

Wages and Earnings in Ontario's Unionized Independent Automotive Parts Manufacturing Industry, 2007-2016

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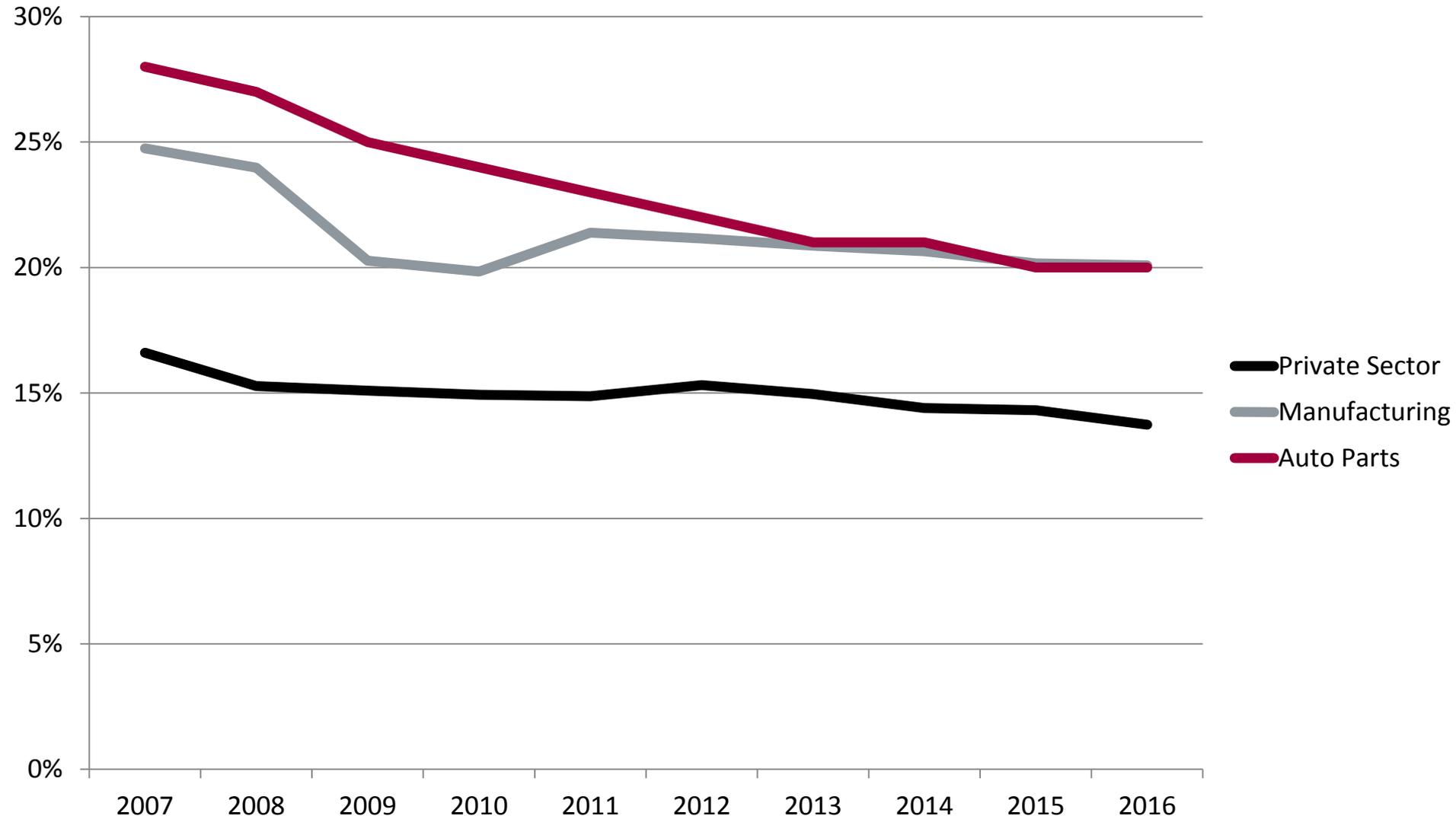
Introduction

- Why is the automotive industry so important?
 - It provides jobs. Good jobs.
- We know a lot about what's happened to unionized assembly jobs over the past decade
 - Low wage growth, increased grow-in period, lump sums/bonuses in lieu of wage increases
- What about unionized automotive parts manufacturing jobs?

Background

- We know that:
 - Private sector, manufacturing, and automotive parts union density fell between 2007-2016
 - Automotive assembly and parts manufacturing wages did not increase as much as wages in other sectors
 - Wage premium of 25.3% for unionized workers
- What impact has this had on wages in Ontario's unionized automotive parts manufacturing industry?

Union Density in Ontario, 2007-2016



Source: Statistics Canada, 2017 (CANSIM Table 282-0078); Sweeney and Mordue, 2017

Average Hourly Wages in Ontario, 2007 & 2016

	2007	2016	% Change
All Industries	\$ 19.29	\$ 23.31	+21%
Manufacturing	\$ 21.91	\$ 24.62	+12%
Vehicle Assembly[1]	\$ 31.83	\$ 34.85	+9%
Automotive Parts	\$ 24.67	\$ 23.33	-5%

1. Data available for Canada only (Ontario data suppressed due to confidentiality)

Source: Statistics Canada, 2017; CANSIM Table 281-0029. Employees paid by the hour excluding overtime. Current dollars.

Data

- Analyzed CBAs from 142 independent automotive parts manufacturing plants currently operating in Ontario and recorded:
 - Minimum ‘fully grown-in’ production wage
 - Maximum ‘fully grown-in’ production wage
 - Skilled trades wage
 - Wages of new hires (% of fully grown-in production wage)
 - Time (months) for new hires to attain fully grown-in wage
 - Incidence of two-tiered wages (new hires can not reach full rate)
 - Lump sums/ratification bonuses

Unions

	Units	Employment	% of Total
Unifor	97	17,472	65.4%
USW	19	4,057	15.2%
Workers United	7	1,553	5.8%
UAW	5	1,254	4.7%
Teamsters	7	1,108	4.1%
IAMAW	3	489	1.8%
UFCW	2	204	0.8%
Other	2	585	2.2%

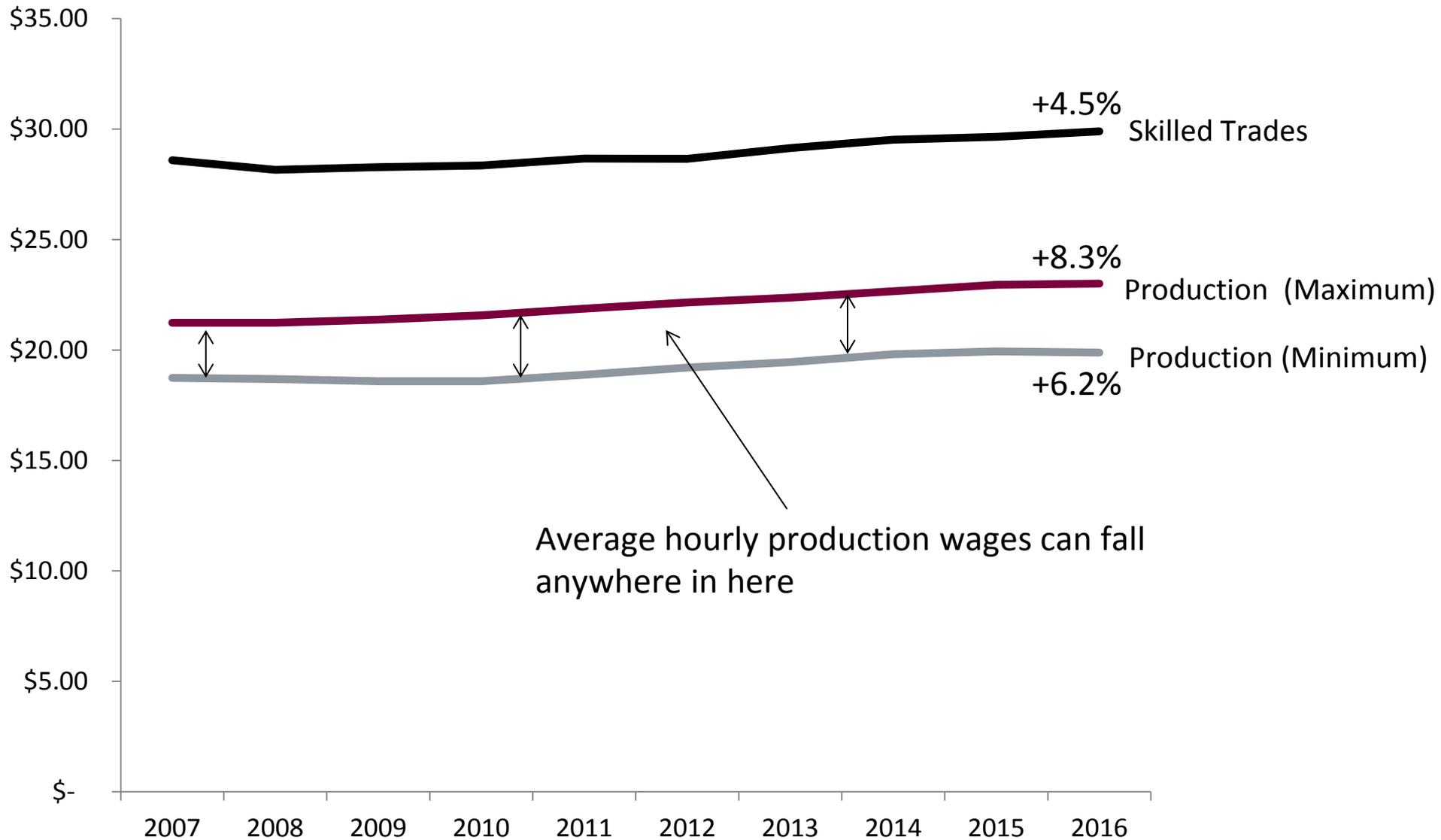
Product Categories

	Units	Employment
Interior	18	4,526
Just-in-Time Seating	5	2,400
Metal	30	4,394
Modules	9	1,950
Plastic and Rubber	24	6,141
Powertrain	11	1,912
Steering and Suspension	5	999
Sub-Assembly	11	1,672
Other	30	2,728

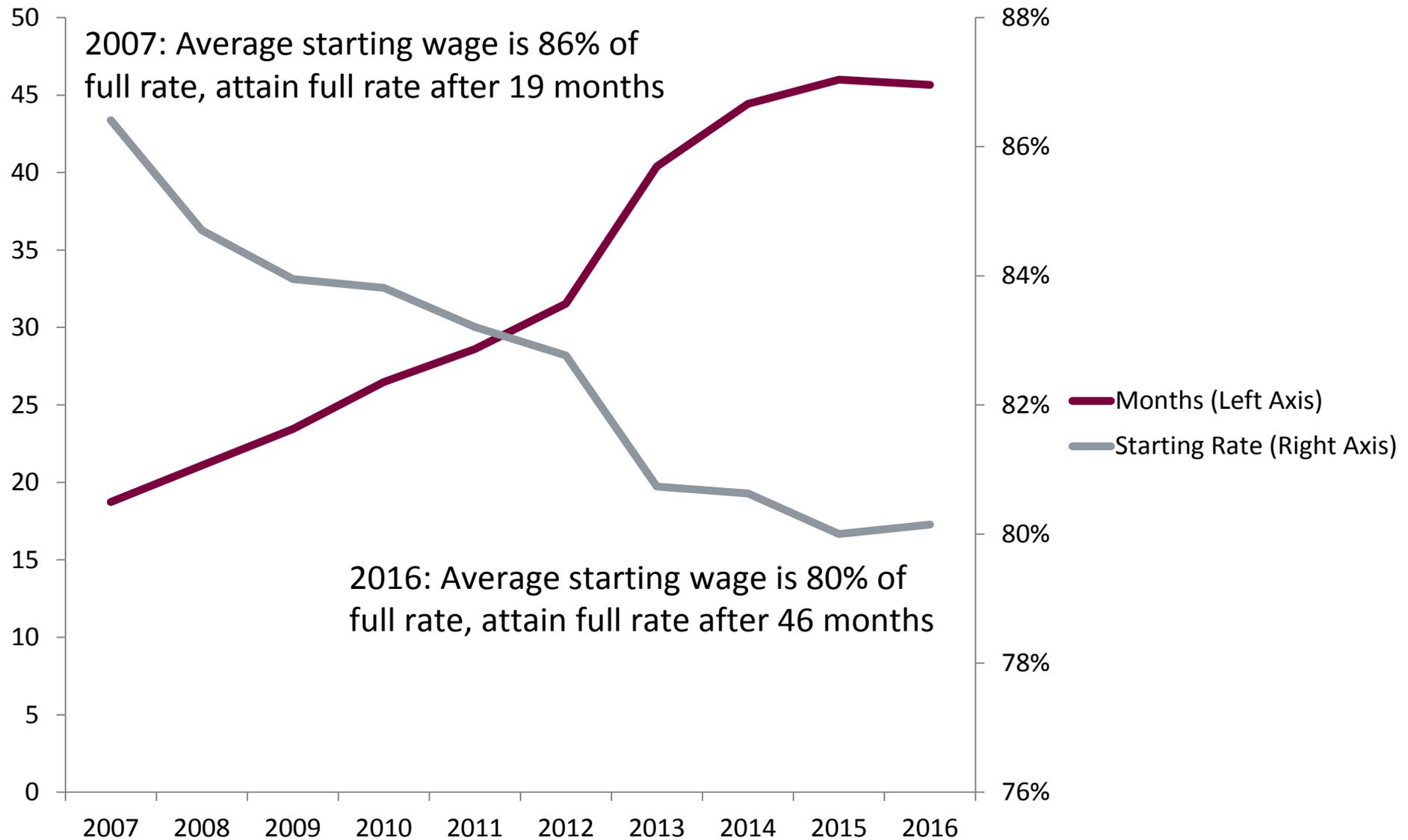
Largest Companies by Employment

Company	Units	Employment	Union(s)
Magna	5	2,170	Unifor
Flex-n-Gate	9	2,038	Unifor; USW; UAW
Cooper-Standard	5	1,222	Unifor; USW
AGS/Tiercon	6	1,125	Unifor; Workers United
syncreon	4	1,026	Unifor

Nominal Average Wage, 2007-2016



Average Grow-In, 2007-2016



Average Wages by Union, 2015

	Production (Min)	Production (Max)	Trade
Unifor	\$ 20.38	\$ 23.06	\$ 30.02
USW	\$ 20.51	\$ 24.18	\$ 28.70
UAW	\$ 16.39	\$ 19.02	\$ 30.62
Workers United	\$ 15.78	\$ 20.49	\$ 23.96
Teamsters	\$ 17.85	\$ 21.16	\$ 27.45
IAM	\$ 22.02	\$ 27.60	\$ 30.75
UFCW	\$ 19.05	\$ 23.00	\$ 27.24
Other	\$ 24.69	\$ 26.29	\$ 30.08
Total	\$ 19.94	\$ 22.95	\$ 29.65

Average Grow-in by Union, 2015

	Grow-In (% of full rate)	Grow-In (Months)
Unifor	77.8%	50.81
USW	83.4%	32.02
UAW	83.5%	49.66
Workers United	84.9%	32.95
Teamsters	97.9%	5.67
IAM	88.9%	22.86
UFCW	100%	0
Other	n/a	n/a
Total	79.8%	45.61

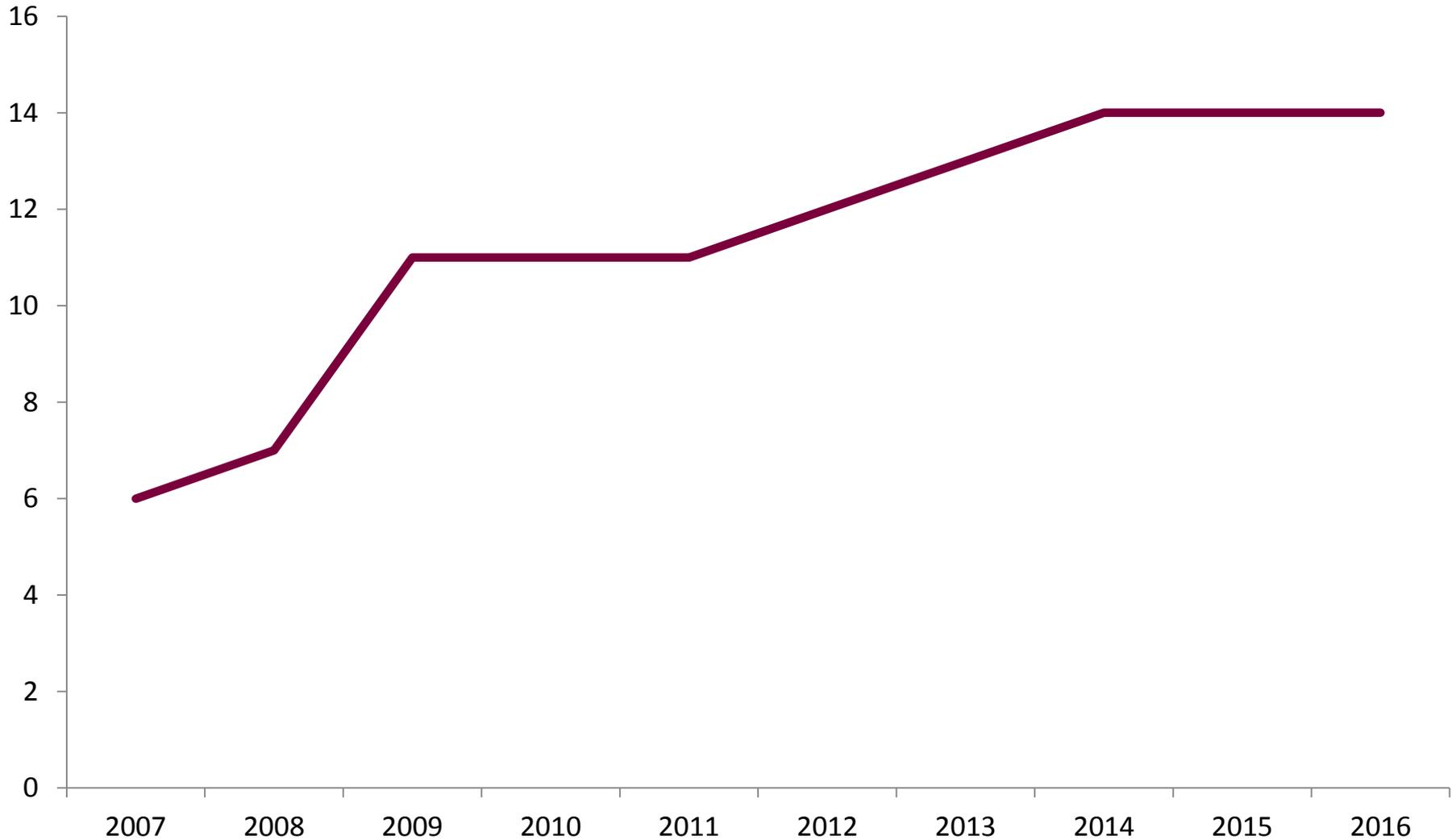
Average Wages by Category, 2015

	Production (Min)	Production (Max)	Trade
Interior	\$ 19.35	\$ 22.87	\$ 28.84
Just-in-Time Seating	\$ 24.68	\$ 26.17	\$ 34.62
Metal	\$ 20.56	\$ 24.07	\$ 29.31
Modules	\$ 19.77	\$ 20.60	\$ 29.25
Plastic and Rubber	\$ 18.22	\$ 21.65	\$ 29.14
Powertrain	\$ 20.05	\$ 22.97	\$ 26.97
Steering and Suspension	\$ 23.92	\$ 25.77	\$ 31.52
Sub-Assembly	\$ 17.08	\$ 18.09	\$ 25.15
Other	\$ 19.96	\$ 25.28	\$ 29.90

Average Grow-in by Category, 2015

	Grow-In (%)	Grow-In (Months)
Interior	78.8%	47.4
Just-in-Time Seating	68.8%	94.8
Metal	80.9%	38.6
Modules	79.6%	45.3
Plastic and Rubber	82.6%	32.0
Powertrain	78.4%	51.1
Steering and Suspension	81.3%	47.1
Sub-Assembly	89.0%	26.5
Other	80.8%	32.1

CBAAs with Two-Tier Wages, 2007-2016



Two-Tier Wages by Union, 2015

	Units	Employment	% of Total
Unifor	2	302	1%
USW	3	905	3%
UAW	2	790	3%
Workers United	1	297	1%
Teamsters	3	748	3%
IAM	1	300	1%
UFCW	0	0	0%
Other	2	585	2%
Total	14	3,927	15%

Observations

- Union density lowest among Canadian-owned suppliers
 - Union density among Japanese-owned suppliers ~21%
- More USW units/members than initially anticipated
- The higher the wage, the longer the grow-in
- Two-tier wages and lump sum payments not as prevalent as anticipated
- Not all CBAs are created equal; wide range of wages
- Most automotive parts manufacturing jobs are still very good, especially for those with 5+ years of seniority
 - Entry-level wages decreased, but top rates still provide good jobs