

# Higher settlements in 1989 end innovative decade

*Bargaining in 1989 reflected an improved economic climate; nonetheless, negotiators incorporated approaches introduced earlier in the decade to curb labor costs*

Fehmida Sleemi

A decade of collective bargaining marked by labor and management efforts to preserve jobs and contain costs ended in 1989 with a slight upturn in the size of negotiated wages. (See chart 1.) Major collective bargaining settlements (those covering 1,000 workers or more) reached in private industry during 1989 provided wage adjustments (the net effect of decisions to increase, decrease, or not change wages) that averaged 4.0 percent in the first contract year and 3.4 percent annually over the term of the contract. (See table 1.)

The last time that parties to 1989 settlements negotiated, usually in 1986 or 1987, average specified wage adjustments were smaller—2.4 percent annually over the term of the contract. Last year was the first time since the comparison was introduced in 1981 that settlements called for larger adjustments than the contracts they replaced. The larger adjustments reflected the restoration of wages that had been cut in some industries, such as steel, and larger wage gains in the health care industry. (See chart 2.)

## The 1980's

The U.S. economy slipped into a mild downturn in 1980, briefly recovered, and then, in 1981, plunged into the longest and deepest recession in the post-World War II era. Employment declined by nearly 3 million, with job losses heavily concentrated in manufacturing. The unemployment rate rose to nearly 11 percent, while the rate of increase in prices fell sharply from two-digit levels. The economy emerged from the recession in 1982 and moved into a period

of recovery and modest growth that continued to the end of the decade.

Collective bargaining during the decade reacted to the changing economic climate. Wage adjustments during the period reflected the economic difficulties experienced by many industries and the approaches taken by unions and employers to meet the challenges and problems facing them. For example, foreign competition shaped negotiations in transportation equipment and electrical and electronic equipment manufacturing, local economies influenced the outcome of settlements in construction, competition from nonunion firms affected the size of adjustments in retail trade, and the entry of new firms into the trucking and airline industries after deregulation influenced bargaining in those industries. The size of wage rate adjustments was also determined by the need to develop a compensation package that balanced wage changes with accelerating health insurance costs. Decisions to opt for lump-sum payments in lieu of wage increases also had an impact on measures of changes in wage rates. (Lump sums are excluded from the wage and compensation rate adjustment series.)

Among the unusual features of collective bargaining settlements in the 1980's were the following:

- Comparatively large proportions of workers were covered by settlements yielding no wage increase.
- Back-loaded contracts were negotiated which provided lower wage adjustments in the first year than in subsequent contract

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years, a reversal of past patterns.

- Lump-sum payments became increasingly important.
- The proportion of workers covered by cost-of-living adjustment (COLA) clauses dropped sharply.
- In some industries, multitiered compensation systems were established which lowered wages and/or benefits for new employees.

In 1980 and 1981, settlements called for wage adjustments that respectively averaged 7.1 percent and 7.9 percent annually over the term of the contract. During this time, the economy was faced with steep price increases, as the Consumer Price Index for All Urban Consumers (CPI-U) rose 12.6 percent in 1980 and 8.6 percent in 1981.

In 1982, the size of settlements dropped dramatically, averaging 3.6 percent a year over their term. The average was low mainly because a relatively large proportion (36 percent) of all workers—particularly in transportation equipment manufacturing—did not get any wage increase during the life of the contract. These developments reflected the

general economic climate under which negotiations took place: the economy was in a recession that had started in mid-1981, the unemployment rate was 9.7 percent, the Nation's factories operated at 69.8 percent of capacity, and the gross national product dropped by 2.5 percent. The rate of increase in prices dropped to 3.8 percent, the lowest in a decade.

During 1983, wage cuts were negotiated in a variety of economically depressed industries (such as steel) and areas, dampening overall wage adjustments to an average of 2.8 percent a year over the life of the contract.

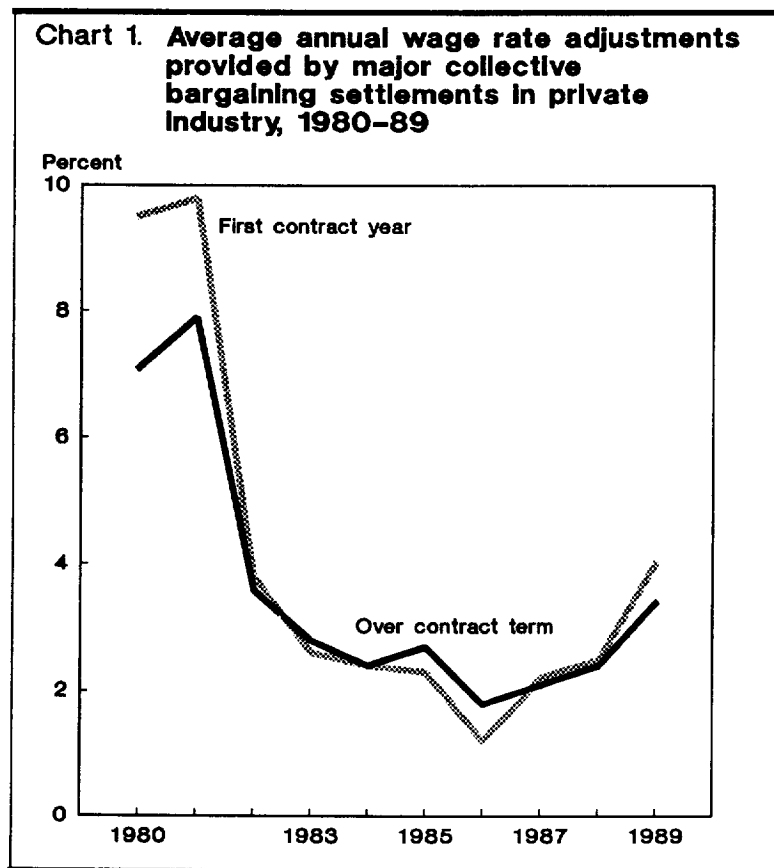
The downtrend in wage adjustments continued into the 1984-86 period, hitting a record low 1.7 percent a year over the life of the contract in 1986. During this period, the economic problems that first beset many industries in 1982—deregulation, excess capacity, slack demand, and high unemployment rates—continued. Some of the approaches adopted by firms to ameliorate the depressed situation included closing inefficient plants, improving the quality of products, entering joint ventures, and controlling labor costs. Coupled with higher demand in some industries (for example, construction and automobiles), these efforts led to improvement in the economic health of a number of industries, which in turn resulted in higher wage gains under settlements reached in 1987-89.

Table 2 shows the trend of settlements during the 1980's. Prior to 1981, virtually all settlements provided wage increases during the term of their contracts. In contrast, contracts for about two-thirds of those under 1982 settlements called for wage increases. Since then, except for 1986, this proportion has been increasing steadily each year.

About 97 percent (1,720,000) of the workers under 1989 settlements had wage increases averaging 4.4 percent in the first contract year, whereas 142,000 had no wage change and 15,000 took wage cuts averaging 4.9 percent. Subsequent wage increases for 101,000 workers with either no wage change or wage cuts in the first year will result in 1,822,000 workers receiving average annual wage increases of 3.5 percent over the term of their agreement. Another 49,000 will receive no change in wages, and 7,000 will endure wage cuts averaging 4.3 percent a year.

#### Back-loaded contracts

Back-loaded contracts gained prominence in the 1980's. These agreements curb cost increases by providing lower wage adjustments in the first contract year than in subsequent years.



Back-loaded settlements first became noticeable in 1982, when they covered almost one-tenth of all workers under settlements. A year later, this ratio increased to a third of the workers under settlements, and it peaked to nearly one-half of all such workers in 1986. Coverage subsequently fell to about one-fourth of workers under settlements in 1987, and it remained at that level through 1989.

Wage adjustments for the 503,000 workers under 1989 back-loaded settlements averaged 1.6 percent in the first contract year and 2.4 percent annually over the term. Corresponding averages for the 1,041,000 workers with front-loaded settlements were 5.4 percent and 3.8 percent. The remaining 333,000 workers were covered by either 1-year agreements or multiyear contracts that provided equal wage adjustments each year.

### Lump-sum payments

Although provisions for lump-sum payments existed in earlier decades, they gained importance in the 1980's because of the increased magnitude of the payments as a proportion of the total employee compensation package. Prior to the 1980's, typical lump-sum provisions yielded payments made up of a fractional percentage of compensation over the term of the contract; in contrast, some more recently negotiated contracts provided payments equal to between 3 percent and 12 percent of an employee's earnings in a year. Such payments typically are made instead of wage increases, to supplement wage increases, or to offset wage cuts. Current measures of wages and compensation exclude lump-sum payments.

Contracts for 38 percent (720,000) of workers under 1989 settlements include lump-sum provisions. The proportion of workers under all major agreements with lump-sum provisions has remained between 42 percent and 43 percent since 1987, when such data were first tabulated.

Over their term, 1989 settlements with lump-sum provisions specified smaller wage adjustments than those without lump sums (3.1 percent a year compared with 3.5 percent), continuing the pattern that has existed since 1985. In manufacturing industries, 68 percent of workers under 1989 settlements had lump-sum provisions in their contracts, compared with 31 percent in nonmanufacturing. Workers with lump-sum provisions were concentrated in transportation equipment manufacturing, electrical equipment manufacturing, communications, and food stores.

Table 1. Average annual wage adjustments<sup>1</sup> in collective bargaining settlements covering 1,000 or more workers in private industry, 1989

Measure	First-year adjustments <sup>2</sup>	Annual adjustments over life of contract <sup>3</sup>	Number of workers (thousands)
All industries	4.0	3.4	1,877
With COLA clauses	3.9	2.8	427
Without COLA clauses	4.0	3.5	1,450
With lump sums	4.1	3.1	720
Without lump sums	3.9	3.5	1,157
With both lump sums and COLA	4.3	2.9	270
With either lump sums or COLA, or both	4.0	3.0	877
With lump sums, but no COLA	4.0	3.3	450
With COLA, but no lump sums	3.2	2.5	157
With neither lump sums nor COLA	4.0	3.7	1,000
Manufacturing	3.9	3.2	384
With COLA clauses	5.4	3.5	139
Without COLA clauses	3.1	3.0	245
With lump sums	4.1	3.0	263
Without lump sums	3.6	3.5	122
With both lump sums and COLA	5.7	3.5	117
With either lump sums or COLA, or both	4.0	3.1	285
With lump sums, but no COLA	2.8	2.6	146
With COLA, but no lump sums	3.8	3.2	22
With neither lump sums nor COLA	3.6	3.5	99
Nonmanufacturing	4.0	3.4	1,493
With COLA clauses	3.2	2.4	288
Without COLA clauses	4.2	3.7	1,205
With lump sums	4.2	3.2	457
Without lump sums	3.9	3.5	1,036
With both lump sums and COLA	3.2	2.4	153
With either lump sums or COLA, or both	3.9	3.0	593
With lump sums, but no COLA	4.6	3.6	304
With COLA, but no lump sums	3.1	2.4	135
With neither lump sums nor COLA	4.1	3.7	900
Construction	2.8	3.0	381
All industries, excluding construction	4.3	3.5	1,496
Nonmanufacturing, excluding construction	4.4	3.5	1,112
Goods producing	3.4	3.1	770
Service producing	4.4	3.5	1,107

<sup>1</sup> Includes increases, decreases, and freezes; excludes lump-sum payments and potential changes from COLA clauses.

<sup>2</sup> Adjustments under settlements reached in the period and effective within 12 months of the contract effective date.

<sup>3</sup> Adjustments under settlements reached in the period expressed as an average annual (compound) rate over life of contract.

### COLA clauses

Between 1980 and 1985, the proportion of workers under contracts with COLA clauses fluctuated between 56 and 60 percent.<sup>1</sup> Although COLA clauses were maintained during the period, a variety of constraints were imposed which limited the size of the payments. Among these constraints were lowering the maximum COLA payments, raising the amount of the change in the Consumer Price Index needed to trigger any COLA increase, and delaying or deferring COLA increases to pay

for the rising cost of benefits. Because of limits on COLA payments and a moderation in price increases, some COLA clauses yielded little or no pay gains. As a result, many union negotiators were willing to trade COLA clauses for other contract improvements. Consequently, the proportion of workers with COLA coverage dropped to 48 percent in 1986, 40 percent in 1987, and 38 percent a year later. In 1989, 39 percent of workers under major agreements had COLA coverage.

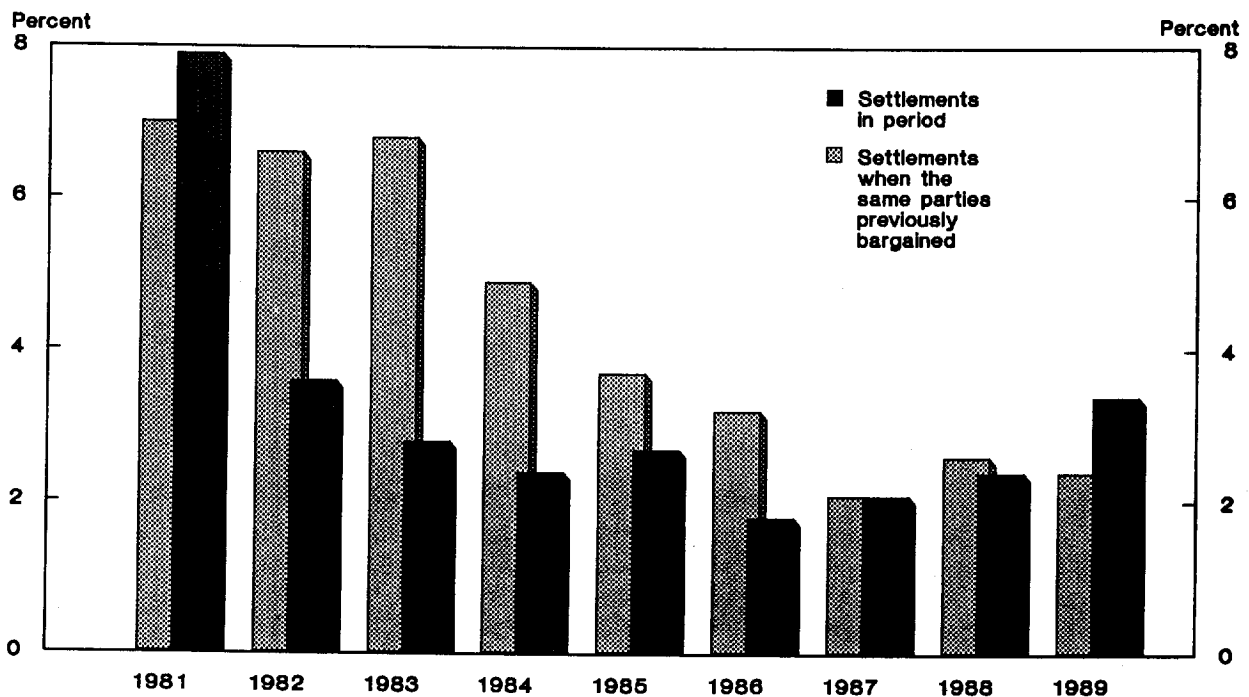
Potential wage changes resulting from COLA clauses are excluded from settlement data because they depend on future changes in the CPI that are not known at the time of settlement. (However, wage changes stemming from COLA's are included in the effective wage adjustment data; see below.) "Guaranteed," or minimum, COLA payments specified in the contracts are included in the settlement data, but are not considered COLA's because they are determined at the time the contract is reached and do not depend on the movement of a price index. Payments above the specified amount that are contingent on changes in the CPI are treated as COLA's.

COLA clauses were included in contracts covering 23 percent (427,000) of the 1,877,000 workers under 1989 settlements. Settlements with COLA clauses, on the average, provided smaller specified wage adjustments over their life than those without COLA, as they have since 1971, when the comparison was first made. Annual wage adjustments averaged 2.8 percent for workers with COLA and 3.5 percent for those without. The specified average wage adjustment in nonmanufacturing industries was 2.4 percent in settlements with COLA provisions and 3.7 percent in those without COLA's. However, average wage adjustments for manufacturing industry settlements with COLA's, at 3.5 percent, were higher over the term of the contract than adjustments without COLA clauses, at 3.0 percent.

### Major negotiations in 1989

Following are descriptions of 1989 settlements that covered the largest number of workers. These settlements were in communications; construction; transportation equipment manufacturing; wholesale and

**Chart 2. Average annual wage rate adjustments over the life of contracts provided by major collective bargaining settlements in private industry, 1981-89, and their prior settlements**



retail trade; electric, gas, and sanitary services; and health services.

*Communications.* One-fourth (480,000) of workers covered by 1989 settlements are employed in the communications industry. Ninety-two percent of these workers are employed by the American Telephone and Telegraph Co. (AT&T) and seven regional companies that together constituted the Bell System prior to its court-ordered breakup in 1984.<sup>2</sup> The workers were represented by the Communication Workers of America (CWA) and the International Brotherhood of Electrical Workers (IBEW), which coordinated their bargaining efforts.

Wage adjustments negotiated in the industry's second round of bargaining since the divestiture of AT&T varied, but were larger than those specified by the prior agreements. Overall, the 1989 accords provided specified wage adjustments averaging 3.1 percent in the first contract year and 2.4 percent annually over the term, compared with 1.9 percent and 2.1 percent, respectively, in previous contracts.

In July, AT&T reached a settlement with the CWA and IBEW for approximately 115,000 operating employees. The 3-year agreement provided wage increases of 4 percent, retroactive to May 1989, and additional increases of 2.5 percent in May 1990 and 2.25 percent in May 1991. In addition, the pact established a profit-sharing plan and modified the existing savings plan to provide a company "match" of two-thirds (formerly one-half) of an employee's investment in AT&T shares. The settlement's focus on family care benefits became a prototype for later negotiations in the industry. These benefits included establishing a \$5 million fund to finance professional organizations to handle the child care and elder care needs of employees and doubling to 12 months the amount of unpaid leave for the birth or adoption of a child or the care of a seriously ill family member.

Settlements for some, but not all, of the regional companies were reached without a work stoppage. Negotiations between CWA and each of Bell South Corp., U.S. West Communications, and Southwestern Bell were concluded peacefully in September 1989. However, 200,000 workers represented by the CWA and the IBEW walked off their jobs when negotiations with Bell Atlantic, Pacific Telesis, Ameritech, and Nynex companies broke off over health care and family care benefits. By year's end, all had settled.

Table 2. **Wage adjustments over the life of the contract, 1980-89**

Year	Average wage adjustment (percent)	Percent of workers with—		
		Wage increases	Wage decreases	No change
1980 .....	7.1	100	0	0
1981 .....	7.9	94	5	1
1982 .....	3.6	64	1	35
1983 .....	2.8	73	13	14
1984 .....	2.4	84	12	4
1985 .....	2.7	85	3	12
1986 .....	1.8	79	9	13
1987 .....	2.1	85	4	11
1988 .....	2.4	88	2	11
1989 .....	3.4	97	(1)	3

<sup>1</sup> Less than 0.05 percent.

The 1989 settlements varied among the regional companies, providing different combinations of specified wage increases, potential COLA's, and lump-sum payments. Some also called for profit-sharing or incentive plans. All the settlements continued to provide employer payment of all health insurance premiums. However, in an effort to control health care costs, some contracts raised employees' deductibles and coinsurance costs and established preferred provider plans.

*Construction.* One-fifth of the workers under all 1989 settlements were in the construction industry. Construction contracts called for average wage adjustments of 2.8 percent in the first contract year and 3.0 percent annually over the contract term, slightly less than the wage adjustments provided by the contracts they replaced (2.9 percent and 3.1 percent, respectively). There were no lump-sum provisions, and only one contract (covering 1,200 workers) included a COLA provision.

Construction workers usually bargain by craft—carpenters, operating engineers, and plumbers, for example—with local chapters of national employer associations, such as the Associated General Contractors of America. Although negotiations are usually conducted separately, different crafts in the same geographic area often have settlements providing similar economic changes, reflecting the area's economic condition. As shown in the following tabulation, the average wage adjustment (in percent) was highest in the Mid-Atlantic States and lowest in the South Central region.

	First Year	Annual over the life
Construction settlements, all areas . . . . .	2.8	3.0
Northeast . . . . .	5.2	4.9
New England . . . . .	4.8	4.4
Mid-Atlantic . . . . .	5.5	5.2
Midwest . . . . .	2.3	2.6
East North Central . . . . .	2.4	2.8
West North Central . . . . .	1.9	2.2
South . . . . .	.2	1.1
South Atlantic . . . . .	.3	1.6
South Central . . . . .	.2	1.0
West . . . . .	2.5	2.5
Mountain . . . . .	1.2	1.3
Pacific . . . . .	2.7	2.7

*Wage adjustments during the decade reflected the economic difficulties experienced by many industries and the approaches taken by unions and employers to meet the challenges facing them.*

The 1989 settlements in both general building construction, covering 109,000 workers, and special trades, for 137,000 workers, provided average annual wage adjustments of 3.1 percent over the contract term. Average wage adjustments provided by the pacts in heavy construction, other than building (for 130,000 workers), were 2.9 percent annually.

*Transportation equipment manufacturing.* Approximately 89,000 workers were covered by major 1989 settlements in the transportation equipment manufacturing industry—primarily aerospace. The Boeing Co. and the International Association of Machinists and Aerospace Workers (Machinists) reached an agreement for 65 percent, or 58,000, of these workers in late November. Other major settlements included McDonnell Douglas Aircraft Co. and United Technologies agreements with the Machinists; and Dana Corp. and Allied-Signal Corp. contracts with the United Automobile, Aerospace and Agricultural Workers of America.

The Boeing Co.-Machinists accord was preceded by a 7-week work stoppage. There were two major issues in the dispute: lump-sum payments and mandatory overtime. The union demanded wage increases instead of lump-sum payments, which had been introduced in the 1983 accord in lieu of wage rate increases. The 1986 pact continued the lump-sum payments at an increased amount. The conflict was resolved with a compromise that provided both wage increases and lump-sum payments.

The other stumbling block in the negotiations was removed when the company agreed to reduce mandatory overtime requirements to

144 hours in a quarter, from 200 hours, and to require no more than two consecutive weekends of work (formerly, four). As a result, the mandatory overtime hours required each quarter were reduced by 28 percent.

The 3-year pact provided an immediate 4-percent wage increase and 3-percent increases in October of 1990 and 1991. In December 1989, Boeing employees received a lump-sum payment equal to 10 percent of their earnings for the 12 months ended in October 1989, to be followed by similar payments of 5 percent and 4 percent, respectively, in December of each of the next 2 years. The quarterly COLA formula was revised to provide a 1-cent wage adjustment for each 0.075-percent change in the Consumer Price Index for Urban Wage Earners (CPI-W), instead of 1 cent for each 0.3-point change. The pact also called for a 60-cent-an-hour prepayment of COLA to be offset by amounts from subsequent reviews.

The Boeing contract set the pattern for other 1989 aerospace settlements, which also called for wage rate increases, while continuing lump-sum payments. This pattern raised wage adjustments over the term of 1989 settlements in transportation equipment manufacturing above those of the contracts they replaced (4.2 percent, compared with 1.0 percent, annually).

*Wholesale and retail trade.* The 1989 settlements in wholesale and retail trade specified higher average wage adjustments than the contracts they replaced. Adjustments averaged 4.2 percent in the first contract year and 3.5 percent annually over the life of the agreement, compared with an average of 2.4 percent in both the first year and over the contract term the last time the same parties bargained. Three-fourths of the 190,000 workers covered by these accords were employed in retail food stores; the remainder were in restaurants, department stores, drug stores, motor vehicle dealerships, and a variety of wholesale trade operations.

Eighty-seven percent (126,000) of the workers under settlements in retail food stores were covered by contracts between the United Food and Commercial Workers and local and regional chains. The 1989 food store contracts called for wage adjustments averaging 3.2 percent annually over the life of the agreement, compared with 1.9 percent provided by the prior agreement.

The contracts for about one-half of those employed by food stores provide for lump-

sum payments in addition to wage rate increases. None of the other 1989 contracts in wholesale and retail trade have such provisions. Settlements with lump sums provided smaller wage adjustments (2.5 percent) over the life of the contract than those without lump sums (4.1 percent annually).

*Electric, gas, and sanitary services.* Settlements in the electric, gas, and sanitary services industries in 1989 provided higher average annual wage rate adjustments over their term than did those negotiated in all other industries combined, as they have each year since this information was first tabulated in 1982. The 1989 accords, covering 124,000 workers, provided wage adjustments averaging 3.8 percent in the first contract year and 3.7 percent annually over the life of the agreements. Previous contracts called for adjustments of 3.6 percent in both the first year and over the contract term.

Fewer than one-tenth of the workers were covered by contracts with a COLA clause or a provision for lump-sum payments.

Major settlements in the industry include contracts negotiated by Consolidated Edison Co. of New York and the Utility Workers Union of America for 13,500 employees, and by the Tennessee Valley Authority and five unions for 12,000 employees.

*Health services.* About 103,000 hospital and health care facilities workers were covered by 23 contracts negotiated in 1989, accounting for 58 percent of all workers under major collective bargaining agreements in the health services industry. Wage adjustments provided by their 1989 settlements averaged 9.7 percent in the first contract year and 7.7 percent annually over the contract term, compared with 3.6 percent and 3.7 percent, respectively, when the same parties last negotiated.

The higher 1989 wage adjustments reflected the settlements for registered nurses and, to a lesser extent, hospital and nursing home employees, in New York City. Nearly one-fifth of those under major health care settlements negotiated in 1989 were registered nurses (notably, in California and Minnesota). An effort to retain and recruit nurses and alleviate nursing shortages that currently plague the health care industry was reflected in the size of the 1989 wage adjustments in the industry. The 1989 settlements for nurses provided annual wage adjustments ranging from 8.2 to 14.7 percent over the term of the agreement. In addition to providing higher wages, employers added steps to

the top of their wage scales and increased nurses' involvement in the decision-making processes.

About 44 percent (45,000) of the workers under the industry's 1989 settlements were covered by the October settlement between the League of Voluntary Hospitals and Homes of New York and Local 1199 of the Drug, Hospital and Health Care Employees Union in New York City. Local 1199 represents hospital and nursing home employees in a range of occupations—service (including kitchen and laundry workers); maintenance (such as plumbers and electricians); clerical (including secretaries and receptionists); and technical and professional (including laboratory technicians, licensed practical nurses, and social workers, but not registered nurses).

The 3-year contract between the League and Local 1199, which was retroactive to July 1, provided 7.5-percent wage increases in each of the first and second years and 5 percent with a \$500 lump-sum payment in the third year. Employer contributions to the benefit fund (which provides for disability, death, and hospital benefits) increased from 11.4 percent to 14.4 percent of gross payroll. Pension benefits for current retirees were increased 10 percent, although employer contributions were suspended until June 1992. These terms were also adopted by the New York Association of Voluntary Nursing Homes and its 5,000 employees represented by Local 1199. The hospital and nursing home settlements were preceded by intermittent work stoppages in July and August.

Two of the city's largest hospitals defected from the League's negotiations, each reaching an agreement with Local 1199 less than a week before the League settled. Presbyterian Hospital and Beth Israel Medical Center, each with about 3,000 employees who belong to Local 1199, negotiated individual contracts that provided wage increases of 8 percent in the first contract year, 7 percent in the second, and 5.5 percent in the third. Their benefit packages were similar to those later agreed to by the League.

Lump-sum payments were negotiated for 52 percent of all health care workers covered by 1989 settlements. COLA clauses were negotiated for only about 3 percent. None of the contracts covering registered nurses contain lump-sum payments or COLA provisions.

### **Wage adjustments effective in 1989**

Wage adjustments effective in 1989 for the 6.0 million workers under major collective

*Although COLA clauses were maintained during the 1980's, constraints were imposed which limited the size of the payments.*

bargaining agreements in private industry averaged 3.2 percent, the highest average since 1985. Effective wage adjustments cover all workers under major agreements, both those with no wage change and those with a wage change during the year. Wage changes stem from three sources: settlements reached during the year; agreements reached earlier, with changes deferred to 1989; and COLA provisions.

About 4,793,000 workers under major agreements had wage increases averaging 4.0 percent; 22,000 workers received wage decreases averaging 3.8 percent; and the remaining 1,170,000 had no wage change in 1989.

The following tabulation shows the number of workers with wage changes effective in 1989, by source and amount of change:

	<i>Workers (thousands)</i>	<i>Wage change (percent)</i>
Total with wage changes	4,815	3.9
Increases .....	4,793	4.0
From 1989 settlements	1,674	4.3
Deferred from prior agreements .....	2,257	3.4
From COLA .....	1,280	3.3
Decreases .....	22	-3.8

(The sum of the number of workers receiving changes from each source does not equal the total because some workers received pay changes from more than one source.)

Of the 1,573,000 workers who had COLA reviews, 1,280,000 received COLA increases

averaging 3.3 percent. For the remainder (293,000), reviews yielded no wage change, mainly because the CPI did not change enough to generate an increase. Wage adjustments from COLA reviews in 1989 averaged 61 percent of the price change during the COLA review period. The size of COLA adjustments depends on the formula used to relate wage changes to price changes, the timing of the reviews, possible limitations on the amount of COLA, and the diversions of amounts to finance benefit costs.

Effective wage adjustments in major collective bargaining agreements are reflected in the Bureau's Employment Cost Index, which provides data on changes in labor costs for both union and nonunion workers in establishments of all employment sizes. According to this index, wages rose 3.1 percent in 1989 for union workers, compared with 4.5 percent for nonunion workers. This was the seventh consecutive year in which wages increased more for nonunion than for union workers.

BARGAINING IN THE LAST DECADE was characterized by innovative approaches to curbing labor costs in response to difficult economic conditions. The higher wage and compensation terms negotiated in 1989 mirror the improvement in the economic climate for many employers; however, bargainers have not discarded the cost-saving features that emerged in settlements over the last 10 years. □

### Footnotes

<sup>1</sup> COLA clauses are designed to adjust wages based on changes in prices as measured by the Consumer Price Index.

<sup>2</sup> The remaining 8 percent of communication workers were covered by settlements reached between General

Telephone Co. and the Communication Workers of America and International Brotherhood of Electrical Workers; ABC, Inc., and the National Association of Broadcasting Employees; and the Southern New England Telephone Co. and the Connecticut Union of Telephone Workers.