023. **Exhibit 2.1** shows that, in percentage terms, the average increase was about the same from 2020 to 2021-Sept. Increases that occurred before the Great Recession (December 2007 – June 2009) were much higher.

Exhibit 2.1

All increases, shown as percentages



NOTE: **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 2021, the 2nd year of settlements reached in 2020 and the 3rd year of settlements from 2019, and so on. 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 2022 - 2025 increases).

Exhibit 2.2 shows that the average dollar amount increase grew by a modest $0.50 from 2012, to $1.72 for 2021-Sept, yet still remains below the high mark of $2.01 in 2008. By 2023, CLRC projects the average increase for all years of settlements combined to be $1.80.

Exhibit 2.2

All increases, shown as dollar amounts

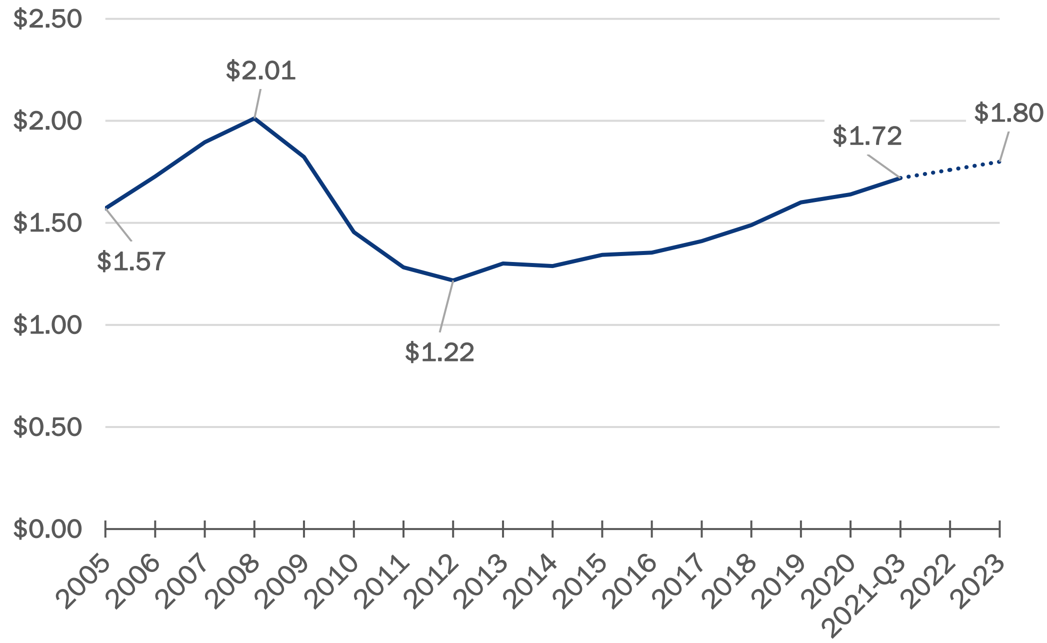


Exhibit 2.3 illustrates how increases are distributed across a range. The most common range in 2019, 2020 and 2021-Sept was 2.6–3.0%. Most other increases were in the adjacent ranges. Consequently, about two-thirds of all increases during the past three years were from 2.1 to 3.5 percent.

Exhibit 2.3
Distribution of all increases, shown as percentages

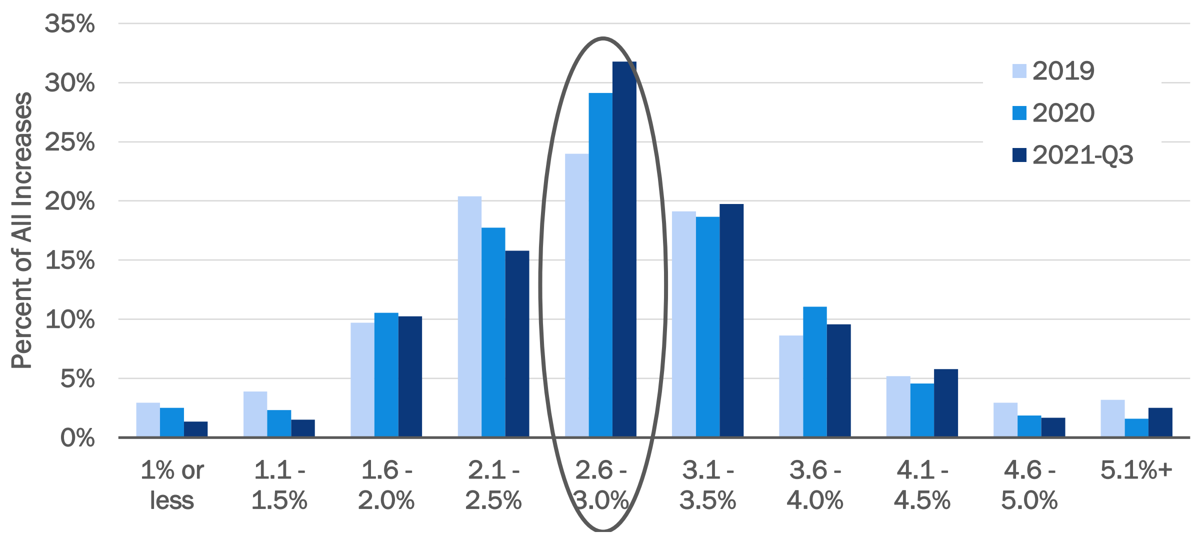
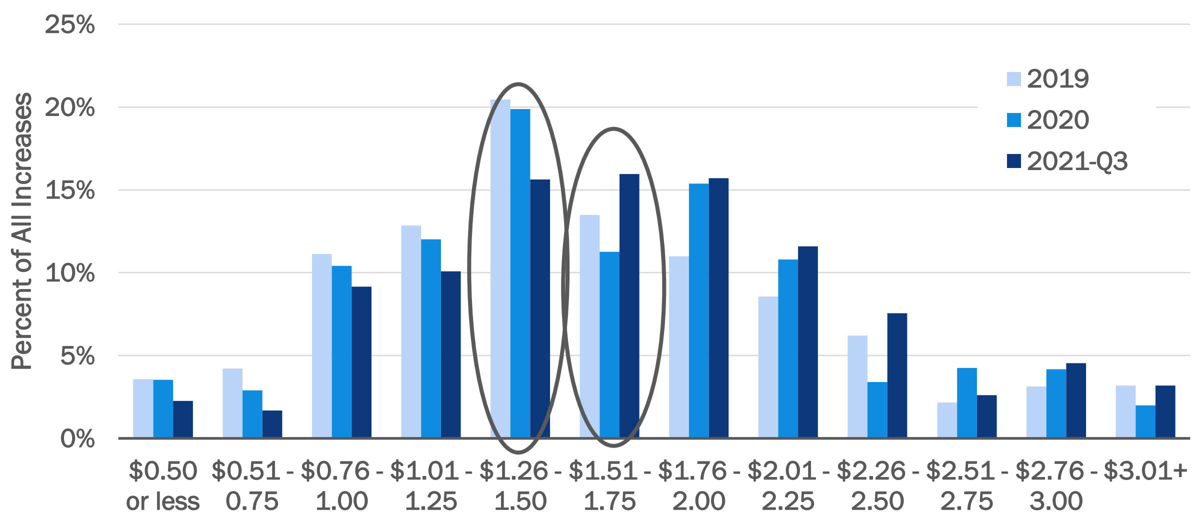


Exhibit 2.4 shows that the most common range in 2019 and 2020 was $1.26–1.50, while in 2021-Sept it was in the adjacent range, $1.51–1.75. Although the size of increases as percentages has declined modestly, the size of the monetary increases continues to rise slightly since the base rate on which the percent increases are applied grows each year.

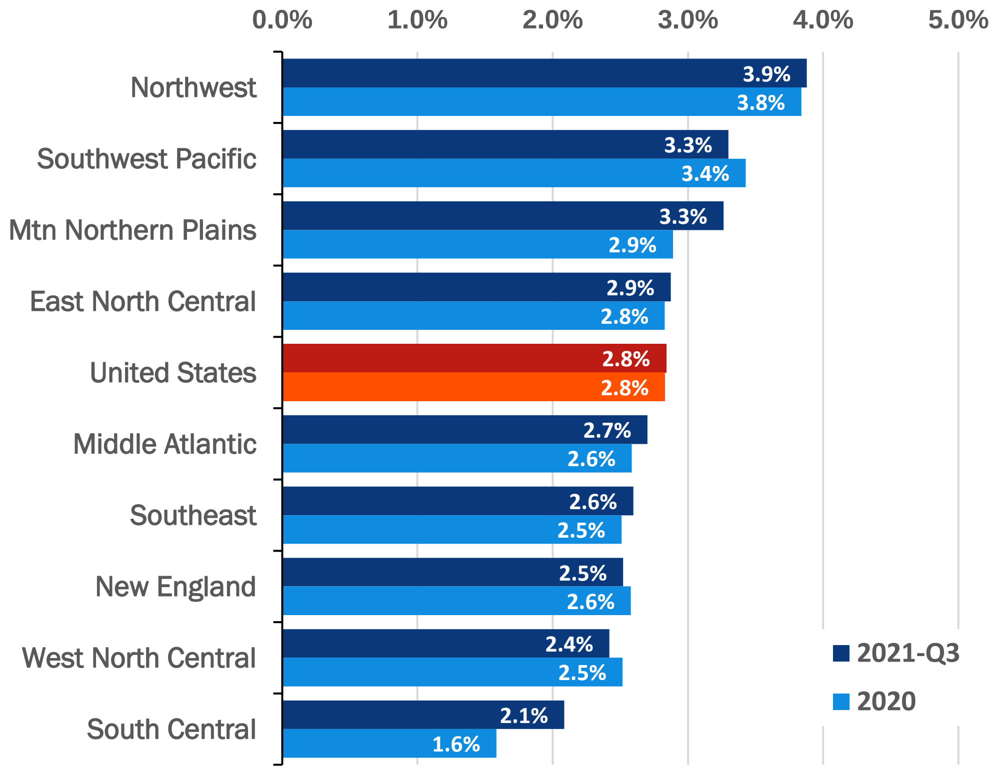
Exhibit 2.4
Distribution of all increases, shown as dollar amounts



Exhibits 2.5 and 2.6 display the results for all increases for 2020 and 2021-Sept by region in descending order based on 2021-Sept data. As shown in **Exhibit 2.5**, the largest average increases in 2021-Sept were on the West Coast (Northwest and Southwest Pacific regions). The smallest increases were in the South Central region of the US. For 2021-Sept, six of the nine regions averaged less than 3.0 percent. Three regions experienced a decline in their averages from 2020 to 2021-Sept while six had an increase, typically just 0.1%.

Exhibit 2.5

All increases as percentages, by region in descending order



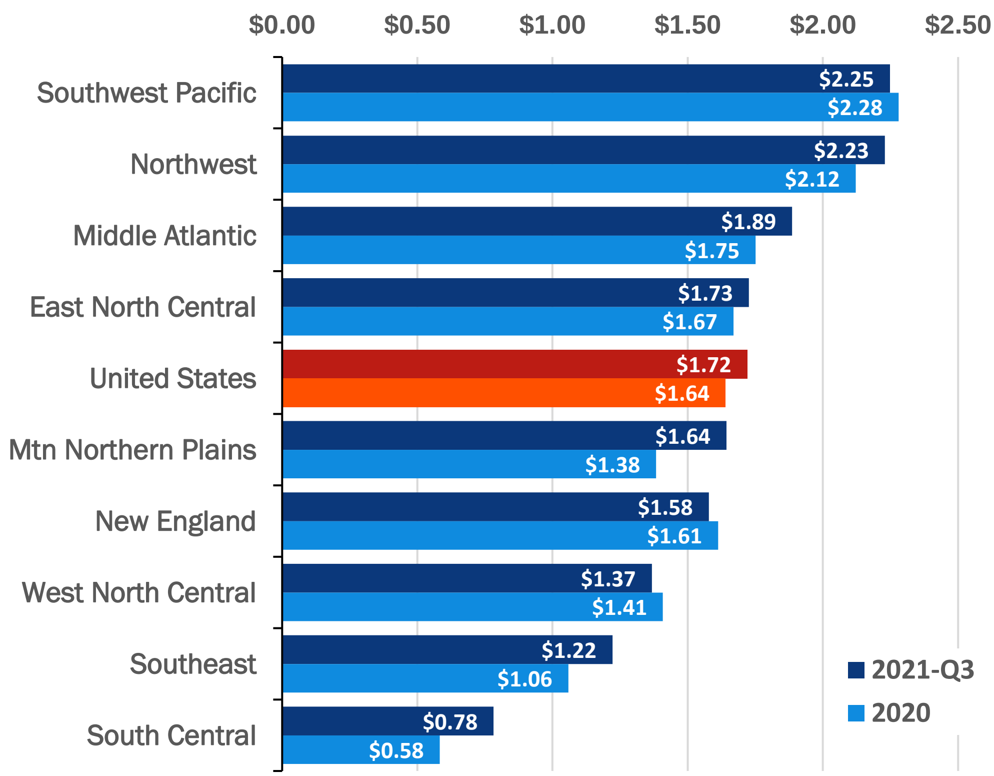
Regions

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 2021-Sept 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 region and, even more so, the South Central region. Three regions experienced a slight decline in the size of their average increases from 2020 to 2021-Sept and six had an increase.

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 2020 and 2021-Sept by craft in descending order based on the 2021-Sept data. **Exhibit 2.7** shows that the largest average increases in 2021-Sept belonged to Operating Engineers (3.1 percent). Like last year, the smallest average increase resided with the Boilermakers at 2.1 percent.

Interestingly, Boilermakers have the highest average total package rate (see CLRC's *Union Labor Costs in Construction* report). Fourteen crafts were tightly clustered around the mean in 2021-Sept (within 0.2 percent) and only one craft (Boilermakers) was more than 0.4 percent different than the mean.

Exhibit 2.7

All increases as percentages, by craft in descending order

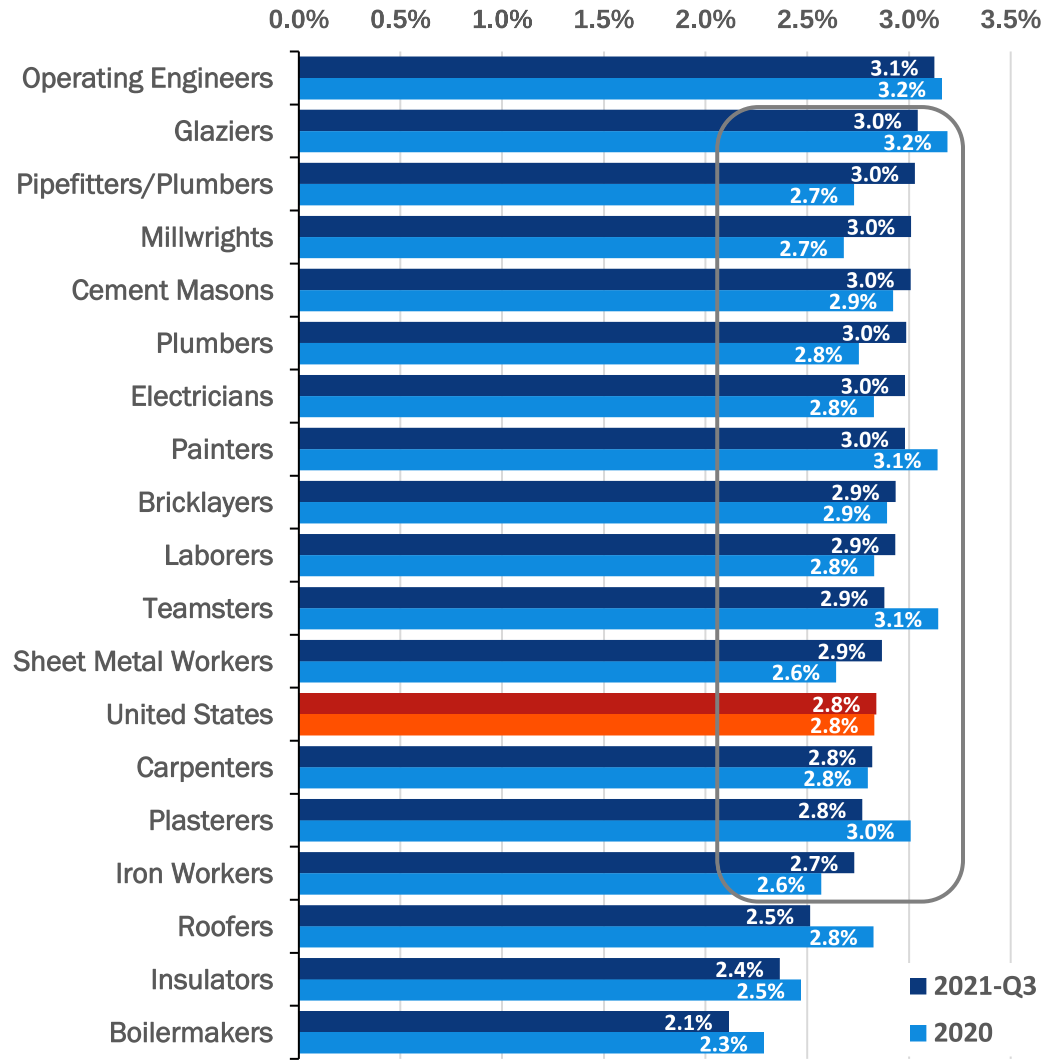


Exhibit 2.8 reflects the crafts with the dollar amount of their increases in descending order based on 2021-Sept. The largest increases in the 2021-Sept data were with Plumbers ($2.20). The smallest increases were with the Roofers ($1.28).

Exhibit 2.8

All increases as dollar amounts, by craft in descending order

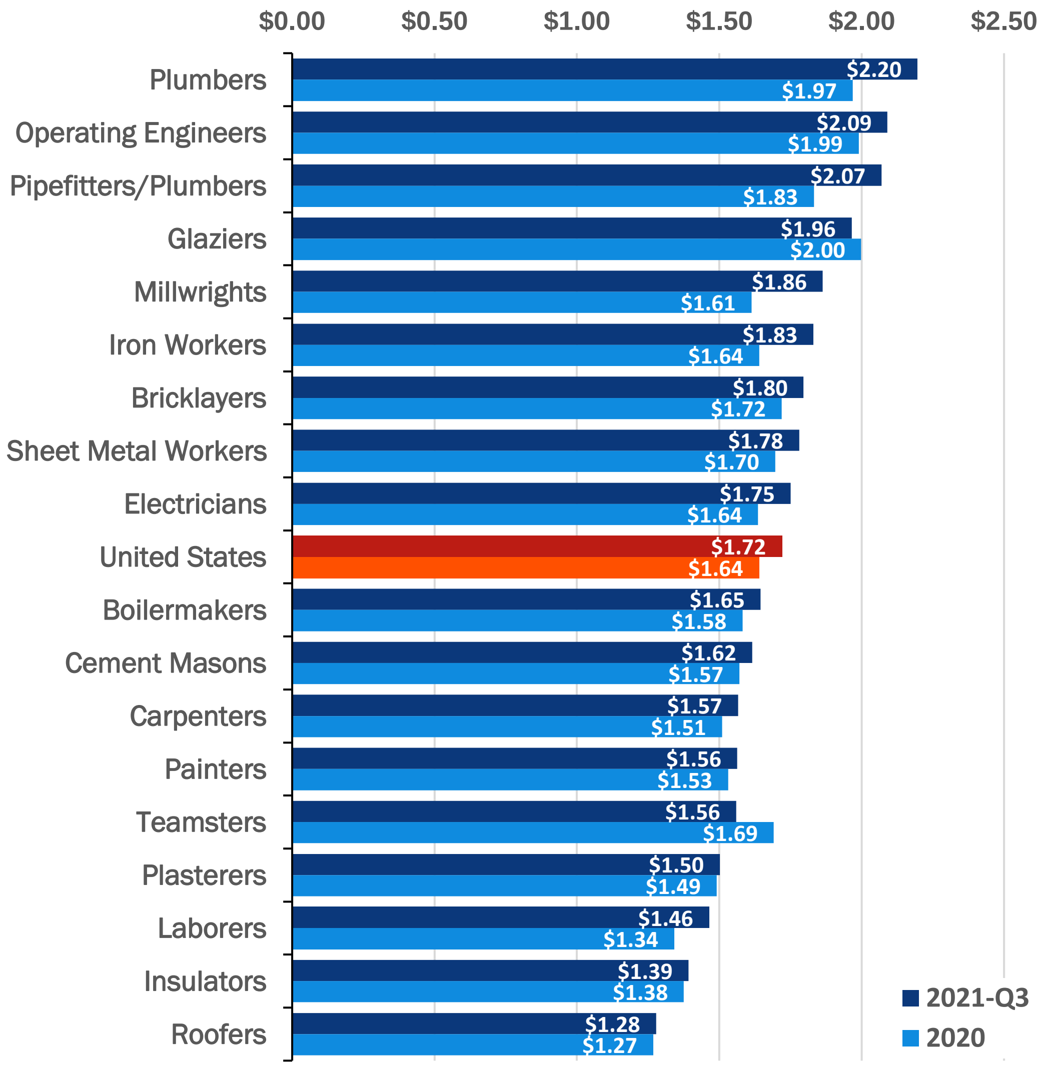


Exhibit 2.9 provides even more specific data cuts. These results are for all settlements, not just first year settlements. This matrix contains the total package increase rates (dollar and percentage) for each craft within each region (craft x region). This information will help users of this report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

Exhibit 2.9
All increases, craft by region matrix

United States	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase $	$1.58	$1.89	$1.22	$1.73	$1.37	$0.78	$1.64	$2.25	$2.23
Increase %	2.5%	2.7%	2.6%	2.9%	2.4%	2.1%	3.3%	3.3%	3.9%
Boilermakers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	-	$1.90	-	-	$1.56	-	-	-	-
Increase %	-	2.1%	-	-	2.2%	-	-	-	-
Bricklayers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.93	$1.31	-	$1.81	$1.31	-	$1.50	$2.55	-
Increase %	2.6%	2.3%	-	3.1%	2.2%	-	3.0%	3.5%	-
Carpenters	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.13	$1.30	$1.26	$1.72	$1.48	$0.50	$0.82	$2.27	$2.04
Increase %	1.9%	2.6%	3.0%	3.0%	2.8%	1.4%	2.2%	3.5%	3.7%
Cement Masons	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	-	$1.40	-	$1.62	$1.13	$0.53	$2.00	$2.28	$1.75
Increase %	-	2.7%	-	3.0%	2.3%	1.6%	4.1%	3.7%	3.2%
Electricians	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.83	$2.10	$1.26	$1.84	$1.41	$1.14	$1.37	$2.65	$2.43
Increase %	2.6%	2.9%	2.9%	3.0%	2.6%	3.0%	2.6%	4.1%	3.7%
Glaziers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$2.13	$1.73	-	$1.78	$1.17	-	-	$2.12	$2.59
Increase %	3.7%	2.7%	-	2.7%	2.0%	-	-	3.0%	3.9%
Insulators	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	-	-	$1.10	$1.51	$1.30	-	$0.93	-	$1.66
Increase %	-	-	2.1%	2.6%	1.8%	-	2.0%	-	2.5%
Iron Workers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.90	$1.77	-	$1.91	$1.54	$0.74	$2.10	$2.12	-
Increase %	2.5%	2.5%	-	2.9%	2.4%	1.7%	3.3%	2.8%	-
Laborers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.76	$1.16	-	$1.35	$1.08	$0.64	$1.45	$1.96	$2.32
Increase %	3.0%	2.3%	-	2.7%	2.4%	2.5%	3.3%	3.3%	4.4%
Millwrights	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.14	-	$1.00	$1.78	$1.25	-	$2.85	$2.75	$2.94
Increase %	1.9%	-	1.9%	3.0%	2.5%	-	5.6%	3.4%	4.7%

NEW

Each row includes a color scale. The white cells contain the lowest value within each row, while the darker the blue shading within each row, the higher the value.

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

Operating Engineers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase $	$2.06	$2.14	-	$1.98	$1.59	$0.67	-	$2.62	$2.59
Increase %	2.8%	2.7%	-	3.0%	2.8%	1.7%	-	3.2%	4.6%
Painters	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$2.14	$1.42	$1.50	$1.48	$1.08	-	-	$1.47	$2.18
Increase %	3.7%	2.5%	2.6%	2.6%	2.1%	-	-	2.7%	5.3%
Pipefitters/Plumbers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$2.00	$2.25	$1.48	$1.93	$1.76	$1.22	$1.93	$2.96	$2.89
Increase %	2.9%	2.6%	2.9%	2.9%	2.8%	2.8%	3.6%	3.7%	3.6%
Plumbers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	-	$2.69	-	$2.08	$1.63	-	$2.00	-	-
Increase %	-	3.0%	-	2.9%	2.6%	-	3.5%	-	-
Plasterers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	-	$1.35	-	$1.52	$0.99	-	-	$2.14	$1.00
Increase %	-	2.7%	-	2.8%	2.2%	-	-	3.7%	1.7%
Roofers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.50	$1.60	-	$1.35	$1.12	-	-	-	-
Increase %	2.8%	3.0%	-	2.7%	2.2%	-	-	-	-
Sheet Metal Workers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	-	$2.16	$0.62	$1.89	$1.32	$0.92	$1.88	$2.61	$2.37
Increase %	-	3.0%	1.3%	2.8%	2.1%	2.0%	3.9%	3.1%	3.8%
Teamsters	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.67	$1.79	$1.13	$1.43	$1.00	-	-	$1.95	$1.52
Increase %	3.0%	3.5%	2.5%	2.5%	2.1%	-	-	3.0%	3.0%

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

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