

What the pending UAW-Big 3 deals mean for workers, Biden and the economy

A 25 percent wage gain, movement on EV plants and a big issue potentially off President Joe Biden's plate.

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The United Auto Workers have a deal. Deals, that is.

If the tentative agreements reached in recent days between the United Auto Workers and the Big Three automakers cross the finish line, it will mark a turning point in a year of labor unrest.=

Union President Shawn Fain will have delivered his promised record economic contract — though falling short of his original ambitions — using the unconventional strategy of bargaining with all three companies at once, and perhaps accelerating growing support for unions.

It would also end a perilous chapter for President Joe Biden, a champion of the EV transition who has leaned on organized labor as a key political ally — but who risked seeing the economy take a substantial hit from a prolonged walkout.

Over the strike's more than six weeks, the companies and the industries that supply it hemorrhaged billions of dollars — [\\$800 million at GM alone, as of last week according to the company](#).

The deals, which still need to be ratified, mark some of the final steps in ending the UAW's strike against the companies.

Here's what the union won, what it means politically and where things go from here.

What's in the deals?

Though the final product would fall short of some of the the union's most ambitious initial demands over the summer, including a 40 percent wage increase and 32-hour workweek, the UAW maintains the deals with Detroit's car makers will be life-changing for members who made economic sacrifices during the Great Recession, as well as for an old-school union that's sought what it sees as a just industry transition to electric vehicles.

The three automakers have each agreed to a top-line wage increase of 25 percent for workers across the life of their respective four-year contracts.

The UAW's [tentative agreement with Ford](#) also includes a cost-of-living adjustment that was nixed back in 2009 as Detroit carmakers teetered on insolvency. It raises starting pay for temporary workers from \$16.67 per hour to upwards of \$40 by the end of the contract and speeds up their conversion to full-fledged employees. It also sweetens 401(k) terms and extends the right to strike over plant closures.

Stellantis and GM's agreements are not yet public, but are expected to broadly align with what Ford offered. All three still need to be ratified by UAW members in the coming weeks.

The UAW has made a point of saying that the gains included in the tentative agreements eclipse those in every contract since the turn of the century, combined.

What about EVs?

The industry's growing fleet of electric vehicles hovered over the negotiations, with the UAW fearing the transition will benefit non-union plants and displace workers since EVs require fewer parts than internal combustion engines.

GM workers for its joint venture battery company, Ultium Cells, would be included in the union's master agreement under the agreement reached Monday, the UAW said. Workers at GM Subsystems LLC, a company subsidiary that wasn't previously included in the master agreement, would also be added, according to the union.

Whether a plant is included in the master agreement is important because it would bring all the plant's workers into the terms that the UAW went on strike for, rather than having to organize and bargain for individual agreements at the plants.

The union has provided the most detailed information about its agreement on EV workers at Ford. There, EV plant workers' inclusion in its master labor contract with the UAW wouldn't be automatic, but it would be made easier on the union.

To be included in the master agreement, a majority of workers at Ford's battery plant in Marshall, Mich., or its EV assembly plant in Tennessee could submit cards saying they want a union, in a process known as a card check. It's less of a hurdle to organizing than a full-blown union election.

The Tennessee plant, to which UAW members at other plants could get asked to transfer, might also come under the master agreement if a majority of its workforce is eventually made up of UAW members, Fain said Sunday. (Neither plant is open yet, and construction on the Marshall plant is [currently paused](#).)

Labor movement consequences

Labor strategists, on both the worker and management sides, have been for weeks dissecting the UAW's novel "Stand Up Strike" strategy — in which the union would periodically select a subset of targets with minimal notice to maximize pressure on the companies while conserving its war chest — for lessons that could be applied to other labor standoffs.

There are several factors unique to the UAW and the Big Three that could make the tactics difficult to apply elsewhere, even in other heavily unionized sectors. For instance, there are not many other industries where a union could play three large competitors off one another simultaneously, and not all businesses' operations are as highly interconnected as auto plants — where a stoppage at one can quickly upend work at several others, multiplying the pain.

But the autoworkers' success lends credence to activists who have advocated for new and more aggressive approaches to contract battles as a way to reinvigorate the labor movement.

The UAW's tentative agreements come in the wake of the Teamsters' deal with UPS that similarly saw the union win large pay increases and claw back some concessions made in previous contracts. Like the UAW, the Teamsters had recently elected a brash new president who argued that previous leaders had been too pliant in high-stakes negotiations.

Public support for labor unions has been at, or near, record highs for several years. However, union membership as a share of the overall workforce continues to wane, and organized labor is still seeking ways to reconcile those conflicting trends and reverse its decline.

View from the White House

Biden showed unprecedented support for the union during the strike: He took the essentially unheard-of step of joining workers at the picket line in September, after Fain called for his support. Biden's alignment with the union means the relatively favorable deals now could be seen as a boon to his handling of economic issues for the working class.

"Today's historic agreement is yet another piece of good economic news showing something I've always believed," Biden said Monday. "Worker power, worker power is critical to building an economy from the middle out and the bottom up, and so is economic growth."

There are still pieces left to fall into place, beyond just needing the contracts ratified. The union still [hasn't endorsed Biden](#) in his reelection bid, making it an outlier among large labor groups after the AFL-CIO delivered its earliest-ever endorsement in favor of

Biden. And with the contract details on the EV issue still not clear, particularly at GM and Stellantis, there's still the possibility of a clash down the road between the union and the president, who has spent significant domestic political capital backing that very transition.

What's next for UAW?

Part of the UAW's ferocity at the bargaining table was done with an eye toward its future. Landing strong deals with the Big Three would give officials something to tout to non-unionized workers, demonstrating their ability to deliver on promises of better pay and job security.

In recent years, the UAW has been dealt a number of stinging losses in various attempts at organizing other car manufacturers, particularly in the South where "right-to-work" laws hamstring unions.

The UAW over time has evolved greatly, with [roughly half of its membership](#) coming from outside the car industry, including such disparate workplaces as hospitals, universities and casinos.

As the center of gravity for the domestic car industry continues to expand beyond just Michigan and its other traditional homes in the Midwest, the UAW's ability to organize will be key to its continued survival, particularly as new facilities come online to produce electric vehicles.

"We demanded a longer contract because one of our biggest goals coming out of this historic contract victory is to organize like we've never organized before," Fain said Sunday on Facebook Live, referring to the contract's 4.5-year duration, six months longer than the union's last agreement. "When we return to the bargaining table in 2028 it won't just be with the Big Three, but with the Big Five or Big Six."

At the same time, other U.S. car companies and foreign automakers may become even more resistant to unionization campaigns. These companies already have lower labor costs than the Big Three, and that gap is expected to widen if the tentative agreements are ratified.

Some, like Tesla, which has already faced accusations of illegal anti-union actions, may dig in their heels even more rather than give up those competitive advantages over the Big Three.