

What the UAW Contract Agreement with Ford Means for the EV Transition

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This week, Ford Motor Company and the UAW reached a tentative labor agreement that sets the stage for groundbreaking changes as the industry transitions to electric vehicles. If approved by UAW Ford members, this new contract will boost worker wages and make substantial investments in EV production.

As GM and Stellantis solidify their respective agreements with the UAW, we will update this post with highlights from both deals.

Here's the bottom line: This agreement cements the role of UAW workers in the EV transition and builds on the success of BIL and IRA to push the EV transition forward through private investment.

Here are four highlights in the agreement that set the stage for a historic move to EVs:

1. Well paid, qualified, and highly trained workers will see a 33% gain in wages through 2027. Skilled trades workers' wages will increase by up to 37%.

Transitioning to a new, game changing technology like EVs requires a solid, experienced workforce who have a long track record of outstanding manufacturing, reliability, and safety. In this deal, Ford doubles down on their commitment to the UAW's skilled workforce and ensures good pay and benefits through the EV transition.

2. There will be over \$8 billion in new investment across 22 plants, with EV products made in nearly all of the 8 assembly plants.

Spreading key investments across all Ford production facilities sets workers and management up for success in the EV marketplace, ensuring all facilities have adequate resources to begin or continue to manufacture EVs, keep pace with demand, and remain competitive.

3. Marshall and Michigan battery plant workers will be covered by the UAW master agreement when the plant is “lawfully recognized.”

This allows UAW workers to expand their footprint to a new battery plant in Michigan and ensures workers at battery plants receive outstanding pay and benefits. Insourcing battery plant jobs helps keep jobs in Michigan and grows our domestic workforce.

4. UAW workers at Dearborn facilities will have options to work in a new EV plant in Tennessee when it is operational.

Tennessee is a “right to work” state, and some workers worried that manufacturing outside the historic Midwest automotive alley would be non-unionized.

Ensuring that highly trained, highly skilled UAW workers can work at this new EV plant and be covered by a UAW contract could help spread good wages and benefits well beyond the Midwest region.

What can we expect next?

The Ford-UAW agreement will begin the process of approvals this week, culminating in a UAW membership vote in the next week or two.

Stellantis and GM have also reached separate tentative agreements with the UAW and, once deal points are made public, membership will vote on the substance of new contracts.

Third Way will keep you updated on the implications of these contracts for the EV transition, American competitiveness, and economic growth.

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