

Settlements Report

Total Package Increases for
Union Craft Workers in Construction

JUNE 2022

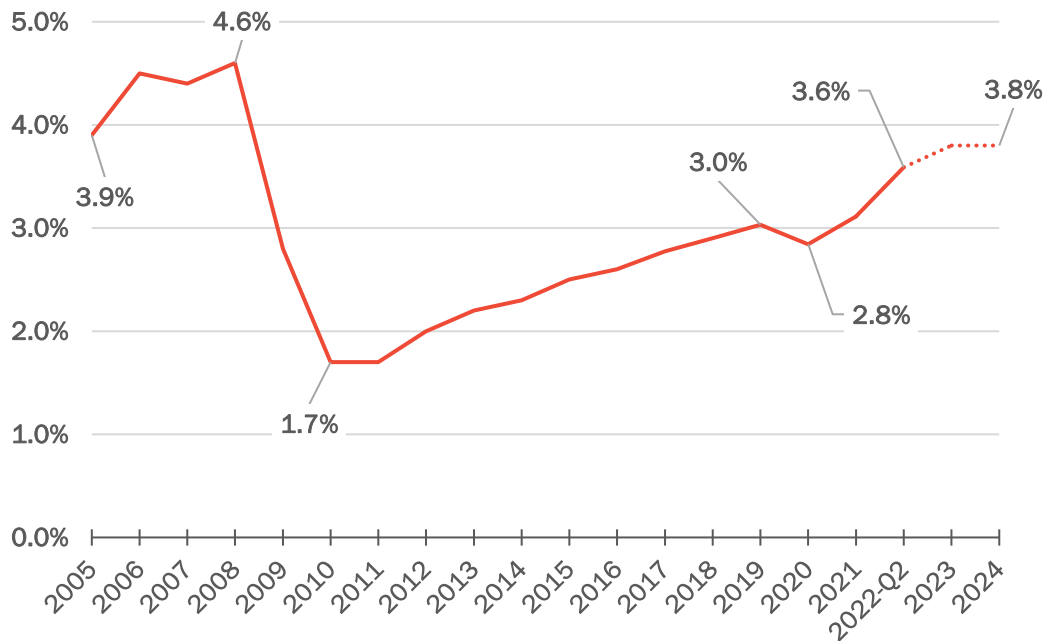


SECTION I. FIRST YEAR TOTAL PACKAGE INCREASES JANUARY – JUNE 2022

The Construction Labor Research Council (CLRC) reports that *the first year of new settlements reached from January through June of 2022 for union craft workers in the construction industry had an average increase of 3.6 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**, there has been noticeable growth in the size of increases the past year and a

half. After a modest dip of 0.2 percent in 2020, likely due to COVID-19, there was sharper growth in 2021 and so far in 2022. That is, the 0.8 percent change in the size of increases from 2020 to 2022-Q2 is the same amount as the growth from 2013 to 2019 (6 years). It appears that high inflation has impacted union craft pay rates more than two other recent factors—the craft labor shortage and COVID-19.

Exhibit 1.1
First year increases, shown as percentages



NOTE: Settlements Reports published later in the year may have slightly different results as additional data are added.

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

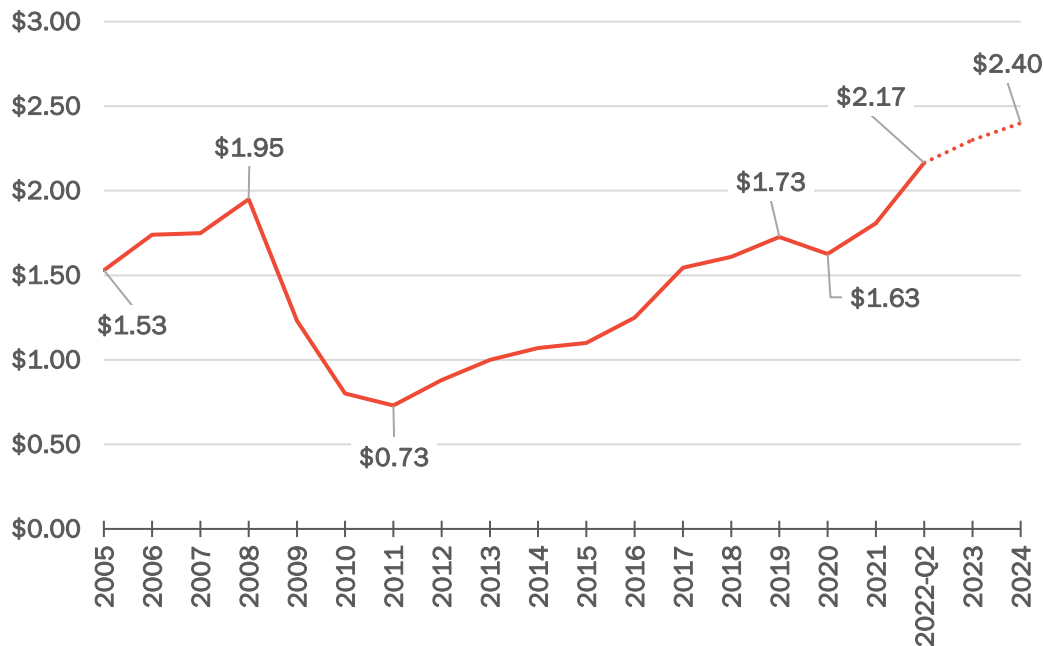
Section II (page 9) of this report covers all years of negotiated settlements and is better for summarizing the total amount actually paid/earned by contractors/employees. It also contains data on already negotiated future increases, which are useful for making projections.

Exhibit 1.2 shows that the average monetary increase during the first half of 2022 was \$2.17, a \$0.54 jump from 2020. Like the average percentage increases shown in **Exhibit 1.1**, there was a slight dip in 2020, which

serves to accentuate the sharp increases in 2021 and 2022-Q2. CLRC projects first year increases to average approximately \$2.40 in 2024.

Exhibit 1.2

First year increases, shown as dollar amounts



NOTE: 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.

The following associations sponsor this report:

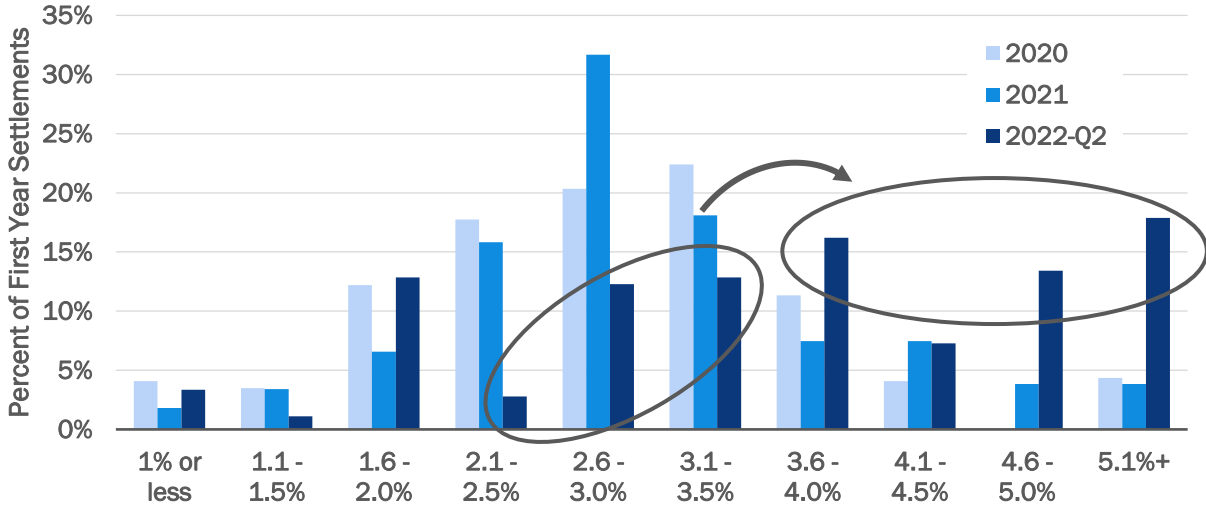
- Associated General Contractors of America (AGC)
- Central States Insulation Association (CSIA)
- FCA International (FCA)
- International Council of Employers of Bricklayers and Allied Craftworkers (ICE)
- Mechanical Contractors Association of America (MCAA)
- National Electrical Contractors Association (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-Q2. It is quite apparent that in 2022-Q2 many settlements shifted to the higher ranges

in the chart. In fact, the mode is 5.1%+, a notable change from 2.6-3.0% in 2021. So far in 2022, 55 percent of all settlements are for 3.6 percent or more; last year fewer than half were in that range (23 percent).

Exhibit 1.3

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

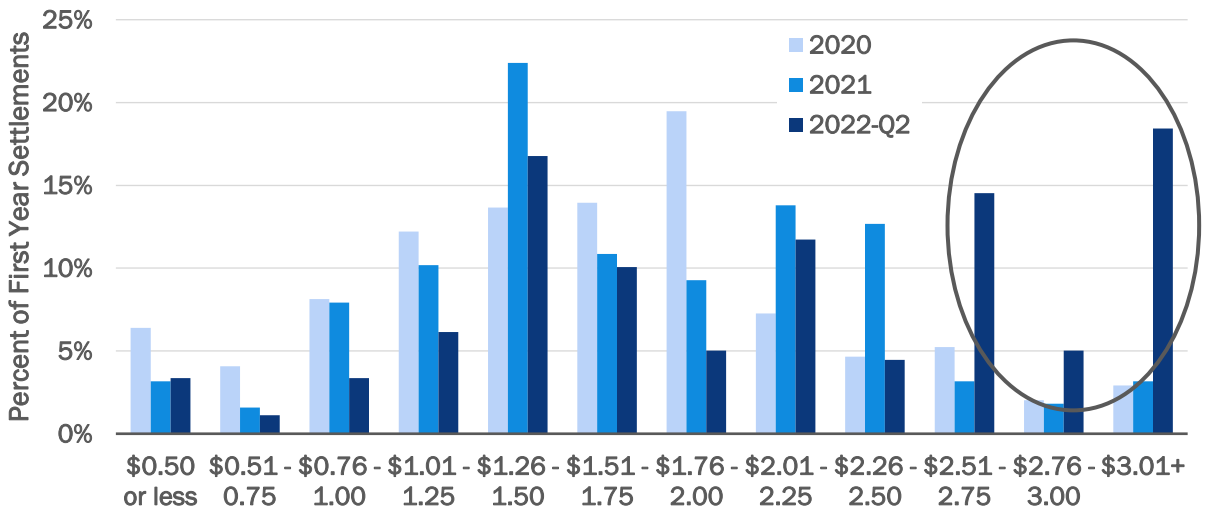


The distribution of first year increases as dollar amounts for 2020, 2021 and 2022-Q2 are shown in **Exhibit 1.4**. Obviously, the most common increase amounts have been higher in 2022-Q2, with 38 percent settling at \$2.51

or higher compared to just 8 percent last year. However, a critical mass (44 percent) of settlements remains in the middle of the distribution (i.e., \$1.26 to \$2.25).

Exhibit 1.4

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

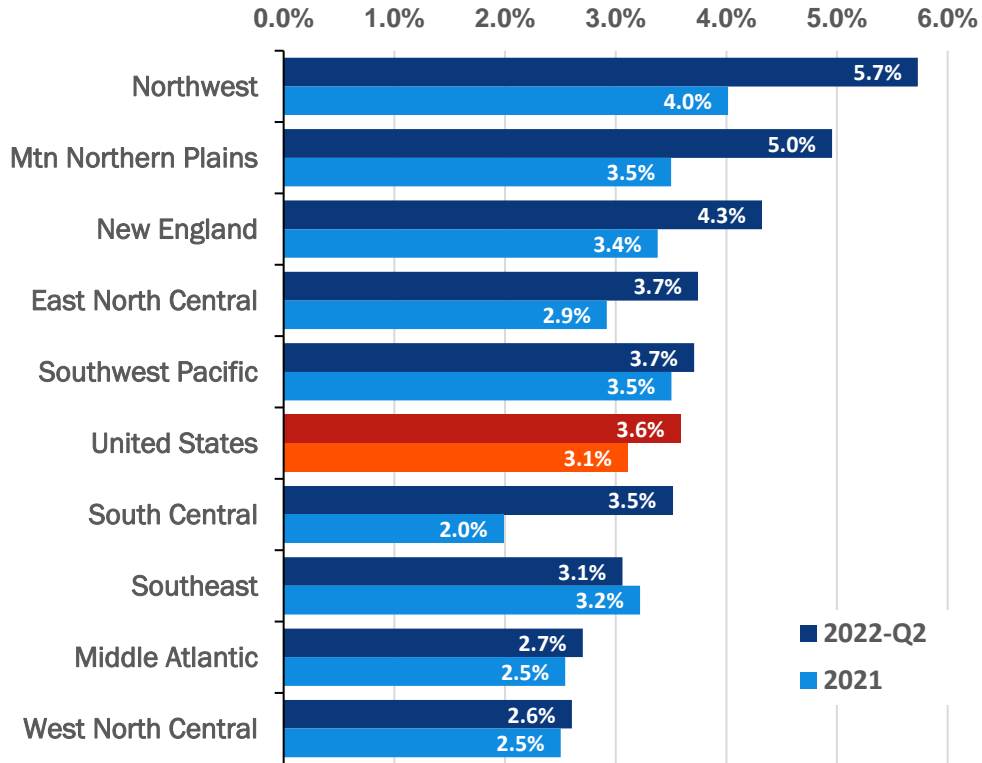


Exhibits 1.5 and 1.6 display the results for first year increases for 2021 and 2022-Q2 by region in descending order based on 2022-Q2 data. Every region except the Southeast had a larger increase in 2022-Q2 than in 2021. The Northwest had the largest increase to date this year, and that is on top of the largest

increase percentage in 2021—the two-year total for the Northwest approaches 10.0 percent. The nearby Mountain Northern Plains region was the other region with at least a 5.0 percent increase in 2022-Q2. Coupled with its 3.5 percent increase in 2021, this region has second highest two-year total at 8.5 percent.

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

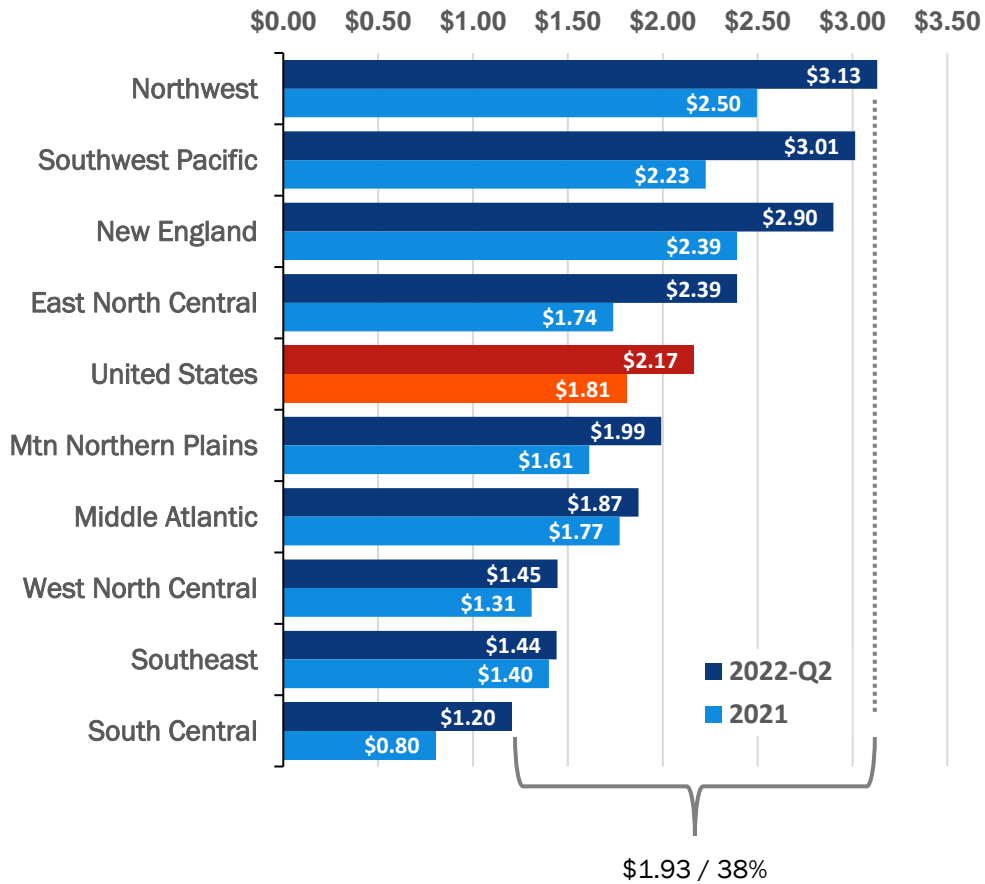
Northwest: AK, ID, OR, WA

Exhibit 1.6 shows the nine CLRC regions with the average dollar amount of their first year increases in descending order based on 2022-Q2 data. The largest average increases were in the Northwest and Southwest Pacific regions while the Southeast and South Central regions had the smallest averages. The New England region also contained many of the

largest increases. Every region experienced an increase from last year, with the biggest jump from 2021 to 2022-Q2 in the Southwest Pacific region (\$0.78). There was a \$1.93 range from the highest (\$3.13) to lowest (\$1.20) increase amounts. The lowest increase was 38 percent of the largest.

Exhibit 1.6

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



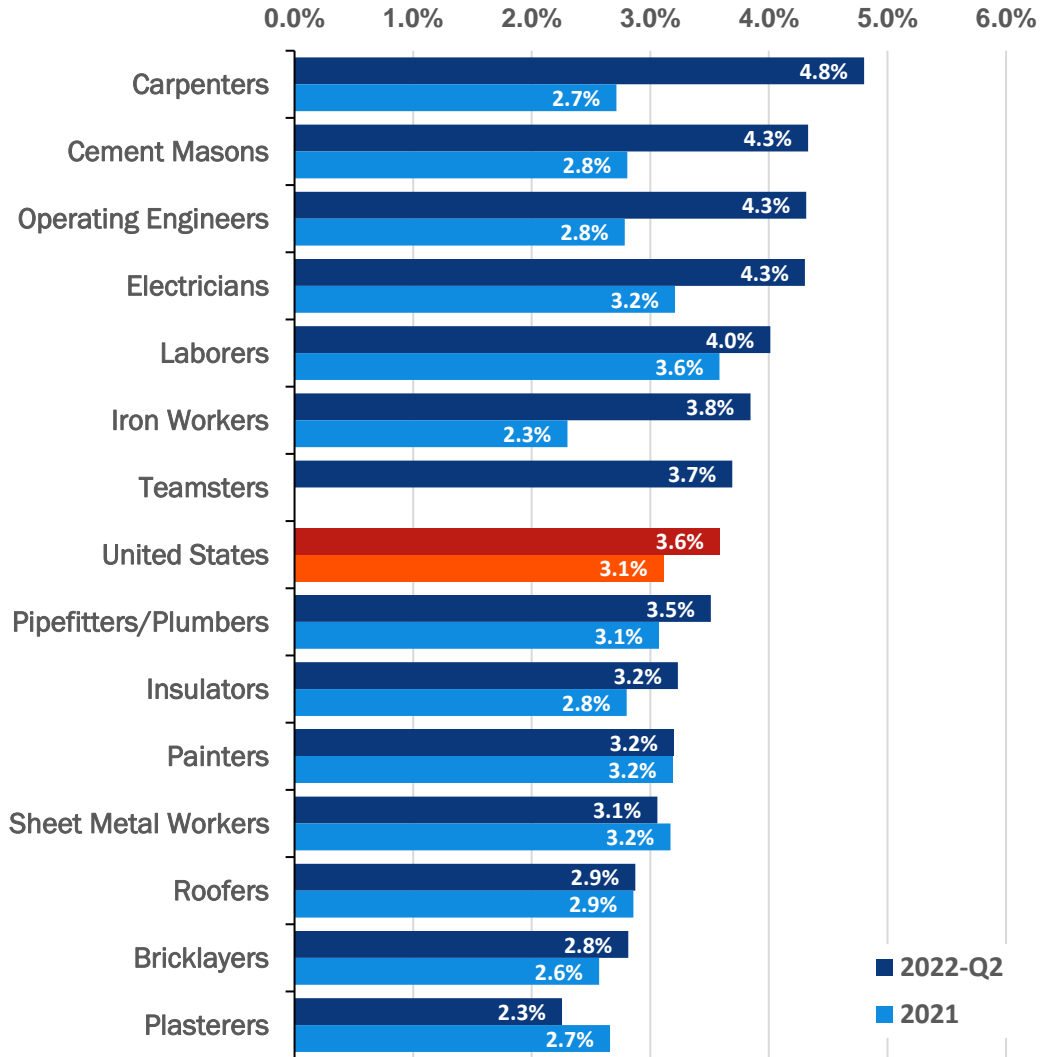
NOTE: In addition to actual differences, variation in rates from craft to craft and region to region throughout this report can be influenced by the composition of the data sample. For example, a craft with a large/small average increase may be partially affected by having more data from regions with 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 2021 and 2022-Q2 are displayed in **Exhibit 1.7** in descending order based on 2022-Q2 data. So far in 2022 five crafts have averaged at least 4.0 percent—Carpenters, Cement Masons, Operating Engineers, Electricians and Laborers. The Carpenters also

had the largest increase over 2021 at 2.1 percent. Interestingly, two crafts have smaller increases in 2022-Q2, Sheet Metal Workers and Plasterers. However, this may change as additional settlements are added during the second half of 2022.

Exhibit 1.7

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

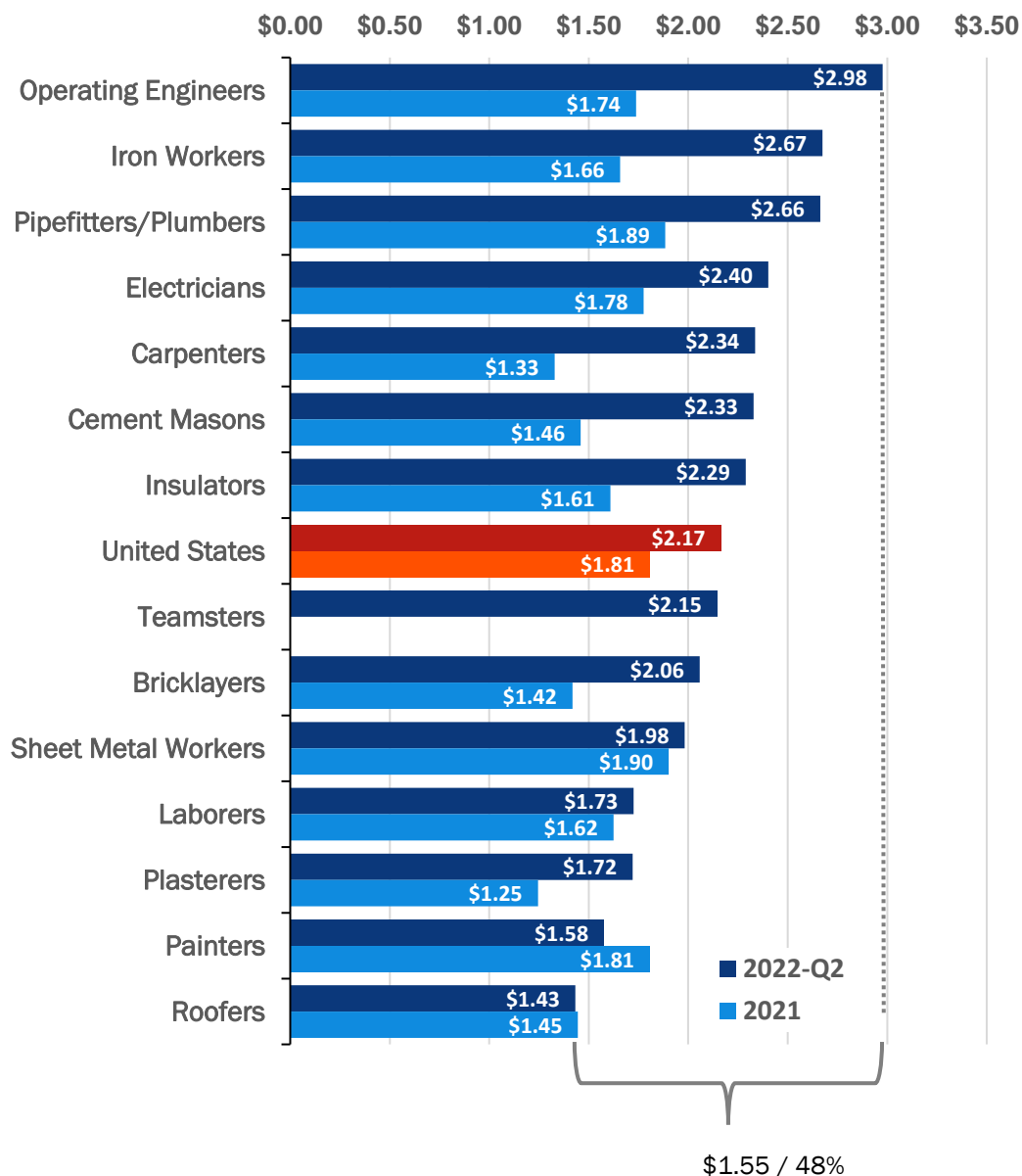


In **Exhibit 1.8** the average first year increases by craft are shown as dollar amounts in descending order based on the 2022-Q2 data. Nine crafts averaged at least \$2.00 for their 2022-Q2 increase. The biggest changes from 2021 were with the Operating Engineers, Iron Workers and Carpenters, each with more than

a \$1.00 larger increase in 2022-Q2 than in 2021. As usual, the range was tighter for crafts than regions. The difference between the smallest and largest craft averages was \$1.55 (the increase for Roofers is 48 percent of the increase for Operating Engineers).

Exhibit 1.8

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



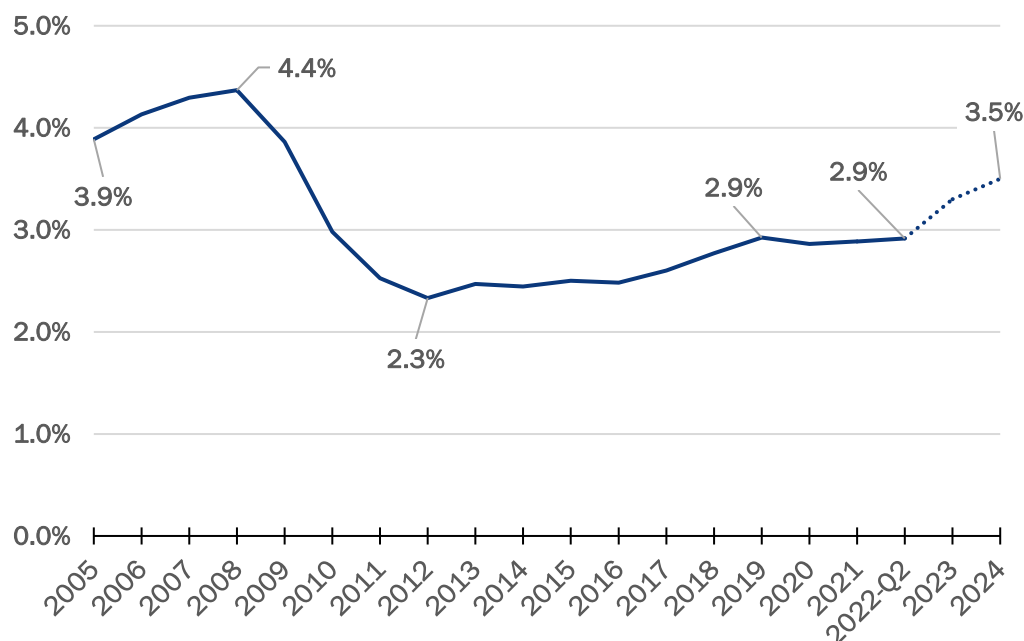
SECTION II. TOTAL PACKAGE INCREASES FOR ALL CONTRACT YEARS

The average total package increase in 2022-Q2 for all contract years for union crafts in construction was 2.9 percent. CLRC projects increases to reach approximately 3.5 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



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 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).

Exhibit 2.2 shows an increase of \$0.16 from 2019 to 2022-Q2, which includes a lull in the rate of growth in 2020. CLRC projects nearly double that increase in the next two years, to about \$2.10 in 2024. Although new

settlements are averaging higher in 2022-Q2 (\$2.17, see **Exhibit 1.2**), this value reflects the average of what contractors are paying across all years of settlements (see note, page 9).

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 that are greater than 5.0 percent is due to the influence of new larger settlements covered in **Section I**.

Exhibit 2.3
Distribution of all increases, shown as percentages

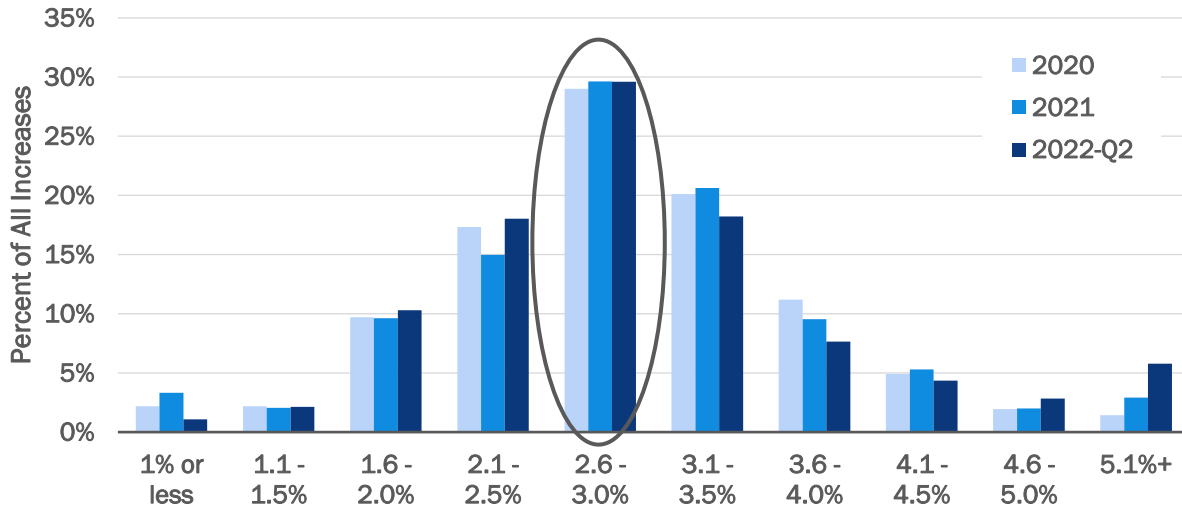
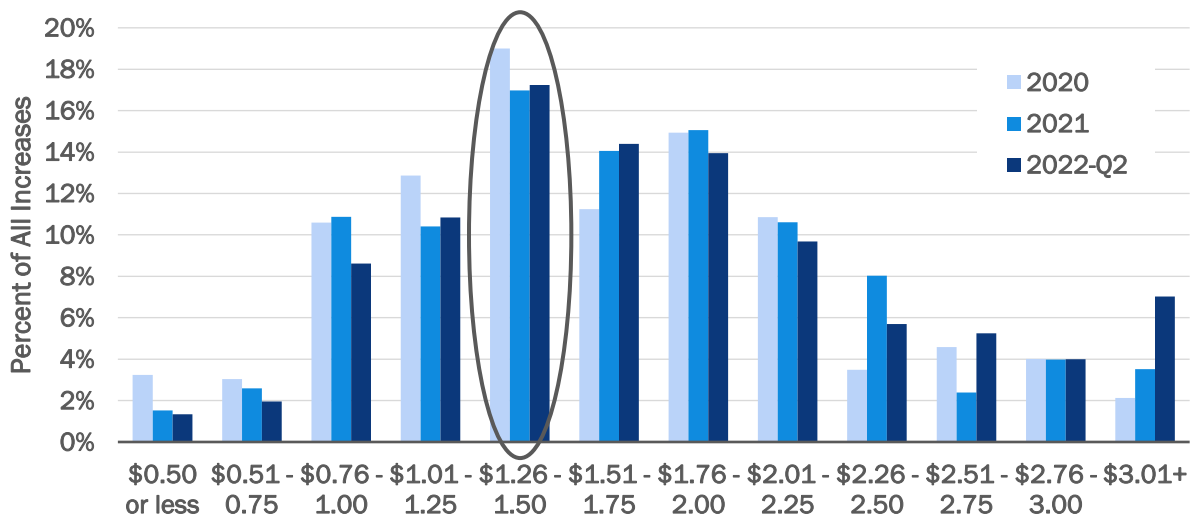


Exhibit 2.4 shows that the most common range, conveyed in monetary values, for the past three years has been \$1.26–1.50. There

is noticeable growth in increases that are greater than \$3.00.

Exhibit 2.4
Distribution of all increases, shown as dollar amounts

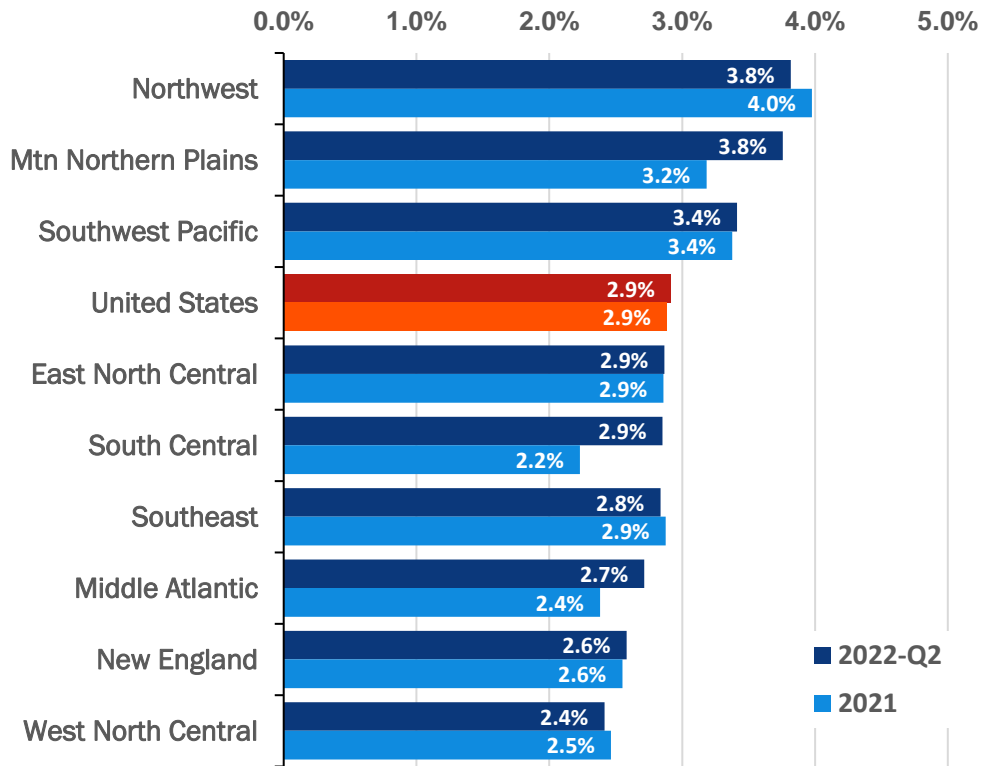


Exhibits 2.5 and 2.6 display the results for all increases for 2021 and 2022-Q2 by region in descending order based on 2022-Q2 data. As shown in Exhibit 2.5, the largest average increases in 2022-Q3 were on the West Coast (Northwest and Southwest Pacific regions) and the adjacent Mountain Northern Plains region. The smallest increases were in the

West North Central region of the U.S. Surprisingly, the South Central region did not have some of the lowest increases, as is often the case. Even though the Northwest region’s average dropped slightly, they continued to hold the top spot through the first half of 2022.

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

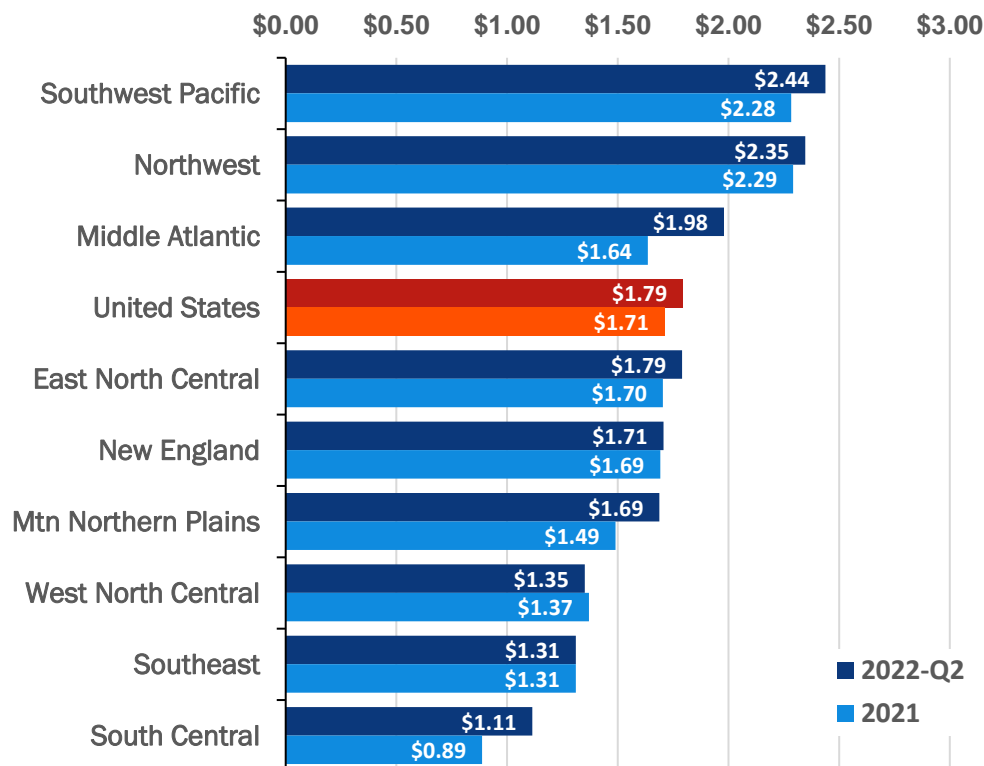
Northwest: AK, ID, OR, WA

Exhibit 2.6 shows the regions with the dollar amount of their increases in descending order based on 2022-Q2. As was the case in **Exhibit 2.5**, the largest increases, by a significant amount, were on the West Coast (Northwest and Southwest Pacific regions). In fact, those two regions were the only two over \$2.00, and they were both well over the \$2.00 threshold. 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-Q2 by craft in descending order based on the 2022-Q2 data. Exhibit 2.7 shows that the largest average increases in 2022-Q2 belonged to Carpenters

at 3.4 percent. Seven crafts had an average of at least 3.0 percent. Nearly every craft was within half a percentage point of the U.S. mean.

Exhibit 2.7

All increases as percentages, by craft in descending order

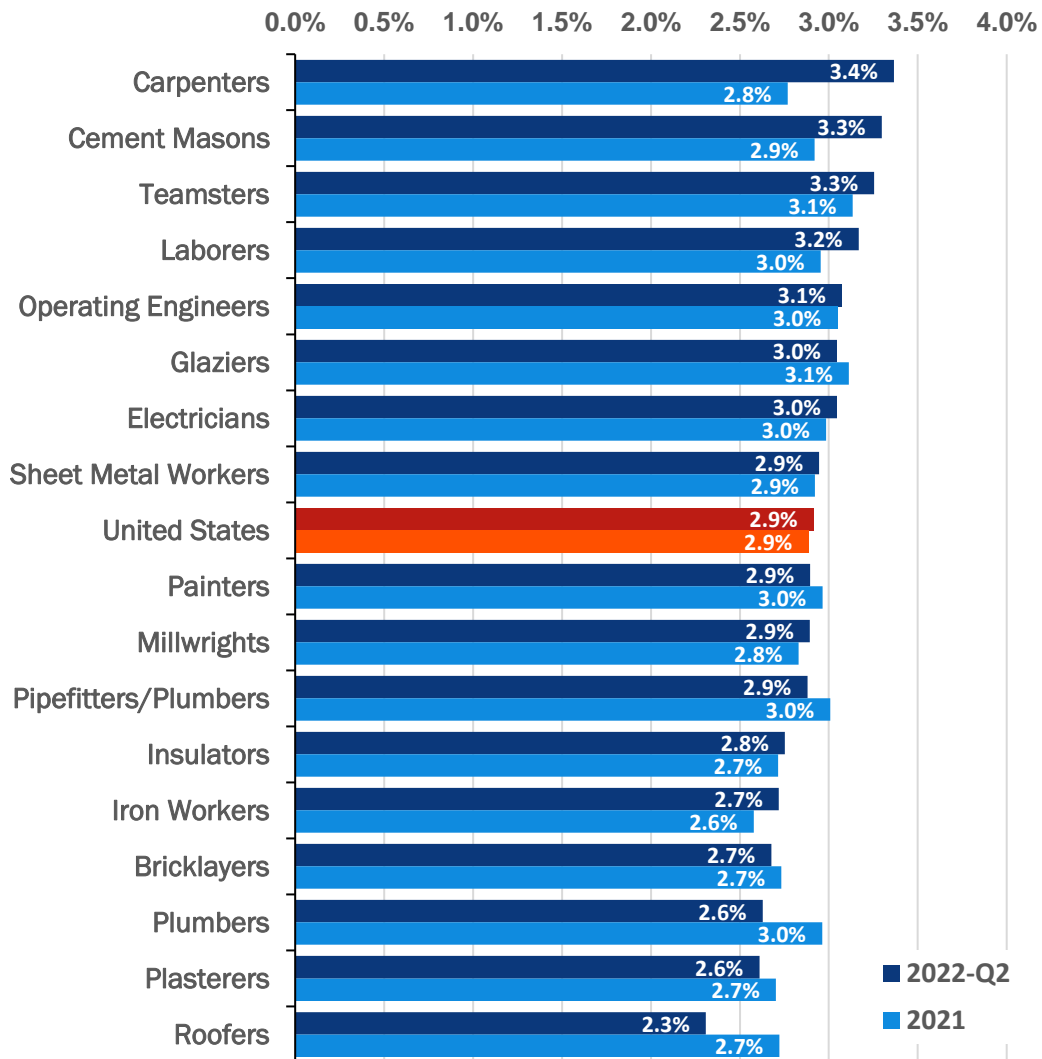


Exhibit 2.8 reflects the crafts with the dollar amount of their increases in descending order based on 2022-Q2. Four crafts averaged at least \$2.00. A majority of the crafts—11 of

17—were clustered within \$0.25 of the U.S. average and only one was more than \$0.50 from the U.S. mean.

Exhibit 2.8

All increases as dollar amounts, by craft in descending order

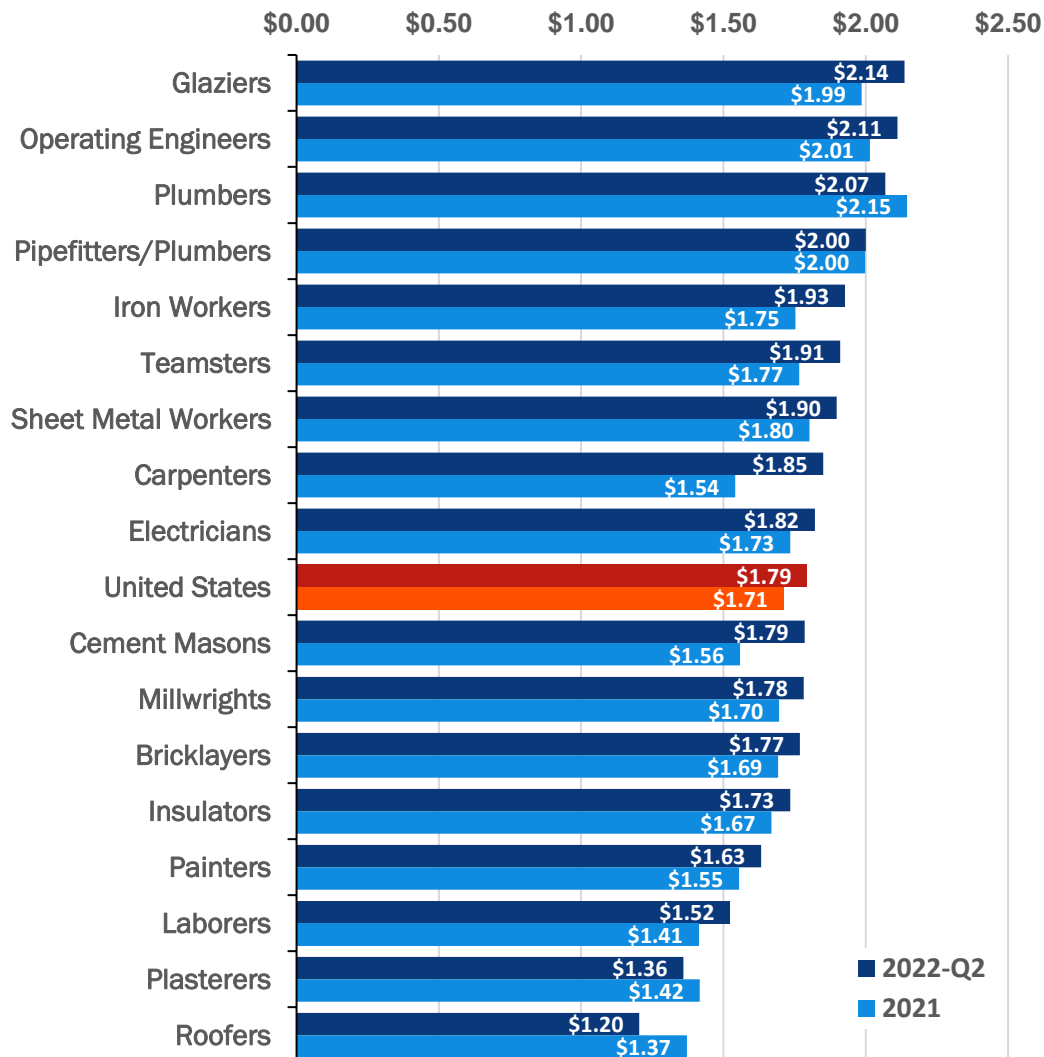


Exhibit 2.9 provides even more specific data cuts. These results reflect all settlements, not just first year settlements. This matrix contains the total package increase rates (dollar and percentage) for each craft within each region (craft x region). This information

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 \$	\$1.71	\$1.98	\$1.31	\$1.79	\$1.35	\$1.11	\$1.69	\$2.44	\$2.35
Increase %	2.6%	2.7%	2.8%	2.9%	2.4%	2.9%	3.8%	3.4%	3.8%
Bricklayers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$1.86	\$1.45	-	\$2.01	\$1.31	-	-	\$2.31	-
Increase %	2.6%	2.1%	-	3.1%	2.3%	-	-	3.2%	-
Carpenters	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$1.13	\$1.42	\$1.07	\$1.96	\$1.55	\$1.47	\$2.08	\$2.63	\$2.24
Increase %	1.8%	2.8%	2.3%	3.3%	2.9%	4.1%	5.0%	3.4%	3.6%
Cement Masons	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	-	\$1.50	-	\$1.68	\$1.03	\$1.14	\$1.75	\$2.16	\$2.77
Increase %	-	2.1%	-	3.1%	2.1%	3.3%	3.4%	3.4%	5.2%
Electricians	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$2.00	\$2.39	\$1.47	\$1.83	\$1.53	\$1.12	\$1.35	\$2.20	-
Increase %	2.8%	3.3%	3.3%	2.8%	3.1%	2.9%	2.5%	3.2%	-
Glaziers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$1.84	\$2.28	-	\$2.19	\$0.82	-	-	\$3.26	\$2.00
Increase %	3.0%	3.1%	-	2.6%	1.3%	-	-	4.5%	3.0%
Insulators	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	-	-	\$1.31	\$1.60	\$1.23	\$1.50	\$0.91	\$2.64	\$2.14
Increase %	-	-	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	\$1.67	-	\$1.94	\$1.49	\$0.75	\$3.00	\$2.25	-
Increase %	2.4%	2.0%	-	3.0%	2.4%	1.7%	4.5%	2.9%	-
Laborers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$1.76	\$1.28	\$0.94	\$1.46	\$1.08	\$0.94	\$1.45	\$1.93	\$2.18
Increase %	2.9%	2.4%	2.4%	2.7%	2.4%	3.6%	4.6%	3.2%	4.4%
Millwrights	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$1.14	\$1.59	-	\$1.31	\$1.29	-	\$2.73	\$2.98	\$2.96
Increase %	1.9%	2.4%	-	2.2%	2.5%	-	5.5%	3.5%	5.0%
Operating Engineers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$3.48	\$2.17	\$1.35	\$2.00	\$1.46	\$0.69	\$1.75	\$2.69	\$2.95
Increase %	4.7%	2.7%	2.6%	3.0%	2.5%	1.7%	3.2%	3.2%	4.4%

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	-	\$1.53	\$1.22	-	-	\$1.88	\$1.50
Increase %	3.0%	3.0%	-	2.8%	2.4%	-	-	3.2%	3.2%
Pipefitters/Plumbers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$2.20	\$2.41	\$1.36	\$1.81	\$1.63	\$1.31	\$1.77	\$2.74	\$2.67
Increase %	3.3%	2.7%	3.0%	2.7%	2.5%	2.8%	3.2%	3.6%	3.2%
Plumbers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$3.30	\$2.50	-	\$2.12	\$1.58	\$1.00	-	-	-
Increase %	3.4%	2.6%	-	2.8%	2.4%	2.1%	-	-	-
Plasterers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	-	\$1.48	\$1.25	\$1.54	\$0.97	-	\$1.25	\$2.05	\$0.75
Increase %	-	2.1%	2.8%	2.8%	2.1%	-	2.9%	3.9%	1.2%
Roofers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	-	\$1.25	-	\$1.40	\$1.20	-	-	-	\$1.00
Increase %	-	2.3%	-	2.7%	2.5%	-	-	-	1.6%
Sheet Metal Workers	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$2.00	\$2.29	\$1.06	\$2.22	\$1.70	\$1.05	\$1.56	\$2.71	\$2.81
Increase %	2.5%	3.2%	2.0%	3.2%	2.8%	2.2%	3.0%	3.2%	4.6%
Teamsters	NE	MA	SE	ENC	WNC	SC	MNP	SWP	NW
Increase \$	\$2.62	\$1.96	-	\$1.68	\$1.20	-	-	\$2.25	\$1.78
Increase %	4.6%	3.7%	-	2.7%	2.5%	-	-	3.3%	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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