



December 2003

### Wage and Benefit Settlements in Construction – 2003

Settlements in newly negotiated labor agreements reported to the Construction Labor Research Council in 2003 averaged \$1.42 or 4.3 percent for their first year. The average second year increase for multi-year agreements was \$1.39 or 3.8 percent. The first year increase percentage is at the mid-point of the 4.1 to 4.5 range of first year averages since 2000.

Average first year increase rose somewhat from 2002 when the first year average was \$1.35 or 4.1 percent. For subsequent contract years, this year's increases were smaller than those of 2002. The 2003 second year percentage increase was the smallest since 1999.

New agreements most commonly resulted in increases of between three and five percent. For the second and third years, 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 \$.63.

#### Regional Variation

The average first year increase was greatly influenced by where the contract was negotiated. Following recent patterns, above average amounts negotiated in the middle atlantic were offset by more modest increases in the West. Settlements in the middle atlantic were over \$.70 and 1.5 percentage points higher than the national average.

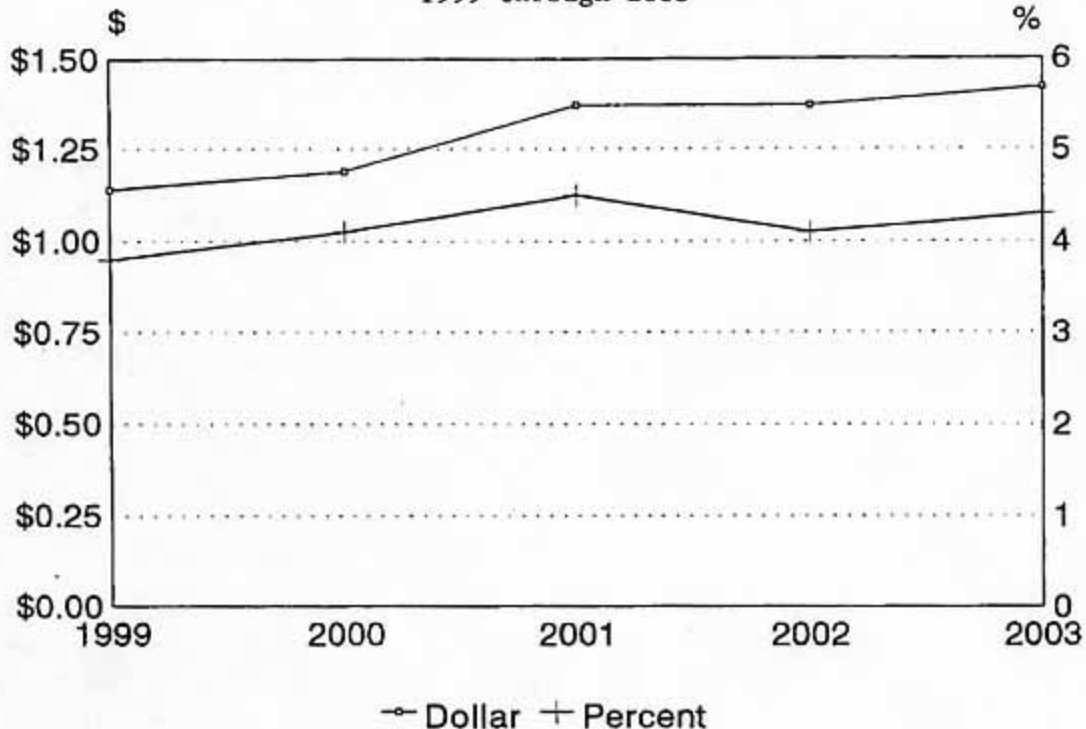
The trend toward higher first year increases was followed in all regions, except the east north central. The east north central, with the most workers covered, dampened the impact of other higher regional increases. While middle atlantic increases were highest, their impact was limited because of a lower level of bargaining activity.

#### Craft Variations

Individual craft averages were clustered around the all craft average. All but two, on the low side, were within a half a percentage point of the all crafts average. Laborers, with the most workers covered by new agreements, had the lowest dollar increase, but also the highest percentage rise.

## Construction Settlements First Year Increase in Wage Plus Benefit Rate

Dollars and Percents  
1999 through 2003



### Contract Duration

As in most years, agreements of three years or more were most common. The difference this year was a reduced tendency to negotiate agreements of more than three years. The pattern of even longer agreements which had been growing in recent years has, therefore, subsided.

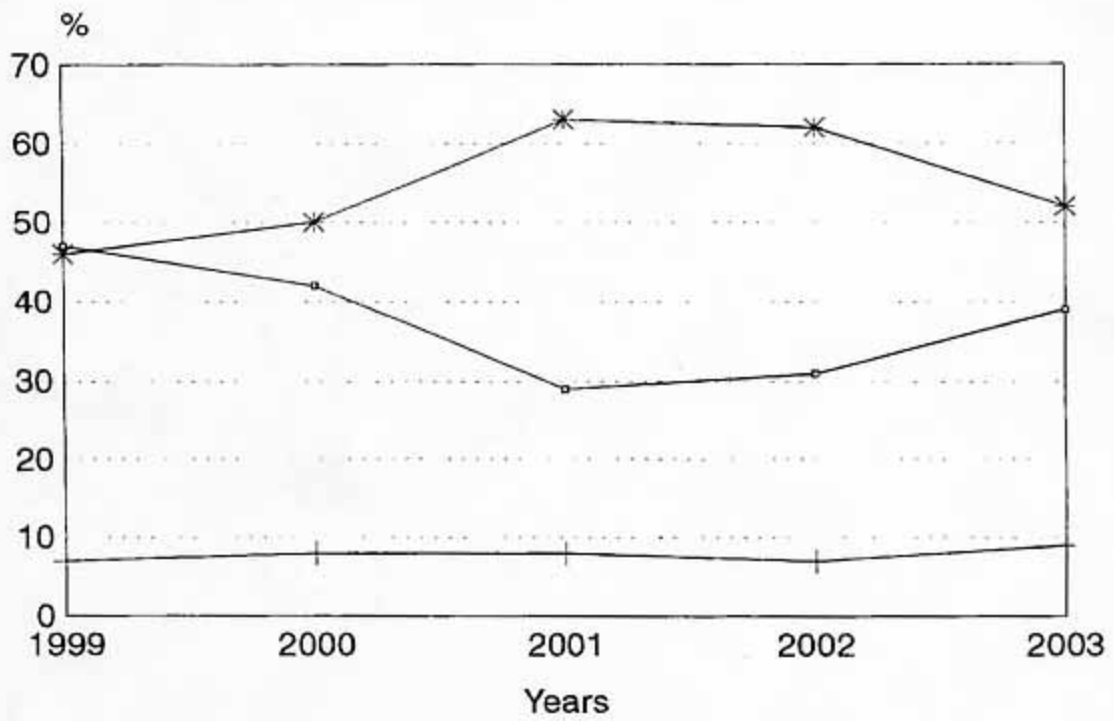
### Industry Economic Climate

Construction employment experienced slow steady gains throughout 2003. Employment for the year will be close to the 6.8 million high of 2001. The construction unemployment rate has fluctuated between nine and ten percent most months.

The growth in employment is somewhat misleading. Volume increases have been in residential construction while commercial, industrial and other sectors more likely to be unionized continue to decline. Public activity has been stronger than private non-residential.

Inflation, as measured by the Consumer Price Index, will increase by close to two percent for the third straight year. Increases in construction wage and fringe settlements exceeded increases in CPI as they have for many years.

## Contract Duration



□ One Year + Two Years \* Three or more

### Settlement Dollar Report by US (Summary)

U.S.TOTALS	Year	Settlement Dollar Report by US (Summary)																Total	Average	Covered
		.59 or Less	.60	.79	.80	1.00	1.19	1.20	1.39	1.40	1.59	1.60	1.79	1.80	1.99	2.00	2.19			
	1	25	20	38	74	35	31	10	17	19	31	300	\$1.42	273,149						
	2	8	15	15	46	32	29	11	2	10	16	184	\$1.39	193,994						
	3	8	7	14	40	29	25	11	5	7	11	157	\$1.41	165,571						

### Settlement Percent Report by US (Summary)

U.S.TOTALS	Year	Settlement Percent Report by US (Summary)																Total	Average	Covered											
		0 or less	.0	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0				15.0	16.0	17.0	18.0	19.0	20.0	21.0	22.0	23.0	24.0	25.0
	1	1	1	13	38	96	77	35	21	7	11	300	4.3%	273,149																	
	2	2	4	32	65	58	16	4	1	2	184	3.8%	193,994																		
	3	3	6	26	65	43	12	1	1	157	3.8%	165,571																			

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>Percent</u>	
			<u>Dollar</u> <u>1st</u> <u>Year</u>	<u>2nd</u> <u>Year</u>	<u>1st</u> <u>Year</u>	<u>2nd</u> <u>Year</u>
United States	300	273,149	\$1.42	\$1.39	4.3 %	3.8 %
Middle Atlantic	37	30,245	2.15	1.87	5.9	4.8
Pennsylvania	18	13,782	2.29	*	5.6	*
Southeast	79	46,915	0.97	*	4.2	*
Alabama	22	6,777	0.65	*	3.0	*
Tennessee	32	19,995	0.94	*	4.4	*
East North Central	120	105,642	1.54	1.40	4.2	3.7
Illinois	49	32,893	1.91	1.80	4.8	4.5
Michigan	21	36,086	1.46	1.39	4.0	3.6
Ohio	22	17,755	1.04	*	3.4	*
South Central	19	15,779	1.15	*	4.6	*
West	26	58,731	1.19	1.18	3.5	3.3

<sup>1</sup> Areas with a sufficient number of settlements to show a meaningful average.

<sup>2</sup> 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	1	2	7	3			1		2	19	\$1.17	6,985
<b>Carpenters</b>	1	3	7	5	8	3	5	2	2	1	2	38	\$1.29	53,042
	2		3		7	1	6	1		1		19	\$1.23	28,605
	3	2	1	7	7	1	5	1				17	\$1.36	18,430
<b>Cement Masons</b>	1	4		2	13	3	2	1				25	\$1.22	7,235
<b>Crane Operators</b>	1	1	1	4	7	1	3	4	1	2		24	\$1.37	44,683
<b>Electricians</b>	1	3	1	2	2	4	2	1	3	5	6	29	\$1.86	27,124
	2	3	1	1		1	5	2		1	6	20	\$1.84	15,940
<b>Ironworkers-Struct</b>	1	1	1	2	6		3	1		3	4	21	\$1.66	15,508
<b>Laborers(Bldg.)</b>	1	2	4	8	13	6	1			1	4	39	\$1.19	61,056
	2	1	6	4	5	14	1	1				32	\$1.15	50,856
	3	1	2	6	4	14	1	2				30	\$1.21	47,556
<b>Pipefitters/Plumbers</b>	1	1	1	2	5	3	2		2	1		17	\$1.25	18,921
<b>Sheet Metal Workers</b>	1			2	3	3	5	1		2	4	20	\$1.54	10,893

Individual crafts do not add to the U.S. Total because certain Crafts had insufficient observations to permit publication of individual craft data.

## 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			Ove
<b>Bricklayers</b>		1	4	9	2	1	1		1	19	3.9	6,985
<b>Carpenters</b>		1	8	14	10		2		3	38	4.1	53,042
			4	8	6	1				19	3.3	28,605
		2	1	1	8	5				17	3.6	18,430
<b>Cement Masons</b>			2	4	11	6	2			25	3.7	7,235
<b>Crane Operators</b>		1	3	8	7	2	2	1		24	3.9	44,683
<b>Electricians</b>			4	9	5	5	3		3	29	4.6	27,124
		2	1	2	7	4	5			20	4.3	15,940
<b>Ironworkers-Struct</b>		1	3	4	7	3	2	1		21	4.2	15,508
<b>Laborers(Bldg.)</b>			6	8	11	8	2	2	2	39	4.6	61,056
		2	1	1	14	13	3			32	4.0	50,856
		3	1	1	16	9	3			30	4.0	47,556
<b>Pipefitters/Plumbers</b>		1	1	9	5	1				17	3.5	18,921
<b>Sheet Metal Workers</b>			1	3	10	3	2	1		20	4.4	10,893

Individual crafts do not add to the U.S. Total because certain Crafts had insufficient observations to permit publication of individual craft data.

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

Region	Year	Settlement Dollar Ranges										Total	Average	Covered	
		.59 or Less	.60	.79	.80	1.00	1.20	1.40	1.60	1.80	2.00				2.20
<b>Middle Atlantic</b>															
	1	1	3	10	5	2	1	1	1	2	12	37	\$2.15	30,245	
	2	2	1	5	1	5	5	3	3	8	30	\$1.87	27,795		
	3	1	2	4	2	3	5	1	3	4	25	\$1.79	24,715		
<b>Southeast</b>															
	1	12	11	19	28	1	3	1	1	2	2	79	\$0.97	46,915	
<b>East North Central</b>															
	1	4	5	10	22	23	21	6	7	9	13	120	\$1.54	105,642	
	2	1	5	9	21	24	17	3	1	6	5	92	\$1.40	77,675	
	3	3	1	8	19	21	16	5	1	3	5	82	\$1.47	69,856	
<b>South Central</b>															
	1	5	2	1	2	1	2	2	4	2	19	\$1.15	15,779		
<b>West</b>															
	1	2	1	4	7	3	3	1	1	2	3	26	\$1.19	58,731	
	2	3	3	1	5	3	4	1	1	2	22	\$1.18	56,543		
	3	3	2	1	4	2	3	1	1	2	18	\$1.26	44,940		

**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	
		Less .9	1.9	2.9	3.9	4.9	5.9	6.9	7.9				Ove
<b>Middle Atlantic</b>													
	1		1	2	13	3	7	8	1	2	37	5.9	30,245
	2			1	8	7	9	2	1	2	30	4.8	27,795
	3	1		3	5	6	9		1		25	4.5	24,715
<b>Southeast</b>													
	1	1	2	14	26	24	7		1	4	79	4.2	46,915
<b>East North Central</b>													
	1		5	9	44	38	11	7	3	3	120	4.2	105,642
	2	1		10	46	31	4				92	3.7	77,675
	3	2	1	9	42	27		1			82	3.7	69,856
<b>South Central</b>													
	1		2	5	1	2	4	3	1	1	19	4.6	15,779
<b>West</b>													
	1	1	2	8	5	6	2	1		1	26	3.5	58,731
	2		3	10	4	3	1	1			22	3.3	56,543
	3		5	5	4	3	1				18	3.4	44,940

## 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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