

# COLLECTIVE BARGAINING BULLETIN



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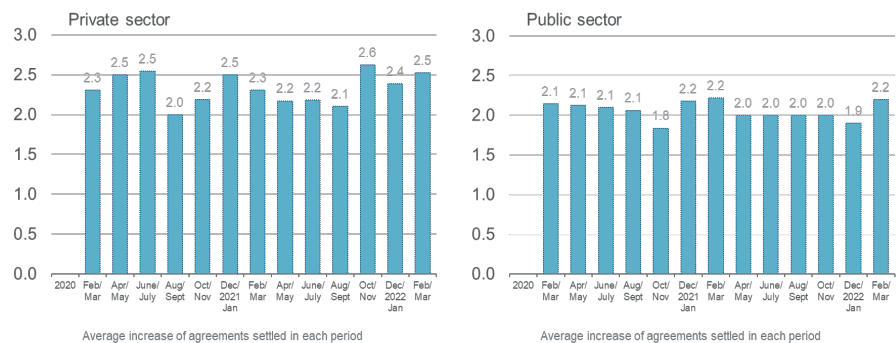
## B.C. WAGE SETTLEMENTS

With inflation in B.C. running above 6% it is reasonable to expect unions and workers to bargain for higher wage increases. But so far there is little evidence of higher settlements.

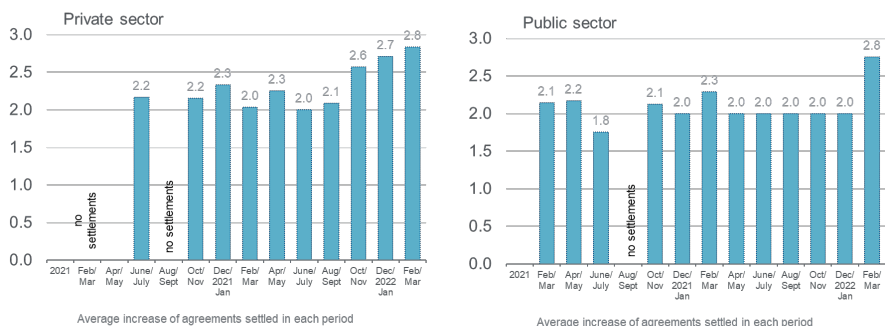
Identifying changes in wage settlements is complicated by delayed negotiations and the timing of wage increases. For simplicity, average wage settlements are typically calculated as the average of first-year wage increases across contracts irrespective of the year increases apply. Because bargaining can occur after contracts have expired, first year increases frequently apply to past years. When inflation is stable at around 2% average first-year wage calculations are not affected much by including backward looking wage gains. But with high and rising inflation we are interested in current and forthcoming wage increases.

The wage data in the adjacent figures are adjusted so the averages are based on wage increases in the year they are scheduled for (as reported in

Average 2022 wage increases of agreements settled each period, %



Average 2023 wage increases of agreements settled each period, %



Source: BC Bargaining Database.

“Supplementary Wage Data” table on page 2 of this bulletin).

To date there is little indication wage settlements are higher for 2022. Private sector increases remain around 2.5% and the public sector is still clustered around 2%. For 2023 there is some indication of higher settlements. But the 2.8% February/ March figure for both

the public and private sectors is boosted by a couple settlements.

The bottom line is that so far there is very little indication that higher inflation expectations are showing up in contract negotiations. In the second half of the year, however, settlements will likely reflect higher inflation expectations.