

Financial assets of UAW rose in 2023 as bureaucracy pushed through sellout contracts

Shannon Jones
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The 2023 financial report (LM-2) filed by the United Auto Workers with the US Department of Labor shows the union bureaucracy's net assets rose by \$87.6 million to \$1.13 billion in 2023 despite a fall in membership and the costs of the supposedly "historic" strike against the Big Three automakers.

The total dues-paying membership of the UAW fell by 13,000 last year to 370,000, down from 383,000 in 2022. This is the lowest level since the General Motors and Chrysler bankruptcies in 2009 decimated tens of thousands of jobs. By comparison, the UAW had 1.5 million members in 1979 and 650,000 20 years ago.

The fact that the UAW assets continue to rise despite the decline in membership demonstrates the disconnect between the income and lifestyle of the union apparatus and the conditions of the rank-and-file workers it claims to represent. Through its incestuous relations with management cultivated over decades and its integration into the Democratic Party and the capitalist state, the UAW apparatus has gained access to substantial wealth and lucrative sources of income. The salaries, non-reported income and investment returns of the army of UAW bureaucrats has grown in inverse proportion to the loss of jobs and income that its members have suffered.

It should be remembered that Shawn Fain and the Democratic Socialists of America (DSA) advisers on his staff claimed that calling out all 150,000 GM, Ford and Stellantis workers last year—as rank-and-file workers demanded—would quickly bankrupt the union. Instead, he called a phony "stand up" strike or nonstrike, which never involved more than a quarter of the membership.

While the "stand up" strike did nothing to impact the bottom line of the auto companies, it did preserve the bottom line of the UAW, having even less impact on UAW finances than the 40-day 2019 GM strike.

The official financial report undoubtedly understates the true wealth controlled by the UAW apparatus since the hundreds of millions of dollars in the strike fund are listed at their book value and does not take into account the

significant appreciation in value of the underlying investments. In addition to the listed assets, the UAW controls and manages a multibillion-dollar retiree benefit trust fund, or VEBA. The net value of the VEBA was \$65.57 billion at the end of 2021 and paid out hundreds of millions in expenses, a large portion unitemized.

The vast chasm separating the apparatus and shop floor workers is starkly revealed in the salaries of the small army of officials occupying UAW headquarters, headed by Fain and other members of the International Executive Board (IEB). Though the new IEB members only served partial year terms in 2023, they pulled in hefty six-figure salaries, many times greater than the pay of supplemental and "in progression" workers.

Shawn Fain made do on \$228,872 in salary and expenses in 2023, while Secretary-Treasurer Margaret Mock got \$224,929. Vice President Mike Booth pulled in \$227,352, while Rich Boyer, head of the Stellantis department, got \$216,218. Chuck Browning, UAW vice president over Ford, got \$214,497.

Region 9A Director Brandon Mancilla, a member of the pseudo-left Democratic Socialists of America, got \$203,829. His rise is symbolic of the way the DSA fake socialists have gained lucrative positions in the highest echelons of the union apparatus.

As the *World Socialist Web Site* noted earlier, the only thing that changed with the election of Shawn Fain was the size of his paycheck.

Altogether 12 top officers are paid in excess of the \$200,000 and hundreds more earn six figures, putting them in the top 5 percent of US income earners.

These sums allow the officers of the UAW to live in a universe that is completely different from the daily paycheck-to-paycheck grind of hourly workers. On top of the normal stress of paying bills is the ever-present threat of abrupt job loss. This was the fate of more than 2,000 supplemental workers at Stellantis who were permanently fired after Fain and Boyer promised them full-time jobs under the 2023 contract.

Nasty in-fighting over the distribution of workers' dues money within the apparatus appears to be brewing among this well-heeled layer. This was indicated by allegations against Secretary-Treasurer Margaret Mock of "abusing her authority" by withholding funds to gain votes on the IEB.

There have also been complaints by the lower ranking staff at Solidarity House, many paid in the mere \$100,000 range, over pay inequalities and other issues. According to the Detroit news outlet WDIV, members of the UAW Staff Council are complaining about the "discrepancy in bonus money allocation, with only the top 40 staffers allegedly qualifying for significant bonuses."

It would be better to call this business entity UAW, Inc. An examination of its income and expenses shows the UAW apparatus received more money from income from sale of investments (\$206,553,732) and interest (\$30,562,272) than from dues (\$190,928,830).

Only a fraction of expenditures listed in the financial report relate to bargaining or membership-related services. A large portion of the budget is apportioned for attorney fees, consultants and financial advisers of one kind or another. For example, the UAW paid \$340,588 to Brightline Communications, a PR and marketing firm. Another \$5 million went to the federally appointed UAW Monitor imposed due to the corruption scandal.

In addition, hundreds of thousands were spent on various UAW-branded jackets, pens and tote bags. Kickbacks from vendors of such items sent several former UAW officials to prison. One line item, for instance, notes the UAW spent \$80,335 on Strike Assistance Conference pens and other "promotional items."

Given the financial scandals plaguing the UAW bureaucracy, workers might be interested to know that the UAW still spends multiple hundreds of thousands each year on upscale accommodations and catering for various leadership conferences. One line item in the report lists Marriott Catering San Antonio, \$702,187. Others include MGM Grand Detroit \$143,903; Marriott Washington D.C. \$462,561.

Indicating one of the myriad ways the UAW is joined at the hip to corporate management, the financial report shows the UAW received \$15,804,290 in chargebacks from the UAW-Ford training center, \$3,685,265 from the UAW-Chrysler training center and \$14,787,178 from GM-UAW labor-management committees. This despite the fact that the UAW sold the UAW-GM Center for Human Resources and Fain's empty claim that he was ending the program of union-management collaboration.

The UAW long ago abandoned any defense of workers and has deeply embedded itself into the structure of corporate management and the government. The deep

integration into the state is expressed in the millions in overt donations to the Democratic Party and the amount of time spent by UAW functionaries on politically related activities.

For his part, President Biden has made it clear he needs the union bureaucracy to suppress the class struggle and impose the type of labor discipline and austerity necessary for US imperialism to wage its war of global conquest, including against nuclear-armed Russia and China.

This was behind Biden's intervention into the 2023 national auto negotiations and his invitation to the UAW president to attend the State of the Union speech. In exchange for concessions the Biden administration pushed the auto companies to give the UAW access to the new EV plants. In the same manner Biden has endorsed the UAW's attempt to organize the nonunion Volkswagen plant in Chattanooga, Tennessee.

The Fain administration has embraced the Biden administration's program of war and austerity, endorsing "Genocide" Joe and declaring "we are ready to go to war for you." While passing a toothless resolution for a "ceasefire" in Gaza, the UAW held a closed door campaign rally with Biden in Warren, Michigan, while riot police attacked pro-Palestinian protesters outside the union hall.

Will Lehman, a Pennsylvania Mack Trucks worker, ran as a socialist candidate against Fain and incumbent UAW President Ray Curry in the first round of the union elections in 2022. Fain was installed as president in a bogus election that excluded 90 percent of the membership, which was sanctioned by Biden's Labor Department.

Lehman insisted that the task of workers was not to reform the UAW bureaucracy but to abolish it. He warned workers that Fain would betray the 2023 contract fight and called for the expansion of the Autoworkers Rank-and-File Network to transfer power from the UAW apparatus to workers on the shop floor. The assets of the UAW, including the massive strike fund, he said, belong to the members, not the bureaucrats.

In every factory and workplace workers should build rank-and-file committees, which are democratically controlled by the workers themselves. This must be combined with the launching of an industrial and political counter-offensive by the working class, based on a socialist and internationalist program and perspective, in opposition to the nationalist and pro-capitalist program of the UAW apparatus.



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