

Stellantis made \$20 billion in 2023, as media reports temps will get no profit-sharing checks under UAW deal

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Stellantis reported profits of \$20 billion in 2023, an 11 percent rise over 2022. The United Auto Workers' phony "stand up strike" had a relatively small impact on the company's second-half profits, which came in at \$10.96 billion compared to \$12.16 billion the year before.

Based on this windfall of profits, company executives announced they would pay a \$1.66 a share dividend to stockholders and launch a \$3.2 billion stock buyback program—doubling last year's \$1.6 billion handout to top shareholders. Despite the higher earnings, Stellantis is reducing its average profit-sharing payout to US hourly workers to \$13,860, down from \$14,760 in 2022.

Only some 38,000 of Stellantis 43,000 workers will receive profit sharing, since the UAW reportedly agreed to exclude temporary workers or supplemental employees (SE).

According to the *Detroit News*, "Lower paid supplemental employees, unlike their temporary-worker counterparts at General Motors Co. and Ford Motor Co., aren't eligible for this year's profit sharing. Prior to the new contract last year, supplementals represented 12% of Stellantis' 43,000-person unionized U.S. workforce, though the UAW won language to roll over those workers to full-time after nine months of employment."

This directly contradicts the claims made by the UAW in the contract "highlights" it provided workers last fall, which stated: "Supplemental Employees Eligible for Profit-Sharing, Tuition Assistance and Dependent Scholarship."

To get its pro-company contract passed, the UAW bureaucracy did not just lie about temporaries getting profit-sharing. It also claimed these dues-paying members would be rolled over to full-time status after nine months of service. Instead, the UAW agree to the termination of more than 2,300 of the 5,219 supplemental workers employed by the company, which is in the process of firing them now.

North American net profits were \$8.271 billion. The company said it had lost less than \$800 million in profits due to the UAW strike.

In a press release, Stellantis CEO Carlos Tavares said, "Today's record financial results are proof that we have become a new global leader in our industry and will remain rock solid as we look to a turbulent 2024. Thanks to our flexible technology and product

roadmap, we are prepared to address the various scenarios that could arise and to continue delivering on our Dare Forward 2030 targets."

Tavares said he expected 2024 would be better than 2023, which he said was "even better than OK in terms of profit."

The Stellantis CEO claimed, "These profit sharing and variable payout programs are more than a reflection of our employees' performance and achievements, they are the fair recognition of their commitment to succeed as one team."

This is a bald-faced lie. In fact, wealthy investors, who do none of the labor, reap the lion's share of the rewards. The company's stock buyback program for top executives and wealthy shareholders well exceeds its profit sharing and production bonus payouts to production and white-collar workers. If profits were divided equally among all of Stellantis 240,000 global workforce, it would amount to some \$80,000 apiece.

The report of record profits by Stellantis has further infuriated workers who are facing a renewed cost-cutting campaign in the wake of the sellout 2023 UAW contract.

Hannah, a fired Stellantis Warren Truck supplemental employee and member of the newly formed Rank-and-File Committee to Fight Job Cuts, said, "The UAW said the temporary workers were going to get profit sharing. We expected 110 percent to get it after Stellantis announced its profits. Instead, they are denying us profit-sharing checks even though we made their profits last year. The workers who are getting these checks are not getting their real worth.

"Fain's 'stand up' strike had no real effect on the company's bottom line. We wanted to walk out all together, but the UAW leaders robbed us of our right to strike. We really wanted to stand up to the company, but we were deprived of our rights."

A veteran worker at the Stellantis Toledo Assembly Complex said, "The strike just cost them pennies when you compare it to the total numbers. We have a problem with them announcing the profit sharing and at the same time a \$3 billion stock buyback. That money is being taken from us. They tried to pacify us by waiting until after Ford and GM announced their profit sharing, but ours should have been \$14,000 to \$16,000.

"Conversations are happening all over the plant. Workers are demanding the shop chairman step down. He has been totally silent. The only answer he ever gives is 'we are working on it.'

That is a code word for doing nothing.

“The supplementals get nothing, but those profits didn’t happen because of the full-timers alone,” the Toledo Jeep worker said.

The profit report comes as Stellantis is accelerating its Dare Forward 2030 cost-cutting drive in its transition to electric vehicles. This has included the summary firing of hundreds of temporary workers in the US. Stellantis recently laid off the third shift at its Detroit Assembly Complex-Mack plant, laying off 2,445 workers, including 750 supplementals, many of whom will never be rehired. On Monday, Stellantis is carrying out 1,225 job cuts at the Toledo Assembly Complex.

The UAW claimed 900 supplementals at the plant would be converted to full-time. Instead, the company is choosing from a company-wide pool of temps who will be assigned to Toledo and rolled over without any regard to corporate hiring dates. Of these, only 372 will remain in Toledo, while 500 are being transferred to the Jefferson plant in Detroit where other workers will lose their jobs.

“The list came out of the temp workers being rolled over, and 80-90 percent are being sent to the parts sequencing plant in Detroit by Jefferson Assembly,” the Toledo Jeep worker told the WSWs. “It is a 45- to 50-minute drive out of the way. That plant is closing soon, and everyone will be permanently laid off. Everyone knows it. It is unbelievable. The union knew this. They had to.”

The destruction of jobs in the US is part of a global cost-cutting campaign. In Italy, workers recently walked out over Stellantis’ plans to cut 2,455 workers at the Mirafiori plant in Turin amid threats to close the entire facility. Stellantis is also cutting the jobs of 600 contract workers at its Mulhouse plant in eastern France.

Tavares has made it clear that the transition to EV production will require huge cost-cutting and attacks on workers. While the company made money on EV production in 2023 in contrast to Ford and General Motors, its sales price for EVs are still not competitive with Tesla and Chinese EV makers.

“We are working very, very hard to bring the profit margins of electrified vehicles to the same level as ICEs,” Tavares said. He added, “Our mission is to reduce costs as quickly as necessary to absorb the additional costs of electrification and sell EVs at the same price as combustion-engine cars because the Chinese know how to do it.”

All the global automakers are engaged in this battle to eliminate jobs and cut labor costs. The implications were concretely spelled out in a statement issued by Ford CEO Farley in remarks Thursday. He said in relation to the transition to electric vehicle production, “We have to think carefully about our (manufacturing) footprint” in a clear threat to close plants and shift production to lower cost factories in Mexico, as Farley said other automakers had.

Farley claimed the UAW’s decision to strike the Kentucky Truck Plant in Louisville—which only lasted two weeks—had changed “our relationship” with the UAW.

In fact, the UAW contracts have given Ford and other automakers a green light to gut the jobs and living standards of autoworkers. After venting about the supposed “high costs” of the UAW sellout contract, Farley said Ford planned to cut \$2 billion

worth of costs this year, which would “fully offset” the cost of the UAW contract.

Ford made \$10.4 billion in profits last year and handed over \$6.8 billion to its shareholders in stock buybacks and increased dividends. Meanwhile, 58,000 UAW members are being forced to “share” the equivalent of less than 9 percent of the company’s free cash flow.

“The company and the union are doing people wrong, and the sad part is that it was premeditated,” a worker at the parts distribution center in Centerline, Michigan, told the WSWs. She added that no one had worked at her facility for the past seven weeks as Stellantis prepares to outsource the work. “No one follows up with you, and when they do, they don’t have an answer. They are going on 8 weeks of layoffs at the casting plant in Kokomo, Indiana, and these things are just on top of the bigger news with Warren Truck and Toledo. I do remember during negotiations that Stellantis said they were going to cut tens of thousands of jobs. I guess they weren’t lying, and of course, they are going to do everything their greedy hands can do to not give what people earned.”

Hannah added, “The UAW officials are going along with these job cuts and all they were concerned about was preserving their own positions at the members’ expense. They knew the mass firings of the temporary workers were coming and they concealed this from us. I’d like to find out what Fain, Boyer and the rest of them got to sell us out.

“The Rank-and-File Committee to Fight Job Cuts issued our open letter to speak the truth and to fight to get our jobs back and stop the layoffs. Workers have to step away from the UAW apparatus and take up the fight ourselves. Other workers supported our strike. But they didn’t do so to see us lose our jobs after the contracts were signed. The Italian workers are standing up, and we have to fight here too. There has to be a world movement to defend our jobs.”

To wage the defense of jobs and living standards, workers must expand the network of rank and file-based organizations, which operate independently of the bureaucratic union apparatus. These rank-and-file committees are fighting to transfer power and decision making from the UAW bureaucracy to workers on the shop floor. They are affiliated with the International Workers Alliance of Rank-and-File Committees (IWA-RFC), which unites workers across national boundaries to defend jobs and living conditions.

For more information on the rank-and-file committees and the fight against job cuts, fill out the form below.



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