

HOW THE ILA'S DEMANDS FOR STRIKING PORT WORKERS STACK UP TO OTHER AMERICAN WORKERS

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Background

Port workers play a crucial role in the movement of goods into and out of the United States, including everything from medications that improve and save lives to the food we eat and the shoes we wear. Their work is more physically demanding than most jobs in America, and working outside on docks come rain, snow, and summer heat makes their work less comfortable than most of our climate-controlled workplaces.

Port workers' contributions to American households and businesses are incredibly valuable and their compensation should match that value. With more than 45,000 East Coast port workers striking for better compensation and more restrictions on automation, it's worth examining: What are port workers' current compensation? What is the International Longshoreman's Association (ILA) demanding? And, how do those figures stack up to other American workers?

What are Port Workers' Current Compensation?

According to the [master contract](#) between the ILA and the United States Maritime Alliance (USMX) that expired on September 30, 2024, port workers' pay in 2024 starts out at \$20 per hour and rises to \$39 for workers with six or more years of experience, which comes out to between \$41,600 and \$81,100 in base wages annually.

Employers also pay \$14 per hour, or \$29,100 per year, in health, welfare, and pension contributions for each worker, and workers also receive container royalty payments averaging between [\\$15,000 and \\$20,000](#) per year. Container royalties are payments based on the tonnage (or volume) that ports process and under the just-expired contract, the ILA received the first \$19 million in royalties plus 50% of the excess above that. In total, port workers' compensation starts at \$88,200 and rises to \$127,700 for workers with six or more years of experience.

This compensation calculation assumes a typical 40-hour work week, but according to [ILA leadership](#), many port workers regularly work 100 hours or more per weeks. (Setting aside compensation for a moment, such long hours can't be good for workers' wellbeing and could almost certainly be alleviated if the ILA eased its restrictions on technology and its control over the supply of workers.) All hours over 40 in a week receive a 50% overtime premium, and in addition to overtime, any of the first 40 hours worked outside of the 8am to 5pm window receive a 25% premium. With 100 hour-weeks, ILA members

could—under the contract that just expired—earn \$263,600 in wages and \$310,300 in total compensation per year. Various reports confirm high levels of overtime, including one-third of longshoremen based in New York Harbor making over \$200,000 per year, not including container royalties.

ILA President Harold Daggett reportedly made \$901,000 last year, including \$728,000 as ILA President and another \$173,000 as president emeritus of a local union branch.

What is the ILA Demanding?

ILA President Harold Daggett said, “Mark my words, we will shut them down October 1st if we don’t get the kind of wages we deserve, container royalty, top-notch healthcare and no automation terminals or semi-automated terminals.” It is understandable that the ILA is pushing for more than the roughly 2.5% annual pay raises included in the contract that just expired because excessive inflation has eaten away over \$31,000 in value from a full-time port-worker’s paycheck since January 2021.

This time around, the ILA is reportedly demanding a 77% pay increase over six years and turned down an offer for a 50% increase. That would bring normal full-time wages to between \$73,600 and \$143,600 in 2030 (with a top hourly rate of \$69).

The ILA’s demands for top-notch healthcare are not specified, but supposing the ILA seeks a 50% increase, employers’ annual contributions to the health and welfare fund would rise from \$29,100 to about \$44,000 per worker. And supposing a 25% increase in container royalties would boost annual royalty bonuses from an estimated \$17,500 to about \$22,000 per worker.

In total, the ILA’s demands could bring total compensation to \$139,200 for starting workers and \$209,100 for experienced workers in 2030. With overtime, total compensation for ILA members working 100-hour weeks could exceed \$530,000.

How Does Port-Worker Pay Compare to the Average American Worker?

Across the U.S., the median private sector worker earns \$64,300 in wages and \$84,700 in total compensation (assuming typical 40-hour work weeks). Within “transportation and material moving occupations”—which includes port workers—the median worker earns \$51,600 in wages and \$68,300 in total compensation. This compares to ILA workers’ current range of \$88,200 to \$127,700 in total compensation.

Looking ahead six years to compare ordinary workers’ pay with the ILA’s six-year contract demands, and assuming 3.1% annual compensation growth (matching median earnings growth over the past 10 years), compensation across all private sector workers would equal \$101,100 in 2030, and \$81,500 for transportation and material moving occupations. This compares to the ILA’s demands for an estimated \$139,200 for starting workers’ compensation and \$209,100 for experienced workers’ compensation in 2030.

Port Workers Deserve Good Compensation, But ILA Demands Are Excessive		
	Wages	Total Compensation
U.S. Workforce Averages		
All Private Sector Workers	\$64,300	\$84,700
Transportation & Material Moving Occupations	\$51,600	\$68,300
Current ILA Base Compensation		
Starting Worker	\$41,600	\$88,200
Experienced Worker (6+ years)	\$81,100	\$127,700
Current ILA Compensation with Overtime		
Starting Worker	\$135,200	\$181,800
Experienced Worker (6+ years)	\$263,600	\$310,300
	Wages	Total Compensation
U.S. Workforce Averages, 2030		
All Private Sector Workers	\$76,700	\$101,100
Transportation & Material Moving Occupations	\$61,600	\$81,500
ILA Demands Base Compensation, 2030		
Starting Worker	\$73,600	\$139,200
Experienced Worker (6+ years)	\$143,600	\$209,100
ILA Demands Compensation with Overtime, 2030		
Starting Worker	\$239,300	\$304,900
Experienced Worker (6+ years)	\$466,600	\$532,200
<p>*Notes: Unless noted, annual wages equal median hourly earnings for a 40-hour workweek. ILA leadership has stated that members regularly work over 100 hour weeks, so 100 hours is used for the "with overtime" estimate. Estimates for 2030 U.S. workforce compensation assume 3.1 percent annual growth, based on the average annual growth in median usual weekly wages over the past 10 years.</p> <p>Sources: Author's calculations based on Bureau of Labor Statistics, "Employer Cost for Employee Compensation-June 2024," September 10, 2024, https://www.bls.gov/news.release/pdf/eccec.pdf; media reports and direct ILA communications; and "Master Contract between United States Maritime Alliance Ltd. And International Longshoreman's Association, AFL-CIO, Effective October 1, 2018 for the Six Year Term Expiring on September 30, 2024, https://www.usmx.com/assets/content/public-resources/2018-2024_USMX-ILA_MASTER_CONTRACT_BOOK.pdf (accessed September 27, 2024).</p>		

What is a Better Pathway to Sustained Wage Gains?

While port workers would benefit in the short run from the ILA's extraordinary compensation demands, those higher labor costs would be passed on to consumers through higher prices on goods transported through East Coast ports. Since compensation cannot rise more than workers' productivity in the long-run—or else employers would go out of business—a better way to increase port workers' compensation and wellbeing would be for the ILA to [allow smart automation](#) that could make their jobs easier, safer, and more productive. Yet, ILA leadership refers to automation as “cancer” and bolstering restrictions on automation remain a sticking point in contract negotiations. But fighting innovation will hurt American producers and consumers, as well as American port workers because as the ILA acknowledged in its [2013 contract](#), new methods, new devices, and additional automation “make the ILA more competitive and their employers more able to provide continued employment.”