

# Quarterly Union Wage Data: Year-End 2021

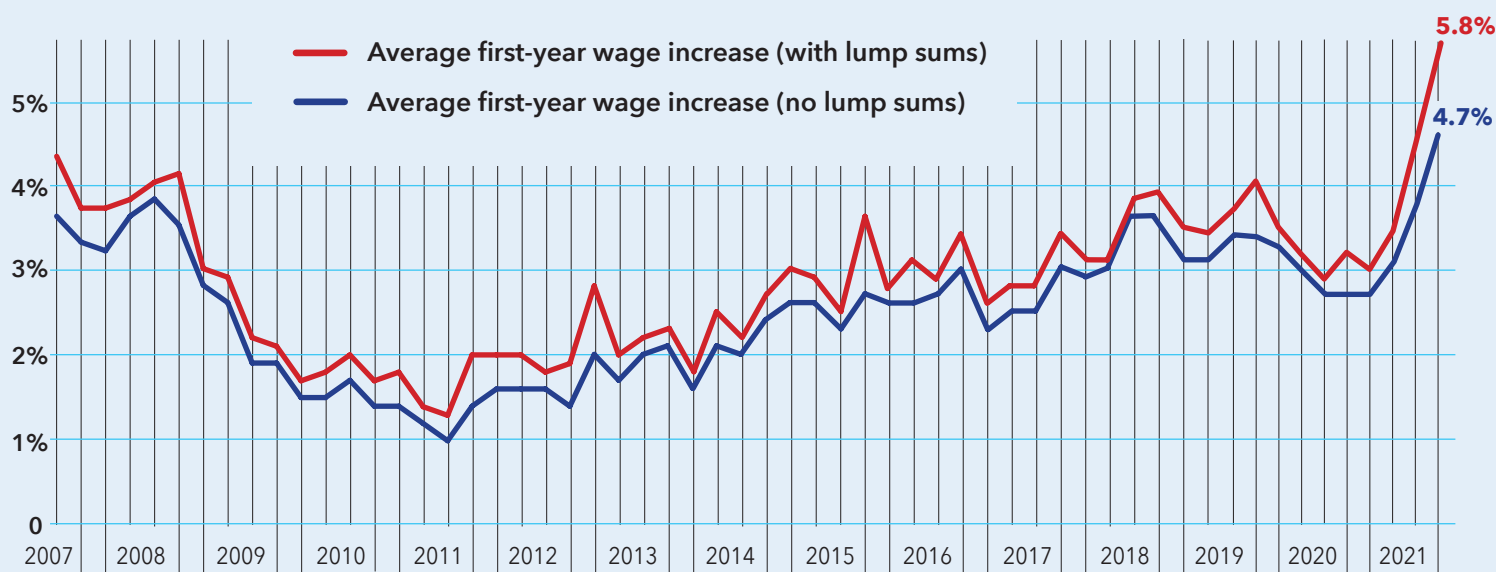
Bloomberg Law analyzed the wage increases negotiated in 820 collective bargaining agreements ratified in 2021. The wage data, covering a total of approximately 852,000 union workers, were calculated using Bloomberg Law's database of U.S. wage settlements.

The following charts provide details of these calculations. Some Bloomberg Law subscribers can access the database and run customized data reports by accessing Labor PLUS in the Labor & Employment Practice Center.

## First-Year Wage Increases in Union Contracts, Quarter by Quarter

First-year pay raises negotiated in the 219 contracts ratified in fourth-quarter 2021 averaged 4.7%, up from 3.9% in the 227 contracts ratified in the third quarter. This is the first time since at least 2007 that union-negotiated wage raises have averaged more than 4% in a single quarter.

When lump-sum payments are added to the calculations, the fourth quarter's average first-year wage increase was 5.8%, following an average raise of 4.6% in the third quarter. Both quarters' averages are higher than any previous quarter's, going back at least as far as 2007.



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### Technical Note:

The line chart above, "First-Year Wage Increases in Union Contracts, Quarter by Quarter," depicts the average wage increase for only those contracts ratified in each quarter. The remaining graphics in this report depict average wage increases in contracts ratified year-to-date.

Starting with first-quarter 2016, the Quarterly Union Wage Data Report's figures represent average wage increases based on each contract's ratification date. Averages prior to 2016 are based on the date each contract was added to the database of wage settlements.

Because new records of previously ratified contracts are regularly added to the database, these averages are subject to small changes. These changes have not amounted to more than plus/minus 0.3 percentage points in any given quarter. All revised calculations will be reflected in future quarterly reports.

## Annual Wage Increases Negotiated in 2021 and 2020 (No Lump Sums)

For the 820 union contracts ratified in 2021, the average first-year wage increase was 3.7%, up from 2020's average of 3.1%. 2021's average was the highest annual increase since 2002, when first-year wages rose by an average of 3.9%. The 2021 average for union contracts ratified in the private manufacturing sector was 3.9%, up from 3.2% in 2020, and the average for private nonmanufacturing was 4.3%, up from 3.5% in 2020. In state and local government contracts, the average first-year pay raise in 2021 was 2.9%, up from 2.5% in 2020. When calculations were weighted based on the number of employees covered under each contract, the 2021 average first-year wage increase rose to 4.5%, up from 2020's weighted average increase of 2.9%.

	1st Year Wage Increases		2nd Year Wage Increases		3rd Year Wage Increases	
	Average (Avg.)	Weighted Average (W.A.)	Avg.	W.A.	Avg.	W.A.
<b>2021</b>						
All Industry Sectors	3.7%	4.5%	3.1	3.4	3.0	3.4
Private Manufacturing	3.9	6.0	3.0	2.4	3.0	4.4
Private Nonmanufacturing	4.3	4.5	3.4	3.8	3.3	3.4
State & Local Government	2.9	4.3	2.7	2.8	2.6	2.9

	1st Year Wage Increases		2nd Year Wage Increases		3rd Year Wage Increases	
	Average (Avg.)	Weighted Average (W.A.)	Avg.	W.A.	Avg.	W.A.
<b>2020</b>						
All Industry Sectors	3.1%	2.9%	2.6	2.4	2.6	2.4
Private Manufacturing	3.2	3.2	2.6	2.6	2.7	2.6
Private Nonmanufacturing	3.5	3.6	2.7	2.7	2.8	2.7
State & Local Government	2.5	1.9	2.4	1.7	2.4	1.7

Note: All health care and post-secondary education contracts are included in the Private Nonmanufacturing sector. Construction-industry contracts are included in the overall average but not in any sector.  
Source: Bloomberg's Law's database of wage settlements

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## Annual Wage Increases Negotiated in 2021 and 2020 (w/Lump Sums)

With lump sum payments—in the form of ratification bonuses or other one-time payouts—included in the calculations, the average first-year wage increase for union contracts ratified in 2021 was 4.3%, up from 3.3% in 2020. Average wage hikes in 2021, with lump sums, were 5.2% in the manufacturing sector (up from 3.6% in 2020), 4.8% in nonmanufacturing (up from 4.4%) and 3.6% in state and local government (up from 2.9%).

	1st Year Wage Increases		2nd Year Wage Increases		3rd Year Wage Increases	
	Average (Avg.)	Weighted Average (W.A.)	Avg.	W.A.	Avg.	W.A.
<b>2021</b>						
All Industry Sectors	4.3%	5.4%	3.2	3.5	3.0	3.6
Private Manufacturing	5.2	10.4	3.2	3.6	3.0	4.5
Private Nonmanufacturing	4.8	5.2	3.4	3.8	3.3	3.7
State & Local Government	3.6	5.0	2.8	2.9	2.6	2.9

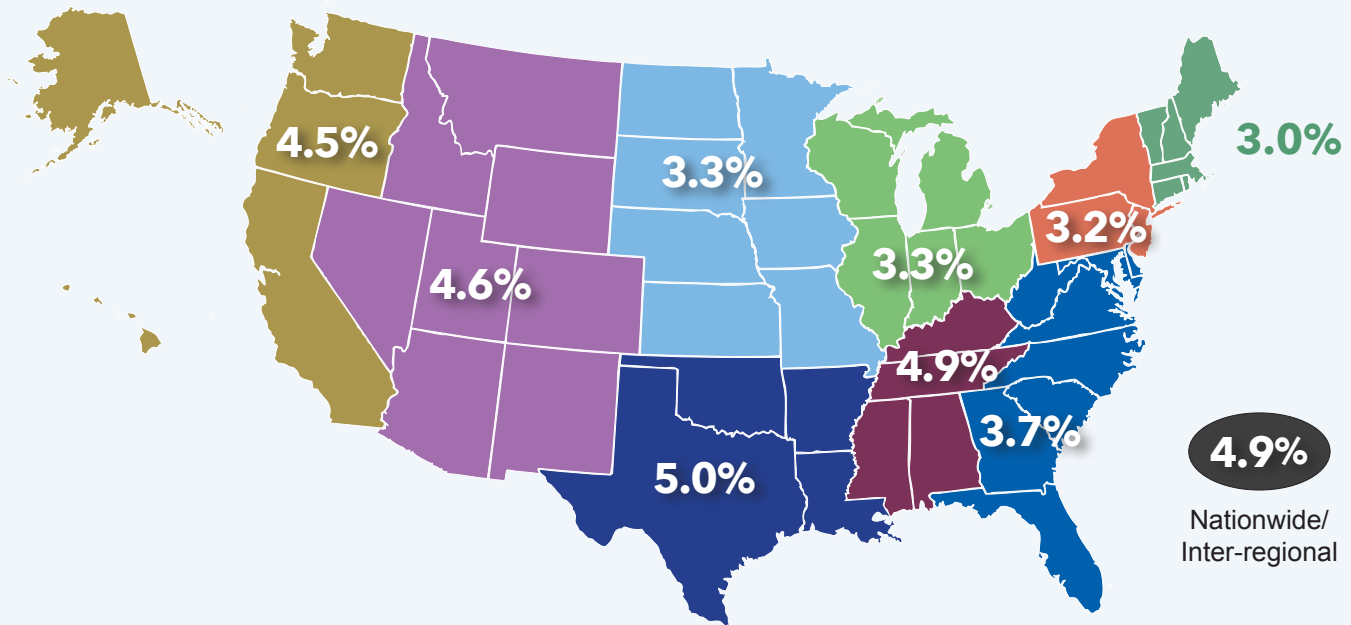
	1st Year Wage Increases		2nd Year Wage Increases		3rd Year Wage Increases	
	Average (Avg.)	Weighted Average (W.A.)	Avg.	W.A.	Avg.	W.A.
<b>2020</b>						
All Industry Sectors	3.3%	3.2%	2.6	2.4	2.6	2.4
Private Manufacturing	3.6	4.2	2.6	3.2	2.7	3.0
Private Nonmanufacturing	4.4	3.8	3.3	3.1	3.4	3.1
State & Local Government	2.9	3.0	2.6	2.6	2.5	2.6

Note: All health care and post-secondary education contracts are included in the Private Nonmanufacturing sector. Construction-industry contracts are included in the overall average but not in any sector.  
Source: Bloomberg's Law's database of wage settlements

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## First-Year Averages by Census Region, 2021

For contracts ratified in 2021, the highest average first-year wage increase (among regions in which 40 or more contracts were ratified) was in the Pacific region (4.5%). Workplaces in the New England region had the lowest average wage increase (3.0%).

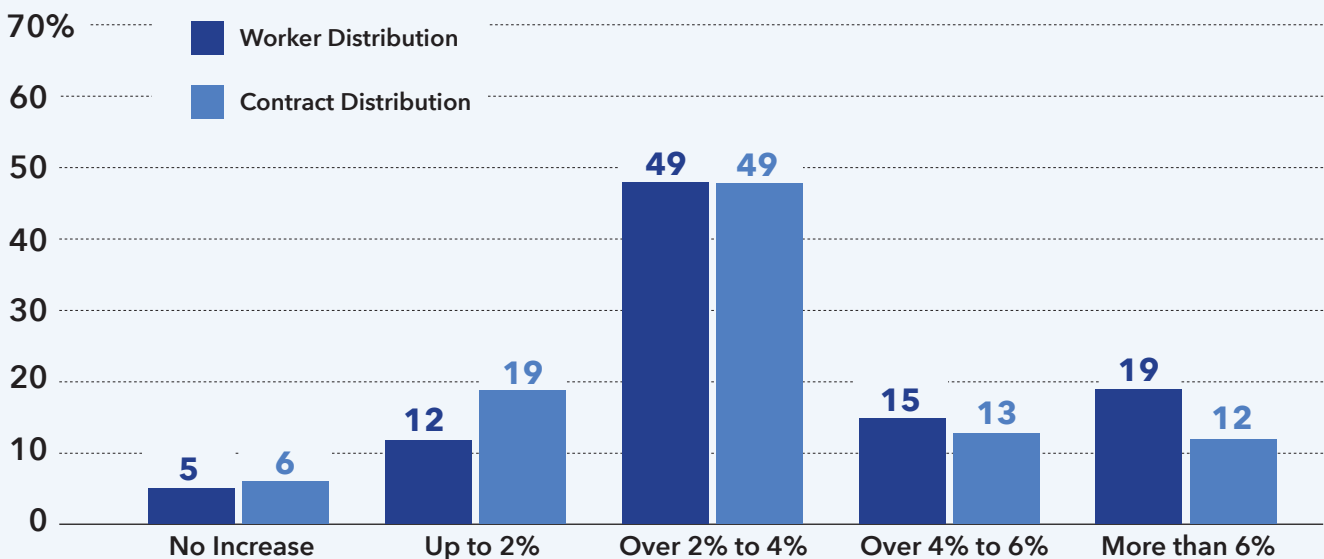


Source: Bloomberg's Law's database of wage settlements

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## Distribution of First-Year Wage Increases, 2021

The majority of contracts ratified in 2021 (94%) called for some type of first-year wage increase. Only 6% of contracts—covering only about 5% of workers overall—agreed to an actual wage freeze in the first year. About one-fifth (19%) of all contracts called for wage increases of 2% or less. About half of all contracts (49%) settled on wage increases in a range greater than 2% and equal to/less than 4%. Another 25% of contracts called for larger pay raises in the first contract year.



Note: Tabulations exclude contract reports that did not include the number of workers. Sums may not add to 100% due to rounding. Source: Bloomberg's Law's database of wage settlements

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