

Labor unions are exerting **clout** not seen in decades, winning big pay increases and better benefits in industries **beset** with worker shortages.

Airlines, package shippers and ports all struggled to hire desperately needed workers as the economy emerged from the pandemic, and then agreed to double-digit raises with their unions this summer.

Whether other employers without such hiring difficulties, including car manufacturers facing a strike threat from the United Auto Workers, follow suit remains to be seen.

Pilots at American Airlines last month ratified a contract boosting wages by more than 40% over its four-year term. West Coast dockworkers secured a 32% raise through 2028 this summer.

United Parcel Service

workers affiliated with the International Brotherhood of Teamsters struck a deal that will increase top hourly pay by 18% over the five years. The agreement will push the average full-time driver to \$170,000 annually in pay and benefits, the UPS chief executive said.

In some cases, the unions' latest gains just catch up to pay increases that nonunion Americans landed since the pandemic hit the U.S. economy in 2020.

Total pay, change from a year earlierSource: Labor DepartmentNote: Reflects total compensation, including wagesand benefits, for private-sector workers

Wages and benefits for nonunion workers were up 15.8% from the end of 2019 through June, compared with a 12.2% gain for unionized workers, according to the Labor Department. Union workers earn more on average but accounted for just about 10% of the workforce in 2022, a record-low share.

The UAW's demands have included a 40% pay increase over four years and a 32-hour workweek.

Labor Shortages Lead to Gains

In transportation, warehousing and utilities combined, the job-openings rate—a reflection of labor demand—exceeded the average for private-sector employers in July. The group employs pilots, dockworkers and truckers.

For manufacturers of long-lasting durable goods, including autos, the rate is below average and falling this year.

“Why are the pilots doing well? Why are the Teamsters doing well? Both had a lot of bargaining leverage,” said Harry Katz, a professor who studies collective bargaining at Cornell University, referring to the limited numbers of workers relative to demand in those fields.

Hiring of transportation and warehousing workers surged in recent years when the pandemic accelerated Americans' shift to online purchases, resulting in often daily visits from truck drivers, including those at UPS. Employment in these industries is up 16% since the end of 2019, versus 3% overall.

Meanwhile, total U.S. manufacturing employment is up less than 2% since the end of 2019, and down a third from its late 1970s peak, reflecting increased automation and foreign competition.

The airline industry still grapples with worker shortages. Travel initially stalled during the pandemic, causing pilots to retire and training programs to halt. Then eager travelers emerged from lockdowns and hiring new pilots took time because it takes years of training to fly an airliner.

“Because of supply and demand of pilots, they had no choice,” but to agree to large pay increases, Dennis Tajer, a pilot at American Airlines and a spokesman for the Allied Pilots Association, said of company management.

Potential UAW Strike Looms

UAW members employed by Ford, General Motors and Stellantis authorized their leaders to call a strike after an existing contract expires Thursday. Those three companies produce about half of vehicles made in the U.S., according to the Federal Reserve Bank of Chicago.

Still, the immediate disruption to consumers from a UAW strike would likely be more limited than a major airline shutting down or closed ports blocking goods from entering the U.S. Shoppers would still be able to buy new vehicles already on dealer lots and those made by manufacturers such as Toyota and Tesla that don't have unionized U.S. factory workers.

UAW members previously gave concessions when the industry was weaker, including when GM and Chrysler, a predecessor to Stellantis, filed for bankruptcy in 2009. The top hourly wage for UAW production workers didn't increase between 2006 and 2015, the Chicago Fed said.

The latest talks come as automakers shift toward making more electric vehicles, which put jobs at traditional engine and transmission plants at risk.

Labor **strife** plays out differently in Hollywood

Two notable unions in an industry without as severe labor shortages have been unable to extract large pay gains so far this year.

Hollywood writers have been striking since this spring and were joined in July by actors.

These union members could have less leverage than pilots and truckers because they work in entertainment industries where job seekers are plentiful: Hollywood always has an abundant supply of writers and actors eager to break into the business.

Actors and scriptwriters also can't halt a major chunk of the economy as pilots can: Americans can watch reruns and old movies during the strike, but they can't travel by airplane without pilots.

Employment growth in the entertainment industry is in line with overall increases in the past two decades. Actors and scriptwriters are asking for job and pay stability amid technological and business-model changes, said Elizabeth Faue, a professor of labor relations at Wayne State University. They fear artificial intelligence will soon enable the production of movies and TV shows with far fewer employees.

In four more years, they might have even less leverage, Faue said.

