

Union Construction Labor Cost Trends and Outlook 2018



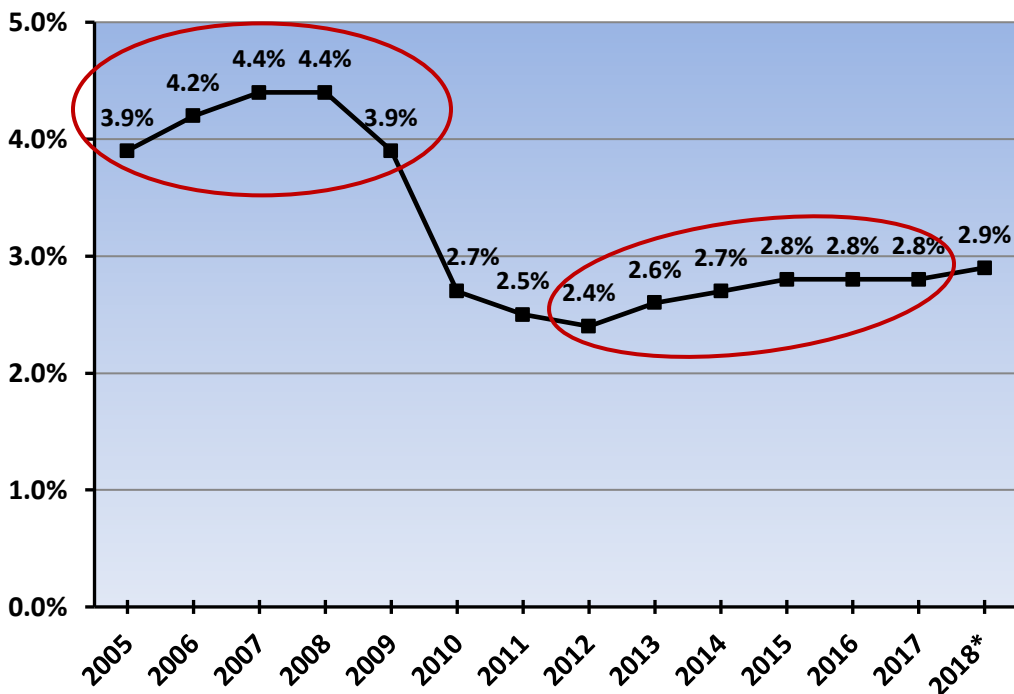
This report contains both general and detailed data on union labor rates for craft workers in the construction industry. Data are presented for the nation as a whole and for nine geographic regions and 18 different craft breakouts. In addition, the report has trend lines which show the union craft labor cost history as well as the results for already negotiated future increases.

Section I: National Results

The average percent increase for union construction workers in 2017 was 2.8 percent. As shown in **Exhibit 1.1**, from 2012 – 2017 the average percent increase rose slowly, beginning at 2.4 percent following the Great Recession and reaching 2.8 percent in 2015 – 2017. The increases prior to the Great Recession, from 2005 – 2009, ranged from 3.9 percent to 4.4 percent. Thus, current increases are still over a percent lower than they were about a decade ago. The projected increase for 2018, 2.9 percent, continues the slow upward trend.

Exhibit 1.1

Average increases shown as percents



* The rate for 2018 may change as new negotiated settlements are added to the CLRC database.

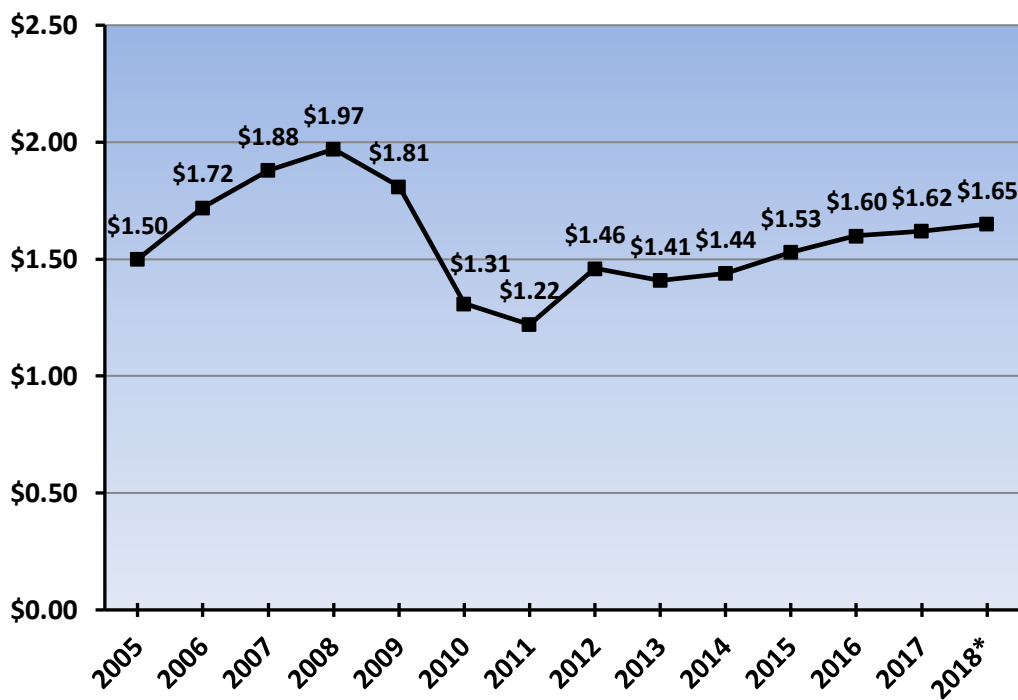
The rates used in the report are based on the total package, which includes all employer payments contained in the wage scale.

It should be noted that for any given year in this report, the results reflect *all* wage and fringe benefits adjustments that occurred during that year, not just those negotiated in that year. For example, for 2015 the 2.8 percent increase was determined by averaging the first year of settlements negotiated in 2015, the second year of settlements negotiated in 2014, the third year of settlements negotiated in 2013, and so on.

Exhibit 1.2 shows the average annual amount of the increases for union construction workers in dollars. As is the case with the percent increases, current rates are lower than they were prior to the Great Recession. In 2017, the average was \$1.62; the projection for 2018 is \$1.65.

Exhibit 1.2

Average increases shown as dollars



* The rate for 2018 may change as new negotiated settlements are added to the CLRC database.

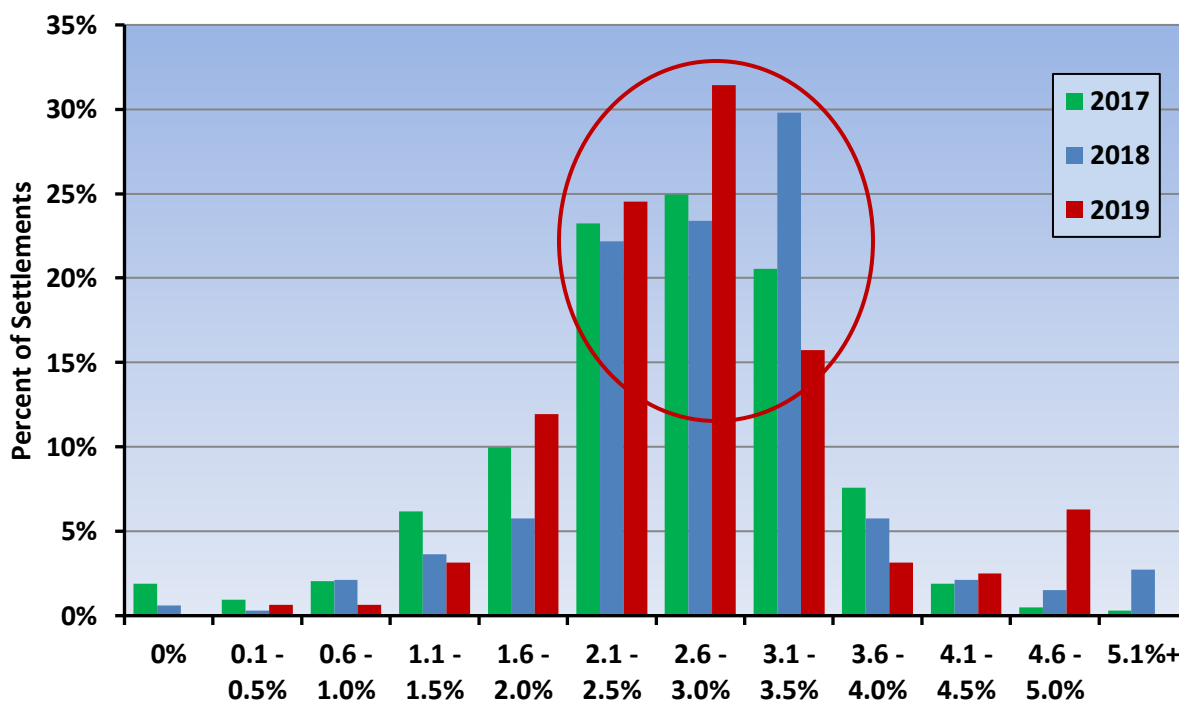
Section II: Future Results

Based on data collected so far, the average already negotiated increase for 2018 is 2.9 percent (\$1.65). Although 2018 and 2019 results are shown as a glimpse into the future, they may adjust somewhat as new settlements are added. For example, the increase shown for 2018 does not yet reflect the first year increase of settlements yet to be negotiated in 2018. Thus, projections are a useful, but incomplete, first look at the union, craft worker, construction wage forecast.

Exhibits 2.1 and 2.2 provide more detail about how the future increases are distributed. As a percent (Exhibit 2.1), a strong majority of increases, nearly 75 percent, fall in the 2.1 – 3.5 percent range. More specifically, in 2017 and 2019 the most popular rate was 2.6 – 3.0 percent. In 2018 it was 3.1 – 3.5 percent. As CLRC’s database grows during the year, the rates for 2018 and 2019 are likely to change some.

Exhibit 2.1

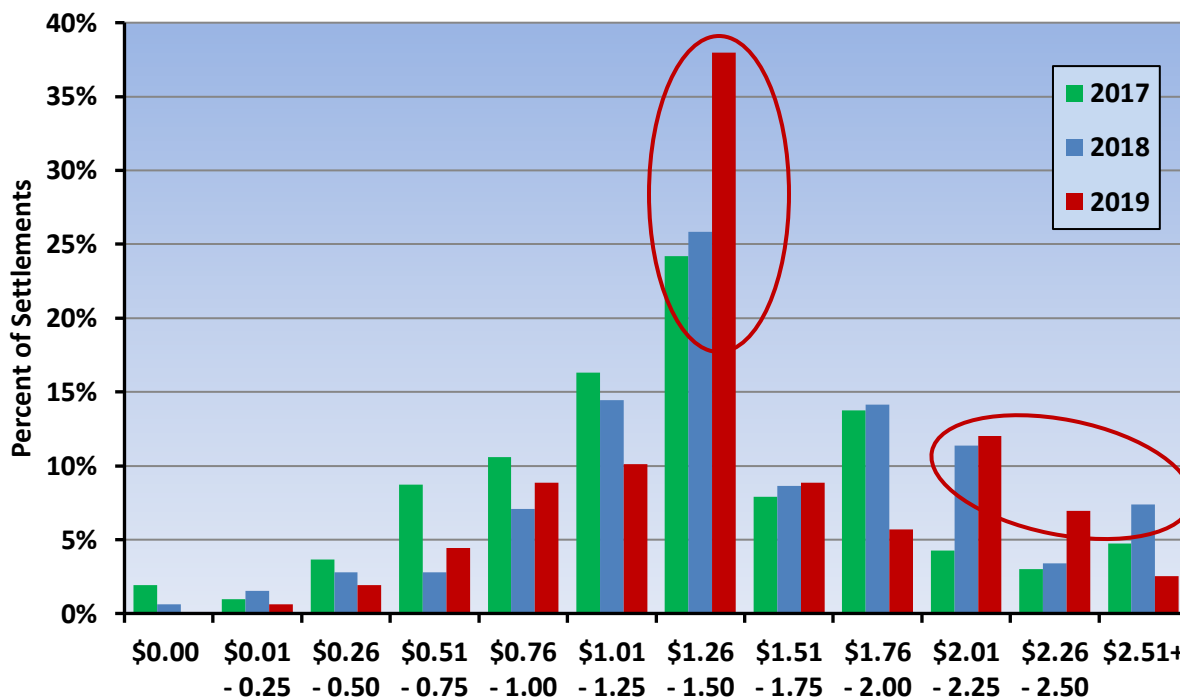
Details of settlements shown as percents: 2017 – 2019



As dollar figures (**Exhibit 2.2**), the most common increase range for all three years shown is in \$1.26 – \$1.50. However, as the exhibit displays, the percent of increases in the higher rates is projected to grow in 2018 and 2019.

Exhibit 2.2

Details of settlements shown as dollars: 2017 – 2019



Section III: Craft Specific Regional Results

Exhibit 3.1 (next two pages) shows the dollar and percent increases based on the total package for each craft for each region for 2017. The number of data points used for each calculation is also included. Note: the fewer the number of data points, the less stable the reported numbers are. That is, the larger the sample in **Exhibit 3.1**, the more likely the average reflects the true average for that craft x region cell.

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.

Exhibit 3.1
Total package increases by craft and region in dollars and percents

	New England	Middle Atlantic	South-east	East North Central	West North Central	South Central	Mtn Northern Plains	South-west Pacific	North-west
Boilermakers									
Increase \$	\$1.23	\$1.56	\$1.45	\$1.57	\$1.37	-	\$0.98	-	-
Increase %	2.0%	2.2%	2.4%	2.4%	2.1%	-	1.6%	-	-
Count	6	8	2	10	5	-	3	-	-
Bricklayers									
Increase \$	\$2.00	\$2.00	\$0.89	\$1.75	\$1.25	-	\$1.18	\$1.49	\$1.50
Increase %	2.4%	3.1%	2.6%	3.1%	2.3%	-	2.5%	2.5%	2.8%
Count	1	8	8	8	1	-	2	4	1
Carpenters									
Increase \$	-	\$1.13	\$0.93	\$1.65	\$1.31	-	-	\$2.34	\$1.17
Increase %	-	2.4%	2.6%	3.0%	2.6%	-	-	3.7%	2.7%
Count	-	3	10	9	2	-	-	6	3
Cement Masons									
Increase \$	-	\$1.35	\$0.46	\$1.23	\$1.36	-	\$1.00	\$2.42	\$1.37
Increase %	-	2.9%	1.2%	2.6%	2.9%	-	2.4%	4.6%	2.8%
Count	-	1	7	18	2	-	1	3	8
Electricians									
Increase \$	-	\$1.44	\$0.96	\$1.55	\$1.40	\$0.74	-	\$1.53	-
Increase %	-	2.5%	2.5%	2.7%	2.3%	2.0%	-	2.7%	-
Count	-	9	10	45	1	3	-	1	-
Glaziers									
Increase \$	-	\$2.32	-	\$1.34	\$1.21	-	-	\$2.00	-
Increase %	-	3.3%	-	2.2%	2.5%	-	-	3.1%	-
Count	-	2	-	11	2	-	-	2	-
Insulators									
Increase \$	\$1.65	\$0.75	\$0.69	\$0.75	-	-	\$1.25	\$2.21	\$1.91
Increase %	2.4%	1.3%	1.6%	1.4%	-	-	2.3%	3.3%	3.1%
Count	2	3	10	7	-	-	1	10	8
Iron Workers									
Increase \$	-	\$1.31	\$1.21	\$1.56	\$1.38	-	-	\$1.90	-
Increase %	-	2.3%	2.9%	2.7%	2.3%	-	-	2.9%	-
Count	-	5	10	28	2	-	-	3	-
Laborers									
Increase \$	-	\$1.42	\$0.64	\$1.26	\$1.00	-	-	\$1.62	\$1.15
Increase %	-	3.3%	2.5%	2.8%	2.2%	-	-	3.2%	3.1%
Count	-	3	9	20	1	-	-	6	2

Exhibit 3.1 (continued)
Total package increases by craft and region in dollars and percents

	New England	Middle Atlantic	South- east	East North Central	West North Central	South Central	Mtn Northern Plains	South- west Pacific	North- west
Millwrights									
Increase \$	-	\$1.38	\$1.02	\$1.60	\$1.12	-	\$1.98	\$2.41	\$1.94
Increase %	-	2.6%	2.6%	2.7%	2.1%	-	3.5%	3.5%	3.2%
Count	-	8	10	15	1	-	1	5	3
Operating Engineers									
Increase \$	-	\$1.86	\$1.05	\$1.56	\$1.25	-	-	\$2.33	\$0.67
Increase %	-	3.0%	2.6%	2.7%	2.2%	-	-	3.2%	1.3%
Count	-	9	9	29	1	-	-	6	5
Painters									
Increase \$	-	\$1.40	\$0.69	\$0.96	-	-	-	\$1.56	-
Increase %	-	3.4%	2.2%	1.8%	-	-	-	2.8%	-
Count	-	2	10	11	-	-	-	2	-
Pipefitters/Plumbers									
Increase \$	-	\$1.83	\$0.98	\$1.44	\$1.50	\$0.95	\$1.47	\$1.95	\$1.95
Increase %	-	2.6%	2.2%	2.4%	2.3%	2.2%	3.1%	2.9%	3.0%
Count	-	10	8	19	1	3	3	5	1
Plumbers									
Increase \$	-	\$2.07	-	\$1.68	\$1.03	-	\$1.45	-	-
Increase %	-	2.9%	-	2.7%	1.7%	-	2.9%	-	-
Count	-	6	-	7	2	-	1	-	-
Plasterers									
Increase \$	-	\$1.00	\$0.46	\$1.95	\$0.95	-	-	-	-
Increase %	-	2.3%	1.2%	3.2%	1.9%	-	-	-	-
Count	-	1	7	1	1	-	-	-	-
Roofers									
Increase \$	-	\$1.38	\$0.10	\$1.02	-	-	-	-	\$2.00
Increase %	-	3.0%	0.3%	2.1%	-	-	-	-	3.4%
Count	-	2	4	5	-	-	-	-	1
Sheet Metal Workers									
Increase \$	\$2.01	\$1.84	\$0.81	\$1.63	\$1.56	\$1.03	\$1.03	\$2.26	\$1.51
Increase %	2.6%	2.6%	2.0%	2.7%	2.9%	2.5%	2.2%	3.1%	2.4%
Count	2	10	9	14	3	6	3	6	4
Teamsters									
Increase \$	-	\$1.70	\$1.01	\$1.55	\$1.05	-	-	\$1.95	\$0.62
Increase %	-	3.6%	2.7%	3.1%	2.4%	-	-	3.5%	1.5%
Count	-	2	5	2	1	-	-	2	4
Total									
Increase \$	\$1.52	\$1.64	\$0.84	\$1.46	\$1.29	\$0.94	\$1.23	\$2.08	\$1.38
Increase %	2.2%	2.7%	2.2%	2.6%	2.3%	2.3%	2.4%	3.3%	2.6%
Count	11	92	128	259	26	12	15	61	40

Exhibits 3.2 – 3.7 show how the increases are distributed in both dollars and percents for 2017 – 2019.

Exhibit 3.2

Distribution of Increases: Middle Atlantic region

Number of data points: 2017: 92, 2018: 45, 2019: 23

Shown in percents

Year	0%	0.1 - 0.5%	0.6 - 1.0%	1.1 - 1.5%	1.6 - 2.0%	2.1 - 2.5%	2.6 - 3.0%	3.1 - 3.5%	3.6 - 4.0%	4.1 - 4.5%	4.6 - 5.0%	5.1%+
2017	0%	0%	3%	7%	1%	28%	31%	18%	8%	3%	0%	0%
2018	0%	0%	0%	0%	7%	22%	31%	33%	4%	2%	0%	0%
2019	0%	0%	0%	0%	9%	35%	35%	17%	4%	0%	0%	0%

Shown in dollar amounts

Year	\$0.00	\$0.01 - 0.25	\$0.26 - 0.50	\$0.51 - 0.75	\$0.76 - 1.00	\$1.01 - 1.25	\$1.26 - 1.50	\$1.51 - 1.75	\$1.76 - 2.00	\$2.01 - 2.25	\$2.26 - 2.50	\$2.51+
2017	0%	0%	2%	6%	5%	11%	33%	9%	15%	7%	2%	9%
2018	0%	0%	0%	0%	7%	13%	24%	11%	16%	20%	0%	9%
2019	0%	0%	0%	0%	9%	22%	30%	13%	9%	17%	0%	0%

In order to make CLRC’s union craft wage and fringe benefits tracking efforts even more accurate and comprehensive, we are in the process of adding hundreds of additional settlements to our database. Because of these additional data points, some parts of this report may be modestly inconsistent with previous reports. This transition should be finalized later this year.

In addition to building a bigger and better database, in July our reports will have a beautiful new look, with better analyses and graphics, to further benefit those who rely on our data.

Exhibit 3.3

Distribution of Increases: Southeast region

Number of data points: 2017: 128, 2018: 23

Shown in percents

Year	0%	0.1 - 0.5%	0.6 - 1.0%	1.1 - 1.5%	1.6 - 2.0%	2.1 - 2.5%	2.6 - 3.0%	3.1 - 3.5%	3.6 - 4.0%	4.1 - 4.5%	4.6 - 5.0%	5.1%+
2017	9%	3%	2%	14%	11%	16%	24%	13%	4%	3%	1%	0%
2018	4%	0%	0%	22%	13%	17%	22%	22%	0%	0%	0%	0%

Shown in dollar amounts

Year	\$0.00	\$0.01 - 0.25	\$0.26 - 0.50	\$0.51 - 0.75	\$0.76 - 1.00	\$1.01 - 1.25	\$1.26 - 1.50	\$1.51 - 1.75	\$1.76 - 2.00	\$2.01 - 2.25	\$2.26 - 2.50	\$2.51+
2017	9%	3%	10%	21%	17%	21%	14%	2%	2%	0%	0%	0%
2018	4%	0%	22%	13%	22%	35%	4%	0%	0%	0%	0%	0%

Exhibit 3.4

Distribution of Increases: East North Central region

Number of data points: 2017: 259, 2018: 135, 2019: 68

Shown in percents

Year	0%	0.1 - 0.5%	0.6 - 1.0%	1.1 - 1.5%	1.6 - 2.0%	2.1 - 2.5%	2.6 - 3.0%	3.1 - 3.5%	3.6 - 4.0%	4.1 - 4.5%	4.6 - 5.0%	5.1%+
2017	0%	0%	1%	4%	15%	25%	24%	22%	6%	2%	0%	0%
2018	0%	0%	1%	4%	4%	26%	26%	33%	2%	1%	1%	1%
2019	0%	1%	0%	6%	7%	26%	45%	14%	0%	0%	0%	0%

Shown in dollar amounts

Year	\$0.00	\$0.01 - 0.25	\$0.26 - 0.50	\$0.51 - 0.75	\$0.76 - 1.00	\$1.01 - 1.25	\$1.26 - 1.50	\$1.51 - 1.75	\$1.76 - 2.00	\$2.01 - 2.25	\$2.26 - 2.50	\$2.51+
2017	0%	0%	0%	7%	12%	15%	27%	10%	18%	4%	2%	4%
2018	0%	0%	2%	3%	8%	11%	36%	8%	20%	7%	2%	2%
2019	0%	1%	1%	4%	7%	6%	59%	9%	6%	0%	4%	1%

Exhibit 3.5

Distribution of Increases: West North Central region

Number of data points: 2017: 26, 2018: 19, 2019: 15

Shown in percents

Year	0%	0.1 - 0.5%	0.6 - 1.0%	1.1 - 1.5%	1.6 - 2.0%	2.1 - 2.5%	2.6 - 3.0%	3.1 - 3.5%	3.6 - 4.0%	4.1 - 4.5%	4.6 - 5.0%	5.1%+
2017	0%	0%	0%	4%	4%	63%	17%	13%	0%	0%	0%	0%
2018	5%	0%	0%	0%	5%	58%	16%	16%	0%	0%	0%	0%
2019	0%	0%	0%	0%	0%	60%	33%	7%	0%	0%	0%	0%

Shown in dollar amounts

Year	\$0.00	\$0.01 - 0.25	\$0.26 - 0.50	\$0.51 - 0.75	\$0.76 - 1.00	\$1.01 - 1.25	\$1.26 - 1.50	\$1.51 - 1.75	\$1.76 - 2.00	\$2.01 - 2.25	\$2.26 - 2.50	\$2.51+
2017	0%	0%	0%	4%	8%	38%	46%	0%	4%	0%	0%	0%
2018	5%	0%	0%	0%	5%	21%	68%	0%	0%	0%	0%	0%
2019	0%	0%	0%	0%	0%	27%	60%	13%	0%	0%	0%	0%

Exhibit 3.6

Distribution of Increases: Southwest Pacific region

Number of data points: 2017: 61, 2018: 52, 2019: 20

Shown in percents

Year	0%	0.1 - 0.5%	0.6 - 1.0%	1.1 - 1.5%	1.6 - 2.0%	2.1 - 2.5%	2.6 - 3.0%	3.1 - 3.5%	3.6 - 4.0%	4.1 - 4.5%	4.6 - 5.0%	5.1%+
2017	0%	0%	0%	0%	3%	7%	23%	38%	25%	0%	2%	2%
2018	0%	0%	0%	4%	2%	6%	13%	40%	25%	4%	6%	0%
2019	0%	0%	0%	0%	10%	0%	15%	40%	15%	10%	10%	0%

Shown in dollar amounts

Year	\$0.00	\$0.01 - 0.25	\$0.26 - 0.50	\$0.51 - 0.75	\$0.76 - 1.00	\$1.01 - 1.25	\$1.26 - 1.50	\$1.51 - 1.75	\$1.76 - 2.00	\$2.01 - 2.25	\$2.26 - 2.50	\$2.51+
2017	0%	0%	0%	0%	2%	3%	7%	15%	27%	10%	17%	20%
2018	0%	0%	0%	4%	2%	2%	4%	19%	13%	10%	13%	33%
2019	0%	0%	0%	0%	5%	5%	0%	15%	15%	5%	40%	15%

Exhibit 3.7

Distribution of Increases: Northwest region

Number of data points: 2017: 40, 2018: 23

Shown in percents

Year	0%	0.1 - 0.5%	0.6 - 1.0%	1.1 - 1.5%	1.6 - 2.0%	2.1 - 2.5%	2.6 - 3.0%	3.1 - 3.5%	3.6 - 4.0%	4.1 - 4.5%	4.6 - 5.0%	5.1%+
2017	0%	0%	15%	3%	3%	13%	33%	33%	3%	0%	0%	0%
2018	0%	0%	0%	0%	9%	26%	39%	26%	0%	0%	0%	0%

Shown in dollar amounts

Year	\$0.00	\$0.01 - 0.25	\$0.26 - 0.50	\$0.51 - 0.75	\$0.76 - 1.00	\$1.01 - 1.25	\$1.26 - 1.50	\$1.51 - 1.75	\$1.76 - 2.00	\$2.01 - 2.25	\$2.26 - 2.50	\$2.51+
2017	0%	0%	15%	0%	5%	20%	30%	0%	18%	10%	3%	0%
2018	0%	0%	0%	0%	0%	48%	33%	0%	14%	5%	0%	0%

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