



Settlements Report

September 2012

**Construction Labor Research Council
1750 New York Avenue, NW
Fourth Floor
Washington, DC 20006
202.347.8440**

Dear Customer,

In an effort to support you even better, we are pleased to introduce this upgraded *Settlements Report*. **We trust that you will be pleased with the new content and format, which have changed significantly.** Please take some extra time to familiarize yourself with the rich data included in this revised report.

The changes include the following improvements:

- **Greater use of graphics** to more clearly illustrate the data
- Use of **color** to accentuate key points and add interest
- **Descriptive headlines** to guide the reader
- Addition of a **2-year comparison** in the detailed distribution of settlements (Exhibits 4 & 5)
- Refinement of the increments in the detailed distribution of settlements to better represent the data (Exhibits 4 & 5)
- Addition of the “**median**” statistic, which better accounts for outliers, especially for pay related data (Exhibits 6, 7, 8 & 9)
- **Increased data reporting** for all crafts and geographic regions (there will be less missing data due to a change in the minimum data thresholds to align with industry standards)
- Expansion of the **contract length analysis** (Exhibit 10)
- Addition of a **5-year trend** for years one, two and three of settlements (Exhibits 11 & 12)

As the new Executive Director of the Construction Labor Research Council (CLRC), I look forward to a long and successful working relationship with you. The mission of CLRC is to provide accurate, objective and trusted research and consulting to the construction industry. I am energized to build upon CLRC’s long and credible history to make it your top choice for support in your collective bargaining.

CLRC is available to support you—see p. 9 for a list of our services. Please feel free to contact me if you have any questions or comments at clpeters@clrcconsulting.org or 202.347.8440. We would be especially interested in any comments you have about this revised report.

Best wishes,

Carey L. Peters, Ph.D.
Executive Director
Construction Labor Research Council

p.s., Due to customer requests, we have developed a new report, ***Wage and Fringe Benefits Settlements Detail***, which shows specifically how 2011 and 2012 increases are being allocated among wages, health & welfare, pension, or other. The report is available for just \$199. Contact us via e-mail or phone to order.

Settlements in the construction industry analyzed by the Construction Labor Research Council (CLRC) average the following: **first year—2.2 percent (\$1.01), second year—2.4 percent (\$1.12), and third year—2.3 percent (\$1.10)**. Statistics for 2012 in this report reflect wage and fringe benefits combined from January – September 2012. Exhibits 1 and 2 show the 5-year trend.

Exhibit 1

First year settlements, shown as percents

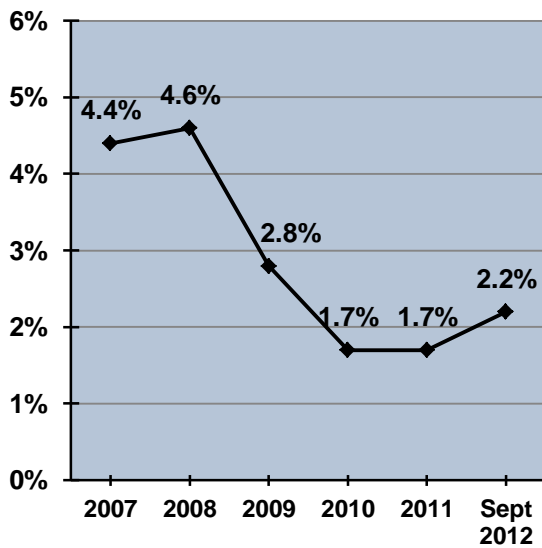
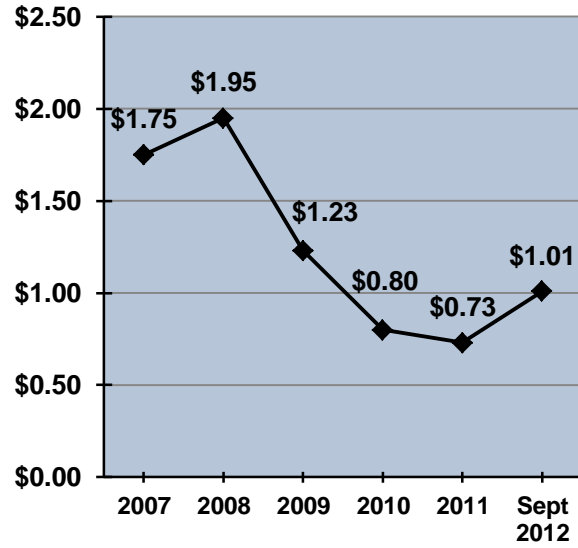


Exhibit 2

First year settlements, shown as dollars



Increases from January – September 2012, as percents, are higher than 2011 for contract years one and two and lower than 2011 for year three, as shown in Exhibit 3. The increases as dollar figures are higher so far in 2012 than in 2011 for year one and lower for years two and three.

Exhibit 3

Settlements in 2011 compared to settlements from January – September 2012

Contract Year	2011		September 2012	
	Percent	Dollar	Percent	Dollar
First	1.7%	\$0.73	2.2%	\$1.01
Second	2.3%	\$1.29	2.4%	\$1.12
Third	2.7%	\$1.54	2.3%	\$1.10

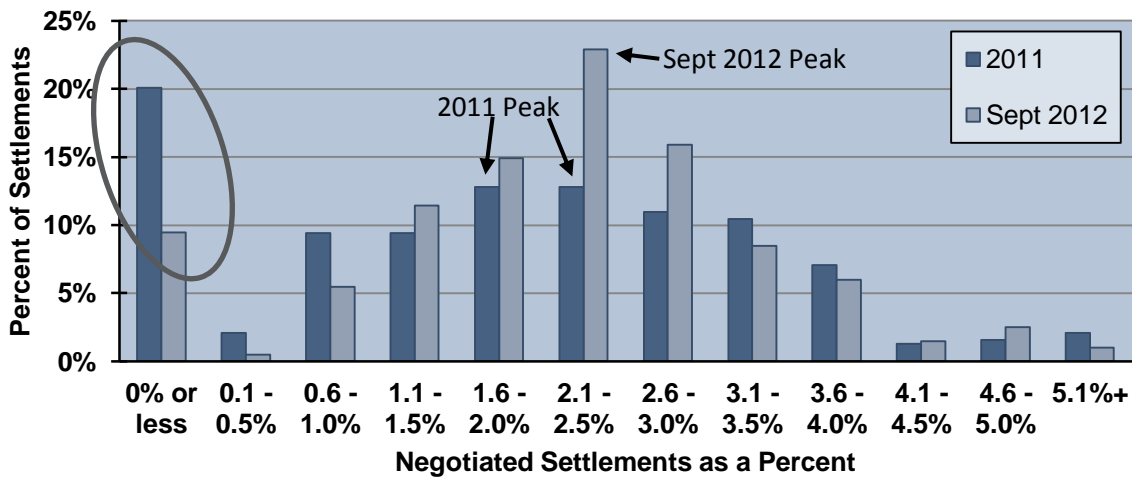
Beginning with this issue, each settlement is weighted equally. Previously, each settlement was weighted by the number of workers it covered. As a result, comparisons between this report and previous data should be made with caution. This adjustment in the statistical methodology is based on expert input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

The median increases so far in 2012 are similar to the averages outlined earlier, at 2.2 percent (\$1.00) for the first year, 2.3 percent (\$1.03) for the second year, and 2.4 percent (\$1.00) 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. In Exhibit 4, the most noticeable feature is that so far this year 0.0 percent increases have been negotiated less often than last year. The most common settlement to date in 2012 is 2.1 - 2.5 percent.

Exhibit 4

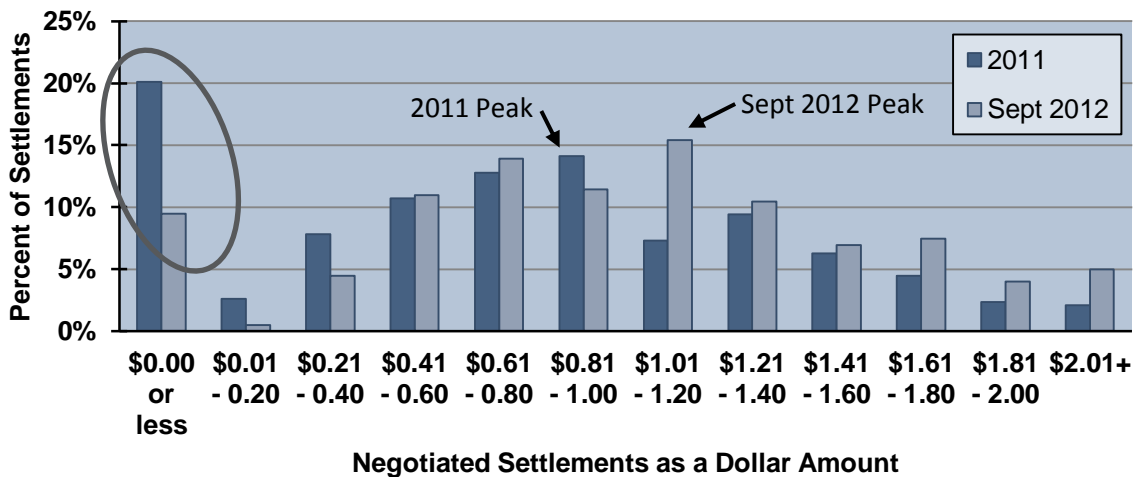
Details for first year settlements shown as percents: 2011 and January – September 2012



Like Exhibit 4, Exhibit 5 shows that so far this year a \$0.00 increase is being negotiated less often than last year. The most common agreement to date in 2012 has been for \$1.01 - \$1.20, whereas last year the most common increase (other than \$0.00) was \$0.81 - \$1.00.

Exhibit 5

Details for first year settlements shown as dollars: 2011 and January – September 2012



Settlements by Region

First year settlements from January – September 2012 ranged from a low of 1.1 percent (median = 1.3 percent) in the South Central region to a high of 4.1 percent (5.0 percent) in the Southeast (all in Florida and Virginia), as shown in Exhibit 6. Exhibit 7 shows the same regions with the dollar amount of their agreements. The low was again the South Central region at \$0.28 (\$0.37) and the high was in New England at \$1.70 (\$2.21).

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	5	3.6%	4.5%	< 3	-	-	< 3	-	-
Middle Atlantic	44	2.5%	2.5%	26	2.5%	2.4%	22	2.6%	2.7%
Southeast	5	4.1%	5.0%	< 3	-	-	< 3	-	-
East North Central	115	2.0%	2.0%	51	2.2%	2.3%	38	2.1%	2.2%
West North Central	8	1.7%	1.6%	8	1.9%	1.9%	8	2.0%	1.9%
South Central	5	1.1%	1.3%	< 3	-	-	< 3	-	-
Mountain-Northern Plains	4	1.6%	1.7%	4	4.7%	4.7%	4	3.2%	3.5%
Northwest	3	2.3%	2.4%	< 3	-	-	< 3	-	-
Southwest Pacific	12	1.7%	1.8%	8	2.3%	2.3%	8	2.5%	2.6%
United States	201	2.2%	2.2%	98	2.4%	2.3%	81	2.3%	2.4%

● 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	5	\$1.70	\$2.21	< 3	-	-	< 3	-	-
Middle Atlantic	44	\$1.28	\$1.25	26	\$1.22	\$1.35	22	\$1.33	\$1.35
Southeast	5	\$1.52	\$1.90	< 3	-	-	< 3	-	-
East North Central	115	\$0.94	\$0.92	51	\$1.05	\$0.90	38	\$0.94	\$0.90
West North Central	8	\$0.62	\$0.55	8	\$0.73	\$0.63	8	\$0.77	\$0.68
South Central	5	\$0.28	\$0.37	< 3	-	-	< 3	-	-
Mountain-Northern Plains	4	\$0.71	\$0.75	4	\$2.10	\$2.13	4	\$1.51	\$1.63
Northwest	3	\$1.33	\$0.75	< 3	-	-	< 3	-	-
Southwest Pacific	12	\$0.81	\$0.78	8	\$1.12	\$1.13	8	\$1.28	\$1.30
United States	201	\$1.01	\$1.00	98	\$1.12	\$1.03	81	\$1.10	\$1.00

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

Settlements by Craft

First year settlements from January – September 2012 ranged from a low of 1.3 percent (median = 1.5 percent) for Teamsters to a high of 3.1 percent for Millwrights (2.4 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	18	● 1.7%	● 1.4%	5	● 2.4%	● 2.8%	5	● 2.3%	● 2.8%
Carpenters	27	● 2.4%	● 2.4%	11	● 2.4%	● 2.3%	9	● 2.4%	● 2.5%
Cement Masons	28	● 1.8%	● 1.9%	17	● 2.0%	● 1.9%	17	● 2.3%	● 2.4%
Crane Operators	12	● 2.7%	● 2.7%	7	● 2.6%	● 2.4%	5	● 2.2%	● 2.2%
Electricians	14	● 1.8%	● 1.7%	7	● 2.1%	● 1.9%	5	● 2.2%	● 1.6%
Insulators	4	● 1.8%	● 1.6%	< 3	-	-	< 3	-	-
Iron Workers	13	● 2.6%	● 2.5%	6	● 2.7%	● 2.7%	3	● 2.6%	● 2.4%
Laborers	24	● 2.5%	● 2.1%	9	● 2.6%	● 2.3%	8	● 2.5%	● 2.4%
Millwrights	12	● 3.1%	● 2.4%	3	● 2.4%	● 2.4%	3	● 2.8%	● 2.8%
Painters	10	● 1.8%	● 2.6%	7	● 1.9%	● 2.0%	7	● 2.2%	● 2.3%
Pipefitters/Plumbers	9	● 2.6%	● 2.3%	4	● 3.8%	● 3.0%	< 3	-	-
Plumbers	5	● 2.2%	● 1.7%	3	● 3.6%	● 2.6%	< 3	-	-
Plasterers	9	● 2.2%	● 2.3%	5	● 2.1%	● 2.1%	4	● 2.1%	● 2.1%
Sheet Metal Workers	12	● 1.4%	● 1.4%	9	● 1.9%	● 2.0%	7	● 2.0%	● 1.7%
Teamsters	3	● 1.3%	● 1.5%	< 3	-	-	< 3	-	-
United States	201	2.2%	2.2%	98	2.4%	2.3%	81	2.3%	2.4%

● 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 from January – September 2012 ranged from a low of \$0.61 (median = \$0.70) for Teamsters to a high of \$1.51 (\$1.32) for Millwrights 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	18	● \$0.77	● \$0.68	5	● \$1.06	● \$1.26	5	● \$1.06	● \$1.26
Carpenters	27	● \$1.09	● \$1.10	11	● \$1.17	● \$0.90	9	● \$1.10	● \$0.90
Cement Masons	28	● \$0.75	● \$0.71	17	● \$0.82	● \$0.70	17	● \$0.97	● \$0.95
Crane Operators	12	● \$1.30	● \$1.40	7	● \$1.32	● \$1.15	5	● \$1.15	● \$1.10
Electricians	14	● \$0.87	● \$0.79	7	● \$1.11	● \$0.81	5	● \$1.15	● \$0.80
Insulators	4	● \$1.06	● \$0.88	< 3	-	-	< 3	-	-
Iron Workers	13	● \$1.27	● \$1.28	6	● \$1.39	● \$1.50	3	● \$1.31	● \$1.20
Laborers	24	● \$1.06	● \$0.75	9	● \$1.05	● \$0.88	8	● \$1.04	● \$0.99
Millwrights	12	● \$1.51	● \$1.32	3	● \$1.34	● \$1.34	3	● \$1.58	● \$1.51
Painters	10	● \$0.71	● \$0.97	7	● \$0.80	● \$0.74	7	● \$0.93	● \$0.90
Pipefitters/Plumbers	9	● \$1.48	● \$1.10	4	● \$2.00	● \$1.88	< 3	-	-
Plumbers	5	● \$1.25	● \$0.85	3	● \$1.72	● \$1.40	< 3	-	-
Plasterers	9	● \$1.00	● \$1.10	5	● \$0.89	● \$1.00	4	● \$0.88	● \$0.85
Sheet Metal Workers	12	● \$0.66	● \$0.73	9	● \$0.95	● \$0.90	7	● \$1.01	● \$1.00
Teamsters	3	● \$0.61	● \$0.70	< 3	-	-	< 3	-	-
United States	201	\$1.01	\$1.00	98	\$1.12	\$1.03	81	\$1.10	\$1.00

● Equal to or lower than United States results

● Higher than United States results

The August 2012 unemployment rate in the construction industry was 11.3 percent.

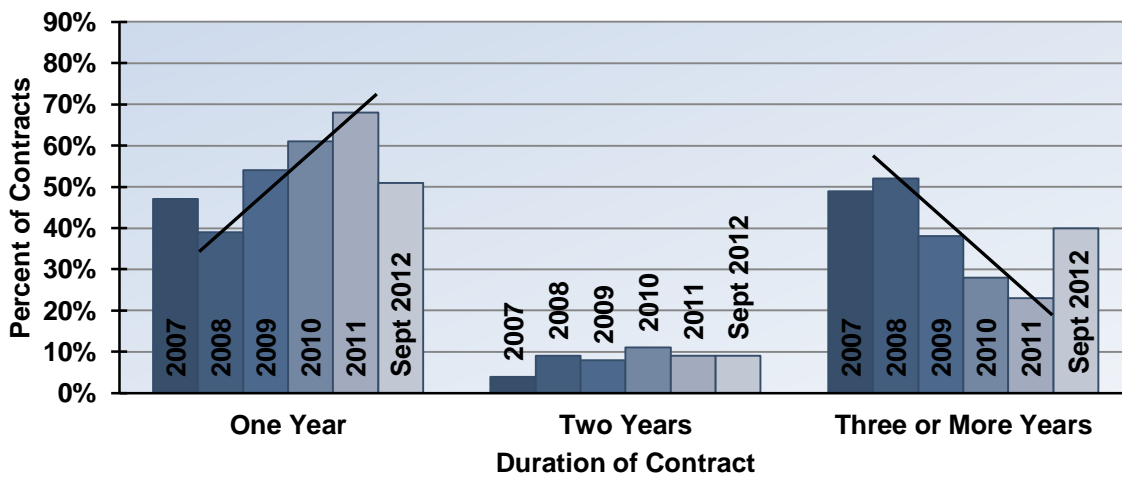
The unemployment rate for the United States was 8.1 percent.*

*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, so far in 2012, this trend has not continued with just 51 percent of the agreements for one year and 40 percent for three years or more, as shown in Exhibit 10.

Exhibit 10
Contract length trend



The Consumer Price Index (CPI) rose by 1.4 percent for the 12 months ending July 2012*

*Source: Bureau of Labor Statistics

Multiyear Settlements Trend

As illustrated by Exhibits 11 and 12, beginning in 2009, 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. However, it appears that the trend may end; to date in 2012, years one, two and three are all within 0.2 percent and \$0.11 of each other.

Exhibit 11

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

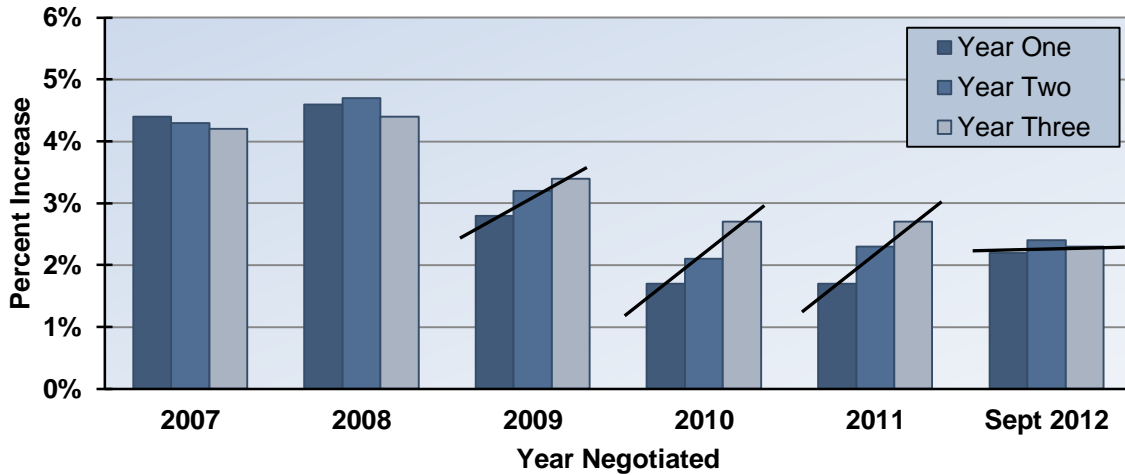
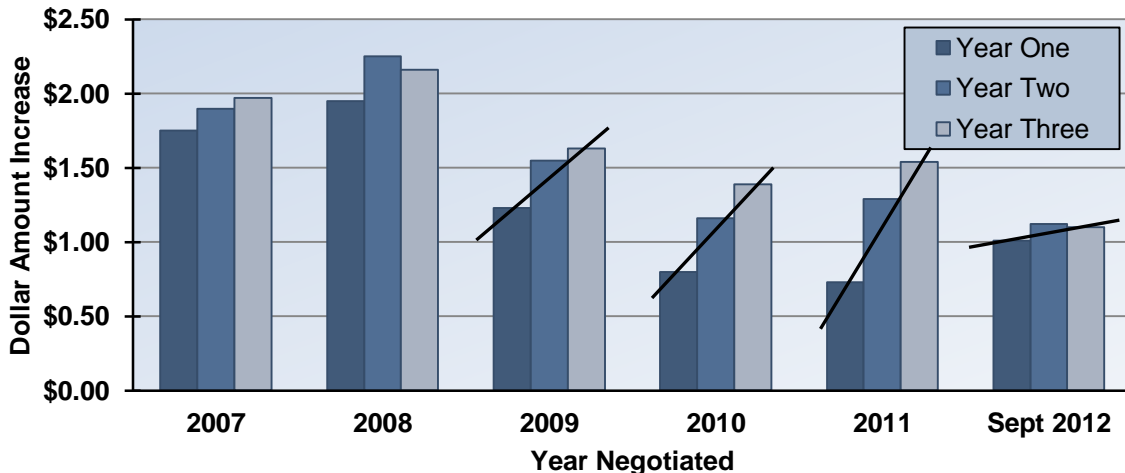


Exhibit 12

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



Additional wage and fringe benefits related reports are available for purchase upon request. Companies/contractors, chapters, and local affiliates who are members of CLRC’s sponsor associations (see p. 5) receive discounted rates.

Report	Description	Benefit
Wage and Fringe Benefits Settlements Detail	Shows specifically where fringe benefits increases are going in 2011 and 2012—wages, health and welfare, pension, or other.	Provides critical benchmark information about how each craft is distributing its increases.
Craft by Region/City	Drills down to evaluate wage and fringe benefits data for a specific craft in a specific region or city.	Allows you to look at the specific craft(s) in which you are interested, in the exact location you want.
Benchmark Comparison	Compares wage and fringe benefits for one or more craft(s) and/or region(s) to benchmark data such as the CPI, ECI, or all craft average.	Helps you evaluate union pay increases compared to market indicators.
Historical Trend	Graphs wage and fringe benefits rates and/or increases over time for one or more craft(s) or region(s).	Illustrates increases through the years, reflecting the cumulative monetary value paid by employers.
Settlement Detail	Shows the details for a specific craft or region regarding increases as percents and dollars (like Exhibits 4 & 5 in this report).	Provides you with more detail to better understand what the percent and dollar increases are for a given craft or region.
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.

Additional Products and Services

In addition to wage and fringe benefits data, CLRC offers a number of other consulting services and products:

- Market Share Studies
- Labor Contract Cost Analysis
- Workforce Planning Projections
- Collective Bargaining Support
- Custom Research
- Union and Nonunion Wage and Fringe Benefits Comparison
- Safety Surveys
- Global EPC Costs
- Survey Development and Administration

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