Tentative agreement would leave tens of thousands of Disney World workers in poverty

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Last Thursday, the Service Trades Council Union (STCU), which cover 45,000 full-time "cast members" at Walt Disney World in Orlando, Florida, announced that it had reached a tentative agreement (TA) with the company. The agreement includes stage technicians, bus drivers, laundry workers, monorail operators, guest service workers, banquet and food workers, housemen and other staff needed to operate Disney World and its hotels.

Essentially unchanged from the previous TA which workers overwhelmingly rejected, the new one is more "front-loaded," increasing pay from $15 to $18 per hour by this December, according to CNN. The TA would then only increase income over the next four years by fifty cents a year. Workers rejected the previous offer by 96 percent. The agreement also includes tuition reimbursement and paid child bonding leave, but the STCU did not disclose specifics.

The STCU hosted a "Rally for a Raise" on March 16 near the Magic Kingdom. The rally supposedly aimed to "create public support" for an $18 per hour starting wage, which would still leave workers in poverty.

Their previous contract ran out in October of last year, with negotiations dating back to August 2022. The new contract would expire in 2026.

Matt Hollis, the STCU president, cynically claimed, "Securing an $18 minimum hourly rate this year, increasing the overall economic value of Disney's original offer, and ensuring full back pay for every worker is the priorities union members were determined to fight for. Knowing that cast members' wages will be changed significantly and their ability to make decisions for themselves and their families and improve their lives is truly a fantastic feeling and accomplishment." In reality, the pay raises will be mostly eaten up by inflation, currently at 6 percent a year.

Jeff Vahle, president of the Walt Disney World Resort, said of the contract: "Our cast members are central to Walt Disney World's enduring magic, which is why we are pleased to have reached this tentative agreement. Disney is proud to offer an industry-leading employment package with comprehensive benefits, affordable medical coverage, and 100 percent paid tuition for higher education for hourly employees through the Disney Aspire program. With the support of the unions, we anticipate cast members will approve this new agreement."

The Orlando-Kissimmee-Sanford area, widely known for its resort theme parks, is dominated by the leisure and hospitality industry, which is the region's most prominent employment base. Before the COVID-19 pandemic, there were 280,000 local workers employed in the industry. In early 2020, the number dropped sharply to 130,000 but has rebounded to around 290,000, according to the US Bureau of Labor Statistics. Disney employs 75,000, the most significant section of that number.

Starting March 1, hybrid workers were required to work in person four days a week, according to an email CEO Bob Iger sent to employees. In the email, Iger said he believes "working on-site will benefit the company's creativity, culture, and employees' careers."

Disney World has benefited significantly from the premature ending of COVID-19 restrictions, even though the virus continues to kill approximately 500 Americans per day. Revenues increased 36 percent, and

profits doubled for Disney's theme parks in the last fiscal year. Revenue and operating profits are above what the company posted in the fiscal year 2019, before the pandemic, with a 12 percent rise in revenue and a 10 percent gain in earnings.

At the same time, Disney recently announced that it would be cutting 7,000 jobs or 3 percent of its workforce to lower operating costs.

CEO Bob Chapek received a $20 million severance package when the board of directors fired him in November last year. Iger, worth $350 million, replaced him after a two-year hiatus. Geoff Morrell, head of corporate and public affairs, received a severance of $10.3 million for three months of service, averaging $100,000 per day.

As with the previous agreement, workers should reject the new TA with contempt. To forge a way forward against both the profiteering of the Walt Disney Company and the pro-corporate bureaucracy of the STCU, workers must take the initiative into their own hands by forming a rank-and-file committee, to build opposition to the deal, appeal for support from workers throughout central Florida and prepare the ground for independent actions.