



Settlements Report

December 2016

**Construction Labor Research Council
1250 Connecticut Avenue, NW
Suite 200
Washington, DC 20036
202.347.8440
www.clrcconsulting.org
clrc@clrcconsulting.org**

Settlements in the construction industry in 2016, as analyzed by the Construction Labor Research Council (CLRC), averaged the following: **first year—2.6 percent (\$1.18), second year—2.8 percent (\$1.59), and third year—2.9 percent (\$1.61)**. Exhibits 1 and 2 show the 9-year trend for wage and fringe benefits combined (total package). Exhibit 1 shows that, in percentage terms, first year contracts have increased by nearly one percent since 2010 (from 1.7 percent in 2010 to 2.6 percent in 2016).

Exhibit 1

First year settlements, shown as percents

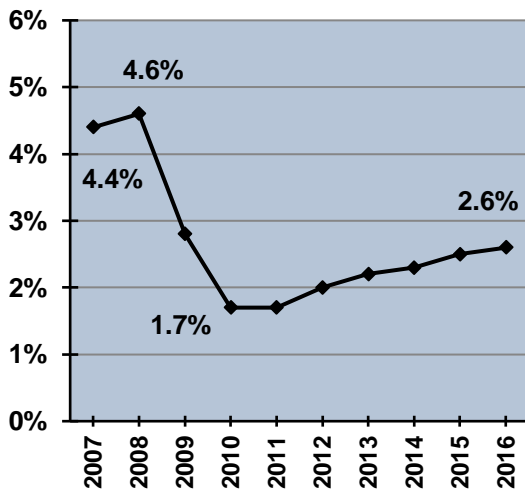
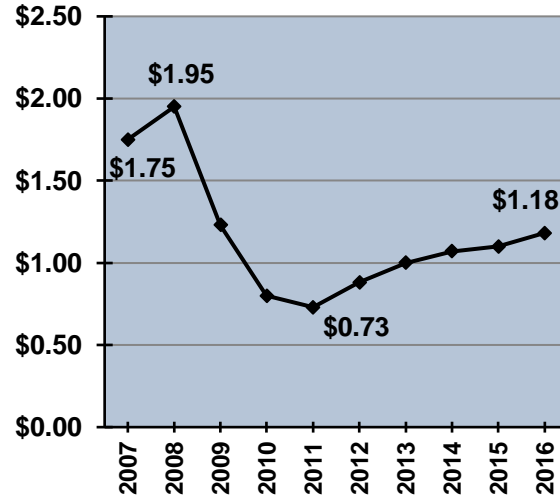


Exhibit 2

First year settlements, shown as dollars



As displayed in **Exhibit 3**, first year increases in 2016, both as percents and dollar amounts, continued the gradual, steady upward trend which began in 2011. The second and third years of settlements also experienced slow but steady increases. To illustrate, second year increases went from 2.7 percent in 2015 to 2.8 in 2016.

Exhibit 3

2016 settlements compared to settlements from 2014 and 2015

Contract Year	2014		2015		2016	
	Percent	Dollar	Percent	Dollar	Percent	Dollar
First	2.3%	\$1.07	2.5%	\$1.10	2.6%	\$1.18
Second	2.4%	\$1.31	2.7%	\$1.40	2.8%	\$1.59
Third	2.5%	\$1.37	2.7%	\$1.50	2.9%	\$1.61

The Consumer Price Index (CPI) rose by 2.1 percent for the 12 months ending December 2016

Source: Bureau of Labor Statistics

The median increases for 2016 were similar to the averages at 2.4 percent (\$1.09) for the first year, 2.7 percent (\$1.45) for the second year and 2.8 percent (\$1.50) for the third year. 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. Interestingly, the most common settlement in 2016 fell in the 2.1-2.5 percent range, lower than the results for both 2014 and 2015. The higher percent of large increases (i.e., 5.1 percent and higher) is likely the reason the overall average was higher than the two previous years, even though the mode (the most frequently occurring value) was not.

Exhibit 4

Details for first year settlements shown as percents: 2014, 2015 and 2016

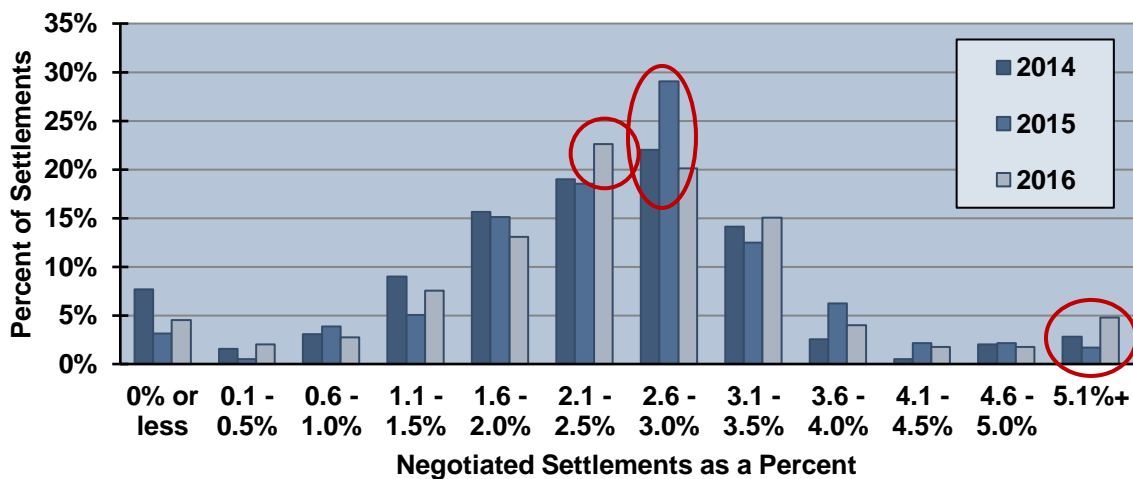
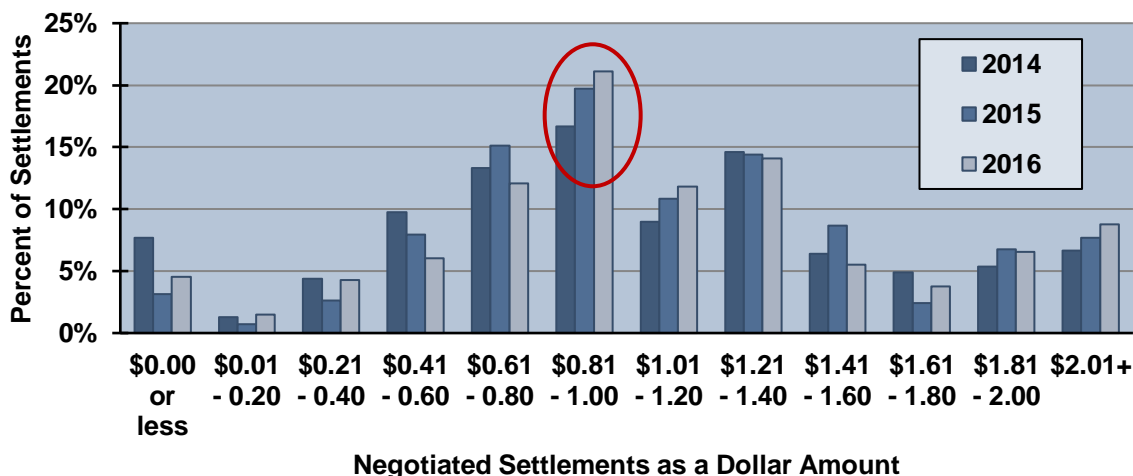


Exhibit 5 shows that the most common increase amount in all three years was in the \$0.81-\$1.00 range.

Exhibit 5

Details for first year settlements shown as dollars: 2014, 2015 and 2016



Settlements by Region

Average first year percent increases for the regions in 2016 fell within a fairly narrow range, with the low (2.4 percent) in the New England and East North Central regions and the high (3.0 percent) in the South Central region, as shown in **Exhibit 6**.

Exhibit 6

Settlements by region shown as percents

Region	Count	First Year		Second Year		Third Year	
		Average	Median	Average	Median	Average	Median
New England	4	● 2.4%	● 2.4%	-	-	-	-
Middle Atlantic	34	● 2.6%	● 2.3%	● 3.3%	● 2.6%	● 2.7%	● 2.5%
Southeast	122	● 2.5%	● 2.4%	● 3.0%	● 2.8%	-	-
East North Central	151	● 2.4%	● 2.5%	● 2.8%	● 2.8%	● 2.8%	● 2.7%
West North Central	16	● 2.5%	● 2.5%	● 2.5%	● 2.4%	● 2.4%	● 2.3%
South Central	16	● 3.0%	● 2.2%	● 3.3%	● 2.7%	● 3.6%	● 4.5%
Mountain Northern Plains	4	● 2.5%	● 2.0%	● 2.4%	● 2.8%	-	-
Southwest Pacific	36	● 2.7%	● 3.0%	● 3.3%	● 3.4%	● 3.5%	● 3.5%
Northwest	15	● 2.6%	● 2.0%	● 2.4%	● 2.9%	-	-
United States	398	2.6%	2.4%	2.8%	2.7%	2.9%	2.8%

● Equal to or lower than the United States average/median

● Higher than the United States average/median

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 7 shows the regions with the dollar amount of their agreements. The lowest average occurred in the Southeast region at \$0.89 (median = \$0.88) and the highest average was in the Southwest Pacific region at \$1.57 (median = \$1.33).

Exhibit 7

Settlements by region shown as dollar amounts

Exhibit 7

Region	Count	First Year		Second Year		Third Year	
		Average	Median	Average	Median	Average	Median
New England	4	● \$1.44	● \$1.43	-	-	-	-
Middle Atlantic	34	● \$1.49	● \$1.33	● \$1.81	● \$1.45	● \$1.61	● \$1.40
Southeast	122	● \$0.89	● \$0.88	● \$1.09	● \$1.05	-	-
East North Central	151	● \$1.22	● \$1.20	● \$1.41	● \$1.40	● \$1.41	● \$1.40
West North Central	16	● \$1.18	● \$1.20	● \$1.24	● \$1.25	● \$1.24	● \$1.30
South Central	16	● \$0.99	● \$0.85	● \$1.14	● \$1.03	● \$1.33	● \$1.84
Mountain Northern Plains	4	● \$1.10	● \$0.88	● \$1.12	● \$1.25	-	-
Southwest Pacific	36	● \$1.57	● \$1.33	● \$1.86	● \$1.95	● \$2.10	● \$2.20
Northwest	15	● \$1.45	● \$1.23	● \$1.60	● \$1.86	-	-
United States	398	\$1.18	\$1.09	\$1.59	\$1.45	\$1.61	\$1.50

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 ● Higher than the United States average/median

The following associations sponsor this report:

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- 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

As illustrated in **Exhibit 8**, average first year settlements for 2016 ranged from a low of 1.8 percent for Insulators (median = 1.9 percent) to a high of 2.9 percent for four crafts: Carpenters (median = 2.9 percent), Cement Masons (median = 2.9 percent), Electricians (median = 2.7 percent), and Operating Engineers (median = 2.7 percent).

Exhibit 8

Settlements by craft shown as percents

Exhibit 8

Craft	Count	First Year		Second Year		Third Year	
		Average	Median	Average	Median	Average	Median
Boilermakers	< 3	● 2.3%	● 2.3%	-	-	-	-
Bricklayers	44	● 2.2%	● 2.4%	● 3.6%	● 3.6%	● 3.0%	● 3.2%
Carpenters	21	● 2.9%	● 2.9%	● 3.2%	● 3.4%	● 3.4%	● 3.7%
Cement Masons	34	● 2.9%	● 2.9%	● 3.0%	● 3.2%	● 2.9%	● 2.9%
Electricians	34	● 2.9%	● 2.7%	● 2.7%	● 2.8%	● 2.6%	● 2.5%
Insulators	11	● 1.8%	● 1.9%	-	-	-	-
Iron Workers	92	● 2.3%	● 2.2%	-	-	-	-
Laborers	41	● 2.7%	● 2.6%	● 2.8%	● 2.7%	● 2.6%	● 2.6%
Millwrights	16	● 2.6%	● 2.9%	● 3.6%	● 3.5%	● 3.7%	● 3.7%
Operating Engineers	22	● 2.9%	● 2.7%	● 3.3%	● 3.0%	● 3.5%	● 3.3%
Painters	25	● 2.5%	● 2.1%	-	-	-	-
Pipefitters/Plumbers	23	● 2.5%	● 2.2%	● 2.4%	● 2.6%	● 2.6%	● 2.5%
Plumbers	3	● 1.9%	● 2.1%	-	-	-	-
Plasterers	20	● 2.4%	● 2.0%	● 2.3%	● 1.9%	● 2.3%	● 1.9%
Sheet Metal Workers	21	● 2.4%	● 2.3%	● 2.8%	● 2.7%	● 2.7%	● 2.6%
Teamsters	7	● 2.3%	● 3.0%	-	-	-	-
United States	398	2.6%	2.4%	2.8%	2.7%	2.9%	2.8%

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Settlements by Craft (continued)

Exhibit 9 outlines the settlements tracked in 2016 as dollar amounts. Results for the first year range from a low of \$0.82 (median = \$0.80) for Insulators to a high of \$1.71 (median = \$1.71) for Boilermakers.

Exhibit 9

Settlements by craft shown as dollar amounts

Exhibit 9

Craft	Count	First Year		Second Year		Third Year	
		Average	Median	Average	Median	Average	Median
Boilermakers	< 3	● \$1.71	● \$1.71	-	-	-	-
Bricklayers	44	● \$1.01	● \$1.03	● \$1.81	● \$1.95	● \$1.60	● \$1.70
Carpenters	21	● \$1.26	● \$1.16	● \$1.64	● \$1.95	● \$1.91	● \$1.95
Cement Masons	34	● \$1.32	● \$1.13	● \$1.54	● \$1.45	● \$1.50	● \$1.38
Electricians	34	● \$1.39	● \$1.29	● \$1.28	● \$1.25	● \$1.30	● \$1.37
Insulators	11	● \$0.82	● \$0.80	-	-	-	-
Iron Workers	92	● \$1.08	● \$1.05				
Laborers	41	● \$1.06	● \$1.00	● \$1.25	● \$1.40	● \$1.20	● \$1.38
Millwrights	16	● \$1.17	● \$1.14	● \$2.34	● \$2.51	● \$2.47	● \$2.61
Operating Engineers	22	● \$1.32	● \$1.25	● \$1.57	● \$1.45	● \$1.75	● \$1.90
Painters	25	● \$1.11	● \$0.76	-	-	-	-
Pipefitters/Plumbers	23	● \$1.46	● \$1.20	● \$1.40	● \$1.34	● \$1.48	● \$1.50
Plumbers	3	● \$1.05	● \$1.15	-	-	-	-
Plasterers	20	● \$0.97	● \$0.91	● \$1.22	● \$0.95	● \$1.25	● \$0.95
Sheet Metal Workers	21	● \$1.21	● \$1.00	● \$1.53	● \$1.30	● \$1.56	● \$1.30
Teamsters	7	● \$1.00	● \$0.94	● \$2.00	● \$1.88	-	-
United States	398	\$1.18	\$1.09	\$1.59	\$1.45	\$1.61	\$1.50

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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.

Construction Labor Research Council

1250 Connecticut Avenue, NW
Suite 200

Washington, DC 20036

202.347.8440

clrc@clrcconsulting.org

www.clrcconsulting.org

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