

After the Strike:

Prospects for Automotive Labor-Management Relations

30TH ANNUAL AUTOMOTIVE INSIGHTS SYMPOSIUM
18 JANUARY 2024

KRISTIN DZICZEK

POLICY ADVISOR—REGIONAL ANALYSIS & COMMUNITY DEVELOPMENT

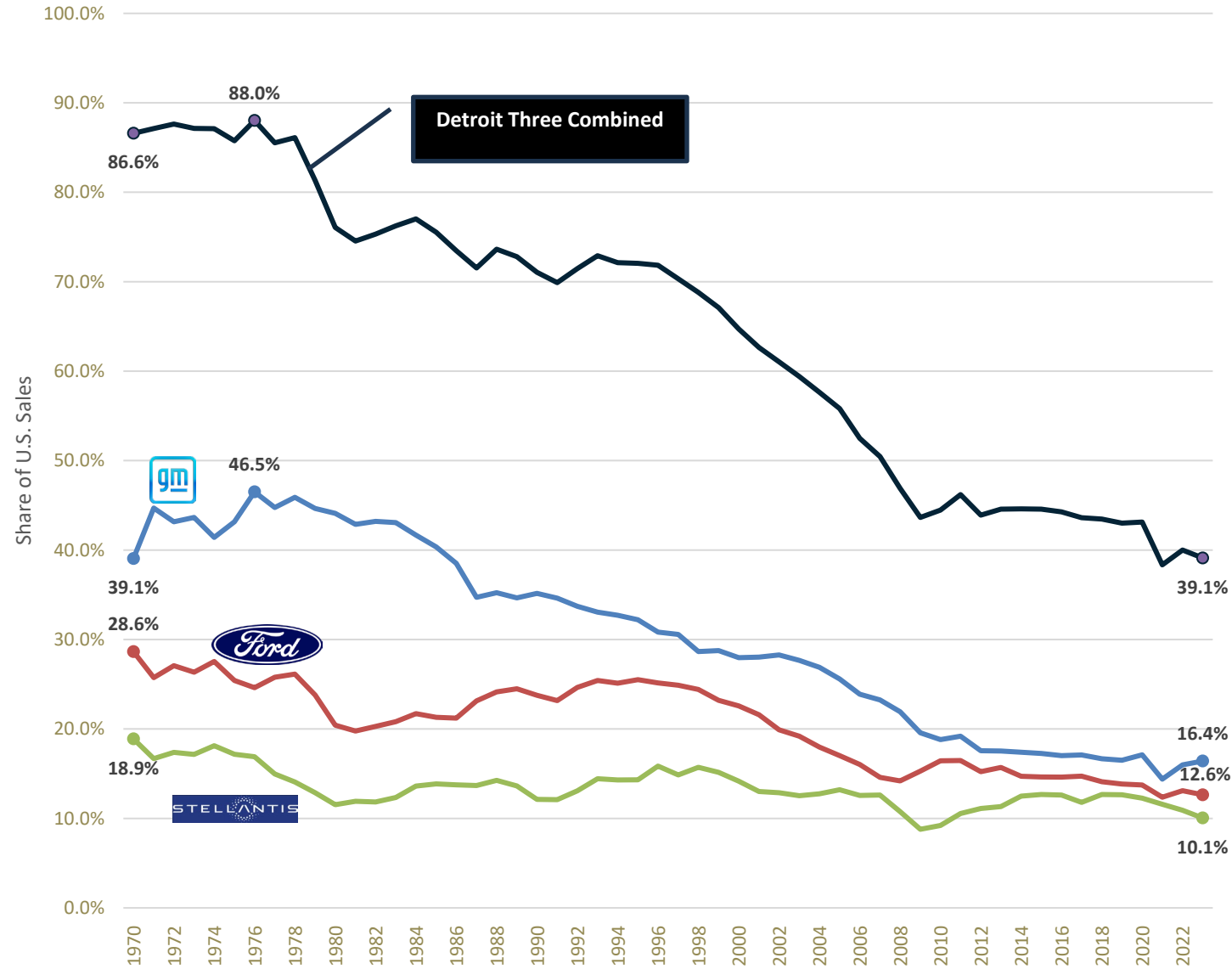
FEDERAL RESERVE BANK OF CHICAGO

*The views expressed here do not necessarily reflect the views of the
Federal Reserve Bank of Chicago or the Federal Reserve System.*



Strike Impacts

The Detroit Three are a smaller share of the industry than in the past



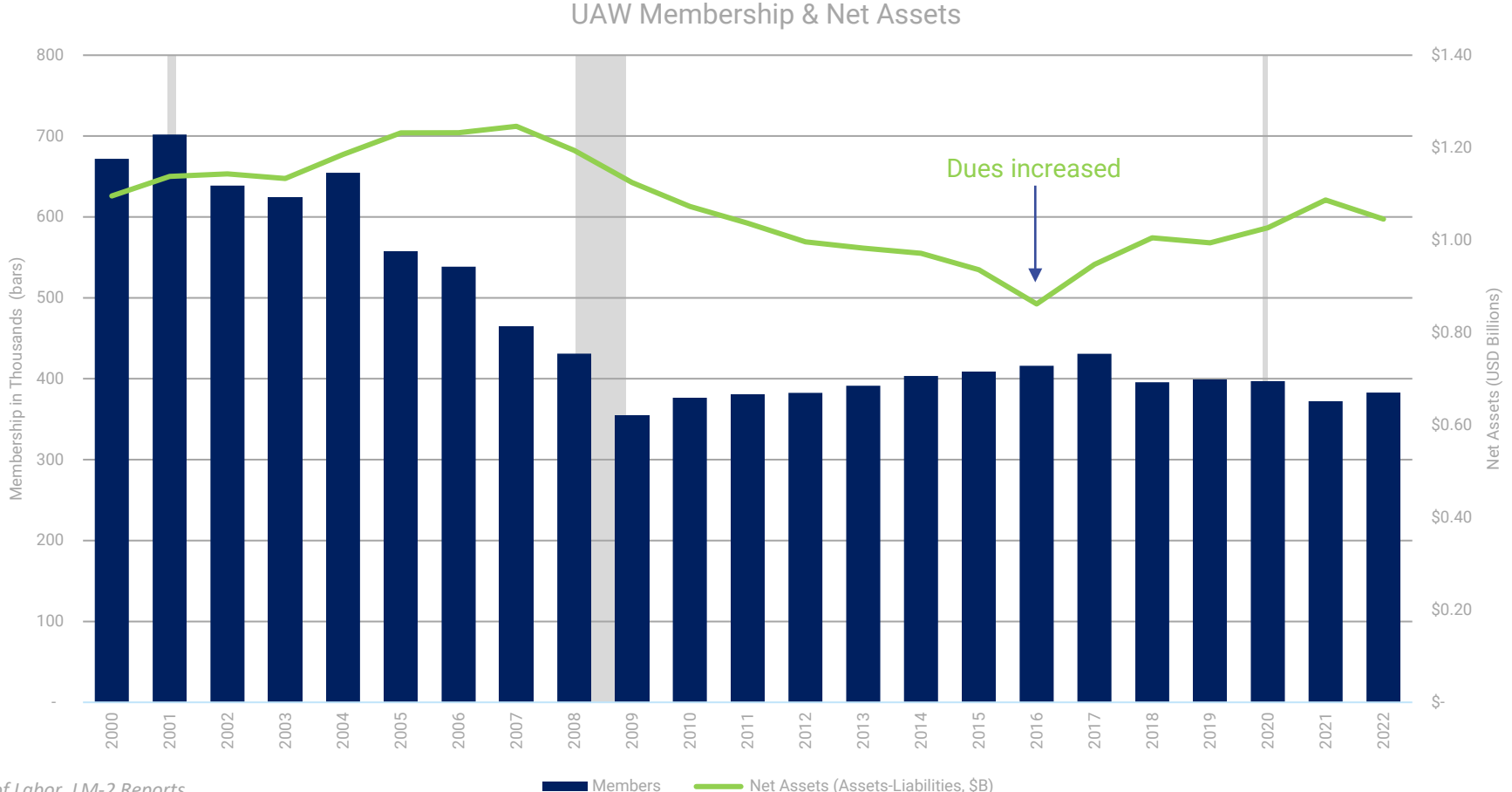
Source: Wards Automotive/Informa



Ford, GM, & Stellantis U.S. Market Shares, 1970-2023

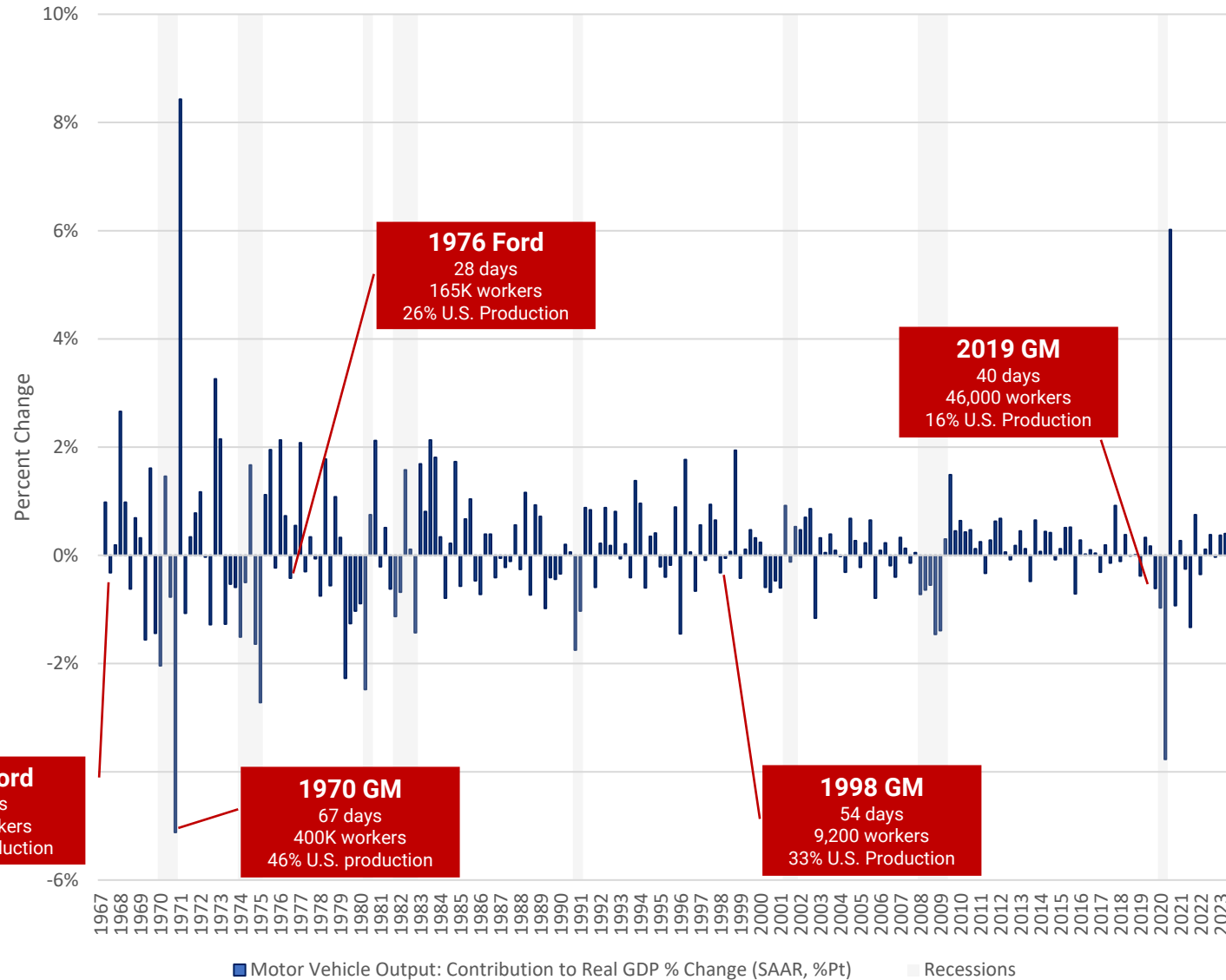
LABOR BACKGROUND

UAW Snapshot: 2000-2022



Source: U.S. Department of Labor, LM-2 Reports

UAW strikes likely had very small immediate economic impact



Motor Vehicle Output—Contribution to Real GDP Percent Change, Seasonally Adjusted Annual Rate, 1967-Q32023

Plus notable UAW strikes

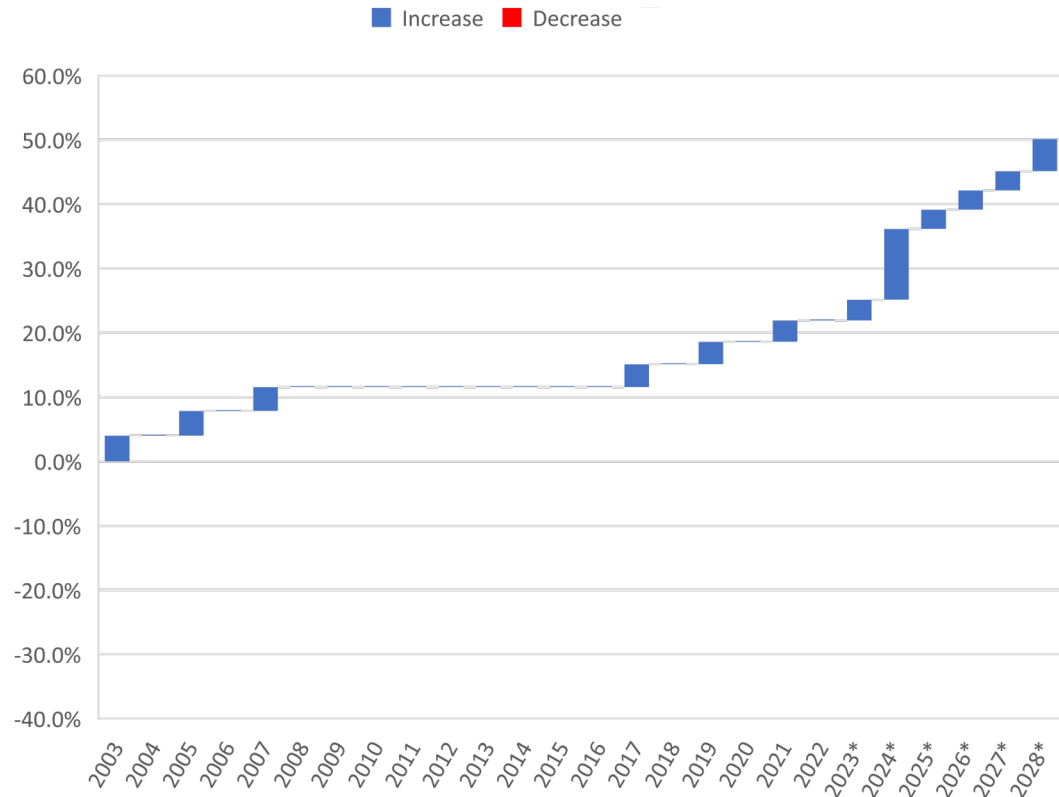
Source: Bureau of Economic Analysis/Haver Analytics

* Includes UAW strikers at Ford, GM, & Stellantis plus UAW members at the three companies idled because of the strike.

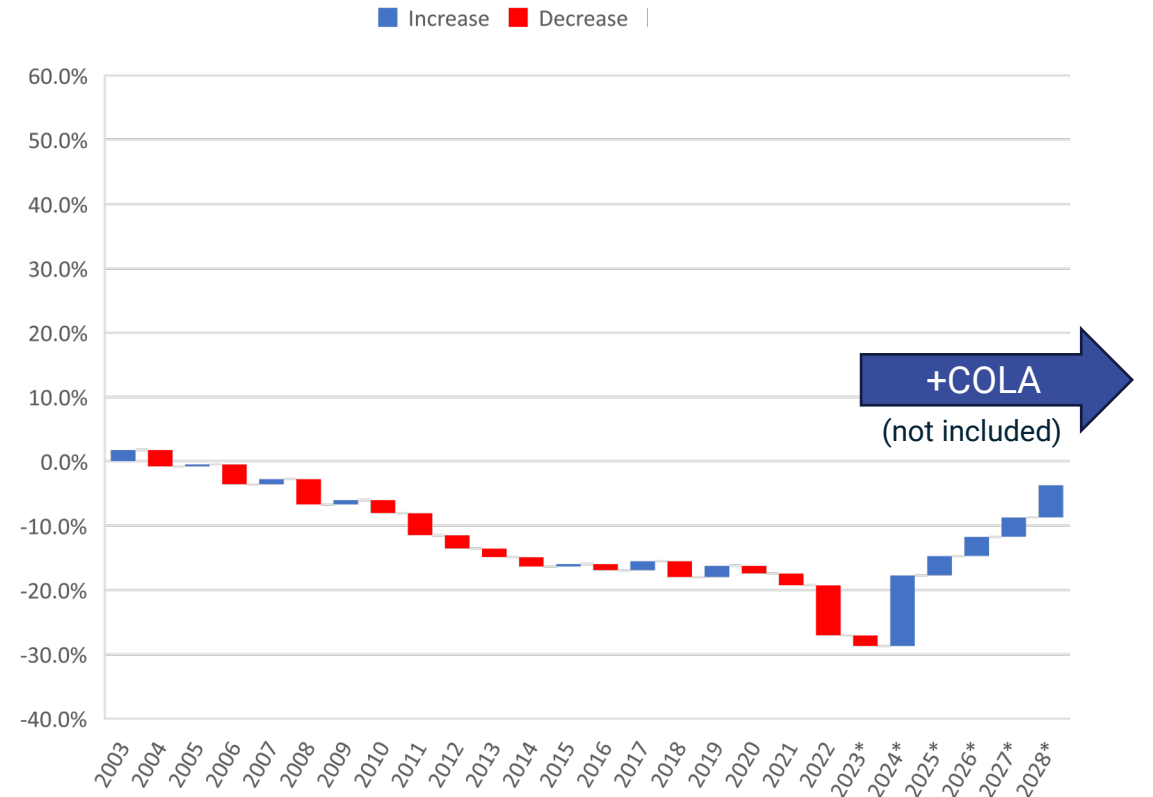
LABOR BACKGROUND

Wages were a big part of the story in 2023

%Δ Top UAW D3 Production General Wage Increase (Nominal)



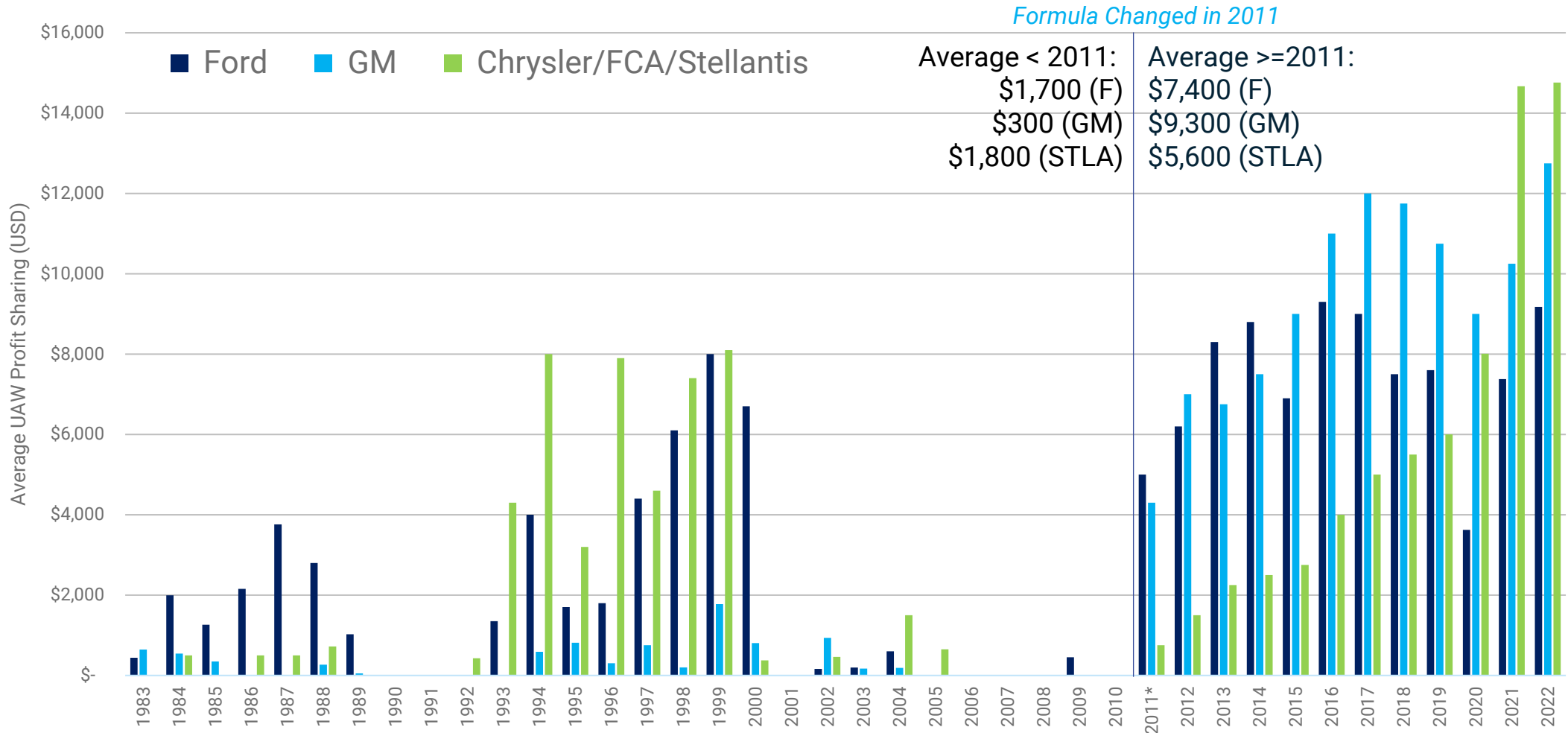
%Δ Top UAW D3 Production General Wage Increase (Real 2023\$*)



Source: UAW contracts with Ford, GM, & Stellantis/Fiat Chrysler/Chrysler & U.S. Bureau of Labor Statistics, CPI-W

LABOR BACKGROUND

1983-2022 Ford, GM, & Stellantis Average UAW Profit Sharing



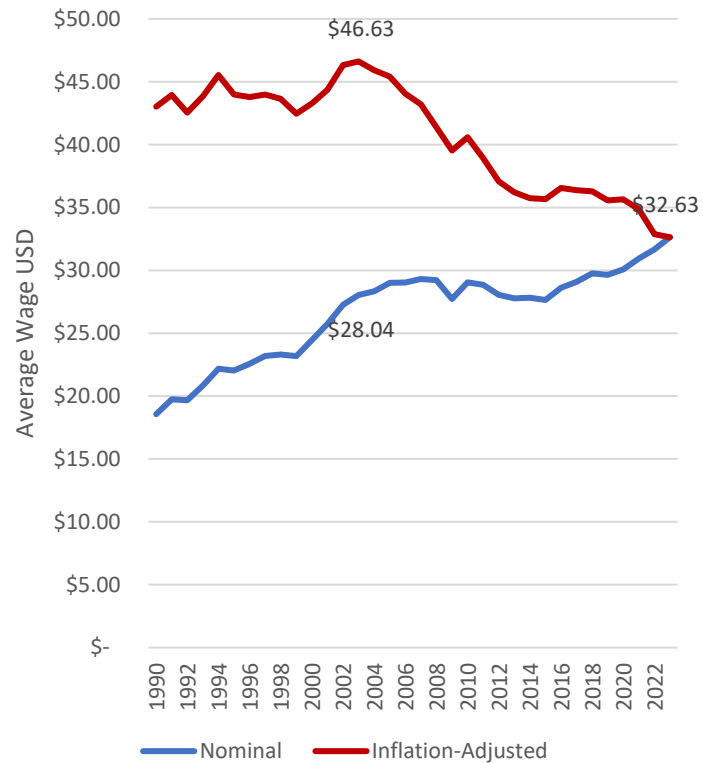
Source: Compiled based on historical press and financial reports

* Formula changed in 2011

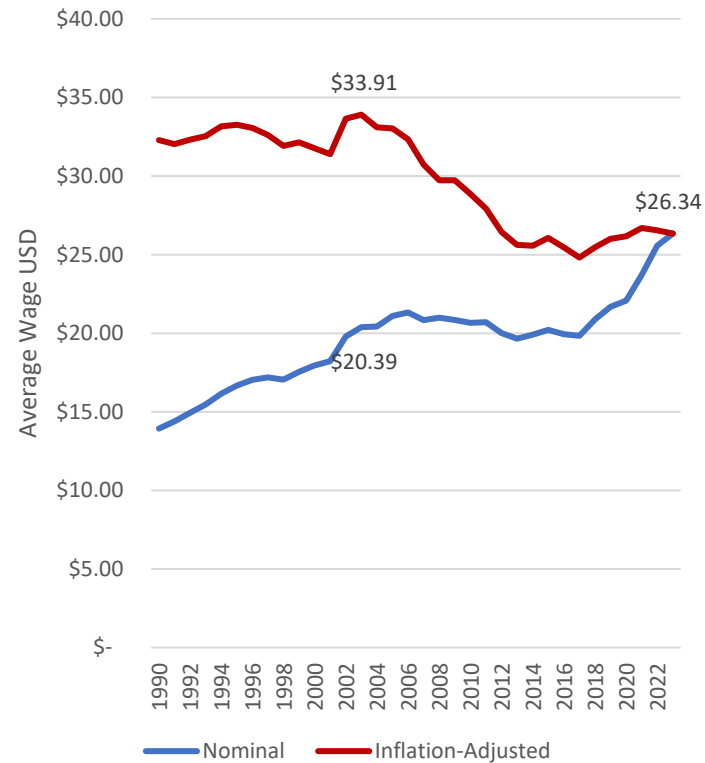
LABOR BACKGROUND

Motor vehicle & parts manufacturing wages are 30-40% lower than they were at the most recent peak in 2003, but unit labor costs are up 1.3%

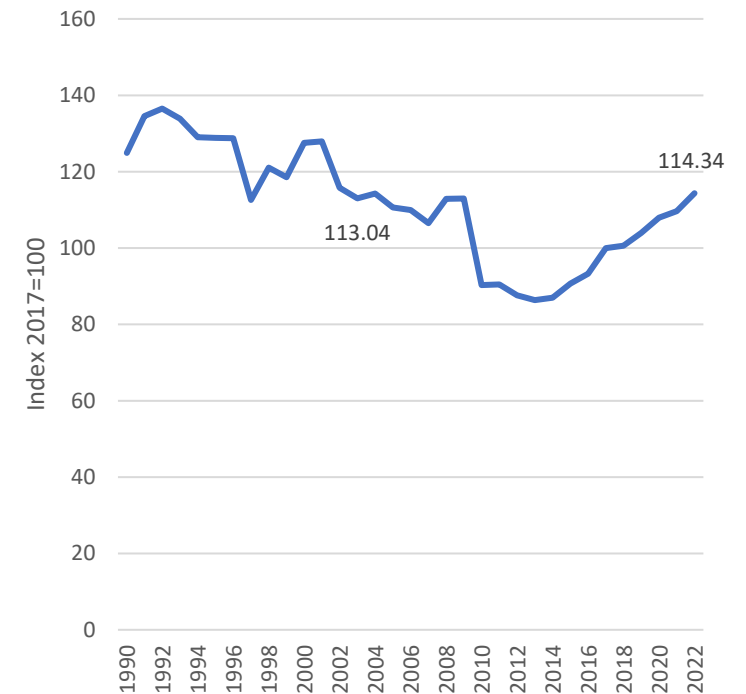
U.S. Hourly Wage for Production & Non-Supervisory Workers in Motor Vehicle Manufacturing



U.S. Hourly Wage for Production & Non-Supervisory Workers in Motor Vehicle Parts Manufacturing



U.S. Unit Labor Costs for Motor Vehicle, Body, Trailer, & Parts Manufacturing



Source: U.S. Bureau of Labor Statistics, data for NAICS 3361 & 3363 adjusted using CPI-W all items

Labor in 2024 and beyond:

- Impact of change in labor costs
 - Outsourcing/offshoring
 - Automation
 - Flow-through to other automakers, suppliers, & sectors
- How the parties work together to administer the contract
- Prospects for UAW organizing in the sector
- Longer-term outlook for labor



www.chicagofed.org

The views expressed here are those of the authors and do not necessarily represent or reflect the views of S&P Global Mobility. S&P Global Mobility makes no representation or warranty of any kind, express or implied, regarding the contents or data herein. The completeness and accuracy of the S&P Global Mobility data or statements thereto are not warranted. Any S&P Global Mobility data or reference is not and shall not constitute or is intended to constitute financial advice in any way whatsoever. S&P Global Mobility data and information shall not be relied upon for any investment activities.