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Fiat Chrysler workers to get profit sharing of \$7,280

By Eric D. Lawrence (excerpt)
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Fiat Chrysler Automobiles workers will receive \$7,280 in profit-sharing checks this year, an increase from a year earlier.

The company announced the payouts to about 44,000 UAW-represented FCA workers Thursday, the same day it released its earnings for 2019. Payments should go out March 13.

The profit-sharing checks compare to an average of \$6,000 last year for FCA workers, and what union-represented workers at General Motors — \$8,000 — and Ford — \$6,600 — are slated to get this year, according to earlier Free Press reports.

UAW Vice President Cindy Estrada, who leads the union's FCA department, cheered the larger profit-sharing checks. The company and union negotiated a new labor contract last year that boosts the profit-sharing formula for workers.

"Through collective bargaining UAW members were able to bargain profit-sharing to adequately reflect their role in FCA US' profitability. UAW FCA members make some of the best-selling quality products in America. Today's eligible profit sharing amount of \$7,280 per member, reflects that hard work, dedication and product success," she said in a news release.

The company, however, is seeing some challenges. ...

... Despite the strong performance from Ram, FCA's other most important brand, Jeep, saw U.S. sales drop 5% for the year compared to 2018. This year, Jeep could offset some of its

losses elsewhere if the Gladiator mid-size pickup does as well as expected.

David Kudla, CEO and chief investment strategist for Mainstay Capital Management, noted that despite the sales declines, FCA saw less of a drop than either of its crosstown Detroit rivals.

"Compared to GM and Ford, Fiat Chrysler had the smallest sales decline in 2019 with sales only down 1.4% at 2.2 million vehicles. GM reported a 2.3% decrease in sales to 2.9 million vehicles while Ford was down 3% at 2.4 million vehicles," according to a news release.

FCA stock is another story, with Kudla noting that it was down 12.2% over the last year, and that it has suffered against both Ford and GM.

Sales challenges aside, 2020 should be an interesting year for the Italian-American automaker as it works to complete a merger with Peugeot-maker PSA Groupe of France. The merger has received generally positive reactions from analysts, but uncertainty remains.

"FCA's merger with PSA creates opportunities to scale investments in technology, but questions surrounding the strategy outside of North America remain," Kudla said in the release. ...

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