Issue Date: January 18, 2022

Settlements Report

Total Package Increases for Union Craft Workers in Construction

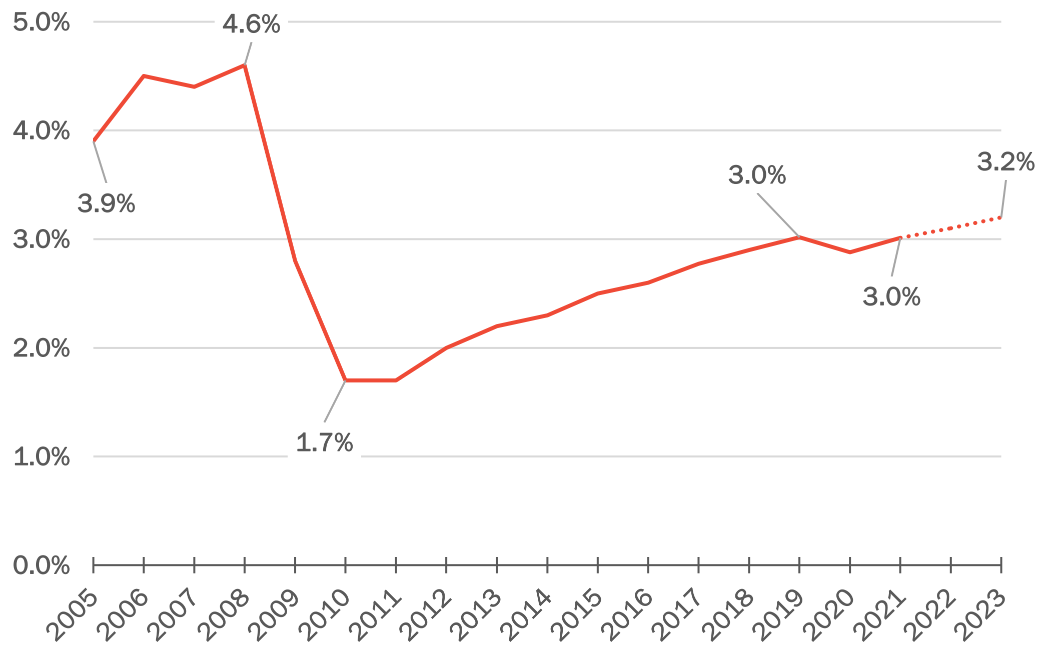
2021 YEAR END

CLRC Construction Labor Research Council

SECTION I. FIRST YEAR TOTAL PACKAGE INCREASES IN 2021

The Construction Labor Research Council (CLRC) reports that *the first year of new settlements reached in 2021 for union craft workers in the construction industry had an average increase of 3.0 percent.* All data in this report are based on the total package (wages, fringe benefits and other employer payments). **Exhibit 1.1** shows that the average increase in 2021 was the same as it was in 2019. The small decline (0.1 percent) in 2020 was the first in a decade. Based on already known negotiated increases, past trends and other relevant factors, CLRC projects a continuation of the slow but steady increase trend in the size of union total package rates as a percentage. Principal factors in union pay rates continue to include COVID-19, union craft labor shortages, higher construction costs and the ever-present challenges to union market share.

Exhibit 1.1
First year increases, shown as percentages



NOTE: Results in this final CLRC *Settlements Report* for 2021 may be slightly different than the quarterly reports published earlier in 2021 because CLRC continually updates its database throughout the year as new settlements become available.

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 in 2021 was $1.74, nearly the same as the 2019 value ($1.73). Like the average percentage increases shown in **Exhibit 1.1**, there was a slight dip in 2020, to $1.66. CLRC estimates future increases to average $1.80 in 2022 and $1.90 in 2023.

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 average (straight average of all settlements) is very close to the craft weighted average shown here.

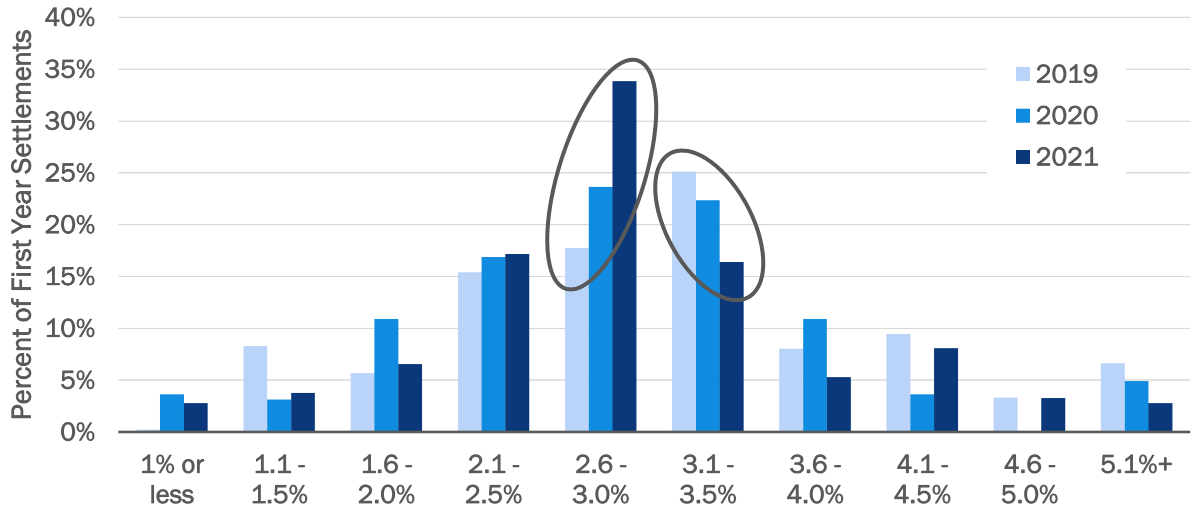
The following associations sponsor this report:

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 distribution for the first year increases of new settlements reached in 2019, 2020 and 2021. Interestingly, although the US average was the same in 2019 and 2021, the mode shown here shifted to a lower range during this time. That is, in 2019 the most common range for settlements was 3.1-3.5% while in 2021 the plurality of settlements fell in the next lower range, 2.6-3.0%. The percentage of increases in most other ranges was somewhat consistent across years, but there was a trend toward fewer large increases (5.1%+) from 2019 to 2021.

Exhibit 1.3

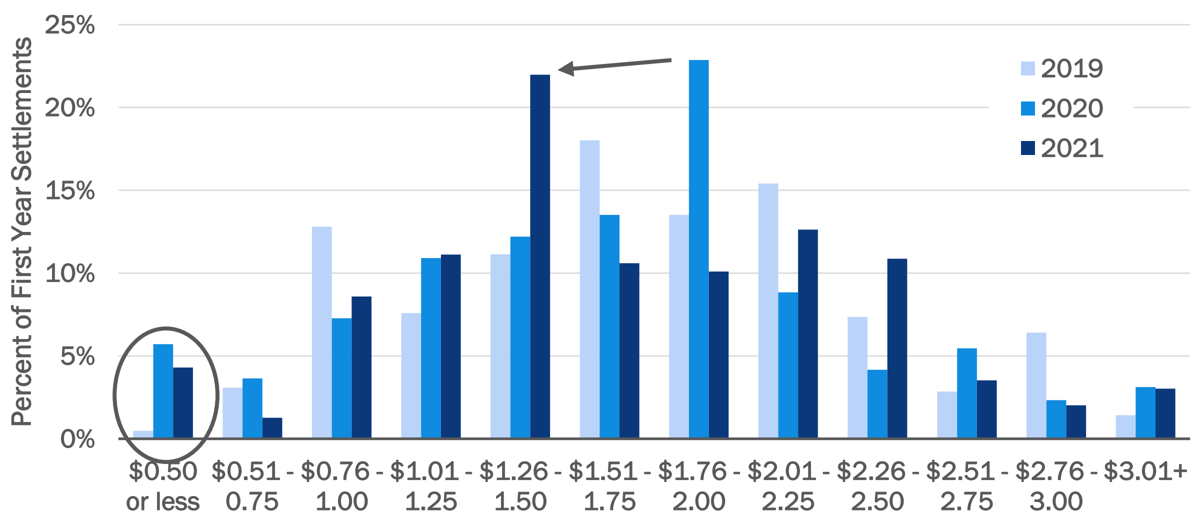
Distribution of first year increases in new settlements, shown as percentages



The distribution of first year increases as dollar amounts for 2019, 2020 and 2021 are shown in **Exhibit 1.4**. Obviously, the most common increase amount in 2020 was $1.76-2.00 and in 2021 it was lower, at $1.26-1.50. Also of note is the growth in the percentage of increases that were small ($0.50 or less) in 2020 and 2021.

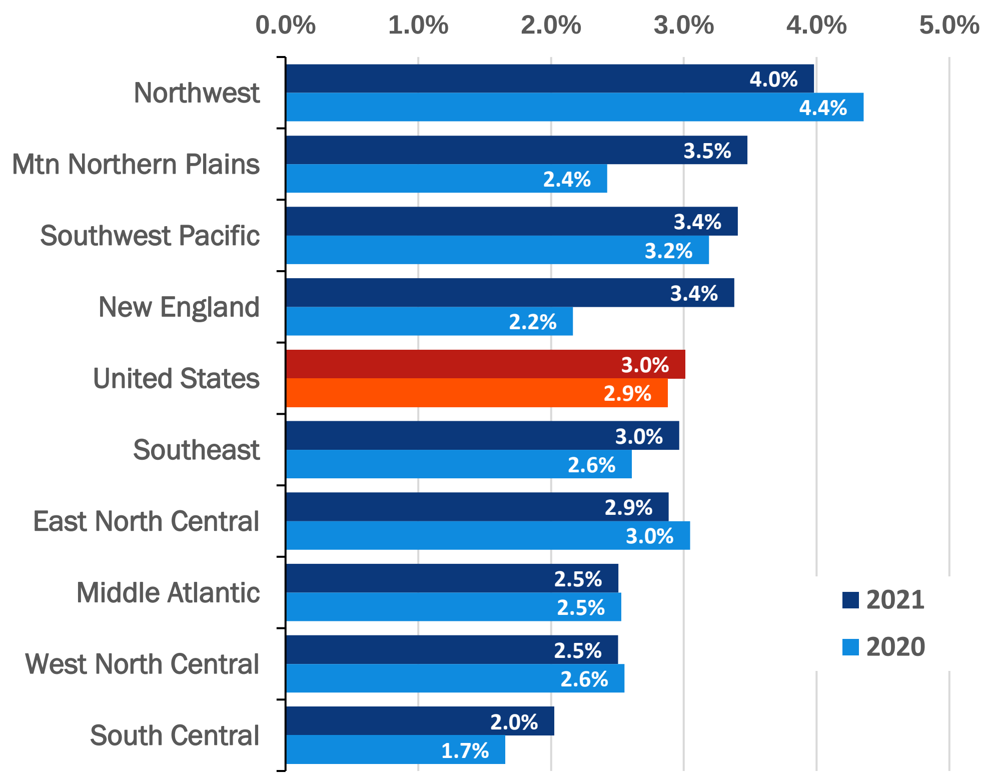
Exhibit 1.4

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 by region in descending order based on 2021 data. Although there was a decline from 2020 in the Northwest region, it still retained its position as the region with the highest average in 2021, as a percentage. In general, the West Coast and New England had the largest increases. The South Central region continued to contain settlements with the smallest increases.

Exhibit 1.5
First year increases in new settlements as percentages, by region in descending order



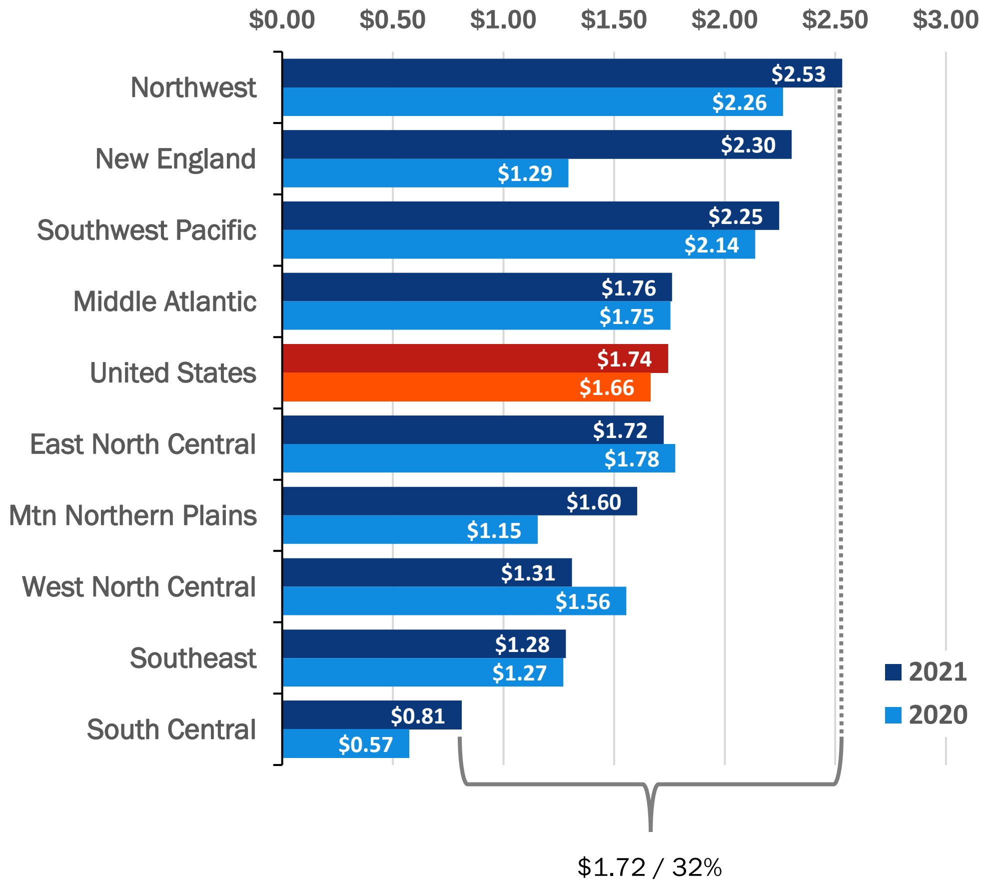
Regions

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 in descending order based on 2021 data. The largest average increases were in the Northwest and New England regions while the South Central had the smallest average. The large difference between 2020 and 2021 in the New England region may be a product in part of sampling differences from year to year. There was a $1.72 spread between the lowest and highest rates, meaning that the South Central average increase was less than a third (32%) the amount of the Northwest average.

Exhibit 1.6

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

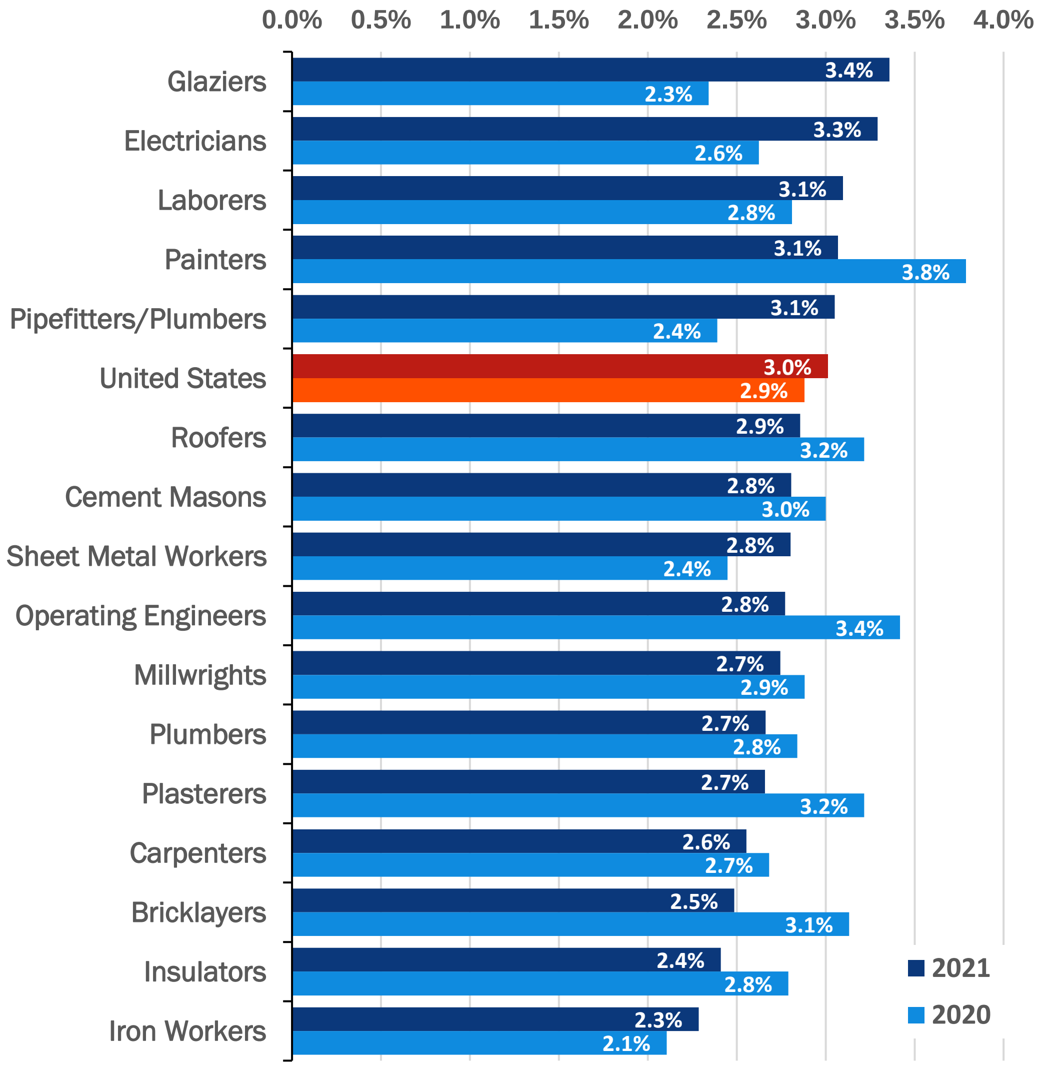


NOTE: In addition to actual differences, variation in rates from craft to craft and region to region throughout this report can be influenced by the composition of the data sample. For example, a craft with a large/small average increase may be partially affected by having more data from regions with 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 are displayed in **Exhibit 1.7** in descending order based on 2021 data. Glaziers and Electricians garnered the largest increases in 2021, each having a noticeable jump from 2020. All but three crafts were within 0.4 percent of the mean in 2021. Those that fell outside this range were at the low end. The range from the low to high rate was smaller in these craft-based data cuts than in the region data cuts (i.e., **Exhibit 1.5**).

Exhibit 1.7

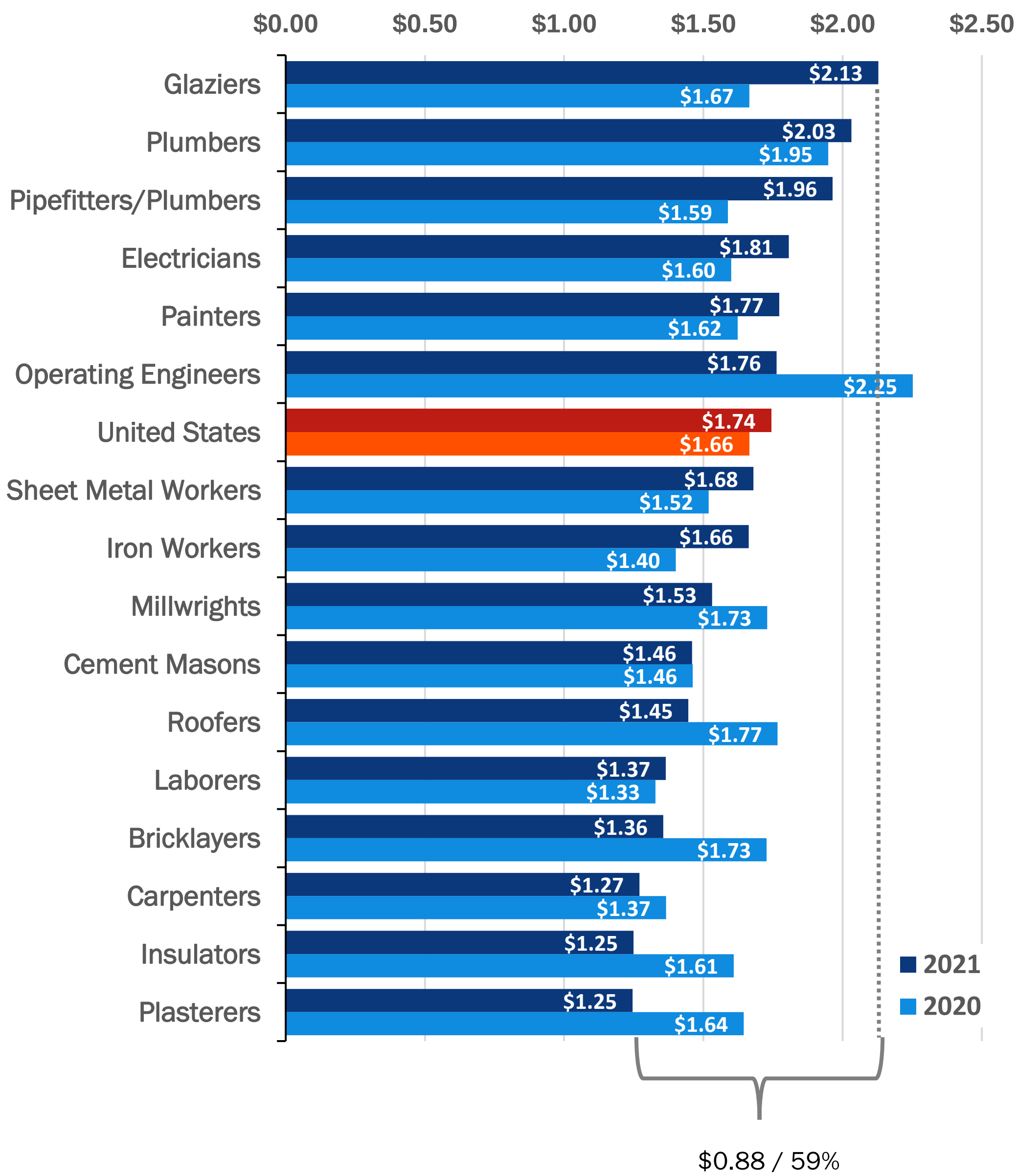
First year increases in new settlements as percentages, by craft in descending order



In **Exhibit 1.8** the average first year increases by craft are shown as dollar amounts in descending order based on the 2021 data. Glaziers and Plumbers were the crafts with an increase higher than $2.00. The range was $0.88, with the low rate for Plasterers being 59 percent of the high rate. Thus, in both the percentage based and monetary based data cuts, there was more variance in the region data cuts than the craft data cuts. This suggests that the region of the county likely plays a greater role in negotiated increases than the craft. Of course, many variables affect increases beyond just region and craft.

Exhibit 1.8

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

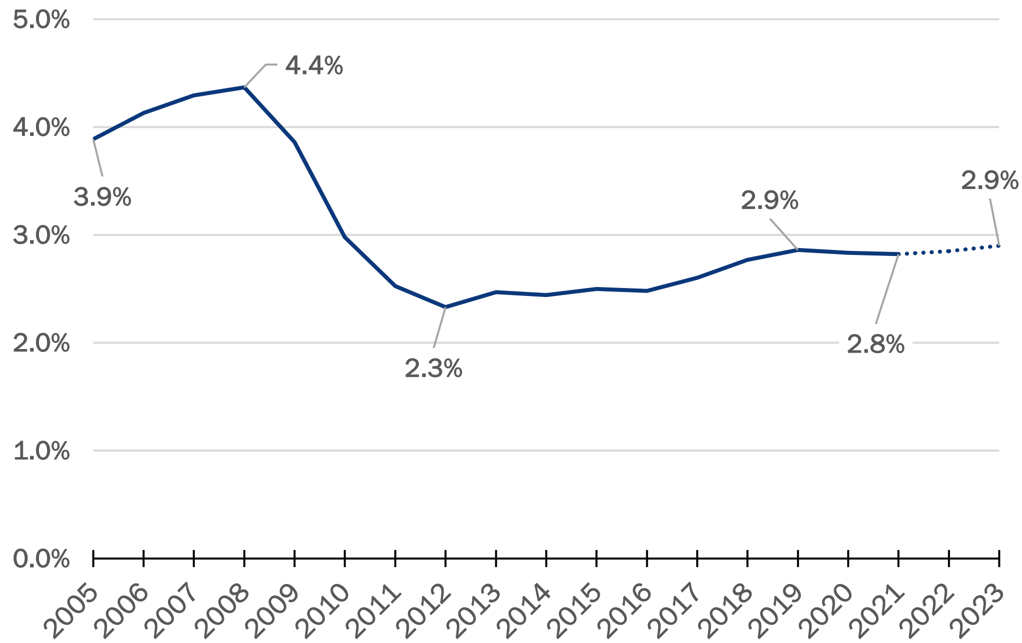


SECTION II. TOTAL PACKAGE INCREASES FOR ALL CONTRACT YEARS

The average total package increase in 2021 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, bringing the percentage increase back to where it was in 2019. **Exhibit 2.1** shows that, in percentage terms, typical increases were much higher prior to the Great Recession (December 2007–June 2009).

Exhibit 2.1

All increases, shown as percentages



NOTE: **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, this section includes data from new negotiated settlements in 2021 (this is what is analyzed in **Section I**), 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, 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 around $1.80. Increases in monetary values grow more than the percentage values (**Exhibit 2.1**) because the total package base amount increases over time. In other words, although the size of increases as percentages has increased modestly, the size of the monetary increases has a steeper slope since the base rate to which the percent increases are applied grows each year.

Exhibit 2.2
All increases, shown as dollar amounts

Exhibit 2.3 illustrates how increases as a percentage are distributed across a range. The most common range has been unchanged for three years (2.6–3.0%). Many 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

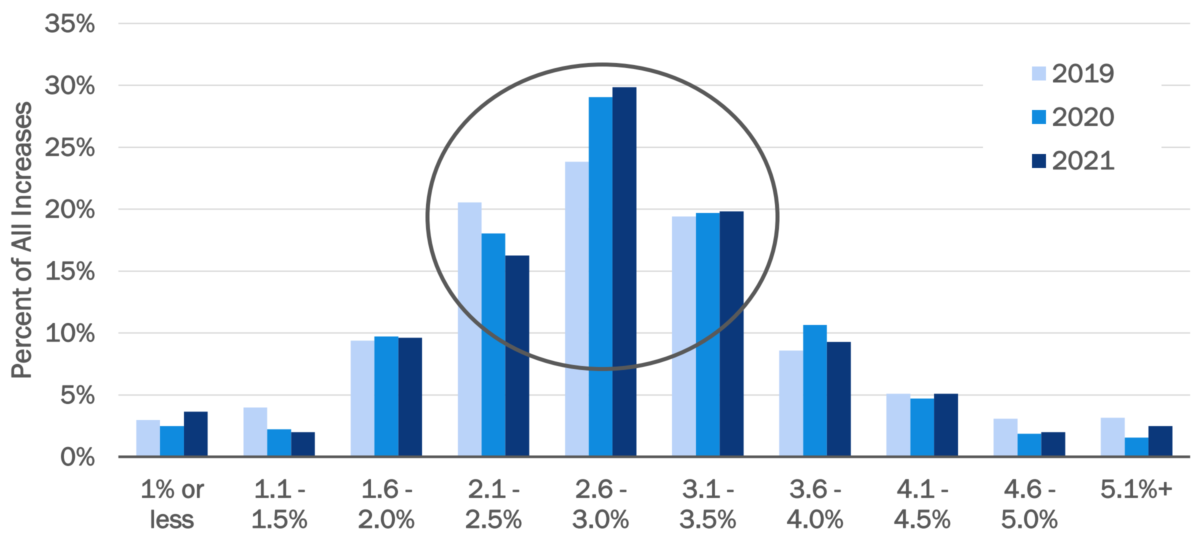
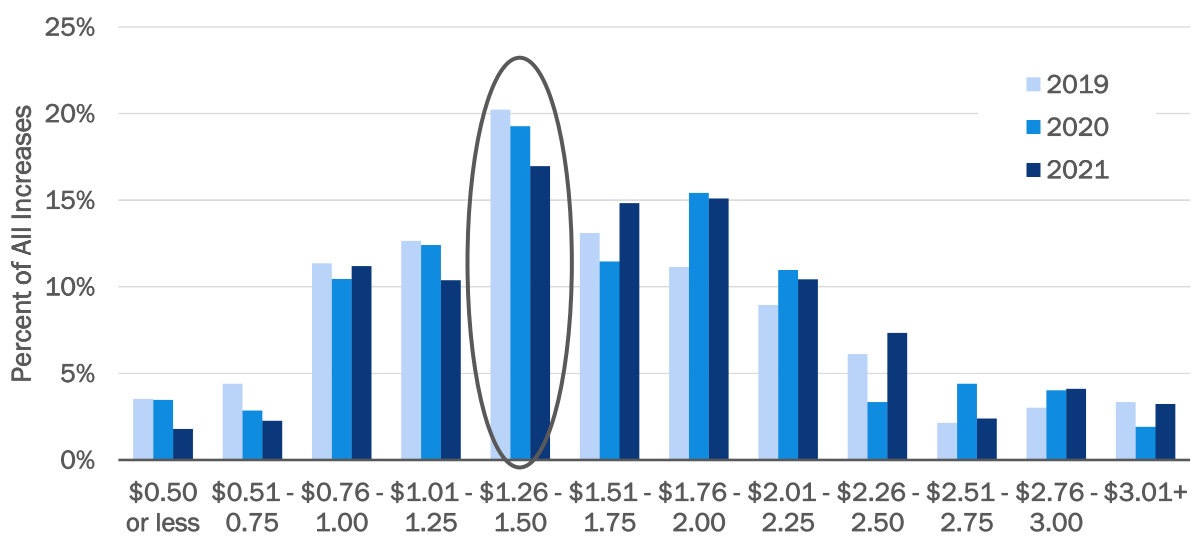


Exhibit 2.4 shows that the most common range, conveyed in monetary values, for the past three years has been $1.26–1.50. However, it was not uncommon for other settlements to fall somewhere from $1.51 to $2.00.

Exhibit 2.4

Distribution of all increases, shown as dollar amounts

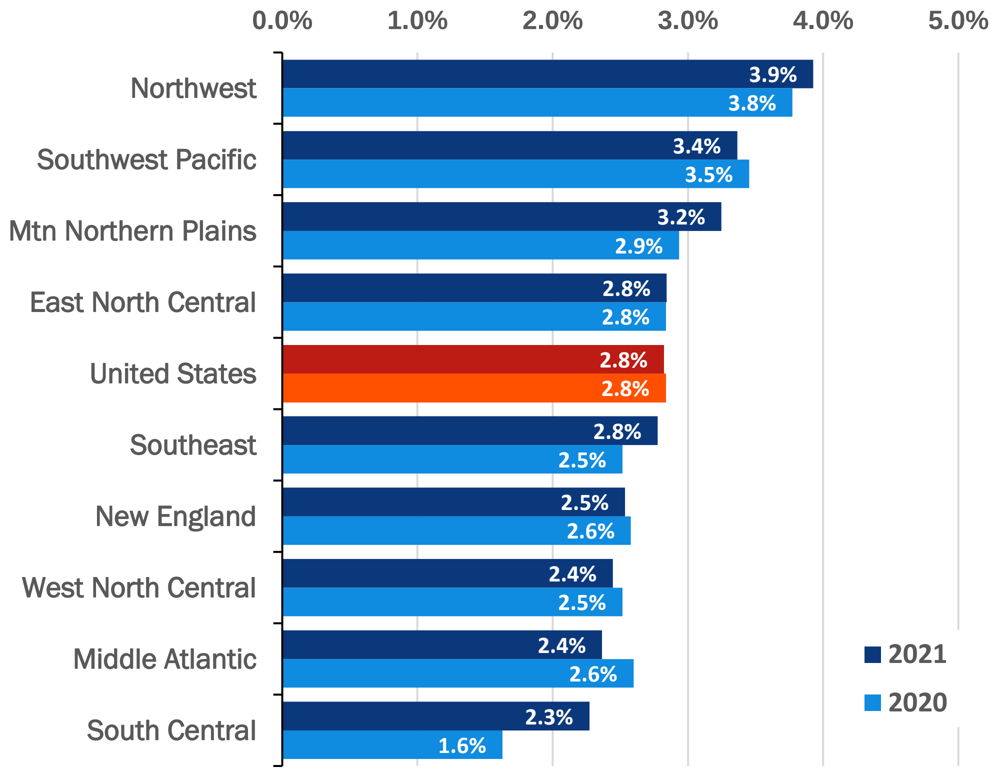


Exhibits 2.5 and 2.6 display the results for all increases for 2020 and 2021 by region in descending order based on 2021 data. As shown in **Exhibit 2.5**, the largest average increases in 2021 were on the West Coast (Northwest and Southwest Pacific regions).

The smallest increases were in the South Central region of the US. For 2021, six of the nine regions averaged less than 3.0 percent. Four regions experienced a decline in their averages from 2020 to 2021 while four had an increase and one was the same.

Exhibit 2.5

All increases as percentages, by region in descending order



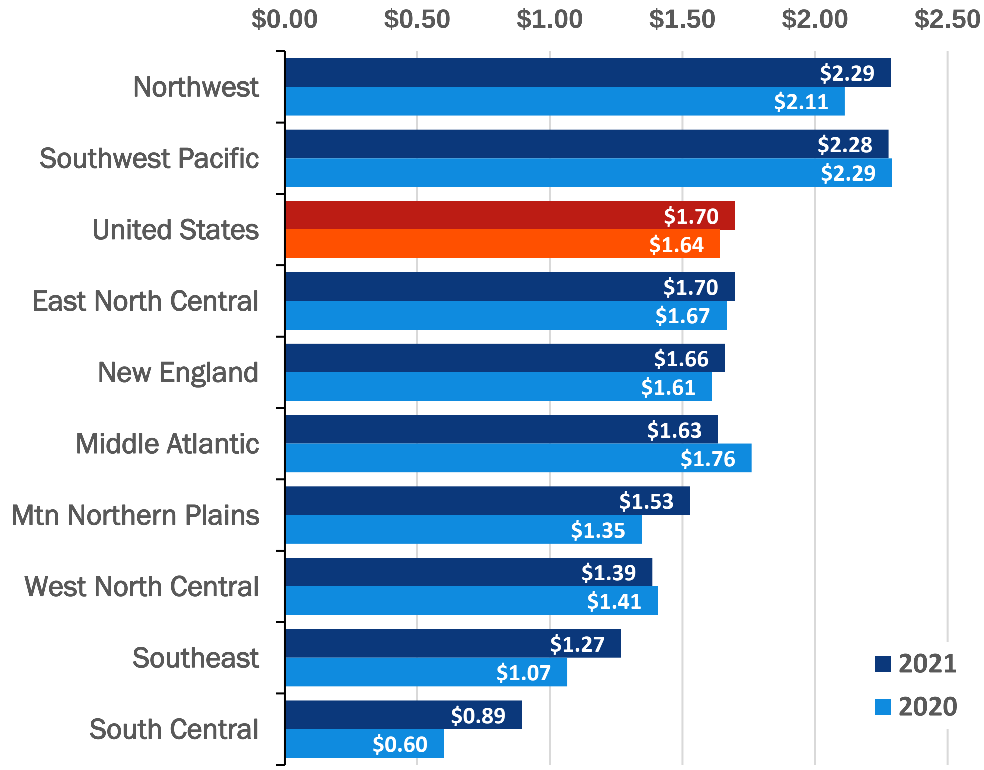
Regions

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. As was the case in **Exhibit 2.5**, many of the largest increases, by a significant amount, were on the West Coast (Northwest and Southwest Pacific regions). 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. Three regions experienced a slight decline in the size of their average increases from 2020 to 2021 and six had an increase.

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 2020 and 2021 by craft in descending order based on the 2021 data. **Exhibit 2.7** shows that the largest average increases in 2021 belonged to Teamsters, Glaziers and Operating Engineers, all at 3.1 percent. Like last year, the smallest average increase resided with the Boilermakers at 2.1 percent in 2021. There was not a lot of variance in the averages—nearly every craft was within 0.3 percentage points of the average.

Exhibit 2.7

All increases as percentages, by craft in descending order

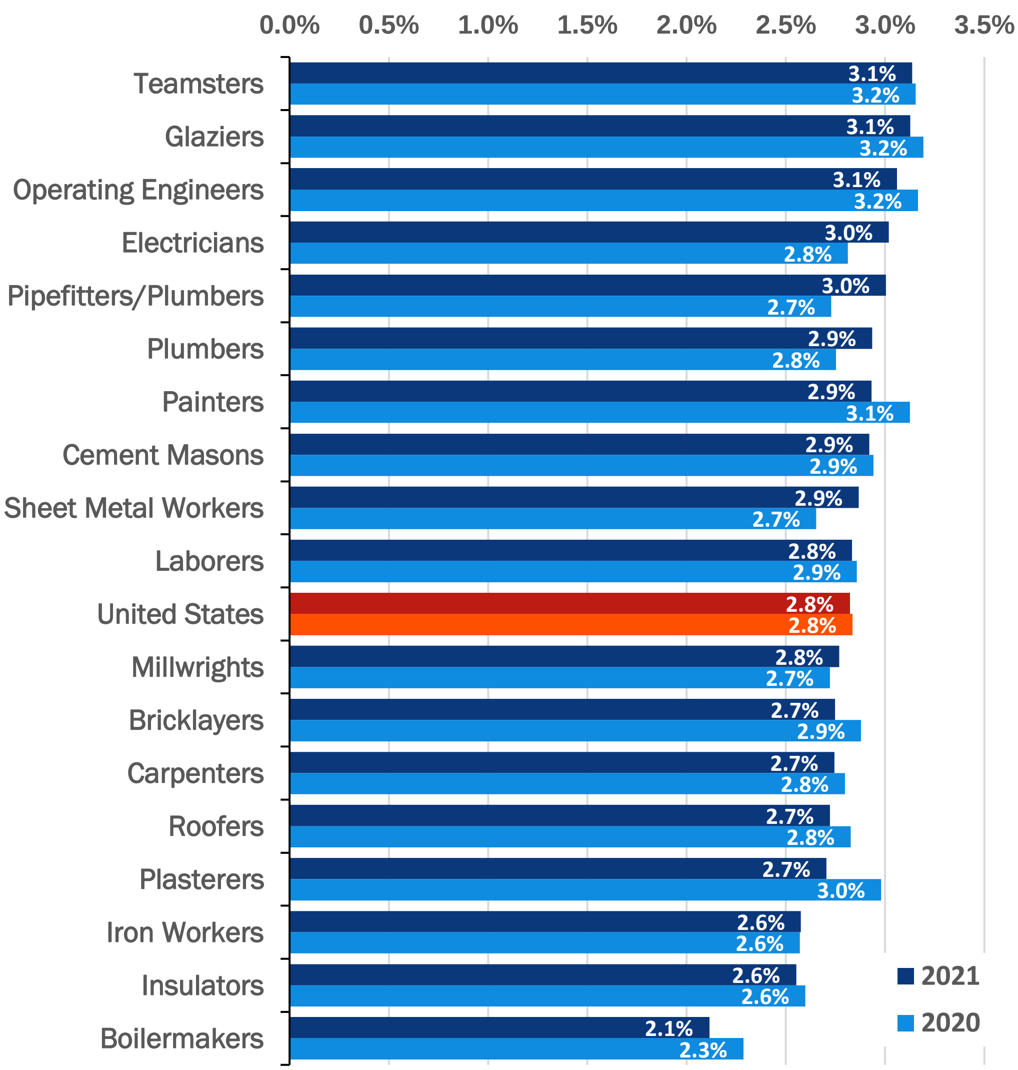


Exhibit 2.8 reflects the crafts with the dollar amount of their increases in descending order based on 2021. The largest increases in the 2021 data were with the mechanical trades, Operating Engineers and Glaziers, all just over $2.00. The smallest increases were with the Laborers ($1.36).

Exhibit 2.8
All increases as dollar amounts, by craft in descending order

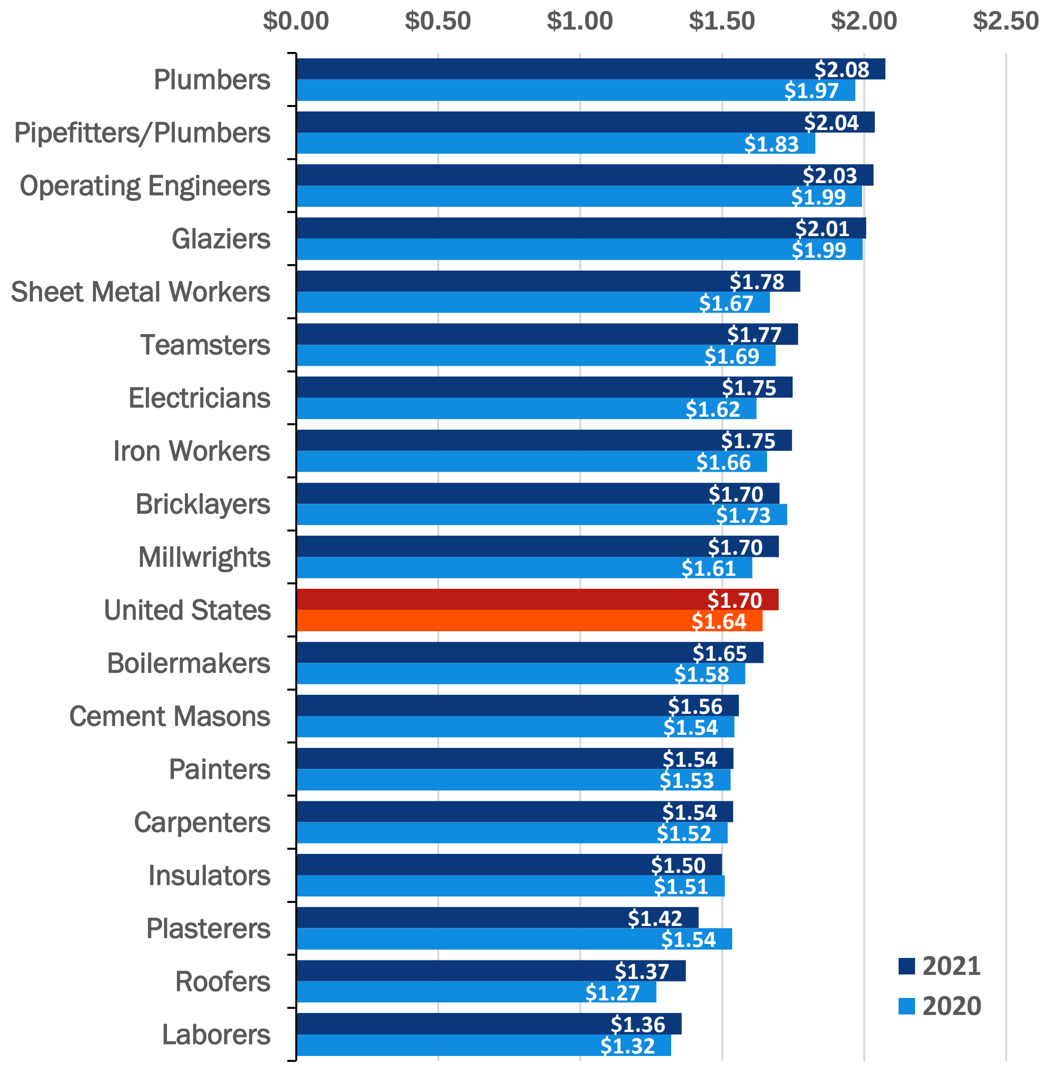


Exhibit 2.9 provides even more specific data cuts. These results reflect all settlements, not just first year settlements. This matrix contains the total package increase rates (dollar and percentage) for each craft within each region (craft x region). This information will help users of this report 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 $	$1.95	$1.64	$1.24	$1.64	$1.33	$0.88	$1.66	$2.33	$2.17
Increase %	2.9%	2.4%	2.7%	2.7%	2.4%	2.2%	3.4%	3.4%	3.7%
Boilermakers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	-	$1.90	-	$1.00	$1.56	-	-	-	-
Increase %	-	2.1%	-	1.2%	2.2%	-	-	-	-
Bricklayers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.93	$1.11	-	$1.81	$1.29	-	$1.50	$2.65	-
Increase %	2.6%	1.7%	-	3.1%	2.3%	-	3.0%	3.7%	-
Carpenters	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.13	$0.97	$1.30	$1.73	$1.48	$0.50	$1.04	$2.27	$2.08
Increase %	1.9%	1.6%	3.0%	3.1%	2.8%	1.4%	2.6%	3.5%	3.7%
Cement Masons	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	-	$0.97	-	$1.58	$1.13	$0.53	$2.00	$2.28	$1.75
Increase %	-	1.6%	-	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	$2.09	$1.34	$1.88	$1.69	$1.11	$1.37	$2.65	$1.69
Increase %	2.6%	2.9%	3.2%	3.0%	2.9%	2.9%	2.6%	4.1%	2.6%
Glaziers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$2.13	$1.80	-	$1.78	$1.17	-	-	$2.47	$2.59
Increase %	3.7%	2.9%	-	2.7%	2.0%	-	-	3.5%	3.9%
Insulators	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	-	$2.00	$1.10	$1.47	$1.20	$0.95	$0.93	$2.22	$1.66
Increase %	-	3.1%	2.1%	2.6%	1.8%	2.3%	2.0%	3.4%	2.5%
Iron Workers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$2.26	$1.40	-	$1.82	$1.54	$0.74	$2.10	$2.12	-
Increase %	2.3%	1.9%	-	2.9%	2.4%	1.7%	3.3%	2.8%	-
Laborers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.76	$0.76	$1.24	$1.35	$1.08	$0.64	$1.07	$1.97	$2.32
Increase %	3.0%	1.4%	3.5%	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	$1.23	$1.07	$1.79	$1.25	-	-	$2.75	$2.94
Increase %	1.9%	2.0%	2.2%	3.0%	2.5%	-	-	3.4%	4.7%

NEW

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

Operating Engineers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase $	$2.06	$2.14	-	$1.80	$1.59	$0.67	-	$2.62	$2.69
Increase %	2.8%	2.7%	-	2.8%	2.8%	1.7%	-	3.2%	4.5%
Painters	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$2.14	$1.44	$1.50	$1.39	$1.08	-	-	$1.47	$2.18
Increase %	3.7%	2.5%	2.6%	2.5%	2.1%	-	-	2.7%	5.3%
Pipefitters/Plumbers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$2.44	$2.19	$1.48	$1.86	$1.68	$1.51	$1.93	$2.82	$2.89
Increase %	3.1%	2.6%	2.9%	2.8%	2.7%	3.3%	3.6%	3.7%	3.6%
Plumbers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	-	$2.51	-	$2.08	$1.63	$1.25	$2.00	-	-
Increase %	-	2.9%	-	2.9%	2.6%	2.6%	3.5%	-	-
Plasterers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	-	$0.96	-	$1.55	$0.99	-	$1.25	$2.14	$1.00
Increase %	-	1.6%	-	2.8%	2.2%	-	3.0%	3.7%	1.7%
Roofers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.50	$2.23	-	$1.28	$1.12	-	-	-	-
Increase %	2.8%	4.4%	-	2.6%	2.2%	-	-	-	-
Sheet Metal Workers	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$2.56	$2.05	$1.04	$1.89	$1.40	$0.92	$1.88	$2.65	$2.29
Increase %	3.1%	2.8%	2.2%	2.8%	2.3%	2.0%	3.9%	3.2%	3.9%
Teamsters	**NE**	**MA**	**SE**	**ENC**	**WNC**	**SC**	**MNP**	**SWP**	**NW**
Increase $	$1.67	$1.78	$1.13	$1.43	$1.00	-	-	$1.95	$2.14
Increase %	3.0%	3.2%	2.5%	2.5%	2.1%	-	-	3.0%	3.8%

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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