



Settlements Report

December 2015

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Settlements in the construction industry in 2015, as analyzed by the Construction Labor Research Council (CLRC), averaged the following: **first year—2.5 percent (\$1.10), second year—2.7 percent (\$1.40), and third year—2.7 percent (\$1.50).** Exhibits 1 and 2 show the 8-year trend of wage and fringe benefits settlements combined.

Exhibit 1

First year settlements, shown as percents

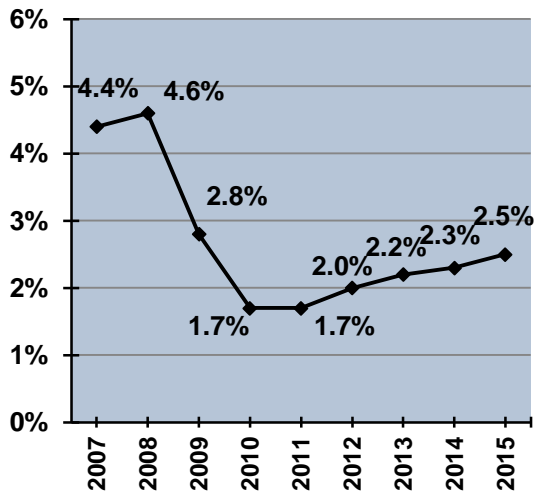
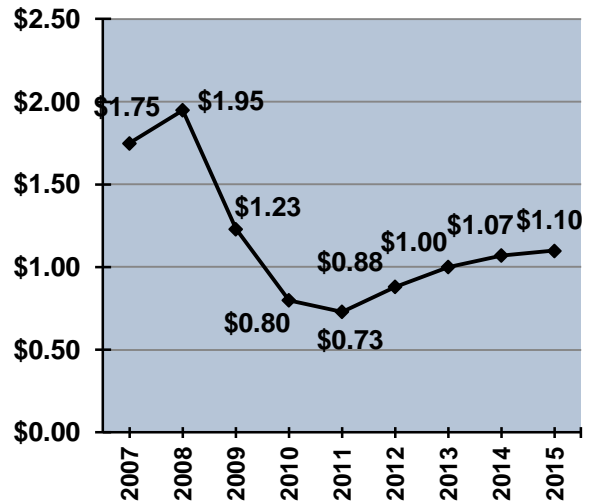


Exhibit 2

First year settlements, shown as dollars



First year increases in 2015, both as percents and dollar amounts, continued the gradual, steady upward trend which began in 2011. **Exhibit 3** shows that, in percentage terms, first year contracts have had modest increases over the past three years (from 2.2 percent in 2013 to 2.5 percent in 2015). For second and third year contracts, however, settlements fell slightly from their 2013 levels in 2014 and then jumped to 2.7% in 2015, as highlighted by red ovals below.

Exhibit 3

2015 settlements compared to settlements from 2013 and 2014

Contract Year	2013		2014		2015	
	Percent	Dollar	Percent	Dollar	Percent	Dollar
First	2.2%	\$1.00	2.3%	\$1.07	2.5%	\$1.10
Second	2.6%	\$1.30	2.4%	\$1.31	2.7%	\$1.40
Third	2.6%	\$1.34	2.5%	\$1.37	2.7%	\$1.50

The Consumer Price Index (CPI) rose by 0.7 percent for the 12 months ending December 2015*

*Source: Bureau of Labor Statistics

The median increases for 2015 were similar to the averages at 2.5 percent (\$1.01) for the first year and 2.7 percent (\$1.32) for the second year. The third year had a median increase of 2.6 percent (\$1.31) and an average of 2.7 percent (\$1.50). This \$0.19 differential between mean and median values suggests that there were high outliers for that metric. The median is the rate at which half of the agreements are higher and half are lower; it is less affected by outliers.

Exhibits 4 and 5 show details about the first year of collectively bargained settlements. The most common settlement in 2015 was the 2.6-3.0 percent range, the same as 2014. In 2013, however, the most common rate was lower, 2.1-2.5 percent. As shown in the red ovals, there was the same percent of settlements with no increase in 2014 as there was in 2013, 8 percent, but this decreased to 3 percent in 2015. As a reminder, in 2011, 20 percent of the settlements were for no increase.

Exhibit 4

Details for first year settlements shown as percents: 2013, 2014 and 2015

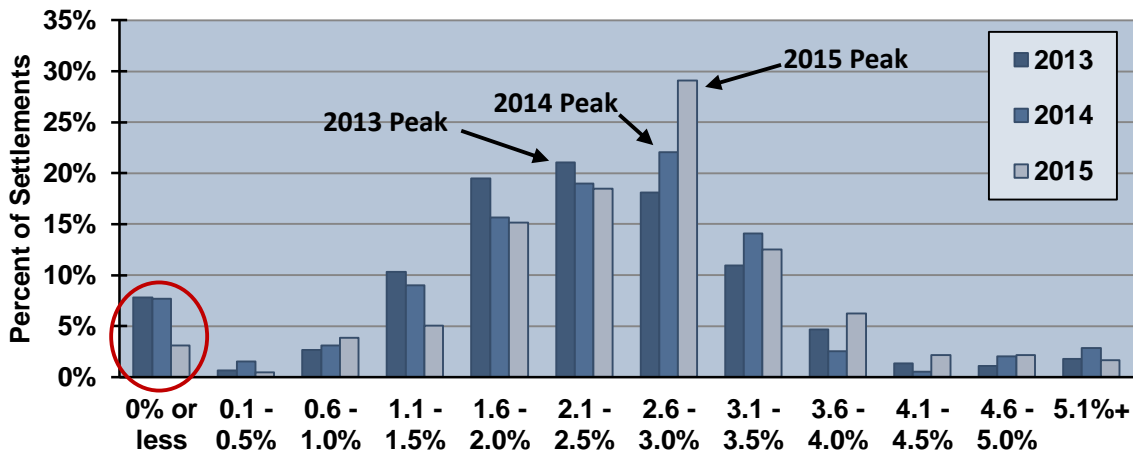
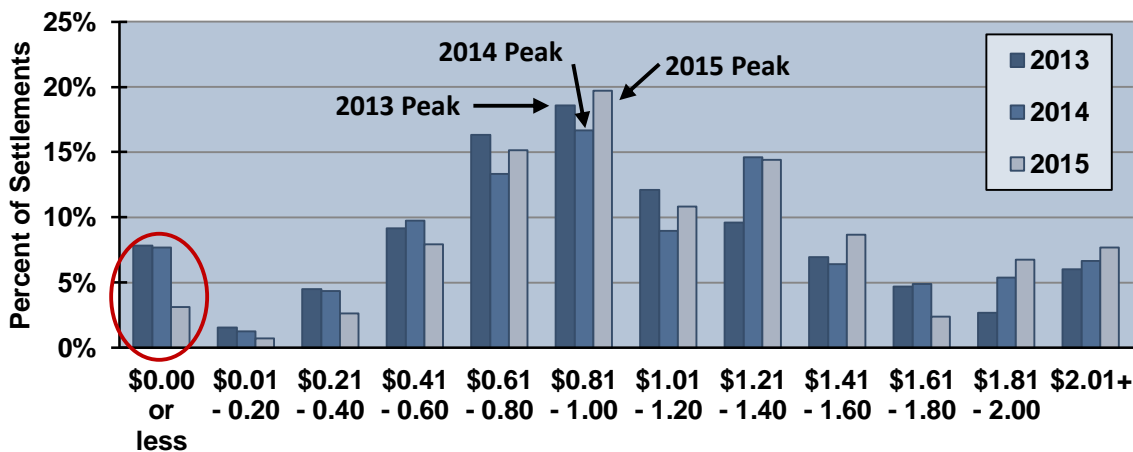


Exhibit 5 shows that the most common increase amount in 2015 was in the \$0.81-\$1.00 range. This was also the most common increase in the two previous years.

Exhibit 5

Details for first year settlements shown as dollars: 2013, 2014 and 2015



Settlements by Region

Average first year settlements for 2015 ranged from a low of 2.0 percent (median = 1.8 percent) in the New England region to a high of 2.7 percent (median = 3.0 percent) in the Northwest region, as shown in **Exhibit 6**. **Exhibit 7** shows the regions with the dollar amount of their agreements. The lowest average occurred in the South Central region at \$0.65 (median = \$0.70) and the highest average, conveyed as a dollar amount, was in the Southwest Pacific region at \$1.66 (median = \$1.83).

Exhibit 6

Settlements by region shown as percents

Region	First Year			Second Year			Third Year		
	Count	Average	Median	Count	Average	Median	Count	Average	Median
New England	4	2.0%	1.8%	< 3	-	-	< 3	-	-
Middle Atlantic	54	2.5%	2.5%	24	2.5%	2.6%	11	2.5%	2.8%
Southeast	126	2.4%	2.4%	5	2.1%	2.3%	3	1.8%	1.6%
East North Central	159	2.6%	2.6%	79	2.6%	2.6%	54	2.6%	2.6%
West North Central	18	2.3%	2.2%	12	2.4%	2.4%	12	2.5%	2.5%
South Central	14	2.2%	2.0%	< 3	-	-	< 3	-	-
Mountain Northern Plains	3	2.1%	1.5%	< 3	-	-	< 3	-	-
Southwest Pacific	27	2.6%	2.9%	20	2.9%	3.1%	20	3.0%	3.1%
Northwest	11	2.7%	3.0%	< 3	-	-	< 3	-	-
United States	416	2.5%	2.5%	141	2.7%	2.7%	101	2.7%	2.6%

● Equal to or lower than United States results

● Higher than United States results

Exhibit 7

Settlements by region shown as dollar amounts

Region	First Year			Second Year			Third Year		
	Count	Average	Median	Count	Average	Median	Count	Average	Median
New England	4	\$1.17	\$0.99	< 3	-	-	< 3	-	-
Middle Atlantic	54	\$1.33	\$1.25	24	\$1.25	\$1.32	11	\$1.36	\$1.31
Southeast	126	\$0.84	\$0.85	5	\$0.72	\$0.72	3	\$0.67	\$0.57
East North Central	159	\$1.27	\$1.30	79	\$1.31	\$1.30	54	\$1.31	\$1.30
West North Central	18	\$0.95	\$0.92	12	\$1.06	\$0.97	12	\$1.11	\$1.02
South Central	14	\$0.65	\$0.70	< 3	-	-	< 3	-	-
Mountain Northern Plains	3	\$0.90	\$0.69	< 3	-	-	< 3	-	-
Southwest Pacific	27	\$1.66	\$1.83	20	\$1.90	\$2.00	20	\$2.06	\$1.88
Northwest	11	\$1.50	\$1.52	< 3	-	-	< 3	-	-
United States	416	\$1.10	\$1.01	141	\$1.40	\$1.32	101	\$1.50	\$1.31

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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.

Settlements by Craft

Average first year settlements for 2015 ranged from a low of 2.1 percent for Bricklayers (median = 2.0 percent) to a high of 3.3 percent for Teamsters (median = 2.6 percent), as shown in **Exhibit 8**.

Exhibit 8

Settlements by craft shown as percents

Craft	First Year			Second Year			Third Year		
	Count	Average	Median	Count	Average	Median	Count	Average	Median
Boilermakers	< 3	-	-	< 3	-	-	< 3	-	-
Bricklayers	44	2.1%	2.0%	20	2.1%	2.0%	13	2.4%	2.4%
Carpenters	21	2.7%	2.9%	8	3.3%	3.2%	4	3.4%	3.6%
Cement Masons	34	2.6%	2.5%	18	2.1%	2.5%	15	2.6%	2.4%
Electricians	34	2.7%	2.6%	20	2.5%	2.7%	14	2.6%	2.5%
Insulators	11	2.5%	2.2%	< 3	-	-	< 3	-	-
Iron Workers	92	2.5%	2.5%	6	3.1%	2.9%	5	2.6%	2.6%
Laborers	41	2.3%	2.8%	13	2.7%	2.8%	8	2.8%	2.8%
Millwrights	16	2.4%	2.6%	6	3.2%	3.4%	4	3.6%	3.6%
Operating Engineers	22	2.8%	2.7%	11	2.8%	2.7%	10	2.4%	2.6%
Painters	25	2.5%	2.5%	9	2.7%	2.6%	3	2.7%	2.8%
Pipefitters/Plumbers	23	2.3%	2.1%	7	2.8%	2.9%	6	2.9%	2.9%
Plasterers	20	3.0%	2.7%	6	2.4%	2.5%	4	2.5%	2.5%
Sheet Metal Workers	21	2.2%	2.3%	11	2.5%	2.5%	10	2.4%	2.3%
Teamsters	7	3.3%	2.6%	< 3	-	-	< 3	-	-
United States	416	2.5%	2.5%	141	2.7%	2.7%	101	2.7%	2.6%

● Equal to or lower than United States results
 ● Higher than United States results

The following associations sponsor this report:

- Associated General Contractors of America (AGC)
- Central States Insulation Association (CSIA)
- Eastern States Insulation Contractors Association (ESICA)
- FCA International (FCA)
- International Council of Employers of Bricklayers and Allied Craftworkers (ICE)
- Mechanical Contractors Association of America (MCAA)
- National Association of Construction Boilermaker Employers (NACBE)
- National Electrical Contractors Association (NECA)
- National Fire Sprinkler Association (NFSA)
- North American Contractors Association (NACA)
- Sheet Metal and Air Conditioning Contractors' National Association (SMACNA)
- The Association of Union Constructors (TAUC)

Settlements by Craft (continued)

Exhibit 9 outlines the 2015 settlements as dollar amounts. Results range from a low of \$0.96 (median = \$1.00) for Laborers to a high of \$1.30 (median = \$1.01) for Pipefitters/Plumbers.

Exhibit 9

Settlements by craft shown as dollar amounts

Craft	First Year			Second Year			Third Year		
	Count	Average	Median	Count	Average	Median	Count	Average	Median
Boilermakers	< 3	-	-	< 3	-	-	< 3	-	-
Bricklayers	44	● \$0.98	● \$0.92	20	● \$1.08	● \$1.00	13	● \$1.29	● \$1.31
Carpenters	21	● \$1.23	● \$1.20	8	● \$1.81	● \$1.62	4	● \$2.18	● \$2.51
Cement Masons	34	● \$1.13	● \$1.09	18	● \$0.90	● \$0.96	15	● \$1.11	● \$1.00
Electricians	34	● \$1.28	● \$1.21	20	● \$1.34	● \$1.32	14	● \$1.35	● \$1.25
Insulators	11	● \$0.98	● \$0.80	< 3	-	-	< 3	-	-
Iron Workers	92	● \$1.20	● \$1.11	6	● \$1.73	● \$1.74	5	● \$1.53	● \$1.30
Laborers	41	● \$0.96	● \$1.00	13	● \$1.27	● \$1.35	8	● \$1.34	● \$1.35
Millwrights	16	● \$1.20	● \$1.29	6	● \$1.98	● \$2.08	4	● \$2.37	● \$2.51
Operating Engineers	22	● \$1.25	● \$1.28	11	● \$1.47	● \$1.50	10	● \$1.31	● \$1.38
Painters	25	● \$1.02	● \$0.97	9	● \$1.30	● \$1.23	3	● \$1.62	● \$1.75
Pipefitters/Plumbers	23	● \$1.30	● \$1.01	7	● \$1.99	● \$2.00	6	● \$2.23	● \$2.30
Plasterers	20	● \$1.17	● \$1.11	6	● \$1.10	● \$1.10	4	● \$1.10	● \$1.11
Sheet Metal Workers	21	● \$1.11	● \$1.00	11	● \$1.32	● \$1.25	10	● \$1.31	● \$1.18
Teamsters	7	● \$1.13	● \$1.00	< 3	-	-	< 3	-	-
United States	416	\$1.10	\$1.01	141	\$1.40	\$1.32	101	\$1.50	\$1.31

● Equal to or lower than United States results

● Higher than United States results

The December 2015 unemployment rate in the construction industry was 7.5 percent, down from 8.3 percent at the same time last year.

The December 2015 unemployment rate for the United States was 5.0 percent.*

*Source: Bureau of Labor Statistics

Additional reports are available upon request. Companies/contractors, chapters, and local associations/affiliates who are members of CLRC's sponsor associations (see p. 4) receive discounted rates.

Report	Description	Benefit
Market Share Analysis	Shows what percent of a given industry (e.g., plumbing/pipefitting, carpenters) is worked by union contractors.	Allows management and labor to more precisely define their share of the market, and more importantly, the trend over time. Also, can document the impact of specific programs (e.g., market recovery, new classifications).
Union – Nonunion Wage and Fringe Benefits Comparison	Compares a specific local's wage and fringe benefits package to nonunion data for that craft in the same geographic region.	Tangibly shows the difference in both dollars and percents between union and nonunion pay and fringe benefits.
Contract Costing	Provides a detailed cost analysis of 8–12 categories in a contract (e.g., 2 nd shift, foreman ratio, clean-up time) on a per employee per hour and total contract cost basis.	Helps the parties in collective bargaining better understand the real costs associated with contract language clauses.
Wage and Fringe Benchmark Comparison	Graphs actual wage and fringe benefits rates compared to indexes (e.g., CPI, nonunion) over time to show the trend.	Compares actual pay to what it would have been using an index.
Custom	Tell us what you are looking for, we can probably help you.	Offers you greater understanding and useful data to use during collective bargaining or internal business decisions.

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