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COMMENTARY

Boeing's Uphill Battle: Workers Strike Back

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Boeing is “one of America’s biggest manufacturing giants” and one of the largest aircraft exporters.¹ It currently employs more than 170,000 employees worldwide and services over 10,000 commercial jetliners worldwide.² Although a leader in aircraft manufacturing, Boeing’s labor practices have been scrutinized by from labor union workers multiple times.

Historically, Boeing has encountered multiple labor strikes. Beginning in 1948, Boeing employees implemented their first labor strike, which arose from issues relating to pay and seniority rules.³ After the first strike, six additional strikes followed.⁴ In 2008, 27,000 machinists went on a 52-day strike challenging Boeing’s action to “outsource delivery of parts and suppliers that, union fears, could jeopardize up to 2,000 jobs.”⁵

On September 13, 2024, an average of 33,000 Boeing employees went on strike following a proposal for a new labor contract.⁶ The new labor contract provided a 25%

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¹ Chris Isidore & Vanessa Yurkevich, *33,000 Boeing Union Members Begin Strike*, CNN (Sept. 13, 2024), <https://www.cnn.com/2024/09/13/business/strike-boeing-vote-iam-751-hnk-intl/index.html>.

² Boeing, *General Information*, <https://www.boeing.com/company/general-info#governance> (last visited Sept. 25, 2024),

³ Douglas Holtz-Eakin & Sarah Murad, *The Economic Impact of Strikes: An Historical Boeing Case Study*, AM. ACTION FORUM (Sept. 11, 2024), <https://www.americanactionforum.org/insight/the-economic-impact-of-strikes-an-historical-boeing-case-study/>.

⁴ *Id.*

⁵ Andrew Clark, *Boeing Strikes Peace Deal with 27,000 Machinists*, THE GUARDIAN (Oct. 28, 2008), <https://www.theguardian.com/business/2008/oct/29/boeing-aircraft-strike-talks>.

⁶ See *Supra* note 1.

wage increase over four years.⁷ An overwhelming 94.6% of Boeing employees from Washington and Oregon voted against the labor contract, and in turn, 96% of the workers voted in favor of a strike.⁸

While the proposal seems generous, workers argue this increase was insufficient to account for the increased cost of living in their respective cities of Seattle and Portland.⁹ For instance, in 2023, the cost of living in Seattle was 50% higher than the national average, and the cost of living in Portland was 24% higher than the national average.¹⁰ A union worker at the Washington factory told reporters that “the company is basing the wage increases off wages from 16 years ago.”¹¹ While the rejection of the proposal may have come as a surprise to Boeing, some union workers have been “saving up money to see them through a long strike” and knew this was coming for years.”¹²

Additionally, while this proposal may be at the heart of the issue, union workers partially attribute the strike to past decisions, such as transitioning from pensions to 401k and shifting healthcare costs onto the employees.¹³ As a result of approximately one-fifth of Boeing’s workers joining the strike, production has been brought to a halt.¹⁴

Boeing faces immense pressure to reach a resolution with union workers. According to Reuters, the strike is estimated to cost Boeing 100 million daily.¹⁵ On September 23, 2024, Boeing proposed their best and final offer.¹⁶ The new offer provided a 30% raise over four years and included the restatement of a performance bonus and improved retirement benefits.¹⁷ Even with the help of the Federal Mediation and Conciliation Service, a resolution could not be reached. While Boeing claims they negotiated in good faith, union workers claim that the new offer “was thrown at us without any discussion.”

⁷ Leslie Josephs, *Boeing Factory Workers Strike for First Time Since 2008 After Overwhelmingly Rejecting Contract*, CNBC (Sept. 13, 2024), <https://www.cnbc.com/2024/09/13/boeing-workers-strike-reject-contract.html>.

⁸ *Id.*

⁹ *Id.*

¹⁰ Alicia Smith, *Portland vs. Seattle: Which is Better to Live In?* MATIN REAL ESTATE (June 15, 2023), <https://www.portlandrealestate.com/blog/portland-vs-seattle/>.

¹¹ David Koenig, Manuel Valdes, & Lindsey Wasson, *Striking Boeing Factory Workers Say They Are Ready to Hold Out for a Better Contract*, A.P. (Sept. 14, 2024), <https://apnews.com/article/boeing-strike-machinists-contract-9f61a7d48675d1c3517233d40d4ec2b1>.

¹² *See Supra* note 1.

¹³ Victor Whitman, *‘As Long as it Takes’: On the Frontline of the Boeing Strike, Workers Brace for a Long Battle*, THE GUARDIAN (Sept. 24, 2024), <https://www.theguardian.com/business/2024/sep/25/boeing-union-strike>.

¹⁴ Niraj Chokshi, *Boeing to Begin Temporary Layoffs Because of Strike*, N.Y. TIMES, (Sept. 18, 2024), <https://www.nytimes.com/2024/09/18/business/boeing-strike-layoffs.html>.

¹⁵ Dilantha De Silva, *Boeing’s Latest Strike Setback May Cost the Company Billions*, NASDAQ (Sept. 24, 2024), <https://www.nasdaq.com/articles/boeings-latest-strike-setback-may-cost-company-billions>.

¹⁶ Peter Hoskins, *Boeing Union Hits Out Over ‘Final’ 30% Pay Rise Offer*, BBC, (Sept. 23, 2024), <https://www.bbc.com/news/articles/ckg92528y51o>.

¹⁷ *Id.*

¹⁸ Thus, union workers are calling for a labor contract that better mirrors the economic reality of the cost of living. Union workers advocated that a raise of 40% over three years would adequately parallel the cost of living. ¹⁹

With an indeterminate end in sight, Boeing has implemented cost-cutting measures to mitigate the effects of the strike. Early into the strike, Boeing announced that “freeze hiring, limit travel, and cut spending on a wide range of areas.”²⁰ Additionally, the company will temporarily furlough tens of thousands of employees, affecting “a large number of U.S.-based executives, managers, and employees.”²¹ Although the impacts of the strike pose serious economic issues for Boeing, it is unlikely that the public will be directly affected in the near future.²² However, if the strike continues for an extended period, airlines may be left with fewer planes than expected during the summer months, decreasing available flights.²³

The Boeing strike highlights how a single contract dispute significantly affect the national economy. Additionally, the strike raised important issues surrounding Boeing’s labor practices while shedding light on the growing social and economic issues facing the manufacturing workforce.

¹⁸ See *Supra* note 7.

¹⁹ *Id.*

²⁰ See *Supra* note 14.

²¹ *Id.*

²² Rob Wile, *Here’s What The Boeing Strike Might Mean for Flyers*, NBC, (Sept. 13, 2024), <https://www.nbcnews.com/business/travel/boeing-strike-travel-impact-rcna171021>.

²³ *Id.*