

Settlements Report

Total Package Increases for
Union Craft Workers in Construction

SEPTEMBER 2022



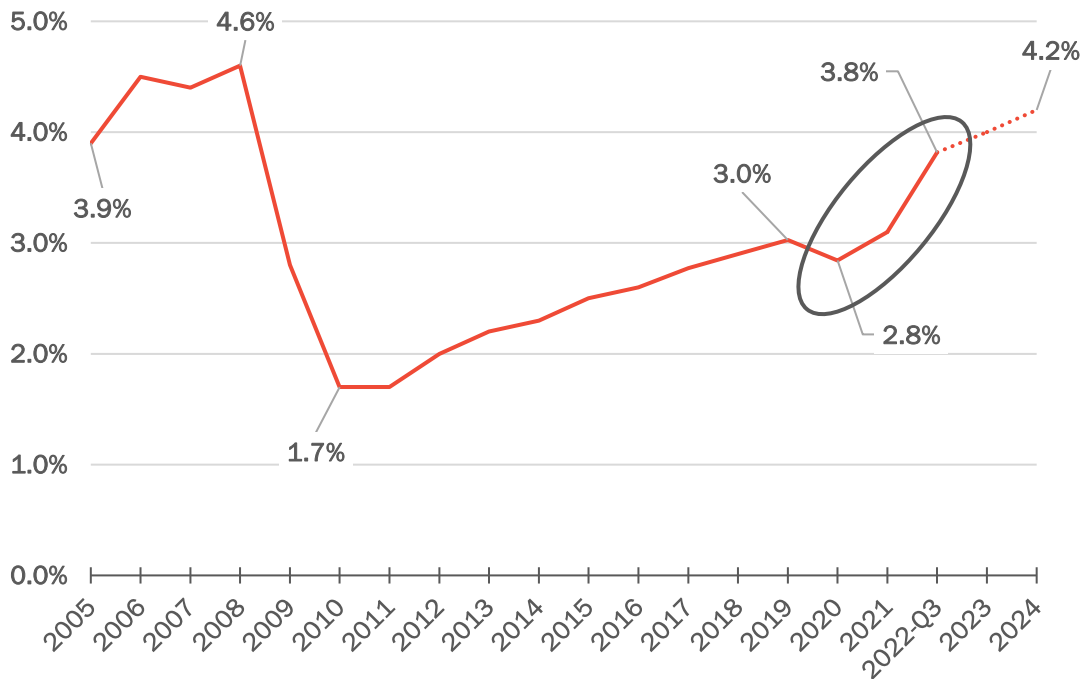
SECTION I. FIRST-YEAR TOTAL PACKAGE INCREASES JANUARY – SEPTEMBER 2022

The Construction Labor Research Council (CLRC) reports that *the first year of new settlements reached from January through September of 2022 (2022-Q3) for union craft workers in the construction industry had an average increase of 3.8 percent.* All data in this report are based on the total package (wages, fringe benefits and other employer payments). As shown in **Exhibit 1.1**, settlements grew by

1.0 percent from 2020 to 2022-Q3, a steep rate of growth. In comparison, the last time first-year settlements increased by 1.0 percent it took seven years, from 2012 to 2019. High inflation has impacted union craft pay rates more than two other recent factors—the craft labor shortage and COVID-19. CLRC projects future new settlements to average approximately 4.2 percent by 2024.

Exhibit 1.1

First-year increases, shown as percentages



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

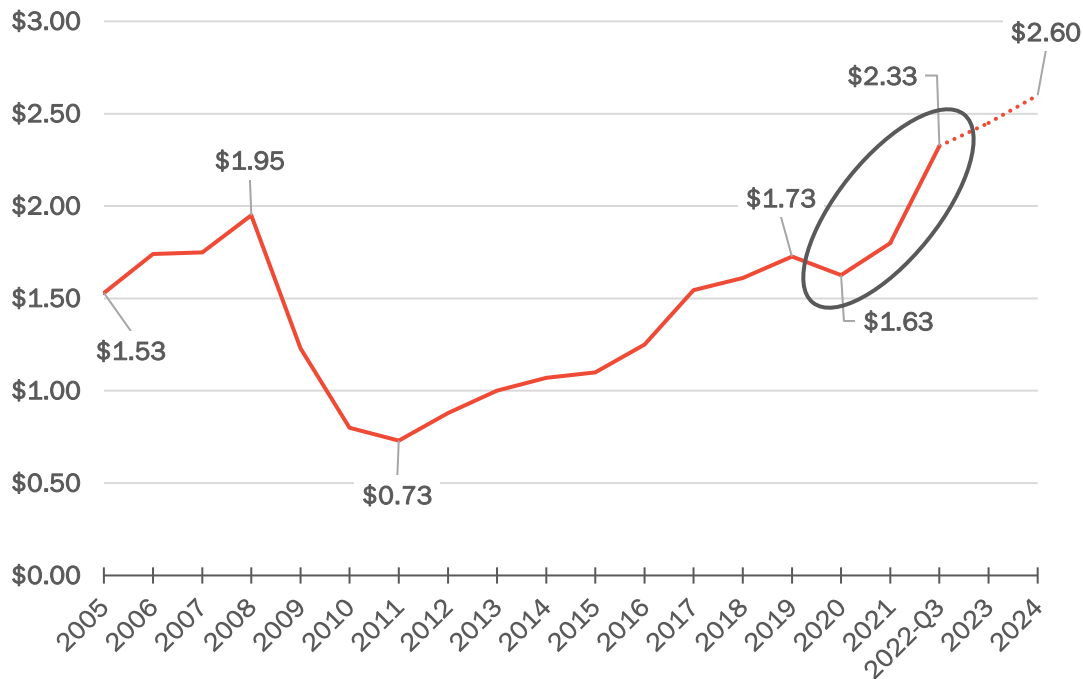
Section II (page 9) of this report covers all years of negotiated settlements and is better for summarizing the total amount actually paid/earned by contractors/employees. It also contains data on already negotiated future increases, which is useful for making projections.

The average monetary increase during the first three quarters of 2022 was \$2.33, as shown in **Exhibit 1.2**, a \$0.53 jump from 2021 and \$0.70 higher than 2020. There was a slight dip

in 2020, which accentuates the sharp increases in 2021 and 2022-Q3. CLRC conservatively projects first-year increases to average approximately \$2.60 in 2024.

Exhibit 1.2

First-year increases, shown as dollar amounts



The following associations sponsor this report:

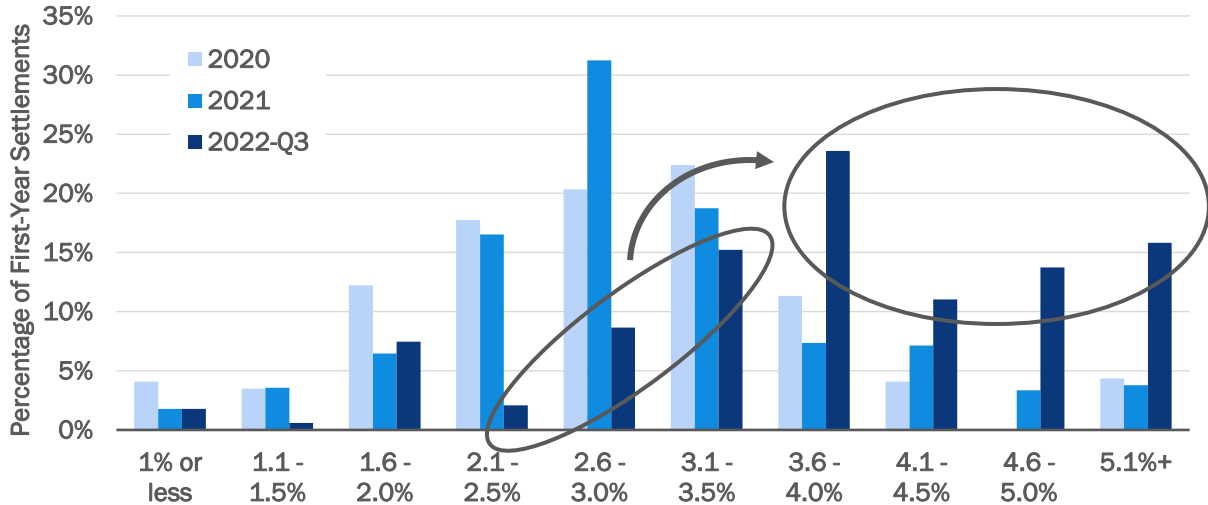
- Associated General Contractors of America (AGC)
- Central States Insulation Association (CSIA)
- FCA International (FCA)
- International Council of Employers of Bricklayers and Allied Craftworkers (ICE)
- Mechanical Contractors Association of America (MCAA)
- National Electrical Contractors Association (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 distribution for the first-year increases of new settlements reached in 2020, 2021 and 2022-Q3. Increases moved to the right in the chart. That is, the percentage of increases in the middle ranges of the chart fell in 2022-Q3

while the higher ranges grew noticeably. The mode shifted from 2.6-3.0% in 2021 to a whole percentage point higher in 2022-Q3. So far in 2022, 64 percent of new settlements were for 3.6 percent or more; last year 22 percent were in that range.

Exhibit 1.3

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

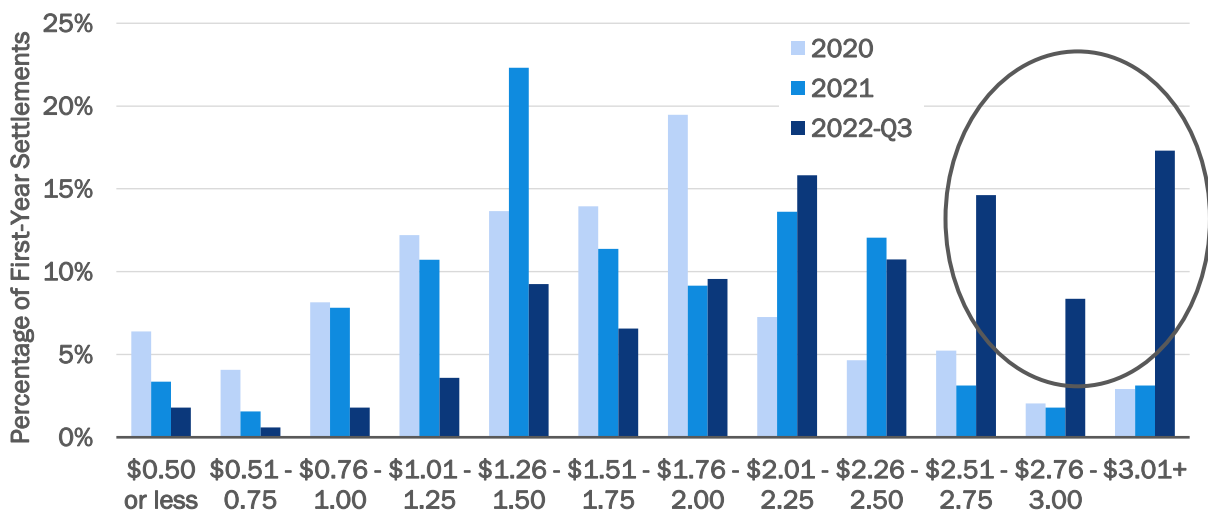


The distribution of first-year increases as dollar amounts for 2020, 2021 and 2022-Q3 are shown in **Exhibit 1.4**. Like **Exhibit 1.3**, the most common increase amounts have moved to the higher values on the x-axis in 2022-Q3.

Forty percent settled at \$2.51 or higher so far this year compared to just eight percent last year. However, many settlements (60 percent) were still below \$2.51, with \$2.01-2.25 being the second most common range in 2022-Q3.

Exhibit 1.4

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

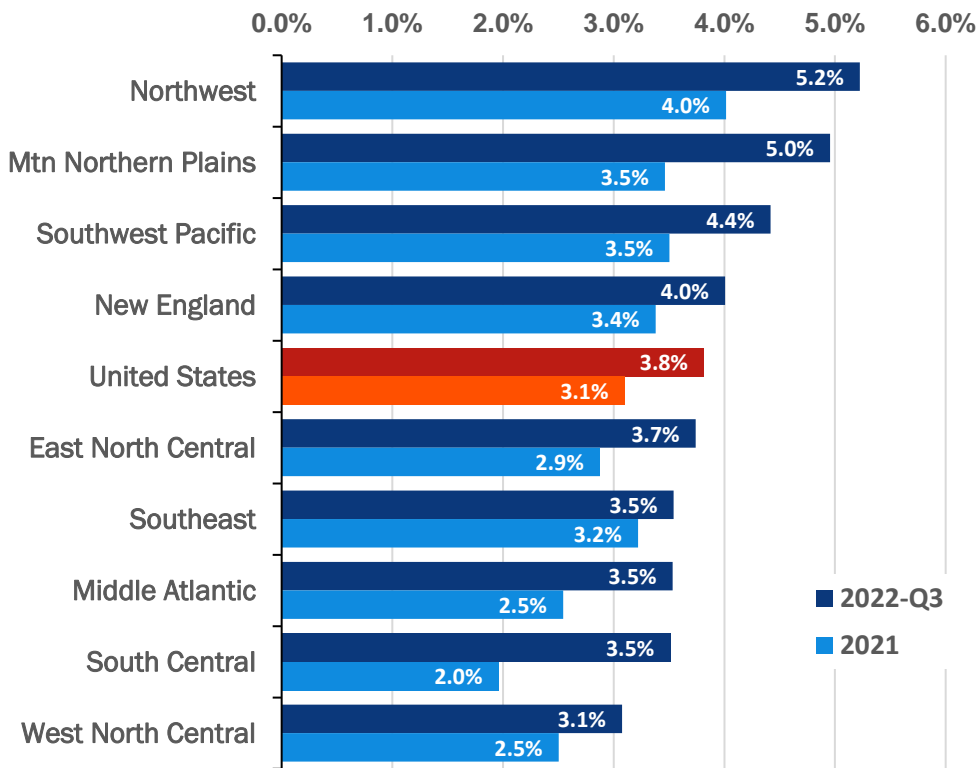


Exhibits 1.5 and 1.6 display the results (percentages and dollar amounts, respectively) for first-year increases for 2021 and 2022-Q3 by region in descending order based on 2022-Q3 data. As expected, given the substantial change in the size of increases, **Exhibit 1.5** shows that every region saw growth. The Northwest and Mountain Northern Plains regions led the way—both

averaged at least 5.0 percent. The smallest change from last year was in the Southeast and the largest was in the South Central region, although these results could partially be due to changing samples from year to year. The smallest increases so far this year were in the West North Central region, yet this average was equal to the U.S. average last year.

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

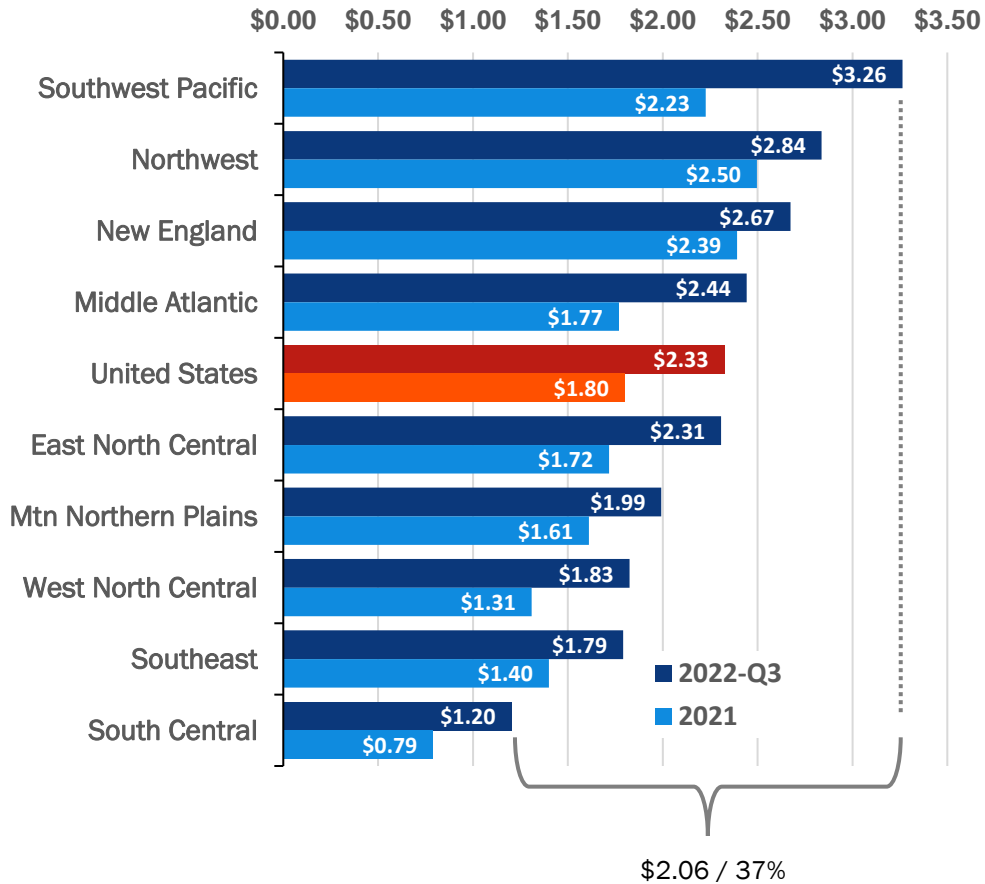
- South Central:** AR, LA, NM, OK, TX
- Mountain Northern Plains:** CO, MT, ND, SD, UT, WY
- Southwest Pacific:** AZ, CA, HI, NV
- Northwest:** AK, ID, OR, WA

Exhibit 1.6 shows the nine CLRC regions with the average dollar amount of their first-year increases. The largest increases, on average, were in the Southwest Pacific region while the South Central region had the lowest average. There was a \$2.06 gap between the lowest

and highest regions—the South Central increase is about one third (37 percent) the size of the Southwest Pacific increase. Consistent with the percentage analysis, the monetary increases were larger in 2022-Q3 than in 2021 for every region.

Exhibit 1.6

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



Exhibits 1.7 and 1.8 display the results (percentages and dollar amounts, respectively) for first-year increases for 2021 and 2022-Q3 by craft in descending order based on 2022-Q3 data. As displayed in Exhibit 1.7, every craft averaged at least 3.2

percent and eight averaged at least 4.0 percent in 2022-Q3. Last year at this time no craft averaged more than 3.2 percent. Almost half had at least a 1.0 percent higher average this year than last year.

Exhibit 1.7

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

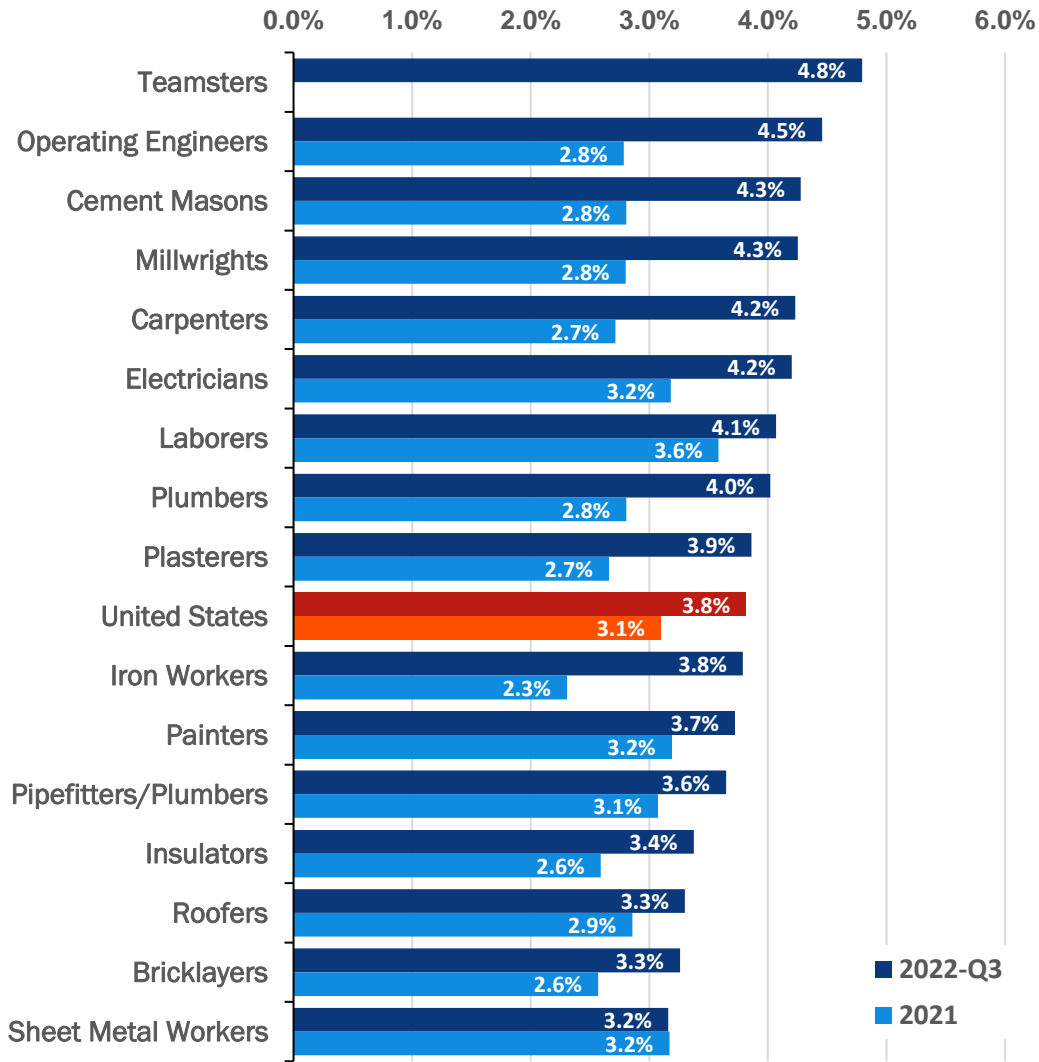
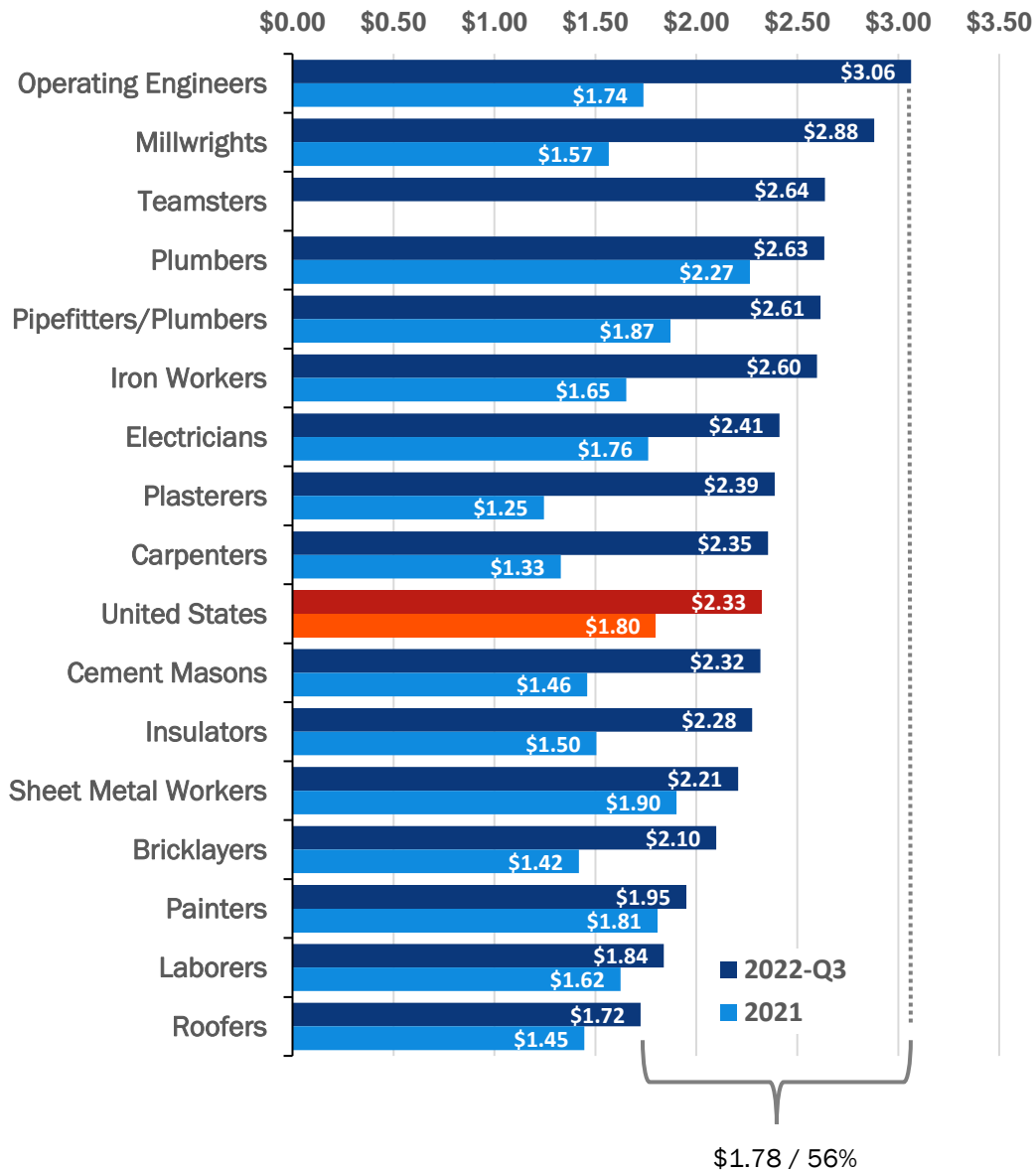


Exhibit 1.8 shows the various crafts with the average dollar amount of their first-year increases. One craft, Operating Engineers, broke the \$3.00 threshold in 2022-Q3. As usual, the range was tighter for crafts than

regions, but the craft variance grew larger this quarter. More specifically, the craft high-low difference was \$1.78 this quarter compared to \$1.57 last quarter.

Exhibit 1.8

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



Technical Notes

Continually Updated Results

Settlements Reports published later in the year may have slightly different results as additional data are added for each successive *Settlements Report*.

Methodology for U.S. Average

The overall/U.S. 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 average (straight average of all settlements) is remarkably close to the craft weighted average shown here.

Data Savvy

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.

Section II Explanation

Section II of this report includes not only the first year of new settlements, but also the ensuing years (all years after the first year). For example, it includes data from newly negotiated settlements in 2022 (this is what is analyzed in Section I), the 2nd year of settlements reached in 2021 and the 3rd year of settlements from 2020, 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 the years after 2022).

SECTION II. TOTAL PACKAGE INCREASES FOR ALL CONTRACT YEARS

The average total package increase in 2022-Q3 for all contract years for union crafts in construction was 3.1 percent. CLRC projects increases to reach approximately 3.7 percent by 2024. These results are lower than those shown

in **Exhibit 1.1** (first year only settlements) since they reflect many more settlements and include data from 2021, 2020 and even earlier (prior to the recent uptick in increases).

Exhibit 2.1

All increases, shown as percentages

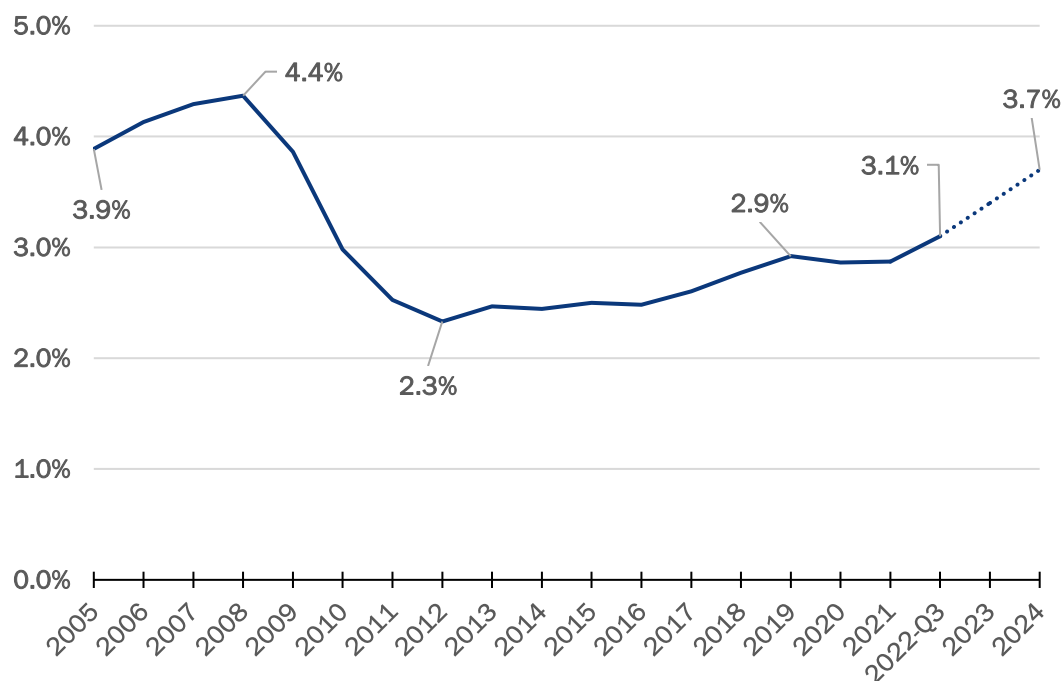


Exhibit 2.2 shows an increase of \$0.27 from 2019 to 2022-Q3, which includes a lull in the rate of growth in 2020 and 2021. CLRC projects that average monetary increase will be approximately \$2.20 by 2024. Although new settlements are averaging higher in

2022-Q3 (\$2.33, see **Exhibit 1.2**), the value here reflects the average of what contractors are paying across all years of settlements, which includes those multiyear settlements negotiated two or more years ago, before the rise in inflation.

Exhibit 2.2

All increases, shown as dollar amounts

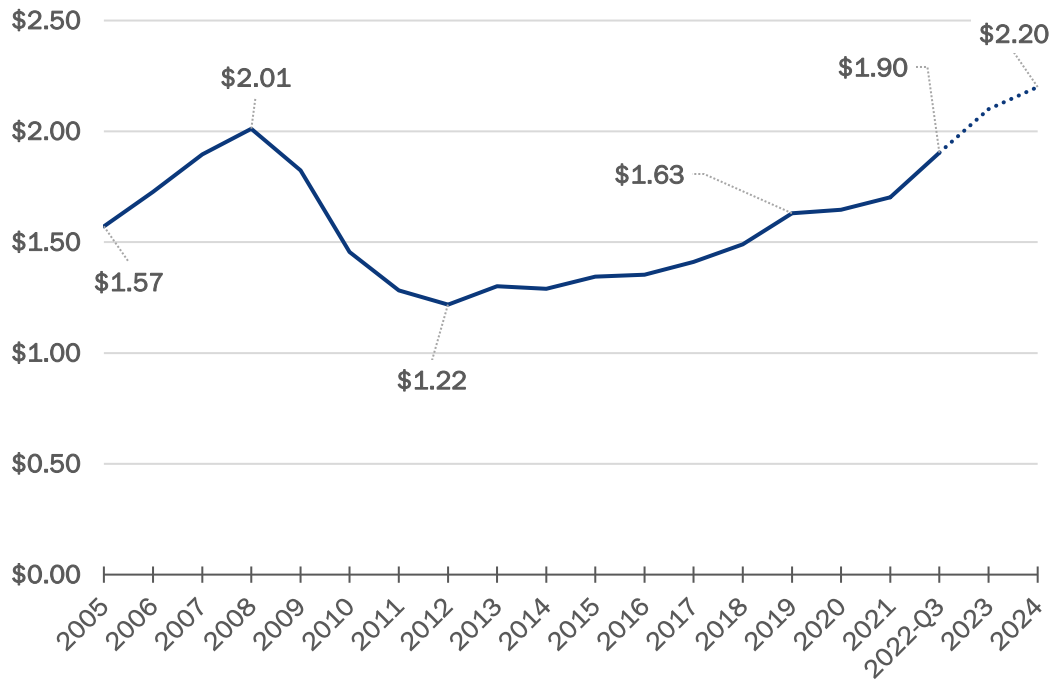


Exhibit 2.3 illustrates how increases as a percentage are distributed across a range. Even with the recent larger increases (**Section I**), the most common range for all increases has been unchanged for three years (2.6–3.0%). That is because exhibits in

Section II contain data for all years of settlements. The growth in settlements in 2022-Q3 that are greater than 4.0 percent is due to the influence of new larger settlements covered in **Section I**.

Exhibit 2.3
Distribution of all increases, shown as percentages

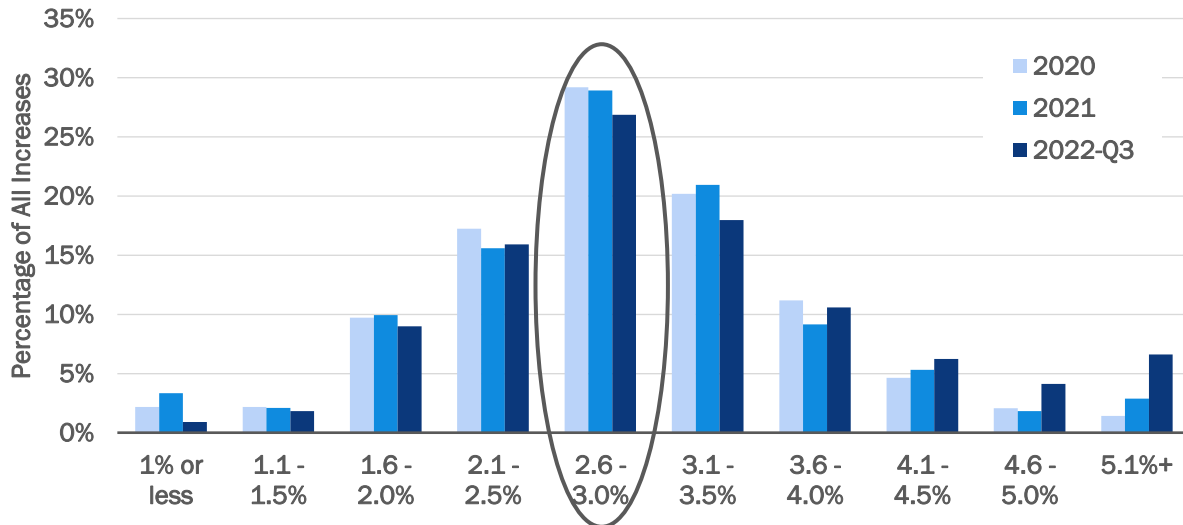
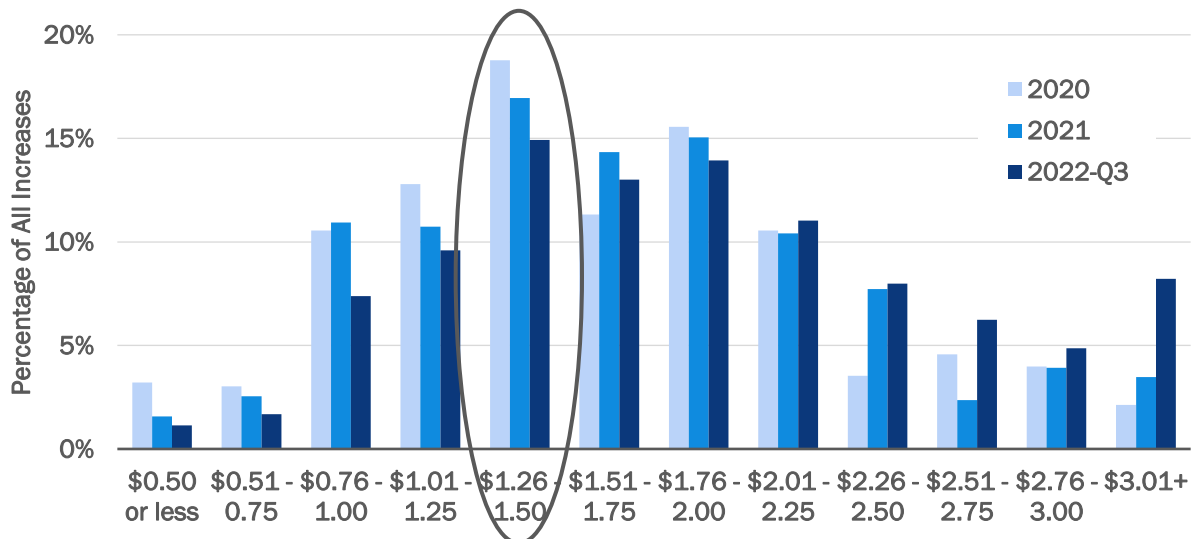


Exhibit 2.4 shows that the most common range, conveyed in monetary values, for the past three years has been \$1.26–1.50.

However, there have been many more increases this year that are at least \$2.51.

Exhibit 2.4
Distribution of all increases, shown as dollar amounts

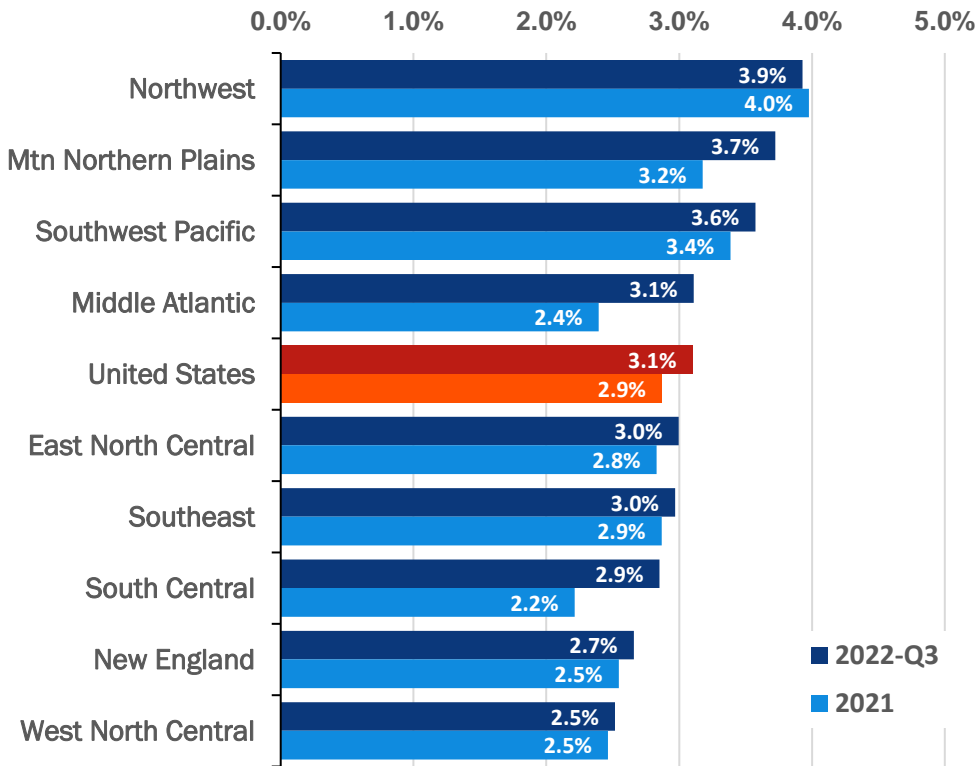


Exhibits 2.5 and 2.6 display the results for all increases for 2021 and 2022-Q3 (percentages and dollar amounts, respectively) by region in descending order based on 2022-Q3 data. As shown in **Exhibit 2.5**, the largest average increases in 2022-Q3 were in the western part of the U.S. (Northwest, Mountain Northern Plains and

Southwest Pacific regions). The smallest increases were in the West North Central region. Interestingly, the New England region had smaller increases than the traditionally lower Southeast and South Central regions. Even though the Northwest region’s average dropped slightly, it continued to hold the top spot through 2022-Q3.

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

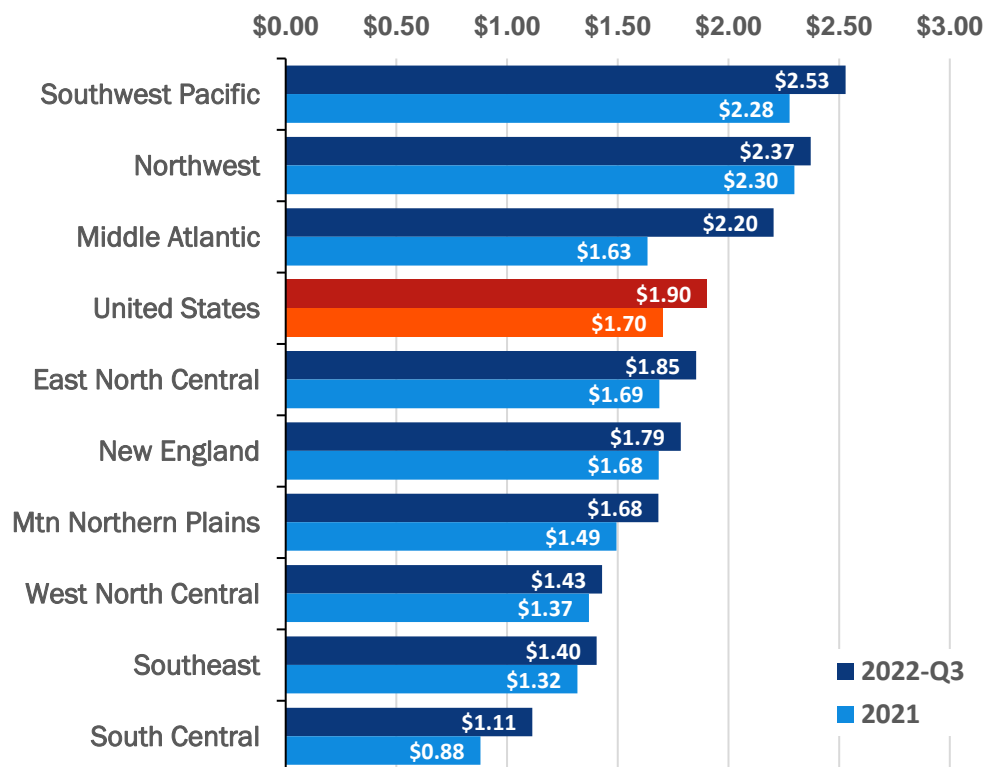
Northwest: AK, ID, OR, WA

Exhibit 2.6 shows the regions with the dollar amount of their increases. Similar to **Exhibit 2.5**, the largest increases were on the West Coast (Northwest and Southwest Pacific regions). Those two regions, along with the Mid Atlantic, were the three regions averaging over \$2.00. Since many of the bigger total package rates* and larger percentage increases are on the West Coast, it is a natural consequence that the monetary

values for increases—a product of those two variables—are larger there as well. The smallest increases were in the Southeast and South Central regions, which also have the lowest total package rates. Over time, the distance in total package rates between the West Coast and the southern regions will grow as the higher rates also receive the larger increases and the lower rates the smaller increases.

Exhibit 2.6

All increases as dollar amounts, by region in descending order



* See CLRC's annual publication, *Union Craft Labor Costs in Construction*, for total package rates by craft and region.

Exhibits 2.7 and 2.8 display the results for all increases for 2021 and 2022-Q3 by craft (percentages and dollar amounts, respectively) in descending order based on the 2022-Q3 data. **Exhibit 2.7** shows that the largest average increases in 2022-Q3 belonged to Teamsters at 3.7 percent. They had some of the larger new settlements in

2022-Q3, moving them higher on the list than in previous quarters. Most crafts had an average of at least 3.0 percent. As usual, even with the broader than normal variance in new settlements so far in 2022, nearly every craft was grouped within half a percentage point of the U.S. mean.

Exhibit 2.7
All increases as percentages, by craft in descending order

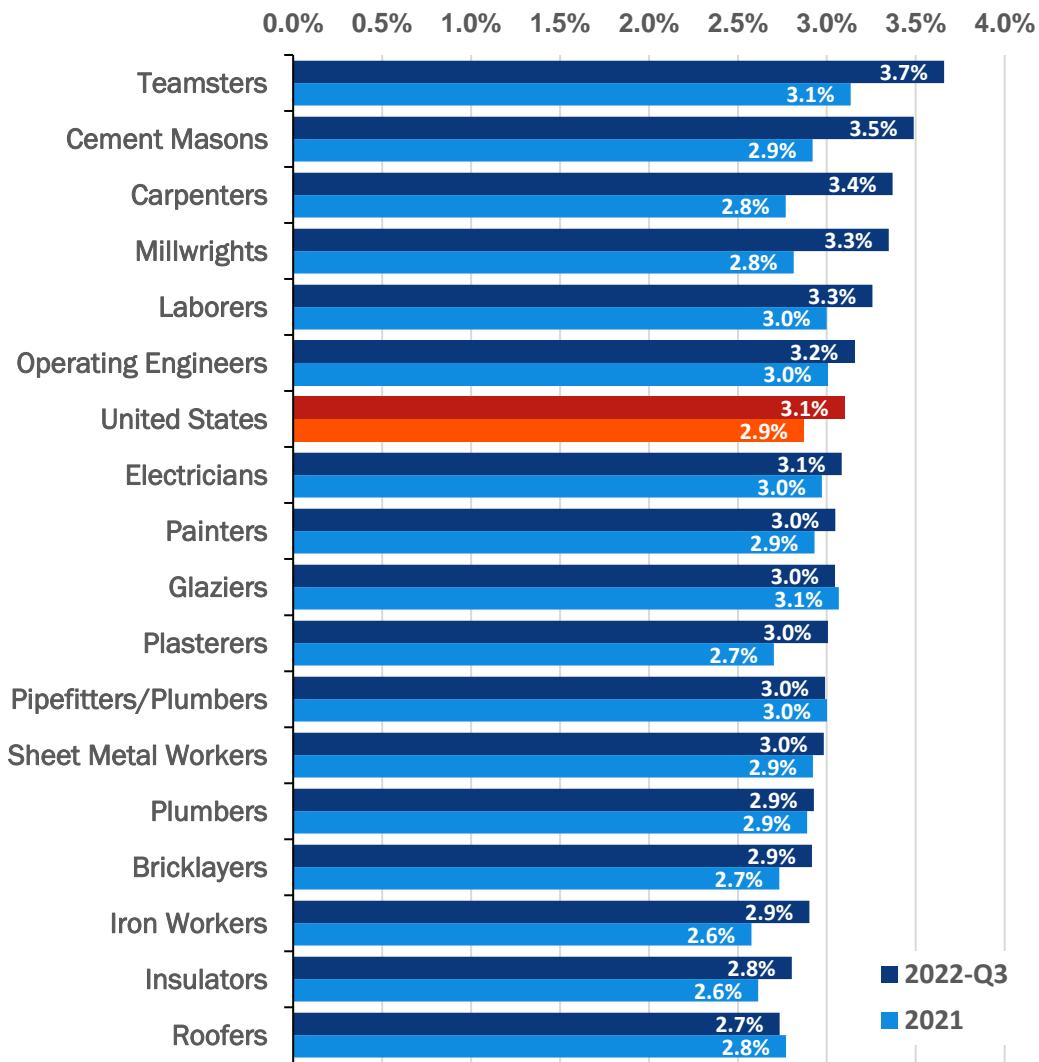


Exhibit 2.8 presents the crafts with the dollar amount of their increases. Seven crafts averaged at least \$2.00. The vast majority of

the crafts—15 of 17—were clustered within \$0.30 of the U.S. average.

Exhibit 2.8

All increases as dollar amounts, by craft in descending order

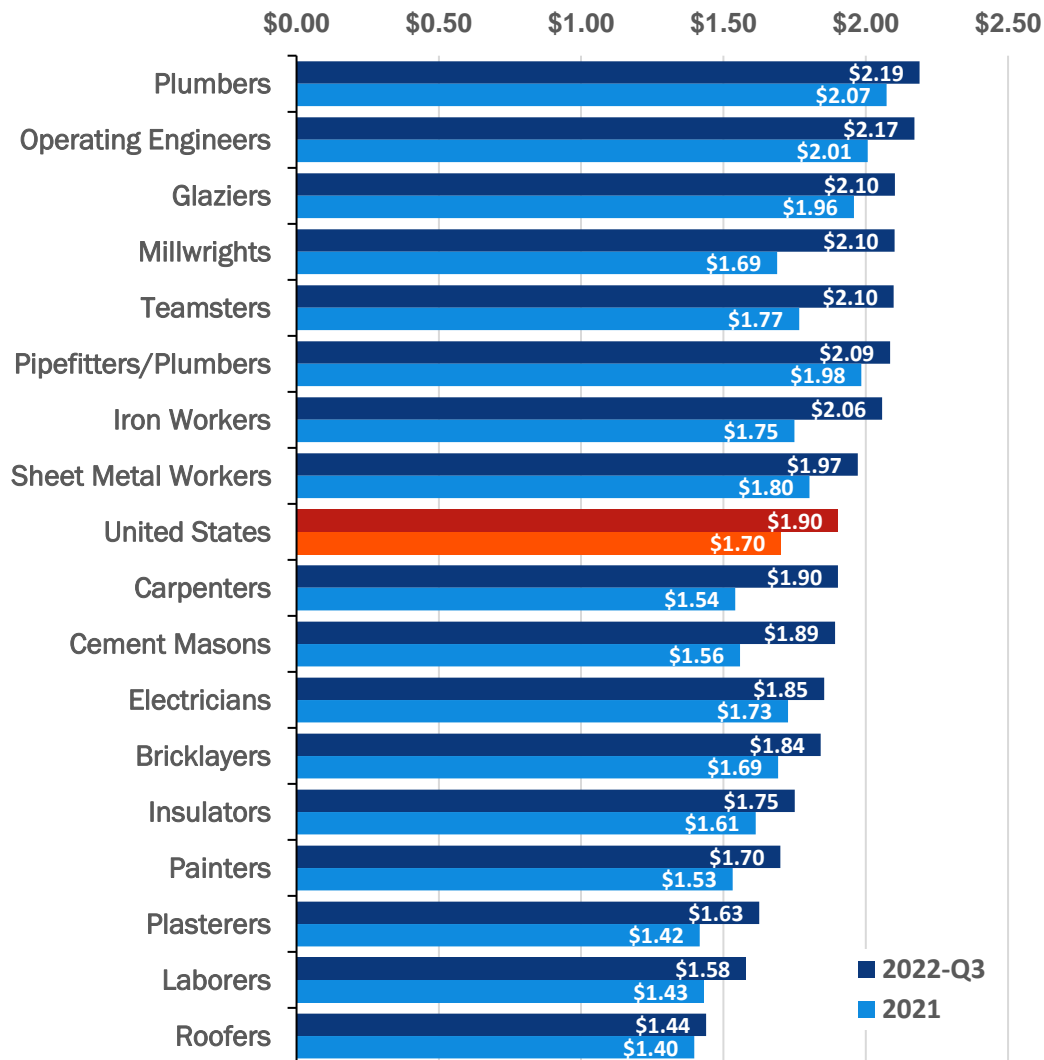


Exhibit 2.9 provides even more specific data cuts. These results reflect all settlements, not just first-year settlements. This matrix contains the total package increase rates (dollar and percentage) for each craft within each region (craft x region). This information

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 \$	\$1.79	\$2.20	\$1.40	\$1.85	\$1.43	\$1.11	\$1.68	\$2.53	\$2.37
Increase %	2.7%	3.1%	3.0%	3.0%	2.5%	2.9%	3.7%	3.6%	3.9%
Bricklayers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$1.86	\$1.48	-	\$2.07	\$1.31	-	-	\$2.31	-
Increase %	2.6%	2.1%	-	3.4%	2.3%	-	-	3.2%	-
Carpenters	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$1.13	\$2.13	\$1.07	\$1.96	\$1.55	\$1.47	\$2.08	\$2.66	\$2.19
Increase %	1.8%	3.0%	2.3%	3.3%	2.9%	4.1%	5.0%	3.6%	3.7%
Cement Masons	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	-	\$1.81	-	\$1.80	\$1.03	\$1.14	\$1.75	\$2.35	\$2.50
Increase %	-	2.8%	-	3.3%	2.1%	3.3%	3.4%	3.7%	4.6%
Electricians	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$2.00	\$2.39	\$1.47	\$1.86	\$1.53	\$1.12	\$1.35	\$2.44	-
Increase %	2.8%	3.3%	3.3%	2.9%	3.1%	2.9%	2.5%	3.5%	-
Glaziers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$1.84	\$2.28	-	\$2.03	\$0.82	-	-	\$3.26	\$2.00
Increase %	3.0%	3.1%	-	2.9%	1.3%	-	-	4.5%	3.0%
Insulators	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$2.50	\$2.50	\$1.31	\$1.57	\$1.23	\$1.50	\$0.91	\$2.64	\$2.14
Increase %	4.1%	4.1%	2.5%	2.6%	1.8%	3.5%	1.9%	3.9%	2.9%
Iron Workers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$2.42	\$1.91	-	\$2.10	\$2.04	\$0.75	\$3.00	\$2.25	-
Increase %	2.4%	2.3%	-	3.2%	3.2%	1.7%	4.5%	2.9%	-
Laborers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$1.76	\$1.46	\$0.94	\$1.52	\$1.08	\$0.94	\$1.45	\$2.04	\$2.18
Increase %	2.9%	2.8%	2.4%	2.8%	2.4%	3.6%	4.6%	3.6%	4.4%
Millwrights	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$1.14	\$2.88	\$2.24	\$1.51	\$1.29	-	\$2.73	\$2.98	\$2.96
Increase %	1.9%	4.3%	4.5%	2.4%	2.5%	-	5.5%	3.5%	5.0%
Operating Engineers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$3.48	\$2.18	\$1.35	\$2.00	\$1.46	\$0.69	\$1.75	\$3.02	\$2.92
Increase %	4.7%	2.7%	2.6%	3.0%	2.5%	1.7%	3.2%	3.7%	4.5%

There is one color scale for dollar increase and one for percentage increase. The lighter cells contain the lowest values, while the darker the blue shaded cell, the higher the value.

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

Painters	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$1.80	\$1.69	-	\$1.76	\$1.22	-	-	\$1.88	\$1.50
Increase %	3.0%	3.0%	-	3.2%	2.4%	-	-	3.2%	3.2%
Pipefitters/Plumbers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$2.62	\$2.45	\$1.46	\$1.95	\$1.72	\$1.31	\$1.70	\$2.74	\$2.67
Increase %	3.1%	3.0%	3.1%	2.8%	2.7%	2.8%	3.1%	3.6%	3.2%
Plumbers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$3.30	\$2.54	-	\$2.21	\$1.58	\$1.00	-	-	-
Increase %	3.4%	3.2%	-	3.0%	2.4%	2.1%	-	-	-
Plasterers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	-	\$1.79	\$1.25	\$1.72	\$0.97	-	\$1.25	\$2.64	\$0.75
Increase %	-	2.8%	2.8%	3.1%	2.1%	-	2.9%	4.3%	1.2%
Roofers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$2.01	\$1.85	-	\$1.42	\$1.20	-	-	-	\$1.00
Increase %	3.7%	3.4%	-	2.8%	2.5%	-	-	-	1.6%
Sheet Metal Workers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$2.34	\$2.29	\$1.06	\$2.22	\$1.87	\$1.05	\$1.56	\$2.98	\$2.72
Increase %	2.7%	3.2%	2.0%	3.2%	2.9%	2.2%	3.0%	3.3%	4.3%
Teamsters	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$2.62	\$1.96	-	\$1.68	\$1.20	-	-	\$2.25	\$2.27
Increase %	4.6%	3.7%	-	2.7%	2.5%	-	-	3.4%	4.1%

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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