

Macro Roundup Article

Headline: [Boeing's Next Crisis: Aerospace Workers Demanding 40% Pay Raise](#)

Article Link: <https://www.bloomberg.com/news/articles/2024-02-06/boeing-labor-strife-poses-next-big-risk-to-plane-production?sref=U3dOGIDF>

Author(s)	Julie Johnsson
Publication	Bloomberg
Publication Date	February 06, 2024

Tweet: Boeing's largest union is demanding a 40% pay raise over the next 3-4 years. Jefferies estimates that every 10% increase in wages would reduce 2026 free cash flow by \$260mm before offsets. Boeing's 2023 free cash flow was \$1.87B.

Summary: Boeing's largest union, the International Association of Machinists and Aerospace Workers is still smarting over a 2014 deal that sacrificed pensions, locked in minimal raises, and tied the hands of activists for a decade. Union leaders will demand a 40% pay raise over three or four years, emboldened by a resurgent US labor movement, a scarcity of qualified aerospace workers, and pressure on Boeing to stabilize work in its factories. A labor deal could also be costly. Every 10% increase in machinist wages will drag down 2026 free cash flow by an estimated \$260 million before price and productivity offsets, according to Sheila Kahyaoglu, an analyst with Jefferies. Related: [The Unexpected Revival of America's Trade Unions](#) and [Union Workers Score Big Pay Gains As Labour Action Sweeps US](#) and [American Labor's Real Problem: It Isn't Productive Enough](#)

Primary Topic: Wages/Income

Topics: News article, Wages/Income, Workforce

Permalink: <https://www.edwardconard.com/macro-roundup/boeings-largest-union-is-demanding-a-40-pay-raise-over-the-next-3-4-years-jefferies-estimates-that-every-10-increase-in-wages-would-reduce-2026-free-cash-flow-by-260mm-before-offsets-boeing?view=detail>

Featured Image

Link: <https://www.edwardconard.com/wp-content/uploads/2024/02/Boeing-Strike.png>