Issue Date: July 14, 2021

Settlements Report

Total Package Increases for Union Craft Workers in Construction

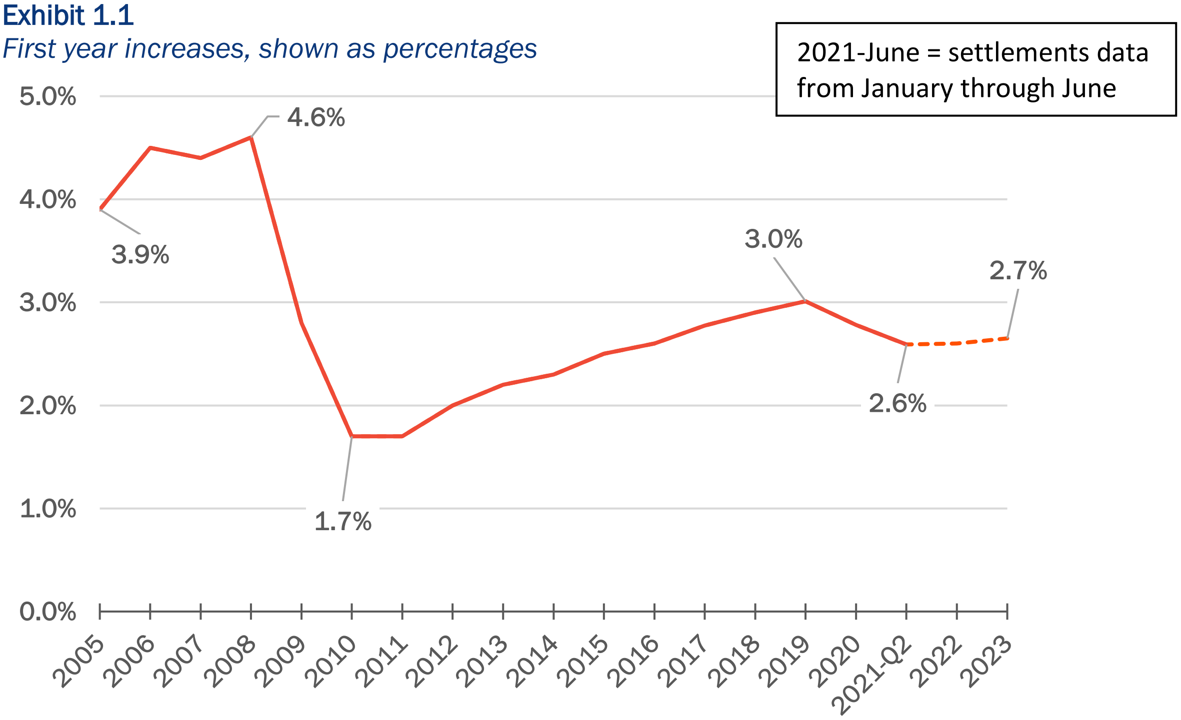
JUNE 2021

SECTION I. FIRST YEAR TOTAL PACKAGE INCREASES THROUGH JUNE 2021

The Construction Labor Research Council (CLRC) reports that *the first year of new settlements for union craft workers in the construction industry reached from January through June in 2021 (2021-June) had an average increase of 2.6 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 flipped in 2020, with the first decline in the size of increases since 2010. So far in 2021, this new trend has continued. CLRC projects slightly higher increases for the foreseeable future. Key impacts on union wage negotiations include recovery from COVID-19, craft labor shortages and the continued slow but steady decline in union density.

Exhibit 1.1

First year increases, shown as percentages



NOTE: Results in future editions of the Settlements Report (published after quarters III and IV in October and January, respectively) 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-June was $1.57, $0.05 lower than the $1.62 rate in 2020, and $0.15 below the recent peak of $1.72 in 2019. This is the first time since 2010 that the size of the increase declined in consecutive years. However, the 2021-June 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.

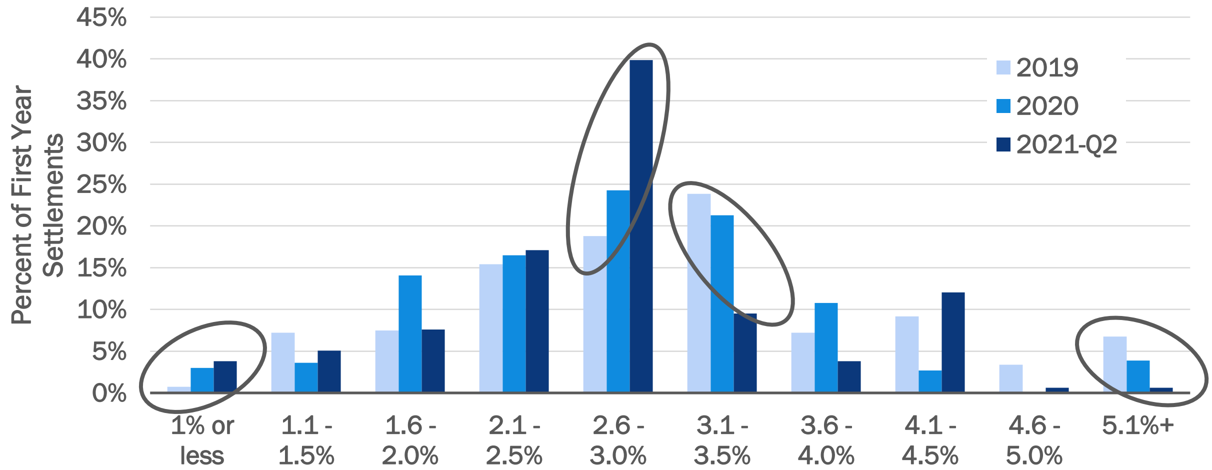
The following associations sponsor this report:

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 distributions for the first year increases of new settlements reached in 2019, 2020 and 2021-June. In 2019, 50 percent of the data was in the 0% - 3.0% range. In 2020, 61 percent fell in this range, and by 2021-June, 73 percent of the data was in this range, showing the trend of smaller increases. Many of the increases that were in the 3.1% - 3.5% range in 2019 and 2020 moved to the 2.6% - 3.0% range in 2021-June. 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 in "1% or less" has increased while the "5.1%+" range decreased.

Exhibit 1.3

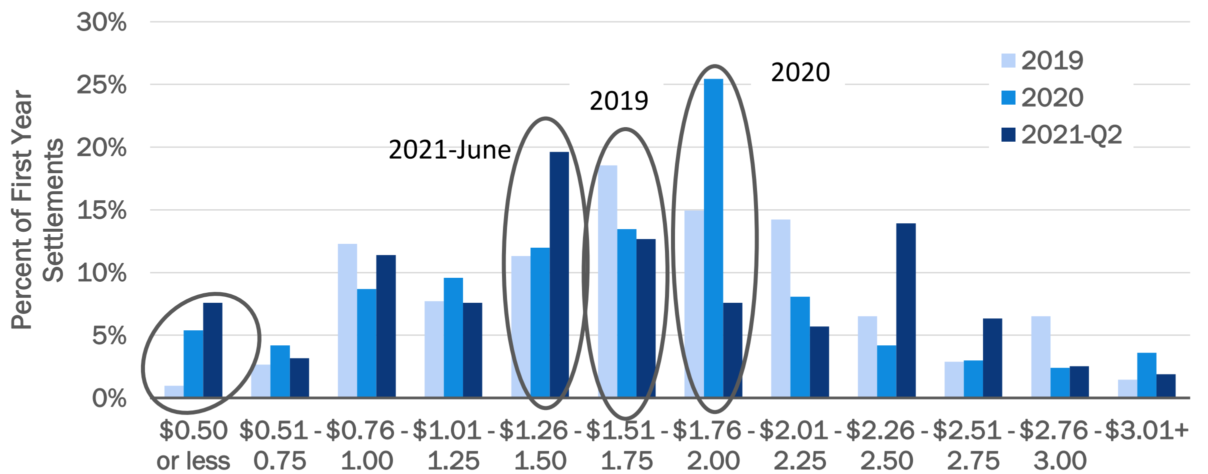
Distribution of first year increases in new settlements, shown as percentages



The distributions of first year increases for 2019, 2020, and 2021-June as dollar amounts are shown in **Exhibit 1.4**. For 2021-June the favored spot where settlements landed more than any other range was $1.26 – 1.50. This modal range in 2021-June was the lowest of the three years shown ($1.51 – 1.75 for 2019, $1.76 – 2.00 for 2019). Measured in dollars and cents, **Exhibit 1.4** also shows that very small increases became more common in 2021-June. In fact, about 8 percent of increases in 2021-June were $0.50 or less, 3 percent more than in 2020 and 7 percent more than 2019.

Exhibit 1.4

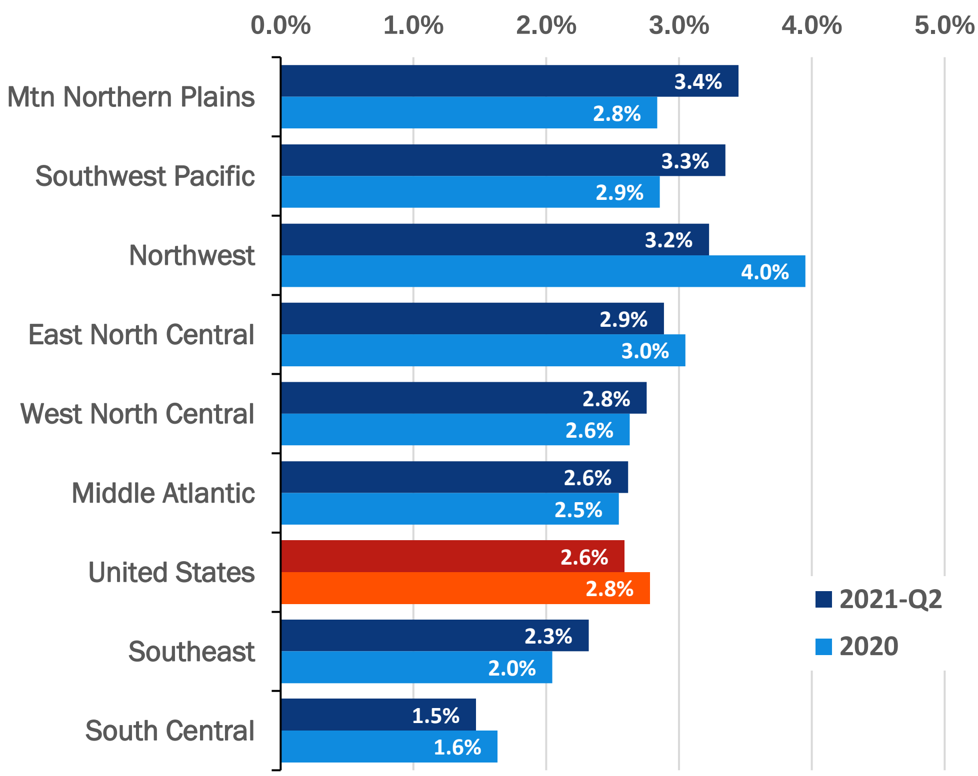
Distribution of first year increases in new settlements, shown as dollar amounts



Exhibits 1.5 and 1.6 display the results for first year increases for 2020 and 2021-June by region in descending order based on 2021-June data. The largest average was in the Mountain Northern Plains region. The smallest increases were in the South—the Southeast and South Central regions. Three regions in the 2021-June 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



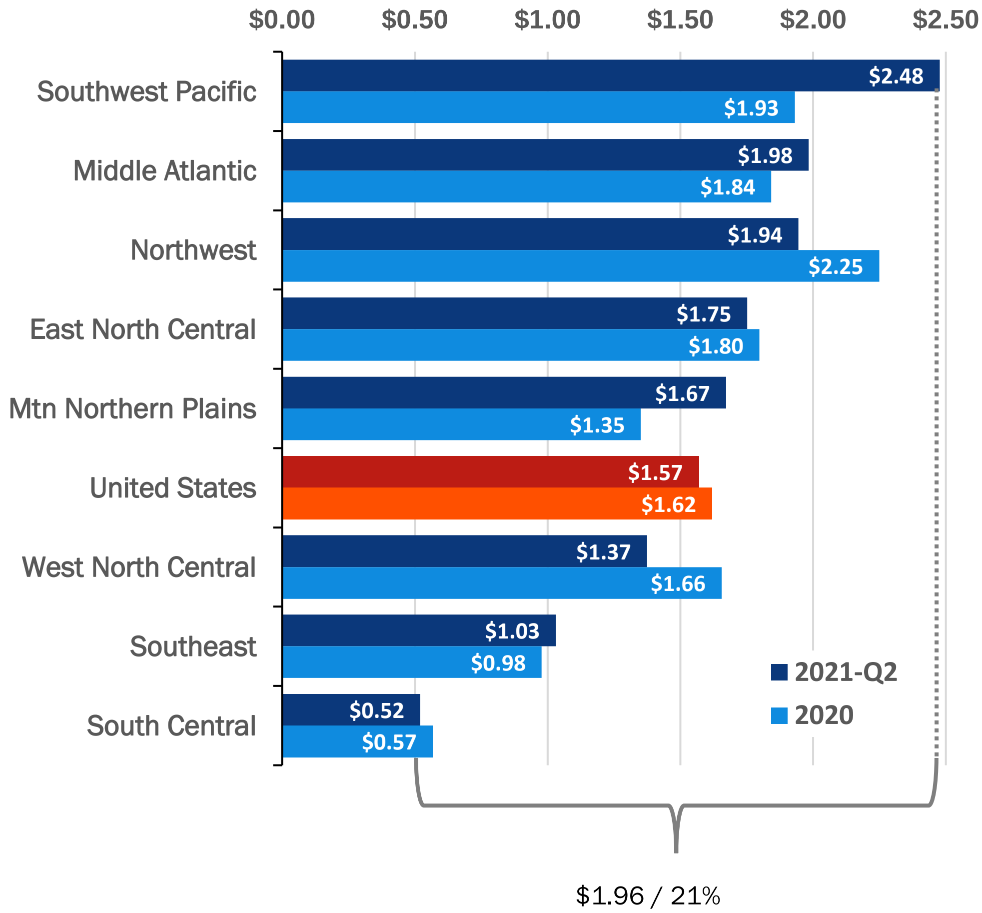
Regions

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-June data. The largest increase was in the Southwest Pacific region, and—like **Exhibit 1.5**—the smallest were in the two southern regions. There was a large discrepancy between the highest and lowest increases ($1.96). That is, the South Central region's average ($0.52) was just 21 percent of the Southwest Pacific's average ($2.48); stated differently, the Southwest Pacific average increase was nearly five times the South Central rate.

Exhibit 1.6

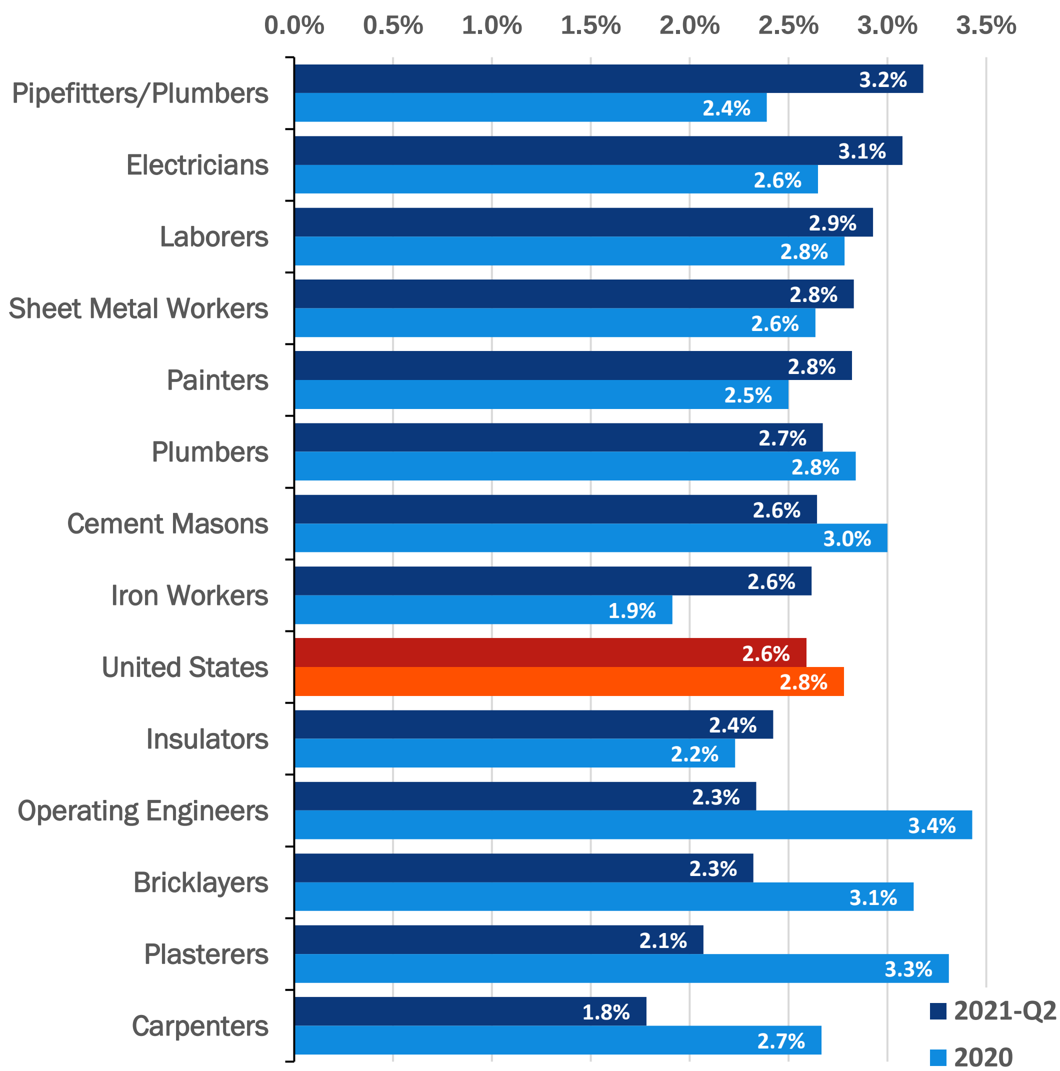
First year increases in new settlements as dollar amounts, by region in descending order



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.

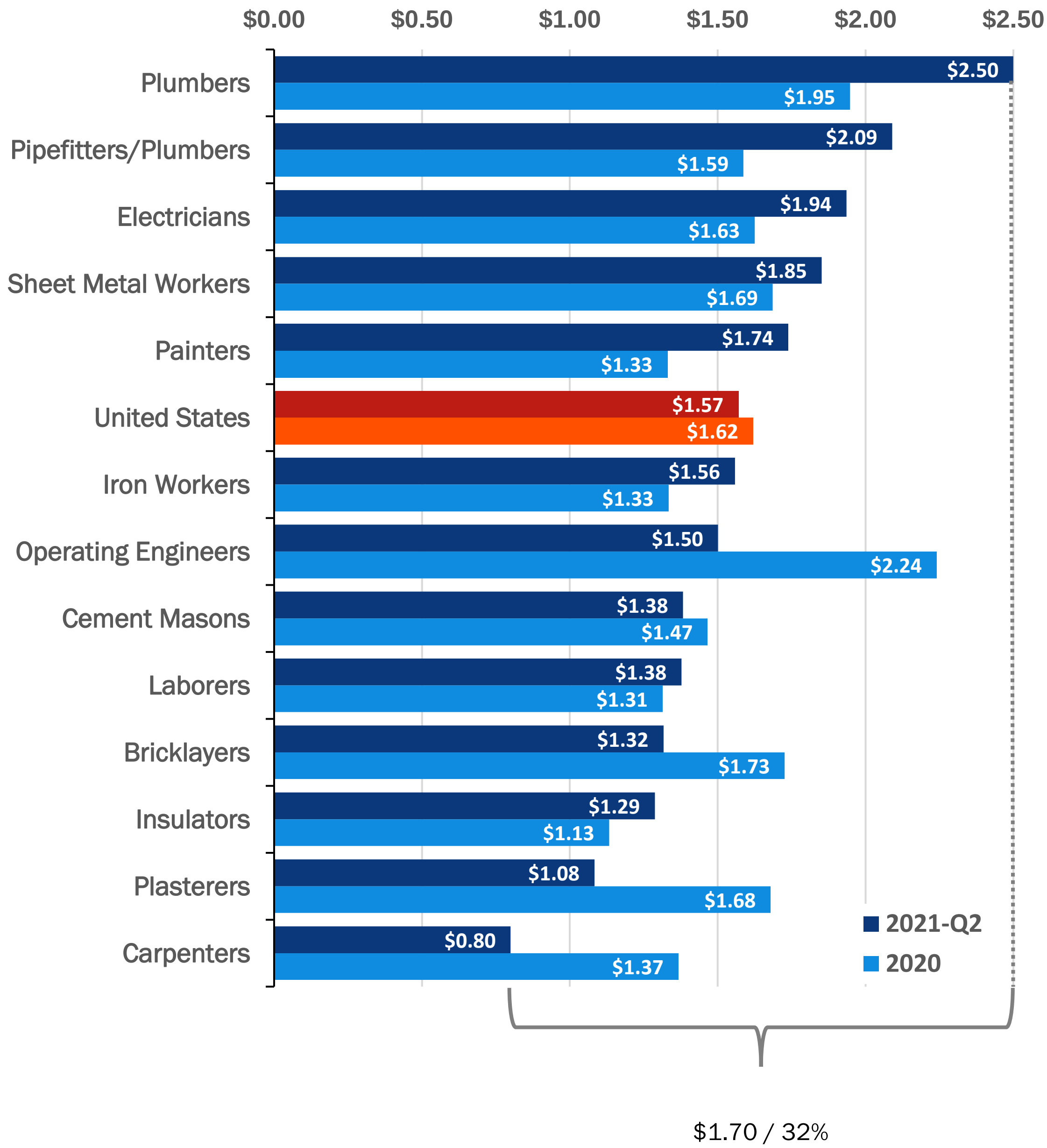
The average first year percentage increases by craft for 2020 and 2021-June are displayed in **Exhibit 1.7** in descending order based on 2021-June. For 2021-June, the data ranged from 1.8 percent for Carpenters to 3.2 percent for Pipefitters/Plumbers. Two crafts had an average above 3 percent in 2021-June. One was below 2 percent, while the remaining crafts were fairly homogeneous, falling between 2 and 3 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-June data. Two crafts had an average increase higher than $2.00—Plumbers and Pipefitters/Plumbers. The discrepancy from the largest to smallest increase was $1.70; the low rate was 32 percent of the high rate.

Exhibit 1.8
First year increases in new settlements as dollar amounts, by craft in descending order



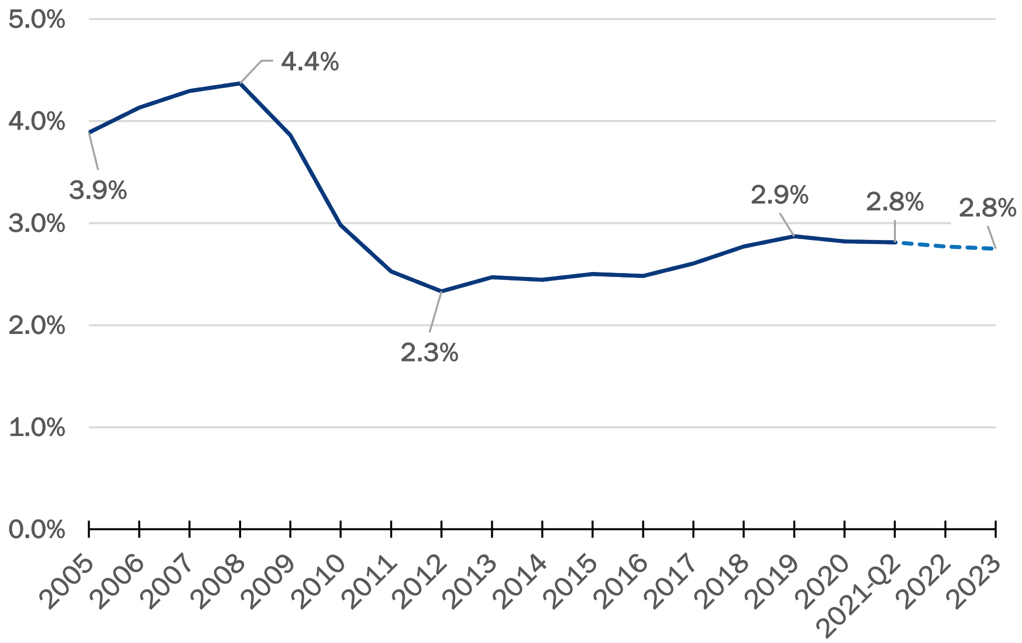
SECTION II. TOTAL PACKAGE INCREASES FOR ALL CONTRACT YEARS

The average increase in 2021-June for all contract years for union crafts in construction was 2.8 percent. CLRC projects a relatively flat trend through 2023. **Exhibit 2.1** shows that, in percentage terms, the average increase was about the same from 2020 to 2021-June.

Increases that occurred before the impact of the Great Recession (December 2007 – June 2009) was realized in union pay were much higher. Already known future increases are a little lower, so the projections are slightly lower for 2022 and 2023.

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 $0.48 from 2012 to 2021-June, and 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 $1.75.

Exhibit 2.2

All increases, shown as dollar amounts

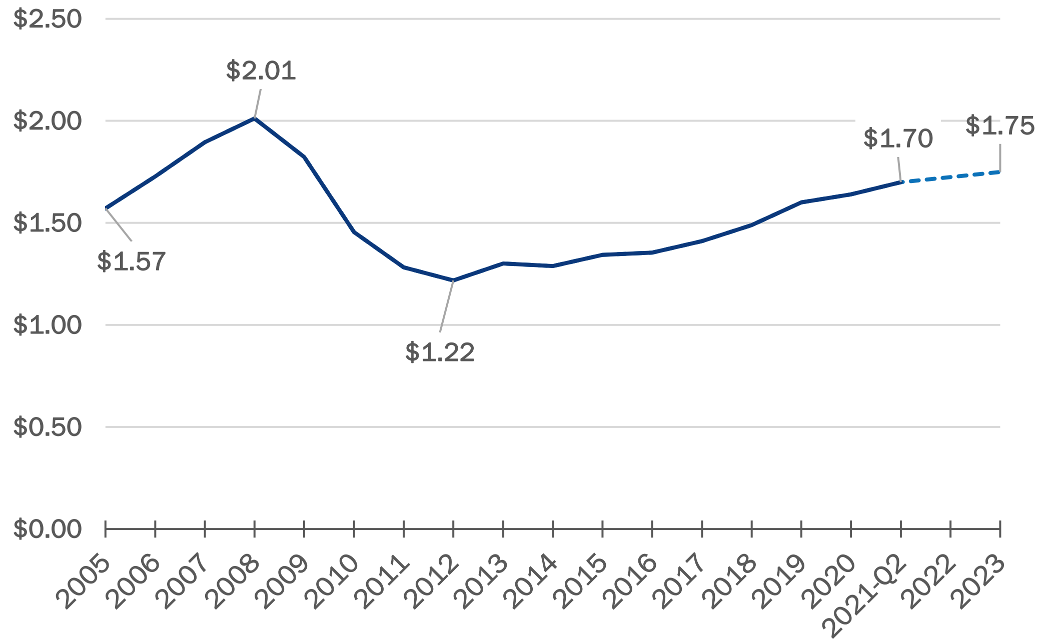


Exhibit 2.3 illustrates how increases are distributed across a range. The most common range in 2019, 2020 and 2021-June was 2.6–3.0%. Most other increases were in the adjacent ranges. Consequently, about two-thirds of all increases during the past three years were from 2.1 to 3.5 percent.

Exhibit 2.3
Distribution of all increases, shown as percentages

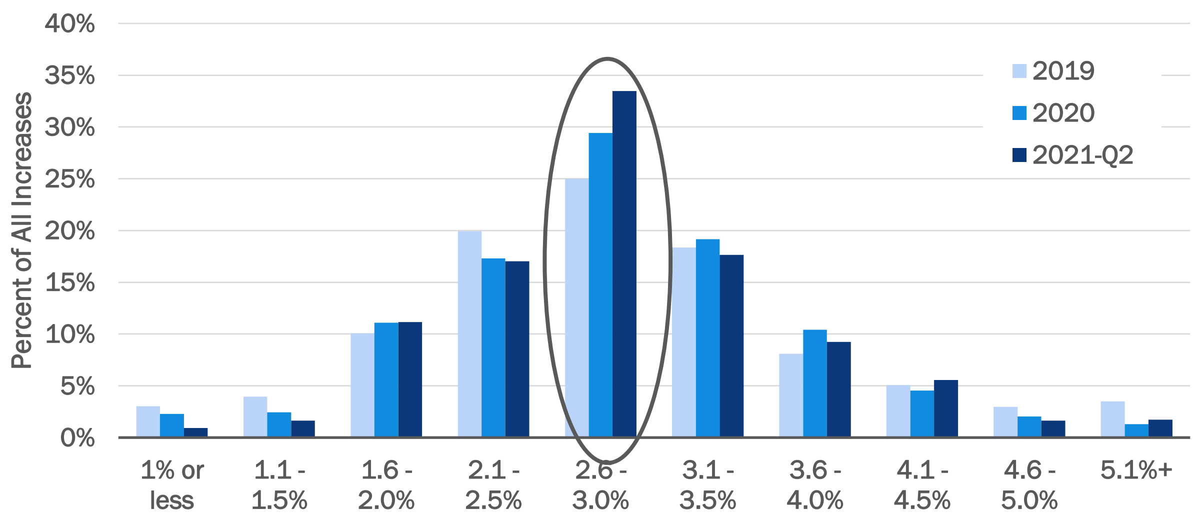
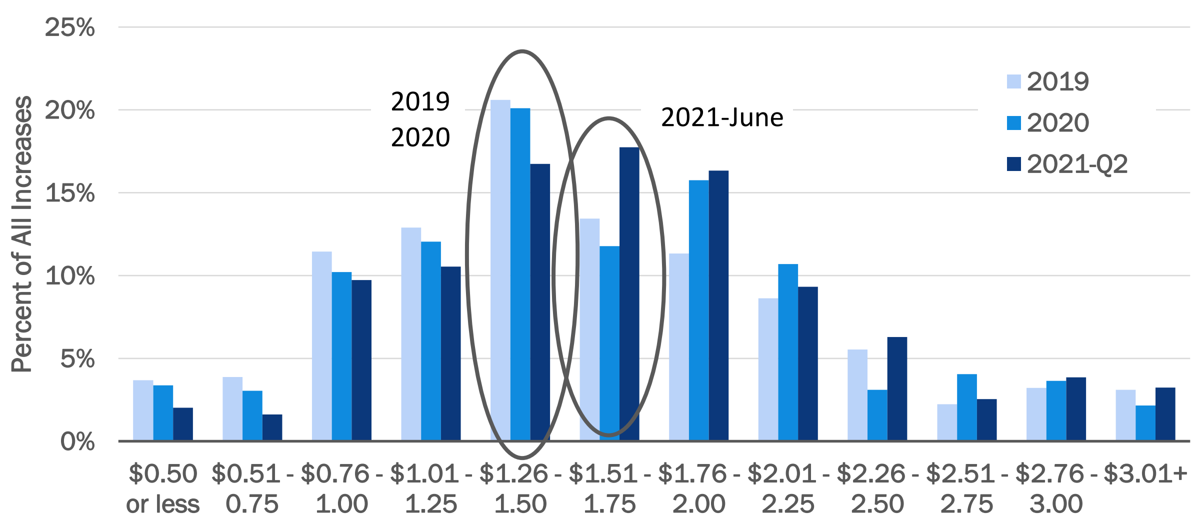


Exhibit 2.4 shows that the most common range in 2019 and 2020 was $1.26–1.50, while in 2021-June it was in the adjacent range, $1.51–1.75. Although the size of increases, as percentages, has declined lately, the size of the monetary increase values continued to grow, albeit more modestly.

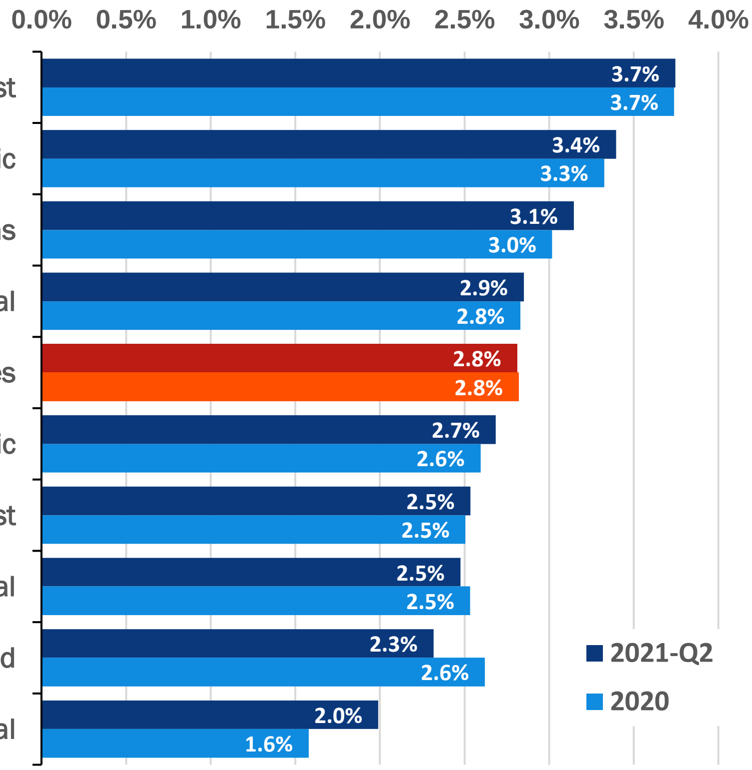
Exhibit 2.4
Distribution of all increases, shown as dollar amounts



Exhibits 2.5 and 2.6 display the results for all increases for 2020 and 2021-June by region in descending order based on 2021-June data. As shown in **Exhibit 2.5**, the largest average increases in 2021-June were on the West Coast (Southwest Pacific and Northwest regions). The smallest increases were in the South Central region of the US. For 2021-June, six of the nine regions averaged less than 3.0 percent. One region experienced a decline in their averages from 2020 to 2021-June, three had no or only a trivial change, and five had a small increase.

Exhibit 2.5

All increases as percentages, by region in descending order

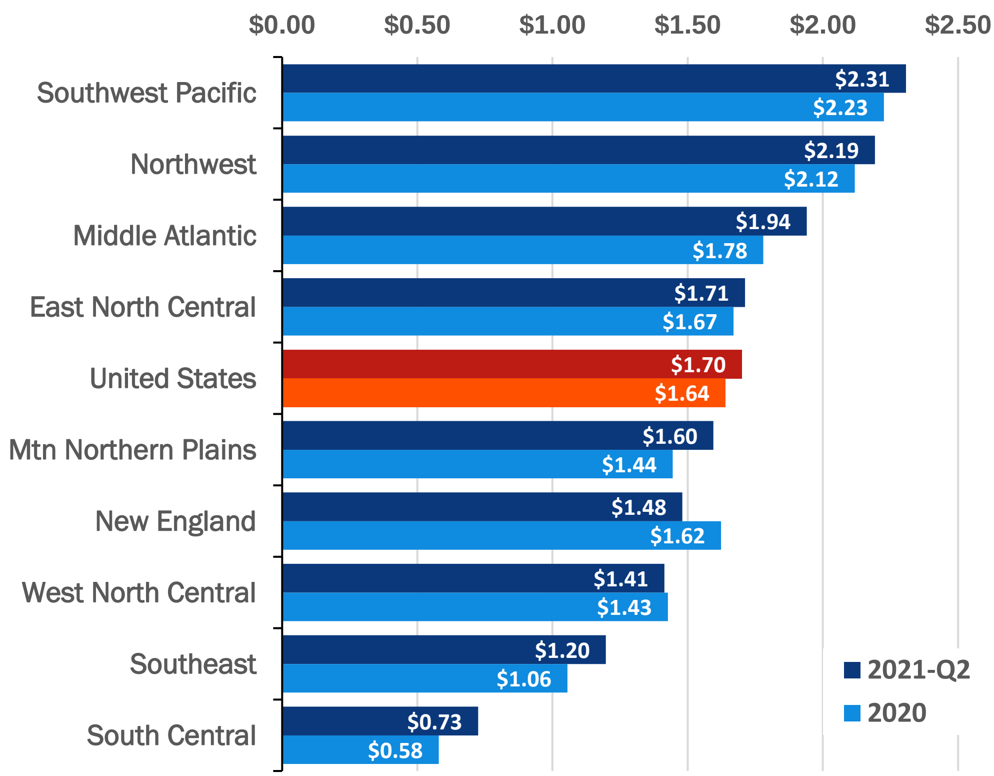


Regions

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-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 region and, even more so, the South Central region. Two regions experienced a decline in the size of their average increases from 2020 to 2021-June and seven had a small 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-June by craft in descending order based on the 2021-June data. **Exhibit 2.7** shows that the largest average increases in 2021-June 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). Nine crafts were tightly clustered around the mean in 2021-June (within 0.1 percent) and only one craft was more than 0.4 percent different than the mean.

Exhibit 2.7

All increases as percentages, by craft in descending order

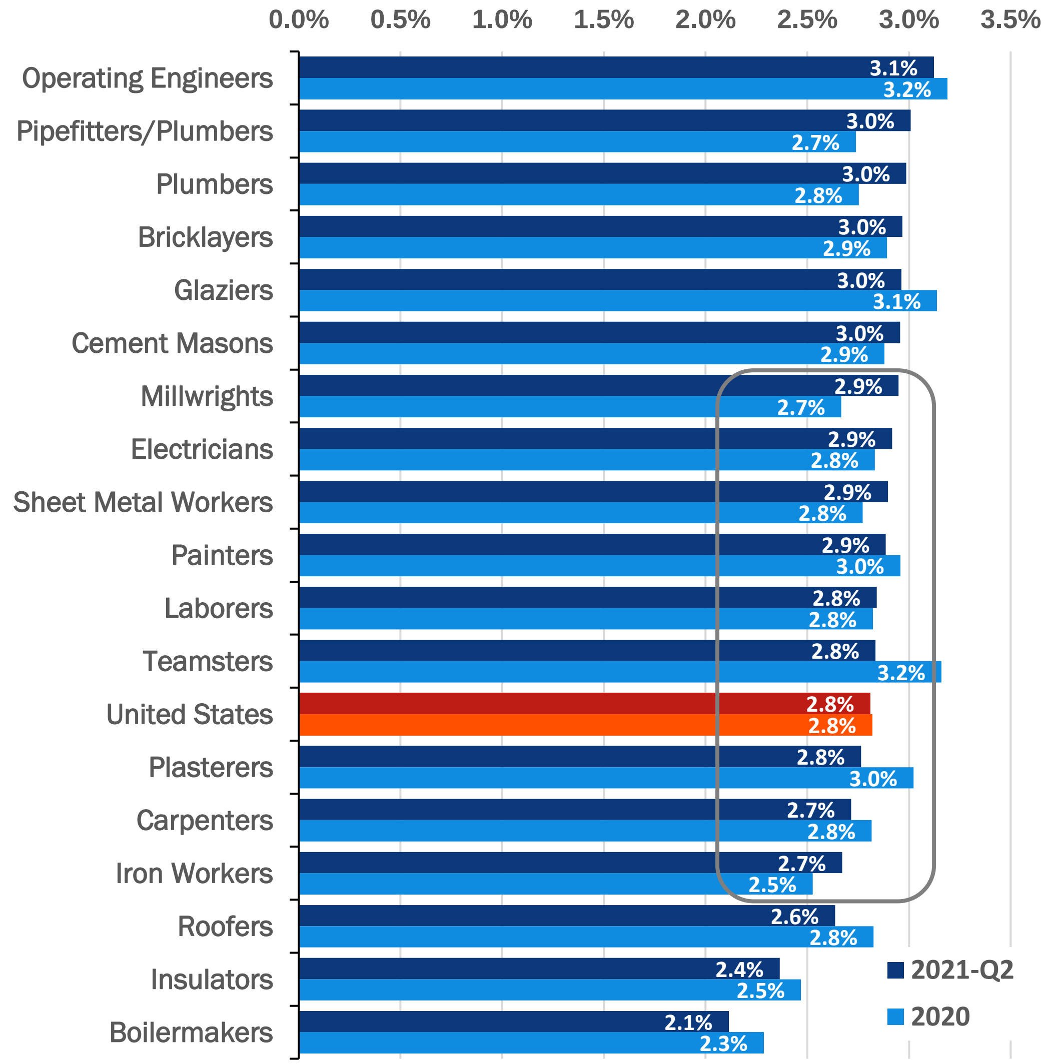


Exhibit 2.8 reflects the crafts with the dollar amount of their increases in descending order based on 2021-June. The largest increases in the 2021-June data were with Plumbers ($2.20). The smallest increases were with the Roofers ($1.32).

Exhibit 2.8

All increases as dollar amounts, by craft in descending order

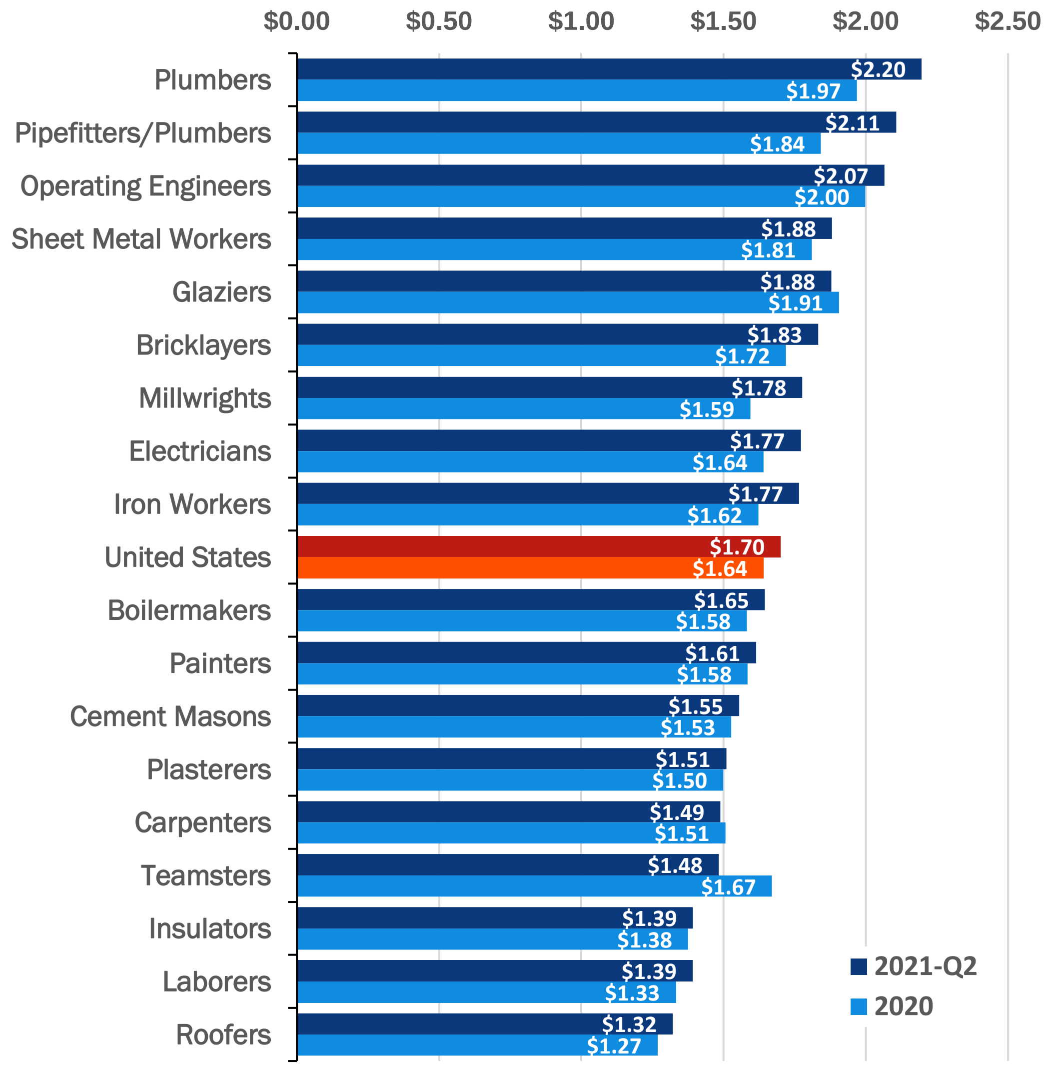


Exhibit 2.9 provides even more specific data cuts. These results are for all settlements, not just first year settlements. This matrix contains the total package increase rates (dollar and percentage) for each craft within each region (craft x region). This information will help users of this report 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 $	$1.48	$1.94	$1.20	$1.71	$1.41	$0.73	$1.60	$2.31	$2.19
Increase %	2.3%	2.7%	2.5%	2.9%	2.5%	2.0%	3.1%	3.4%	3.7%
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	$1.32	-	$1.81	-	-	$1.50	$2.55	-
Increase %	2.6%	2.3%	-	3.1%	-	-	3.0%	3.5%	-
Carpenters	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.13	$1.30	-	$1.71	$1.48	$0.50	$0.82	$2.18	$1.78
Increase %	1.9%	2.6%	-	3.0%	2.8%	1.4%	2.2%	3.6%	3.7%
Cement Masons	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	-	-	-	$1.62	$1.13	$0.53	$2.00	$2.17	$1.75
Increase %	-	-	-	3.0%	2.3%	1.6%	4.1%	3.9%	3.2%
Electricians	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.83	$2.10	$1.13	$1.86	$1.45	$0.86	$1.37	$2.72	$2.43
Increase %	2.6%	2.9%	2.7%	3.0%	2.6%	2.7%	2.6%	3.6%	3.7%
Glaziers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	-	$1.73	-	$1.40	-	-	-	-	$2.72
Increase %	-	2.7%	-	2.4%	-	-	-	-	4.1%
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	$1.60	-	$1.92	$1.54	$0.74	$2.10	-	-
Increase %	2.5%	1.9%	-	2.9%	2.4%	1.7%	3.3%	-	-
Laborers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.76	$1.13	-	$1.34	$1.08	$0.64	$1.45	$1.96	$1.92
Increase %	3.0%	2.2%	-	2.7%	2.4%	2.5%	3.3%	3.3%	4.0%
Millwrights	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.14	-	$1.00	$1.74	$1.25	-	$2.85	-	$2.94
Increase %	1.9%	-	1.9%	2.9%	2.5%	-	5.6%	-	4.7%

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

Operating Engineers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase $	$2.06	$2.15	-	$1.97	$1.43	$0.67	-	$2.39	$2.59
Increase %	2.8%	2.7%	-	2.9%	2.6%	1.7%	-	3.0%	4.6%
Painters	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	-	$1.59	$1.50	$1.55	$1.00	-	-	$1.81	$1.90
Increase %	-	2.6%	2.6%	2.7%	1.9%	-	-	2.9%	4.5%
Pipefitters/Plumbers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$2.00	$2.25	$1.22	$2.02	$1.76	$1.22	$1.93	$2.96	$2.89
Increase %	2.9%	2.6%	2.3%	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 $	-	-	-	$1.52	$0.92	-	-	$2.14	$1.00
Increase %	-	-	-	2.8%	2.1%	-	-	3.7%	1.7%
Roofers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.50	-	-	$1.35	$1.21	-	-	-	-
Increase %	2.8%	-	-	2.7%	2.5%	-	-	-	-
Sheet Metal Workers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	-	$2.14	$1.47	$1.89	$1.91	$0.89	$1.70	$2.46	$2.37
Increase %	-	2.8%	3.0%	2.8%	3.0%	1.9%	3.5%	2.8%	3.8%
Teamsters	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.67	$1.89	$1.13	$1.43	$1.00	-	-	-	$1.52
Increase %	3.0%	3.7%	2.5%	2.5%	2.0%	-	-	-	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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