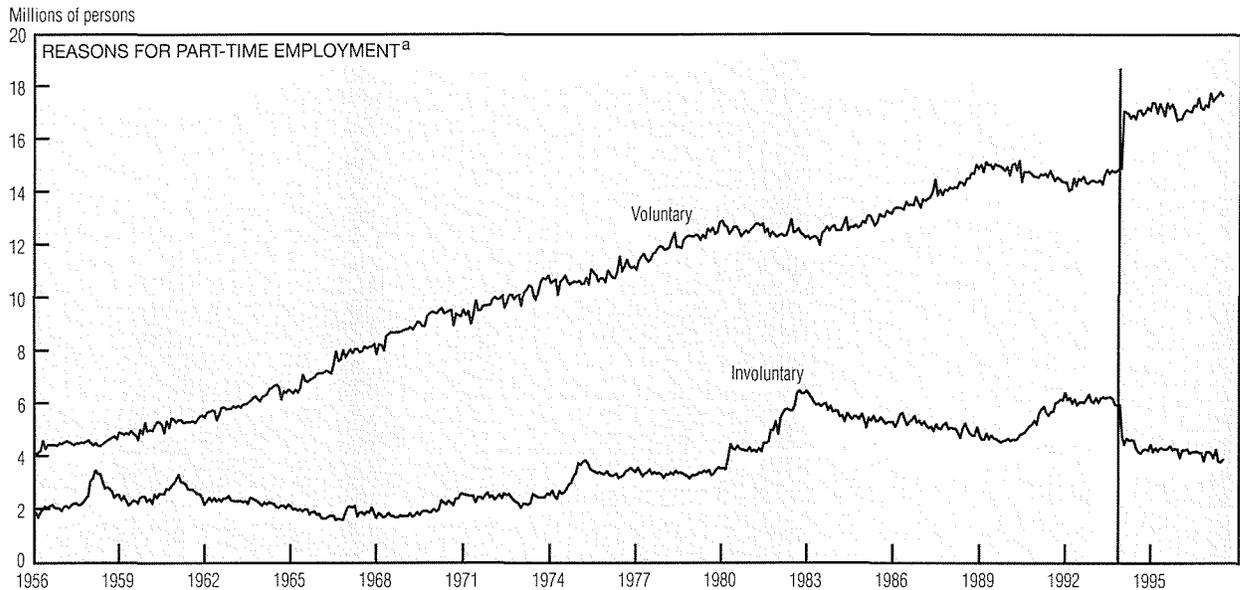
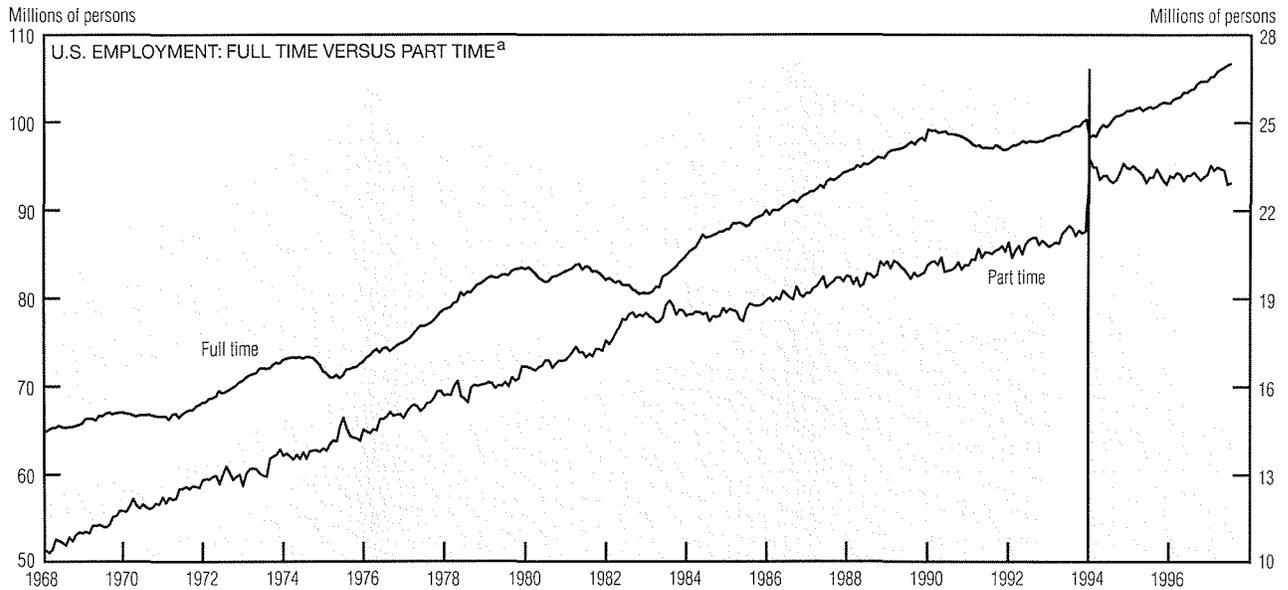


The UPS Strike



a. Vertical line indicates break in data series due to survey redesign.

NOTE: All data are seasonally adjusted.

SOURCES: U.S. Department of Labor, Bureau of Labor Statistics; and Federal Reserve Bank of Cleveland. For a fuller treatment of the part-time employment issue, see Max Dupuy and Mark E. Schweitzer, "Another Look at Part-time Employment," Federal Reserve Bank of Cleveland, *Economic Commentary*, February 1, 1995.

A number of commentators have described the recent Teamsters' strike against UPS as a watershed moment in U.S. labor history. One of the strike's unusual features was the union's contention that part-time work is an unfair management practice. Indeed, the most noted concession won by the Teamsters was UPS's agreement to convert 10,000 part-time workers to full-time status.

Did the strike represent the ambitions of millions of part-time em-

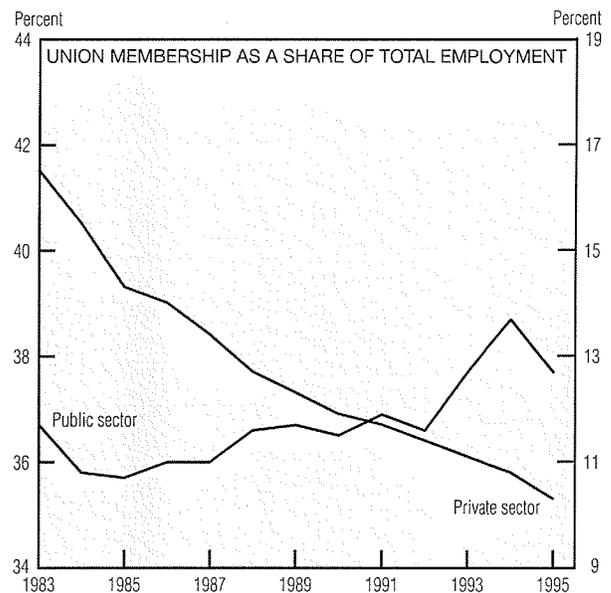
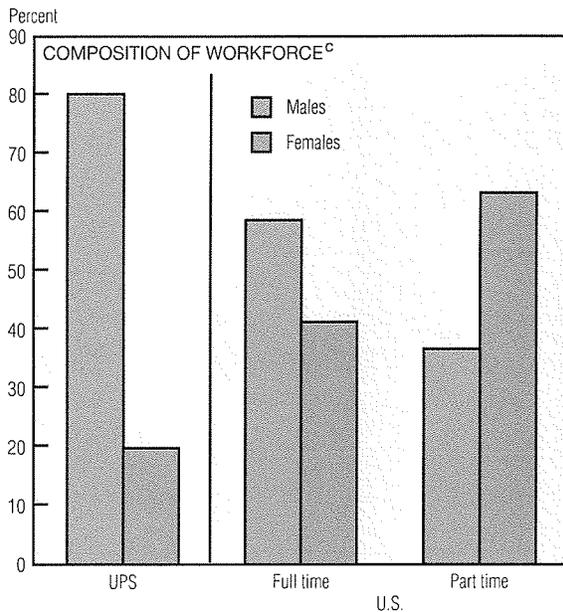
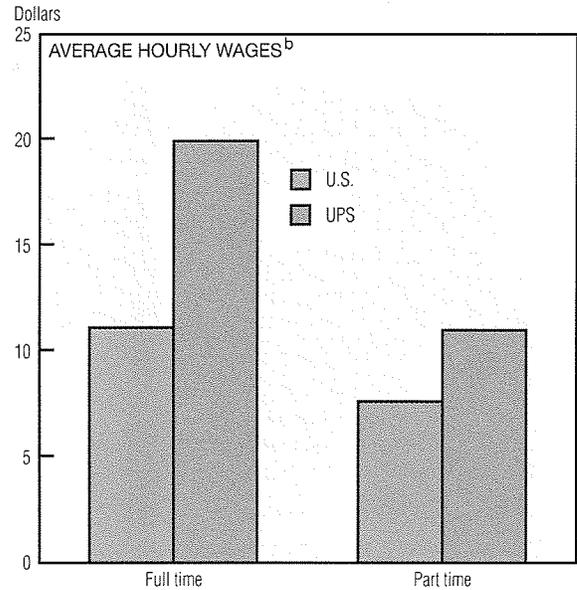
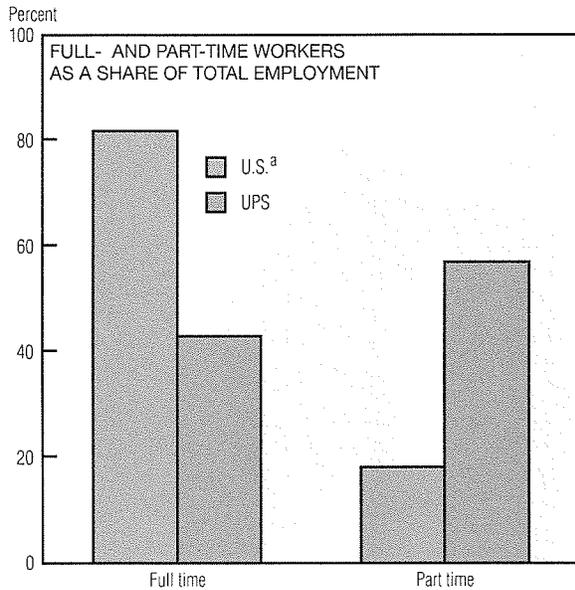
ployees throughout the economy, or was it the result of worker concerns at an atypical employer? Along several dimensions, the answer appears to be that employment at UPS is not representative of the labor market as a whole.

In the overall economy, part-time employees make up a fairly constant share of the U.S. workforce—between 18% and 20%. Subtle changes to the Labor Department's employment survey, instituted in 1994, resulted in a one-time jump in

reported part-time work. Since then, however, the number of Americans working part time has remained steady at a little over 23 million, while the full-time workforce has added 8 million jobs. Among workers described as part time, the vast majority are considered "voluntary" (they have other commitments that prevent them from working full time, or they report that they are not interested in full-time employment).

(continued on next page)

The UPS Strike (cont.)



a. Seasonally adjusted.

b. U.S. data are for 1997:1Q; UPS data are as of March 31, 1997.

c. As of April 30, 1997.

SOURCES: U.S. Department of Labor, Bureau of Labor Statistics, *Employment and Earnings*, various issues; The Bureau of National Affairs, Inc.; and UPS.

UPS stands out as an atypical employer in several ways. First, the fraction of the company's workforce that is employed part time is much higher than for the economy as a whole—57% versus 18%. Second, pay at UPS is higher for both full- and part-time workers. While part-timers at UPS earn almost the same average hourly wage as full-time workers in the overall economy, they earn only 55% as much as their full-time colleagues at UPS.

(Nationwide, part-time workers typically earn about 68% of full-time hourly wages.) Third, most part-time workers in the U.S. are female, yet at UPS, more than half of the part-time workforce is male. Although this is not significant on its own, it does suggest different motivations for accepting part-time work at UPS, because men are much less likely than women to cite child care as a reason for working less than 40 hours per week.

A final, critical way in which UPS differs from the rest of the U.S. workforce is its highly unionized staff. The wages paid at UPS, and therefore the mix of workers hired, have been determined by years of contract negotiations between labor and management. Although union organizers have expressed much optimism in light of the settlement, the share of the private-sector workforce that is unionized is just over 10%, and that number is falling.