



# Settlements Report

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## *September 2013*

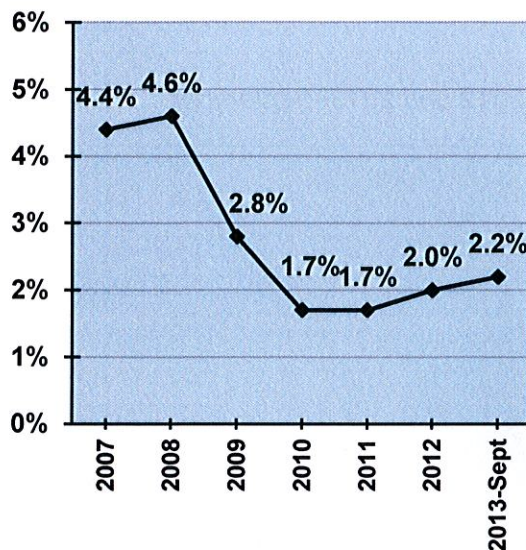
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Settlements in the construction industry analyzed by the Construction Labor Research Council (CLRC) average the following: **first year—2.2 percent (\$1.10), second year—2.6 percent (\$1.31), and third year—2.7 percent (\$1.43).** Statistics for “2013-Sept” in this report reflect wage and fringe benefits combined from January to September 2013. Exhibits 1 and 2 show the 6-year trend.

## Exhibit 1

First year settlements, shown as percents



## Exhibit 2

First year settlements, shown as dollars



Increases so far in 2013, both as percents and dollar amounts, generally are higher than 2011 and 2012 for contract years one, two and three, as shown in Exhibit 3.

## Exhibit 3

Settlements in 2013-September compared to settlements from 2011 and 2012

Contract Year	2011		2012		2013-September	
	Percent	Dollar	Percent	Dollar	Percent	Dollar
First	1.7%	\$0.73	2.0%	\$0.88	2.2%	\$1.10
Second	2.3%	\$1.29	2.3%	\$1.08	2.6%	\$1.31
Third	2.7%	\$1.54	2.4%	\$1.13	2.7%	\$1.43

Note that CLRC has now collected about half of the total number of settlements it will collect for 2013. This report should be viewed with some caution because the results may change as additional settlements are added through the end of the calendar year. CLRC will issue the final *Settlements Reports* for 2013 in late December 2013 or early January 2014.

Beginning with the September 2012 issue, each settlement is weighted equally. Previously, each settlement was weighted by the number of workers it covered. As a result, comparisons between this report and previous data should be made with caution. This adjustment in the statistical methodology is based on expert input from national associations in the construction industry.



The median increases from January–September in 2013 are similar to the averages outlined earlier, at 2.2 percent (\$1.06) for the first year, 2.6 percent (\$1.28) for the second year, and 2.6 percent (\$1.30) for the third year. The median is the rate at which half of the agreements are higher and half are lower and is a common and useful statistic for evaluating pay data because it is less affected by outliers.

Exhibits 4 and 5 show details about the first year of collectively bargained settlements. The most common settlement through September 2013 and 2012 was 2.1 - 2.5 percent. There are fewer settlements with no increase so far this year.

## Exhibit 4

*Details for first year settlements shown as percents: 2012 and 2013–September*

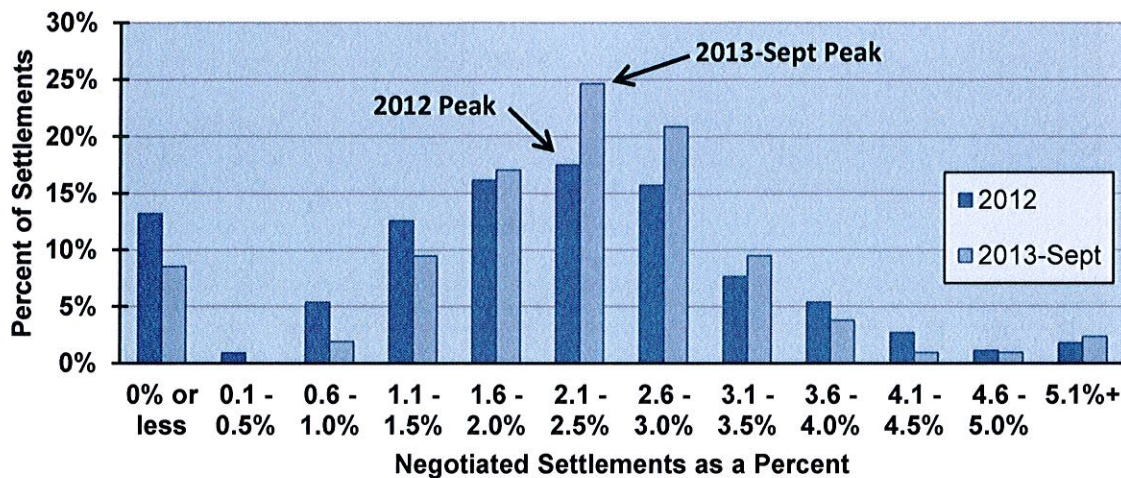
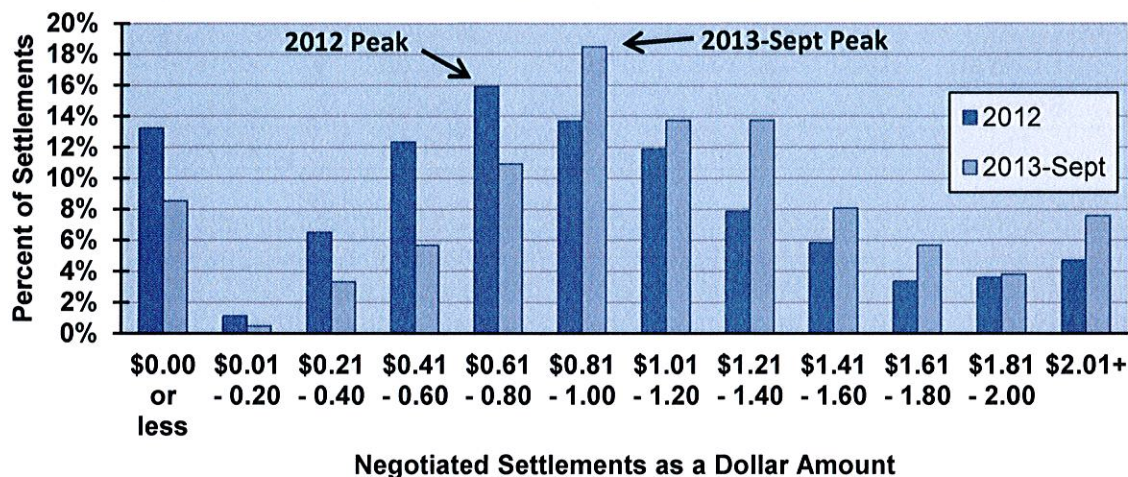


Exhibit 5 shows that the most common agreement in 2013–September was for \$0.81 - \$1.00, whereas in 2012 the most common increase was \$0.61 - \$0.80.

## Exhibit 5

*Details for first year settlements shown as dollars: 2012 and 2013-September*





## Settlements by Region

First year settlements to date in 2013 ranged from a low of 1.7 percent (median = 2.0 percent) in the Northwest region to a high of 2.3 percent (median = 2.2 percent) in the East North Central region, as shown in Exhibit 6. Exhibit 7 shows the regions with the dollar amount of their agreements. The low was the South Central region at \$0.72 (median = \$0.62) and the high was the Middle Atlantic region at \$1.15 (median = \$1.38).

### Exhibit 6

Settlements by region shown as percents

Region	First Year			Second Year			Third Year		
	Count	Average	Median	Count	Average	Median	Count	Average	Median
Middle Atlantic	52	2.2%	2.3%	38	2.9%	3.0%	31	3.2%	3.7%
East North Central	128	2.3%	2.2%	58	2.5%	2.5%	50	2.5%	2.6%
West North Central	14	1.9%	2.0%	12	2.4%	2.3%	12	2.4%	2.4%
South Central	5	2.1%	2.8%	< 3	-	-	< 3	-	-
Northwest	8	1.7%	2.0%	7	2.5%	2.1%	5	2.1%	2.1%
United States	211	2.2%	2.2%	120	2.6%	2.6%	102	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
Middle Atlantic	52	\$1.15	\$1.38	38	\$1.64	\$1.65	31	\$1.91	\$2.00
East North Central	128	\$1.12	\$1.00	58	\$1.16	\$1.13	50	\$1.23	\$1.15
West North Central	14	\$0.82	\$0.77	12	\$1.00	\$1.05	12	\$1.04	\$1.00
South Central	5	\$0.72	\$0.62	< 3	-	-	< 3	-	-
Northwest	8	\$0.80	\$0.84	7	\$1.15	\$1.00	5	\$1.02	\$1.00
United States	211	\$1.10	\$1.06	120	\$1.31	\$1.28	102	\$1.43	\$1.30

Equal to or lower than United States results

Higher than United States results

### 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. Northwest: AK, ID, OR, WA. Southwest Pacific: AZ, CA, HI, NV.

## Settlements by Craft

First year settlements so far in 2013 ranged from a low of 1.1 percent (median = 1.4 percent) for Plasterers to a high of 3.0 percent for Painters (median = 2.3 percent) and Pipefitters/Plumbers (median = 3.1 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	24	2.1%	2.2%	13	2.5%	2.3%	10	2.5%	2.3%
Carpenters	31	2.1%	2.2%	18	2.9%	3.0%	17	2.9%	2.8%
Cement Masons	22	2.3%	2.4%	11	2.7%	2.4%	10	2.3%	2.4%
Crane Operators	9	2.5%	2.2%	5	2.4%	2.4%	4	2.7%	2.9%
Electricians	11	2.3%	2.2%	8	2.3%	2.0%	4	2.0%	1.9%
Insulators	< 3	-	-	< 3	-	-	< 3	-	-
Iron Workers	15	2.4%	2.1%	10	2.5%	2.5%	8	2.5%	2.5%
Laborers	43	2.0%	2.0%	25	2.7%	2.9%	22	3.0%	3.1%
Millwrights	15	2.1%	2.3%	7	2.6%	2.8%	6	2.8%	2.8%
Painters	10	3.0%	2.3%	< 3	-	-	< 3	-	-
Pipefitters/Plumbers	7	3.0%	3.1%	4	2.8%	3.1%	4	2.9%	3.1%
Plumbers	< 3	-	-	< 3	-	-	< 3	-	-
Plasterers	3	1.1%	1.4%	< 3	-	-	< 3	-	-
Sheet Metal Workers	14	2.4%	2.5%	12	2.5%	2.5%	11	2.7%	2.6%
Teamsters	4	2.5%	1.6%	3	1.8%	1.7%	< 3	-	-
<b>United States</b>	<b>211</b>	<b>2.2%</b>	<b>2.2%</b>	<b>120</b>	<b>2.6%</b>	<b>2.6%</b>	<b>102</b>	<b>2.7%</b>	<b>2.6%</b>

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)  
 Finishing Contractors Association (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)

First year settlements so far in 2013 ranged from a low of \$0.45 (median = \$0.60) for Plasterers to a high of \$1.82 (median = \$1.82) for Plumbers/Pipefitters, as shown in Exhibit 9.

### 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	24	Equal to or lower than United States results	Equal to or lower than United States results	13	Higher than United States results	Equal to or lower than United States results	10	Equal to or lower than United States results	Higher than United States results
Carpenters	31	Equal to or lower than United States results	Equal to or lower than United States results	18	Higher than United States results	Higher than United States results	17	Higher than United States results	Higher than United States results
Cement Masons	22	Higher than United States results	Equal to or lower than United States results	11	Equal to or lower than United States results	Equal to or lower than United States results	10	Equal to or lower than United States results	Higher than United States results
Crane Operators	9	Higher than United States results	Higher than United States results	5	Higher than United States results	Higher than United States results	4	Higher than United States results	Higher than United States results
Electricians	11	Higher than United States results	Higher than United States results	8	Equal to or lower than United States results	Equal to or lower than United States results	4	Equal to or lower than United States results	Equal to or lower than United States results
Insulators	< 3	-	-	< 3	-	-	< 3	-	-
Iron Workers	15	Higher than United States results	Higher than United States results	10	Equal to or lower than United States results	Equal to or lower than United States results	8	Equal to or lower than United States results	Higher than United States results
Laborers	43	Equal to or lower than United States results	Equal to or lower than United States results	25	Equal to or lower than United States results	Higher than United States results	22	Equal to or lower than United States results	Higher than United States results
Millwrights	15	Equal to or lower than United States results	Higher than United States results	7	Higher than United States results	Higher than United States results	6	Higher than United States results	Higher than United States results
Painters	10	Higher than United States results	Equal to or lower than United States results	< 3	-	-	< 3	-	-
Pipefitters/Plumbers	7	Higher than United States results	Higher than United States results	4	Higher than United States results	Higher than United States results	4	Higher than United States results	Higher than United States results
Plumbers	< 3	-	-	< 3	-	-	< 3	-	-
Plasterers	3	Equal to or lower than United States results	Equal to or lower than United States results	< 3	-	-	< 3	-	-
Sheet Metal Workers	14	Higher than United States results	Higher than United States results	12	Higher than United States results	Higher than United States results	11	Higher than United States results	Higher than United States results
Teamsters	4	Equal to or lower than United States results	Equal to or lower than United States results	3	Equal to or lower than United States results	Equal to or lower than United States results	< 3	-	-
United States	211	\$1.10	\$1.06	120	\$1.31	\$1.28	102	\$1.43	\$1.30

Equal to or lower than United States results

Higher than United States results

The August 2013 unemployment rate in the construction industry was 9.1 percent, down considerably from 16.1 at the beginning of 2013.

The August 2013 unemployment rate for the United States was 7.3 percent.\*

\*Source: Bureau of Labor Statistics



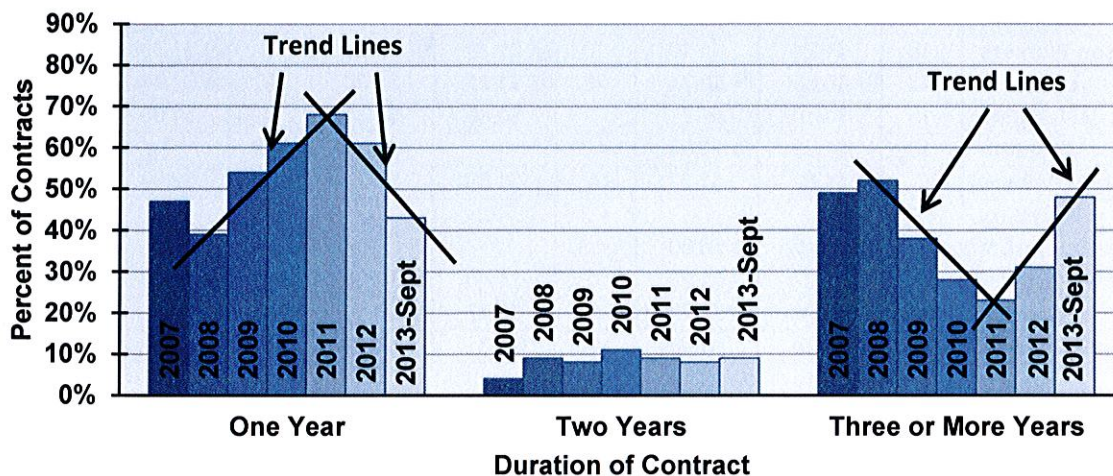
## Contract Length

From 2008 to 2011 there was a definite trend toward shortening the number of years in contract settlements. To illustrate, in 2008, 39 percent of the contracts were for one year and by 2011, 68 percent were for one year, nearly a 30 percent increase in just three years. Conversely, the percent of three year or longer terms went from 52 percent to 23 percent during this same time.

However, beginning in 2012 this trend has reversed itself, with the percent of agreements for one year declining to 61 percent in 2012 and just 43 percent so far in 2013, as shown in Exhibit 10. Additionally, the percent of three year or longer terms has more than doubled in just two years, going from 23 percent in 2011 to 48 percent so far in 2013.

### Exhibit 10

*Contract length trend*



The Consumer Price Index (CPI) rose by 2.0 percent for the 12 months ending July 2013\*

\*Source: Bureau of Labor Statistics

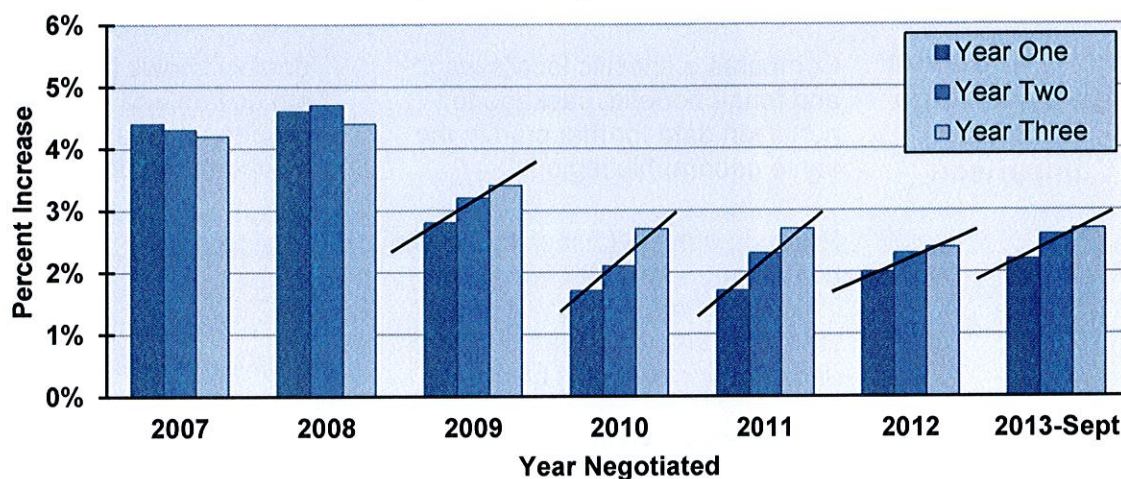


## Multiyear Settlements Trend

As illustrated by Exhibits 11 and 12, from 2009 – 2013-September, the trend was for smaller increases, but with each successive contract year containing a larger increase than the previous year, on average. In other words, year two had a larger increase than year one and year three had a larger increase than year two. Although this trend was modest in 2012, so far in 2013 it seems to have picked up again. This trend is visually evident when carefully looking at the percent increase chart (Exhibit 11), and especially the dollar increase chart (Exhibit 12).

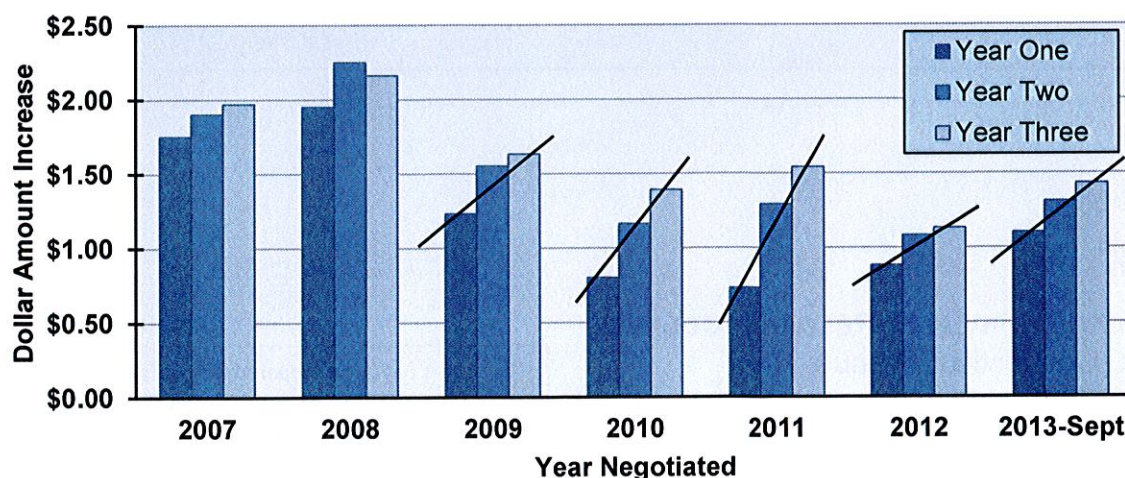
### Exhibit 11

*Multiyear settlements trend shown as percents for years one, two, and three*



### Exhibit 12

*Multiyear settlements trend shown as dollars for years one, two, and three*





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

Report	Description	Benefit
<b>Market Share Analysis</b>	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).
<b>Union – Nonunion Wage and Fringe Benefits Comparison</b>	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.
<b>Contract Costing</b>	Provides a detailed cost analysis of 8–12 categories in a contract (e.g., 2 <sup>nd</sup> 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.
<b>Wage and Fringe Benchmark Comparison</b>	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.
<b>Custom</b>	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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