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Delta Air Lines, UAW workers to get big bonuses in February

By Susan Tompor (excerpt)
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More than 7,000 Delta Air Lines employees in Michigan will feel the love on Valentine's Day with one amazing bonus.

They'll receive a bonus check that adds up to roughly two months of pay. Yes, amazingly one bonus check could cover the amount of income that jewelers suggest you spend on an engagement ring — two months worth of income. ...

... And the bonus cash doesn't stop at Delta.

Autoworkers in Michigan and elsewhere are likely to hear about the size of their annual profit sharing checks in February, too.

Ford Motor Co. is expected to make its profit sharing news on Feb. 4 when it releases 2019 fourth quarter and full year financial results at 4:05 p.m. after the stock market close.

On Feb. 5, General Motors will announce the amount that UAW-represented hourly employees will receive for profit sharing checks. The GM negotiated formula with the UAW is \$1,000 per every \$1 billion in North America earnings before interest and taxes for represented employees.

Fiat Chrysler Automobiles is likely to announce details of its profit sharing checks for UAW-represented workers on Feb. 6 when FCA's fourth quarter and year-end earnings are released. ...

... "Despite the gloom and doom by some, the auto industry had a very good year supported by a robust economy, low unemployment, and low

interest rates," said David Kudla, CEO of Mainstay Capital Management.

"And, consumers are buying up profitable SUVs, trucks, and crossovers, upping the average transaction price to record levels."

All those factors help profits and would point to larger bonus checks. But other issues will come into play.

"There were certainly stumbles by the Big Three," Kudla said. "The strike hurt General Motors squarely in the pocketbook. And Ford lost a lot of traction with missteps on their truck launch in the latter part of the year. Fiat Chrysler greatly increased its incentives to move vehicles off the lot."

"All in all, and not knowing what may come out in the upcoming earnings reports, we do not see a dramatic change on average when it comes to the bonus payouts for last year's performance for Ford and Fiat Chrysler," he said.

But Kudla cautioned that the impact of the 40-day UAW strike at General Motors will be reflected in lighter profit sharing checks for 2020. ...

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