



December 2004

## Wage and Benefit Settlements in Construction – 2004

Settlements in newly negotiated labor agreements reported to the Construction Labor Research Council in 2004 averaged \$1.36 or 3.8 percent for their first year. The average second year increase for multi-year agreements was \$1.50 or 3.9 percent. The first year increase percentage is at the low end of the 3.8 to 4.5 percent range of first year averages since 1999. It also matches the average of 1999.

Average first year increase is below the level of 2003 when the amounts were \$1.42 or 4.3 percent. For subsequent contract years, this years increases were below 2003 measured in dollars and unchanged as measured in percents. Second and third year percentage increases have been little changed in five of the last six years at or below four percent.

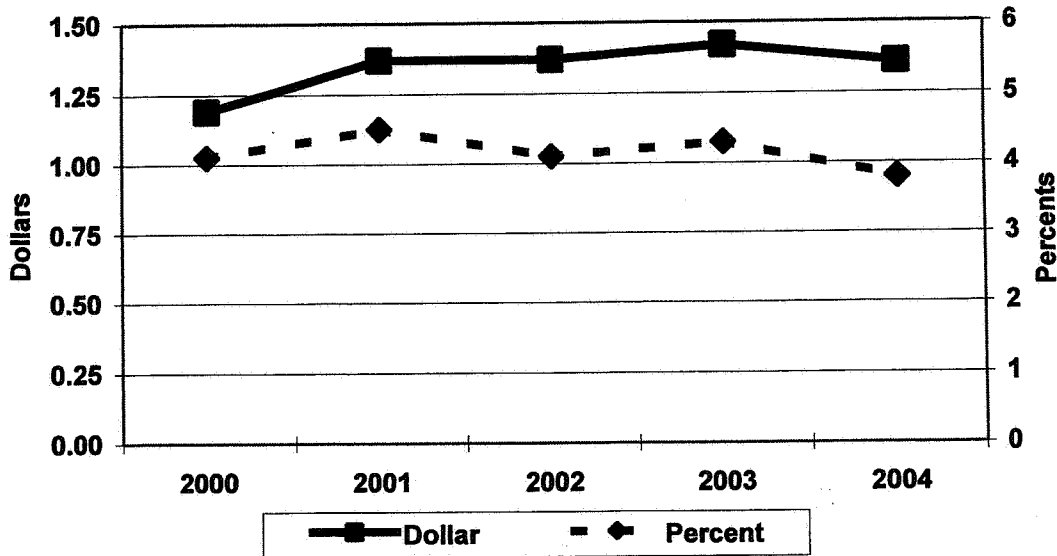
New agreements most commonly resulted in increases of between three and five percent. For the second and third years, more than two-thirds of all settlements were within this range. Increased health and welfare contributions accounted for a significant portion of the total increase amount. The average amount allocated to health and welfare was \$.78.

### Regional Variation

The average first year increase was greatly influenced by where the contract was negotiated. Only two of the six regions included in this report had an average first year settlement within a half percentage point of the national average. The average increase was below three percent in three regions. As in other recent years, settlements in the middle atlantic were much higher than the national average, although bargaining activity this year was light.

Settlements in all regions were at or below the percentages reported a year earlier, except for southwest pacific. The decline in average settlement level was greater than one percentage point in three regions. In the dominant east north central region, average first year percentage increase was unchanged.

**Construction Settlements**  
**First Year Increase in Wage Plus Benefit Rate**  
**Dollars and Percents 2000 through 2004**



Craft Variations

Individual craft averages were clustered around the all craft average. All, but bricklayers (high) and electricians (low) were within a half a percentage point of the all crafts average. Craft differences primarily reflect the region of the country in which the contracts were negotiated.

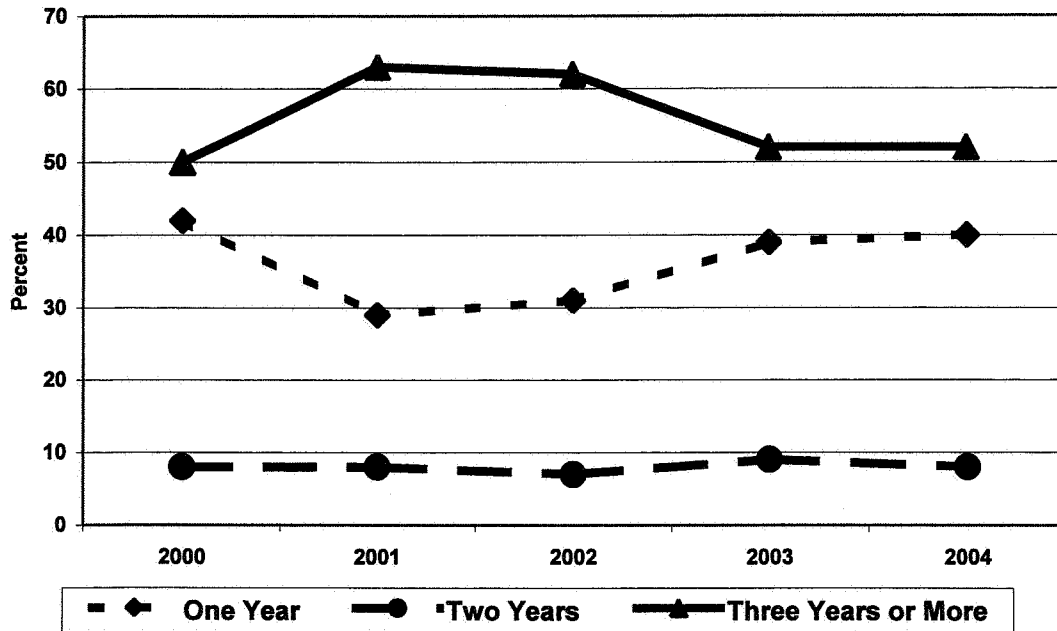
Industry Economic Climate

Construction employment expanded throughout 2004. It surpassed seven million for the first time and will average just below seven million for the year. The construction unemployment rate has fluctuated between eight and nine percent most months.

The industry expanded in 2004, but, as in other recent years, most of the growth was in the residential sector. Most non-residential segments grew less than five percent. Another consequence of the strong residential market has been faster growth in the private sector than public.

Inflation, as measured by the Consumer Price Index, will increase close to three percent, higher than the three previous years. Increases in construction wage and fringe settlements exceeded increases in the CPI as they have for many years.

### Contract Duration



### Contract Duration

As in most years, agreements of three years or more were most common. Over 15 percent of agreements were four years or longer. Patterns were little changed from the prior year.

**Settlement Dollar Report by US (Summary)**

U.S.TOTALS	Year																	Total	Average	Covered
		.59 or Less	.60	.80	1.00	1.20	1.40	1.60	1.80	2.00	2.19	2.20	Over							
	1	40	35	37	56	41	36	24	22	11	16	318	\$1.36	299,111						
	2	11	9	10	32	28	56	14	11	6	13	190	\$1.50	231,412						
	3	8	3	12	24	21	53	17	7	7	12	164	\$1.50	199,791						
	4				6	8	26	3	4	3	2	52	\$1.53	62,403						

**Settlement Percent Report by US (Summary)**

U.S.TOTALS	Year																	Total	Average	Covered
		0 or less	.0	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	Over								
	1	1	4	23	66	99	83	26	11	5	318	3.8%	299,111							
	2		1	7	32	81	49	13	7		190	3.9%	231,412							
	3		1	5	27	78	42	8	2	1	164	3.7%	199,791							
	4				2	36	11	3			52	3.7%	62,403							

Wage and Benefit Settlements  
United States, Selected Regions and States<sup>1</sup>

	<u>Settlements</u>	<u>Coverage</u> <u>Workers</u>	<u>Average Increase<sup>2</sup></u>			
			<u>Dollar</u> <u>1st</u> <u>Year</u>	<u>2nd</u> <u>Year</u>	<u>Percent</u> <u>1st</u> <u>Year</u>	<u>2nd</u> <u>Year</u>
United States	318	299,111	\$1.36	\$1.50	3.8 %	3.9 %
Middle Atlantic	19	24,283	2.05	*	4.8	*
Southeast	91	47,575	0.70	*	2.9	*
Alabama	22	6,307	0.59	*	2.5	*
Tennessee	35	21,531	0.67	*	3.0	*
East North Central	121	116,914	1.49	1.46	4.2	3.9
Illinois	35	20,778	1.87	1.80	4.9	4.6
Minnesota	23	36,601	1.67	1.56	4.7	4.2
Ohio	38	30,205	1.10	1.08	3.4	3.1
West North Central	19	23,527	1.02	1.21	2.9	3.3
South Central	19	14,266	0.72	*	2.8	*
West	22	44,716	1.77	1.66	4.3	3.8
California	18	40,981	1.80	*	4.3	*

1 Areas with a sufficient number of settlements to show a meaningful average.

2 Weighted by number of workers covered.

\* Too few agreements to show a meaningful average.

### Settlement Dollar Report by Craft (Summary)

Craft	Year	.59 or	.60	.80	1.00	1.20	1.40	1.60	1.80	2.00	2.20	Total	Average	Covered
		Less	.79	.99	1.09	1.39	1.59	1.79	1.99	2.19	Over			
<b>Bricklayers</b>	1	3	4	2	5	7	3	4	4	3	3	31	\$1.62	17,684
<b>Carpenters</b>	1	6	1	5	7	3	4	3	4	4	1	34	\$1.24	65,653
	2		1	2	3	1	10	2				19	\$1.30	48,938
	3		2	2	2	3	6	4	1			18	\$1.37	48,513
<b>Cement Masons</b>	1	3	6	5	5	3	4	1	4			26	\$1.35	5,673
<b>Crane Operators</b>	1		5	2	9	2	1	2	2	2	1	24	\$1.46	50,119
<b>Electricians</b>	1	5	3	2	1	3	2	2		1		19	\$1.15	13,732
<b>Ironworkers-Struct.</b>	1	5	4	6	4	3	4	2	2	4	1	35	\$1.45	28,091
	2	6	1	4	5	3	8	1		2	1	31	\$1.36	26,656
	3	6	1	4	3	4	4			2	2	26	\$1.53	24,421
<b>Laborers-Bldg.</b>	1	8	4	2	7	1	2	2	3			29	\$1.07	52,790
<b>Millwrights</b>	1	1	5	1	3	2	1	2	3			18	\$1.49	5,477
<b>Painters</b>	1	7		2	3	3		2			2	19	\$1.12	11,622
<b>Sheet Metal Workers</b>	1		4	2	3	4	4	1		1	5	24	\$1.63	15,459

### Settlement Percent Report by Craft (Summary)

Year	0 or	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	Total	Average Covered
	Less .9	1.9	2.9	3.9	4.9	5.9	6.9	7.9	Over		
<b>Bricklayers</b>											
	1	2	5	5	14	2		2		31	4.4 17,684
<b>Carpenters</b>											
	1	2	6	8	11	5		1		34	3.7 65,653
	2		4	9	4	2				19	3.6 48,938
	3		2	9	7					18	3.6 48,513
<b>Cement Masons</b>											
	1	1	4	9	9	2	1			26	4.0 5,673
<b>Crane Operators</b>											
	1		8	9	6	1				24	3.9 50,119
<b>Electricians</b>											
	1	5	4	6	3					19	2.8 13,732
<b>Ironworkers-Struct.</b>											
	1	5	7	10	8	5				35	3.7 28,091
	2	2	13	8	6	2				31	3.4 26,656
	3	1	4	10	4	1				26	3.6 24,421
<b>Labors-Bldg.</b>											
	1	3	3	10	5	3	3	1		29	3.8 52,790
<b>Millwrights</b>											
	1	1	5	6	5	1				18	3.8 5,477
<b>Painters</b>											
	1	3	4	6	4		1	1		19	3.4 11,622
<b>Sheet Metal Workers</b>											
	1		5	7	6	3	3			24	4.0 15,459

**Settlement Dollar Report by Region (Totals)**

Region	Year	.59 or Less	.60	.79	.80	1.00	1.20	1.40	1.60	1.80	2.00	2.20	Total	Average	Covered
<b>Middle Atlantic</b>	1	1	1	1	2	3	3	3	3	5	4	4	19	\$2.05	24,283
<b>Southeast</b>	1	24	23	17	23	2	2	2	2	2	2	2	91	\$0.70	47,575
<b>East North Central</b>	1	2	5	16	19	15	24	17	9	4	4	10	121	\$1.49	116,914
	2	1	3	2	21	8	37	7	4	1	1	5	89	\$1.46	101,379
	3	1	1	3	15	9	30	8	2	3	3	4	75	\$1.43	90,971
	4				4	5	14	3	1	2			29	\$1.48	21,577
<b>West North Central</b>	1	2	2	2	8	5	2						19	\$1.02	23,527
	2	1	1		8	5	2		2			1	19	\$1.21	23,527
	3	1	1		8	7	2			1			19	\$1.21	23,527
<b>South Central</b>	1	8	3	2	2	4							19	\$0.72	14,266
<b>Southwest Pacific</b>	1				2	3	5	3	8	1			22	\$1.77	44,716
	2				3	3	13	1	2	1			20	\$1.66	44,426
	3						9	6	1			2	18	\$1.81	33,326

### Settlement Percent Report by Region (Totals)

Region	Year	0 or .0	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	Total	Average Covered	
<b>Middle Atlantic</b>													
	1		1		3	5	8	1	1		19	4.8	24,283
<b>Southeast</b>													
	1	1	3	8	29	33	16		1		91	2.9	47,575
<b>East North Central</b>													
	1		4	17	35	45	10	8	2		121	4.2	116,914
	2		2	10	39	30	5	3			89	3.9	101,379
	3			8	39	23	4	1			75	3.7	90,971
	4			2	21	5	1				29	3.8	21,577
<b>West North Central</b>													
	1		1	6	7	4	1				19	2.9	23,527
	2			4	9	5	1				19	3.3	23,527
	3			4	11	4					19	3.2	23,527
<b>South Central</b>													
	1		5	6	5	3					19	2.8	14,266
<b>Southwest Pacific</b>													
	1			3	7	9	3				22	4.3	44,716
	2			2	13	5					20	3.8	44,426
	3			2	12	4					18	4.0	33,326

STATES and REGIONS

New England

Connecticut  
Maine  
Massachusetts  
New Hampshire  
Rhode Island  
Vermont

Middle Atlantic

District of Columbia  
Delaware  
Maryland  
New Jersey  
New York  
Pennsylvania

Southeast

Alabama  
Florida  
Georgia  
Kentucky  
Mississippi  
North Carolina  
South Carolina  
Tennessee  
Virginia

East North Central

Illinois  
Indiana  
Michigan  
Minnesota  
Ohio  
West Virginia  
Wisconsin

West North Central

Iowa  
Kansas  
Missouri  
Nebraska

South Central

Arkansas  
Louisiana  
New Mexico  
Oklahoma  
Texas

Mountain-Northern Plains

Colorado  
Montana  
North Dakota  
South Dakota  
Utah  
Wyoming

Southwest Pacific

Arizona  
California  
Hawaii  
Nevada

Northwest

Alaska  
Idaho  
Oregon  
Washington

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