

# **COLLECTIVE BARGAINING IN 2015–2016**

## **Analysis and Lists**

CENTER FOR STRATEGIC RESEARCH, AFL-CIO



# Overview of Collective Bargaining in 2015–2016

WE ARE IN THE MIDST of an exceptional moment for raising wages through collective bargaining. Millions of American workers will have bargained contracts by the end of 2016, and considering that most of the largest organized workforces are going to the bargaining table, it is likely that more workers will be seeking raises through the collective bargaining process in 2015–2016 than at any other point in recent American labor history.

Collective bargaining is our best tool for raising wages in America. It should be front and center as Congress considers policy and as presidential candidates announce agendas. Moreover, the results will illuminate the larger issue underpinning chronic wage stagnation: that vibrant worker organizations are key to restoring the balance of economic power in our country.

The Center for Strategic Research, AFL-CIO, identified 200 noteworthy companies and government bodies in contract negotiations in 2015 and 2016. These companies will negotiate with workforces ranging from 500 to 573,000 workers—64 with 10,000 workers or more. For more information on the methodology, please refer to the Methods section at the end of the document.<sup>1</sup>

Among the largest workforces negotiating in 2015 and 2016 are the U.S. Postal Service, freight rail's National Carriers' Conference Committee, and the Big Three auto manufacturers. Grocery stores and other food retailers will be the busiest at the bargaining table, with dozens of large retail contracts covering close to 400,000 workers. Additionally, hundreds of thousands of state government workers in California, Illinois, Michigan, New Jersey, New York, Ohio, Oregon and Pennsylvania will have cycled through contract negotiations by the end of 2016.

The information found in this report should facilitate decision making influenced by the industrial and geographic concentration of large workforce bargaining. The report also may be useful for identifying opportunities for growth and collaboration. Most significantly, this report advances avenues for study throughout this active bargaining period. Though far from comprehensive, the unusual amount of large workforce bargaining occurring over these two years provides a unique opportunity to demonstrate the effects of bargaining on working families' income throughout the whole economy.

# Largest Employers with Contracts Expiring in 2015-16

## PRIVATE SECTOR

BUSINESS NAME	EXP. DATE <sup>2,3</sup>	WORKERS	LOCATION	UNION
Kroger Co.	1/10/2015	131,985	NATIONAL	UFCW
Big Three Auto (GM, Ford, Chrysler)	9/14/2015	115,500	NATIONAL	UAW
Kaiser Permanente	9/30/2015	100,000	CA, CO, DC, GA, HI, MD, OR, VA, WA	AFT, ILA, OPEIU, SEIU, UAN, UFCW, UHCP, USW
Cerberus Capital (Safeway and Albertsons)	1/10/2015	91,181	NATIONAL	UFCW
AT&T	4/11/2015	60,700	NATIONAL	CWA
Ahold N.V. (Stop & Shop/ Giant-Landover)	2/27/2016	59,861	NATIONAL	UFCW
Alliance of Motion Picture and Television Producers (AMPTP)	7/31/2015	53,600	NATIONAL	AFM, DGA, IATSE, IATSE/MPSC, IBEW, IBT, LIUNA, OPCMIA, SAG-AFTRA, WGA
Verizon Communications	8/1/2015	45,000	13 East Coast states and DC	CWA and IBEW
The Great A&P Tea Co.	10/17/2015	31,136	DE, MD, NJ, NY, PA	UFCW
ConocoPhillips	SETTLED	30,000	NATIONAL	USW
United Airlines	12/1/2016	30,000	NATIONAL	IAM

## PUBLIC SECTOR

BUSINESS NAME	EXP. DATE <sup>2</sup>	WORKERS	LOCATION	UNION
U.S. Postal Service	5/15/2015	573,000	NATIONAL	APWU, NALC, NPMH, NRLCA
State of California	7/1/2015	163,283	STATEWIDE	AFSCME, CSEA, IAFF, IUOE, SEIU, Other
State of New York	4/1/2016	75,000	STATEWIDE	AFSCME
Commonwealth of Pennsylvania	6/30/2015	59,900	STATEWIDE	AFSCME, PSSU/SEIU, SEIU, UFCW
State of New Jersey	6/30/2015	48,000	STATEWIDE	CWA, IFPTE, SEIU
State of Oregon	6/30/2015	48,000	STATEWIDE	AFSCME, Engineers (Ind.), IAFF, NEA, Oregon Nurses, Oregon State Police Officers Association, SEIU
Transportation Security Administration	12/8/2015	45,000	NATIONAL	AFGE
State of Illinois	6/30/2015	37,000	STATEWIDE	AFSCME
State of Ohio	SETTLED	34,000	STATEWIDE	AFSCME/OCSEA
State of Michigan	12/31/2015	32,364	STATEWIDE	AFSCME, SEIU, UAW
Chicago Board of Education	6/30/2015	29,000	CHICAGO	AFT

## Bargaining Trends in 2015

Though only a few of the contracts covering the most workers have been ratified, we're already beginning to see collective bargaining raise wages for workers all over the country, in a sweeping variety of industries.

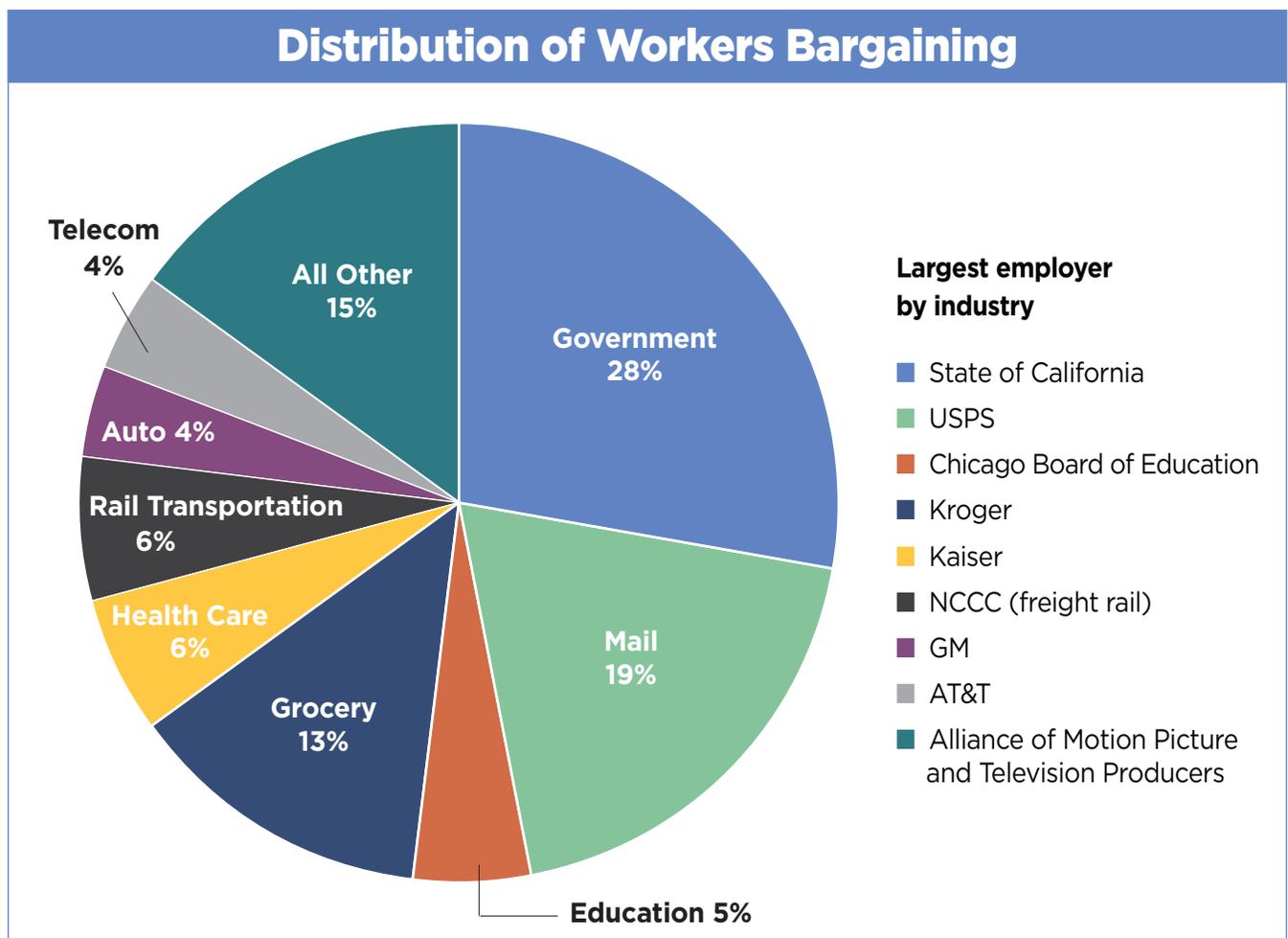
In the first half of 2015, Bloomberg BNA collected settlement information on 322 contracts representing 440,000 workers.<sup>4</sup> **When factoring in lump-sum payments, the weighted mean<sup>5</sup> of all first-year wage increases was 4.3%, up from 2.9% in the first half of 2014.** Nonconstruction private-sector settlements saw even greater gains, securing first-year raises that averaged 4.7% vs. 2014 raises of 3%. Even more encouraging, BNA reported a decrease in the rate of agreements with benefit changes when compared with the 2014 first-half report,<sup>6</sup> as well as decreases in the rates of reported health care cost-control measures and pension modifications.<sup>7</sup> Here are some of the notable settlements observed:

- 3,200 Atlanta transit workers (ATU) negotiated raises that began with a 1% lump sum payment and a **12.5% bump in pay** during the three-year contract.
- 850 nurses (NNU) secured signing bonuses equal to 1.5% of their salaries along with **raises of 3.75% in years two and three** of a three-year contract signed with Enloe Medical Center in Chico, California.
- 11,200 IBEW and IFPTE members at PG&E in Northern California earned a **2.75% raise** in 2015 after signing a one-year contract.
- 7,000 members of IAMAW, IBEW, OPEIU and several other unions working at Huntington Ingalls in Mississippi bargained for a \$1,250 signing bonus to complement a **raise of \$1.40 per hour**.
- 2,400 St. Louis machinists (IAMAW) at Boeing signed a 7½-year extension that came with an \$8,000 signing bonus, semiannual raise of 1 to 2%, and future lump-sum payments totaling an additional \$7,000, for a total of **\$15,000 in lump-sum payments and a 4 to 5% raise**.
- 4,000 maintenance engineers (IUOE) employed in New York City commercial buildings will take home an **additional 3% every year** during the four-year contract they recently signed.
- 850 Steelworkers (USW) in Kentucky are getting a **\$2,000 signing bonus and raises of \$0.50 per hour** after signing a 42-month contract at AK Steel.
- 1,800 ambulance drivers employed by AMR and represented by AFSCME in Northern California got a **2% raise** after signing a three-year contract that includes lump-sum payments of 2% in years two and three.
- 30,000 oil workers (USW) will receive raises of 2.5%, 3%, 3% again, and 3.5% annually during the duration of their four-year contract, earning those workers a **raise in excess of 13%**.
- 2,400 pilots (ALPA) flying for Envoy Air, aka American Eagle Airlines, signed a 10-year contract that brought them a signing bonus of \$7,500 to \$12,500, an additional \$5,000 in 2017, and raises of 1% in seven of the 10 years, for a **total of \$12,000 to \$17,500 in lump-sum payments and a more than 7% raise**.
- 14,000 grocery workers (UFCW) ratified a four-year contract with Kroger in Kentucky and southern Indiana that included unspecified wage increases.
- 25,407 members of the United Teachers of Los Angeles (AFT and NEA) bargained for a **10% raise** over the course of a two-year contract.
- The 30,000-member Ohio Civil Service Employees Association (AFSCME) settled its contract with the state in mid-July, agreeing to a new three-year deal that will give employees raises of **2.5% in each of the next three years**.
- 12,000 CWA members ratified a three-year contract with AT&T Midwest containing **2.5% raises** over each of the years covered.

## Analysis by Industry

Employers identified for inclusion in the 2015–2016 bargaining records were grouped into the following 20 industries for analysis:

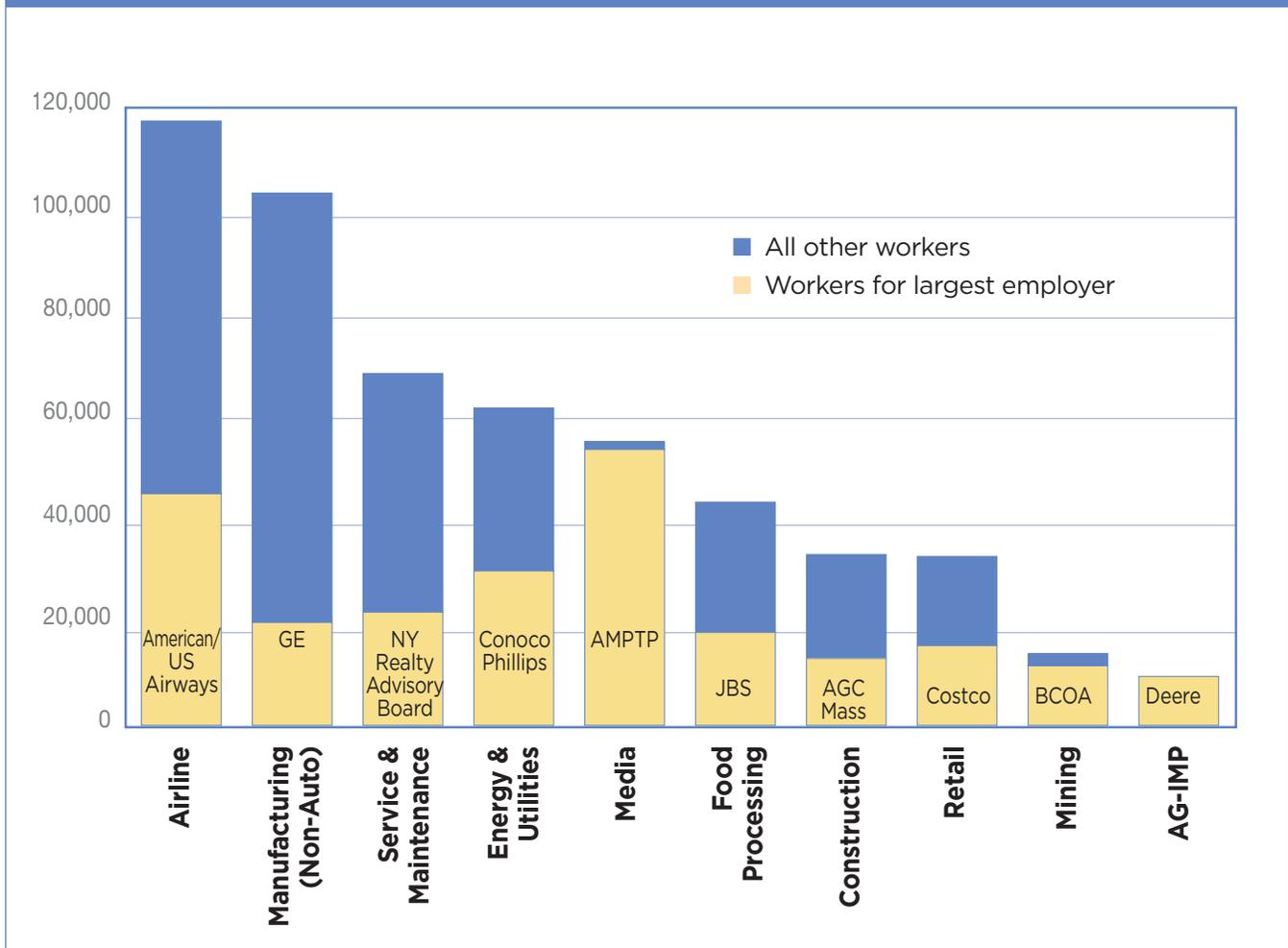
Agricultural Implement (AG-IMP)	Energy and Utilities	Mail	Retail
Airline	Food Processing	Media	Service and Maintenance
Auto	Government	Mining	Telecom
Construction	Grocery	Non-Auto Manufacturing	Transportation
Education	Health Care	Nonprofit	Travel and Gaming



The contracts in the top eight industries include workers from 22 AFL-CIO international affiliates,<sup>8</sup> the four largest unaffiliated unions and more than a dozen small, independent unions. The employers analyzed from these top industries employ more than 2.4 million union members.

Among private sector workforces, grocery stores, health care, rail transportation, telecom, and auto manufacturing combined account for 31% of covered workers. Grocery also has enormous units at Kroger (131,985), Safeway/Albertsons' corporate parent Cerberus (91,181) and Giant/Stop & Shop parent Ahold

## Workers Bargaining in “All Other” Industries



N.V. (59,861). Other large units worth noting include the National Carriers’ Conference Committee (142,000), which negotiates on behalf of all of the major freight rail employers and dozens of smaller rail companies, Kaiser Permanente (100,000), AT&T (60,700), Verizon (45,000) and Big Three auto manufacturers GM (48,500), Ford (41,000) and Chrysler (26,000).

Above is a chart of the smaller industries that were not broken out in the large industry pie chart. These industries represent roughly 457,000 workers in the sample, and include an additional 12 AFL-CIO affiliates.<sup>9</sup>

Most of these industries are dominated by two or three significant employers. Among airline companies,

American Airlines, which is completing a merger with US Airways, has the largest workforce (45,000) to bargain with in 2015–2016. The largest units in the service and maintenance sector were with regional contractor associations. The New York Realty Advisory Board will negotiate with 22,000 workers at the end of 2015, at which point 12,000 service workers in Washington, D.C., and 10,000 in Chicago will have entered, if not completed, bargaining with their respective associations, accounting for 64% of the observed workforce. ConocoPhillips (30,000) and Pacific Gas & Electric (11,200) made up 66% of energy/utility workers in the sample, while the Alliance of Motion Picture and Television Producers, as clearly seen above, employed nearly all of the workers bargaining in the media industry sample.

## Methods

The following is a description of the process and methods used to develop the list of contracts. Due to the dearth of quality information available on contracts through public and private resources at our disposal, the research capacity available for this project, and the need to maintain strict criteria for inclusion, the following process was used to produce a master list:

1. Using contract data available on the negotiations database formerly administered by the Collective Bargaining Department of the AFL-CIO. Contracts were filtered as follows:
  - a. Contracts with expiration dates older than 2010 automatically were discarded.
  - b. Only contracts with stated coverage of 1,500 members or more were included.
2. BNA Labor Plus, LexisNexis and Google were used to find existing research on settlements and contracts in order to verify the information found in the contract list.
  - a. This information was used to confirm the expiration date, number of workers in the bargaining unit, location and other data.
  - b. If, upon verification, it was found the contract had less than 1,500 workers, it was left in regardless.
  - c. Only contracts that could be verified with BNA records or news references were kept.
3. All 2015-2016 contracts of significant size provided directly by affiliates were aggregated by employer and included.
4. Lists were merged and screened for duplicates.

## Caveats

1. Many records that are for a single employer may have staggered negotiating units, and so different units will be negotiated at different times throughout the two years.
  - a. Portions of the workforce that were not coming up for negotiation in 2015–2016 were mostly weeded out, but there may be instances where the numbers listed include units that are not negotiating in 2015–2016.
  - b. The expiration date listed refers to the first one coming up on the calendar.
2. Some records may not account for every union that has a collective bargaining unit with one of the identified employers.
  - a. A significant portion of this research came from participating affiliates that are less likely to list other unions that had bargaining units with the employer.
  - b. A news article or BNA record may not have listed all unions involved in bargaining, or in some cases, information on units with a staggered bargaining calendar was not covered by media.

## ENDNOTES

1 It should be noted that a significant portion of this research came from participating affiliates. Some records may not account for every union that has a collective bargaining unit with one of the identified employers.

2 Contracts covered by the Railway Labor Act (airline and heavy rail industries) don't expire, but instead have dates when the contract is reopened for negotiation.

3 Many employers have staggered negotiating units, thus many of the workforces listed will be split between FY 2015 and FY 2016. The expiration date listed refers to the first one coming up on the calendar.

4 Madkins, C. (July 16, 2015). "Negotiated First-Year Wage Increases Average 2.7 Percent." BNA Labor & Employment Law Resource Center: *Collective Bargaining Newsletter* [Call Number: Reference 20 COBB 105].

5 Weighted average wage increases are weighted by number of employees. For example, an increase provided in a settlement covering 1,000 workers would be given four times as much weight as an increase in a settlement covering 250 workers.

6 Madkins, C. (July 10, 2014). "First-Year Wage Increase of 1.9 Percent Reported in First Half of 2014," BNA Labor & Employment Law Resource Center: *Collective Bargaining Newsletter* [Call Number: Reference 20 COBB 105].

7 It should be noted that changes to benefits are frequently left unreported.

8 List of AFL-CIO affiliates in top industries: AFGE, AFSCME, AFT, APWU, ATDA, CWA, IAFF, IAM, IBEW, IBB, IFPTE, ILA, IUOE, LIUNA, NALC, NNU, OPEIU, SMART, TWU, UAW, UFCW and USW.

9 Affiliates in "All Other" industries (not in top eight industries): AFM, ALPA, ATU, Ironworkers, IATSE, NATCA, OPCMIA, SAG-AFTRA, UA, UMWA, UWUA and WGAE.

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