

Policy Brief | December 2024

The Case for Raising Wages and Improving Benefits at New York and New Jersey Airports





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Introduction and Background

Airport service workers are the backbone of John F. Kennedy (JFK), LaGuardia (LGA), and Newark Liberty (EWR) Airports, yet they face challenging conditions that drive low morale and result in high turnover rates. Low pay and insufficient benefits exact a toll on workers struggling to support themselves and their families in the high-cost New York City metro area; the integrity of airport operations also suffers when airport workers leave for higher-paying or less stressful jobs, taking their skills and experience with them. While forward-thinking policies from the Port Authority of New York and New Jersey (PANYNJ), as well as New York and New Jersey state leadership, have improved wages and benefits over the past decade, progress has stalled since the PANYNJ's last wage action in 2018, threatening workforce stability and airport safety.

In collaboration with state governments, the PANYNJ must now renew its longstanding commitment to safeguarding airport security by updating service worker standards, building upon years of policy innovation. Following the recent bi-state effort to raise wages, New York State leadership must also act to ensure uniform benefits across the region's airports by increasing and expanding the benefits and paid leave requirements of the NY Healthy Terminals Act to the levels offered in New Jersey.

After taking action to institute a benefits requirement for Port-contracted service workers in 2007,¹ the PANYNJ enacted an airports-wide wage rule for service workers in 2014 and also made Martin Luther King Jr. Day a paid holiday.² The PANYNJ joined a growing number of airport operators acting in their proprietary capacity to establish baseline standards for airport personnel in furtherance of facility safety and efficiency.³ In 2018,

the PANYNJ Board of Commissioners voted unanimously to update its wage policy and institute a \$19 wage floor by 2023 for the majority of airport workers at LGA, JFK, and EWR airports, citing the effects that high turnover had on security and customer service at the three airports, and the positive effects other airports had experienced after raising the minimum wage.⁴

The 2018 PANYNJ wage rule amendment was followed by state action: in 2020 and 2021, New York⁵ and New Jersey⁶ respectively adopted their Healthy Terminals Acts (HTA), requiring airport employers to provide a benefits supplement to covered employees.

These wage and benefit policies significantly improved labor standards for thousands of underpaid airport workers in the region. These standards have eroded since their passage, however, as the minimum wage has lost purchasing power and the cost of health insurance premiums has skyrocketed. Additionally, inconsistencies between the two states' laws have put New York workers behind their counterparts in New Jersey. New York set its benefits supplement at a fixed hourly rate that has not risen to reflect the changing cost of healthcare, and unlike New Jersey, New York's HTA does not provide workers with paid time off.¹ Exclusions from coverage have left key groups of workers unprotected. New York's HTA excludes ramp, cargo, tarmac maintenance, concessions workers, and part-time workers.¹ Cargo workers employed in facilities just outside airport grounds have also been shut out of wage protections, even when those workers handle goods to be delivered to or unloaded from aircraft.

Failure to update wage and benefits levels and to close gaps in coverage may pose a serious risk to worker and public safety, compromise passenger service, and make it even harder for workers to make ends meet in one of the highest cost-of-living areas in the United States.

To achieve a stable workforce and ensure high safety and service standards, the PANYNJ must work with New York and New Jersey State leadership to improve airport service worker standards in the following ways:

 Raise the minimum required wage from the current \$19 to \$25 per hour, with adequate annual increases.

¹ The PANYNJ rule does not require paid time off, leaving this determination to state policies. The New York HTA does not require paid leave, leaving JFK and LGA workers with only the 40 to 56 hours of paid sick leave required by New York City and State laws. New Jersey's HTA, on the other hand, requires employers to provide paid vacation and holidays at the rate set by the federal McNamara-O'Hara Service Contract Act: 12 paid holidays plus 2 weeks of vacation after 1 year of service, 3 weeks after 5 years, 4 weeks after 15 years, and 5 weeks after 25 years. Additionally, New Jersey law requires all employers to provide full-time, part-time, and temporary workers with up to 40 hours of paid sick leave.

- Amend the New York Healthy Terminals Act to raise New York's benefit supplement requirement and ensure parity between New York and New Jersey airports by requiring at least the health and welfare rate stipulated by the federal McNamara-O'Hara Service Contract Act (SCA), so the rate adjusts with rising healthcare costs and is on par with the contribution level in New Jersey.
- Amend the New York Healthy Terminals Act to raise New York airports' paid leave benefits to the same levels permitted at Newark Airport by requiring holiday and paid leave at the rate stipulated by the SCA.
- Ensure the expanded protections cover the groups of New York airport workers currently excluded from the New York HTA (part-time workers and cargo, ramp, and concessions workers) as well as off-site cargo and warehouse workers.

These increases to the required minimum wage and benefits standards are necessary for safe airport operations and are completely reasonable considering the airline industry's financial health. Net profits for U.S. airlines reached \$7.8 billion in 2023—a 388 percent increase over their 2022 net profits. In 2023, total compensation for CEOs ranged from \$34.2 million to \$9.3 million, including \$31.4 million for Robert Isom of American Airlines and \$18.6 million for Scott Kirby of United Airlines. The airline industry clearly has the financial capacity to increase service worker compensation and implement higher benefit standards at all three airports, which are essential to broader workforce improvements.

JFK, LGA, and EWR Airports Workers

In this section, we summarize the findings of a 2018 Economic Roundtable report, which presented a profile of airport service workers at JFK, LGA and EWR. The Economic Roundtable found that these workers are a diverse labor force, roughly evenly split by gender, and many are in the prime of their career or approaching retirement age. ¹⁰ Although a plurality are monolingual English speakers (44 percent), a majority (56 percent) speak other languages or live in households where other languages are spoken—a fact that underscores their diversity. The Economic Roundtable's worker profile suggests that updates to wage and benefits standards would not only have the effect of raising pay and improving benefits for airport workers, but given this workforce's diversity, improved standards would also promote racial and gender equity in the region.

Employers

Since the 1980s, ¹¹ following the passage of a federal law deregulating ² the airline industry, ¹² airport service workers have been primarily employed by contractors to

 $^{^2}$ In a 2015 report, NELP described the significance of airline deregulation as such: "Prior to deregulation, the federal government determined the price of tickets and the routes commercial carriers could fly. After deregulation, ticket prices

perform a range of jobs—such as security screening, aircraft cleaning, catering, and concessions services. This workforce is primarily employed in the Air Transportation (NAICS 481) and Support Activities for Transportation (NAICS 488) industries.

According to a 2015 estimate by the New York Committee for Occupational Safety and Health (NYCOSH), airport workers at JFK and LGA are employed by 40 different contractors. Wage and benefits standards enacted by the PANYNJ, New York, and New Jersey have protected airport workers in the region at a time when, nationally, unchecked corporate greed has suppressed job standards.

Occupations

A 2018 analysis by the Economic Roundtable estimated a combined workforce of 68,800 workers at JFK, LGA, and EWR.¹⁴ Nearly 46,000 of those workers (67 percent of the total airport workforce) work in occupations covered by the PANYNJ minimum wage policy. Nearly 40,000 (56 percent of the overall airport workforce and 84 percent of the covered workforce) earned less than \$19 per hour when the minimum wage policy passed in 2018 and directly benefitted from the wage floor increase to \$19 by 2023.

The Port Authority's wage policy applies to a range of service jobs that the PANYNJ has determined are critical to the airports' safe and efficient operations and to the identification and prevention of security risks such as terrorist threats and smuggling of contraband. Currently, the PANYNJ wage policy applies to airport jobs in the following categories (see Appendix Table 1): passenger related security services; cleaning services; in-terminal and passenger handling services; concession services; cargo related services; and airport catering. The PANYNJ added airline catering jobs in the Port District (but off airport grounds) to coverage in 2018. In adding them, the PANYNJ cited the Department of Homeland Security, which said "law enforcement agencies have recognized the vulnerabilities associated with these [workers] for years," because they have "direct access to material that is loaded onto airplanes daily." because they have "direct access to material that is loaded onto airplanes daily."

Although the off-site cargo and warehouse jobs listed in <u>Appendix Table 2</u> are similarly vulnerable, the PANYNJ has not expanded the scope of its Port District Covered Services to include them.

dropped and competition soared. Increased competition created incentives for airlines to cut costs...At the same time, airlines have found significant cost savings by reducing labor costs. Through a combination of reducing the compensation of their direct employees and subcontracting out other services to private companies, airlines are squeezing profits out of workers." (Soaring Poverty at the Philadelphia International Airport: How Low Wage Airport Jobs Keep Philadelphia #1 For Poverty, March 2015).

Worker Demographics

The 2018 Economic Roundtable report analyzed the demographic composition of airport workers covered by existing PANYNJ policy (see <u>Appendix Table 3</u>). The authors found a diverse workforce:

- **Gender:** Men make up a technical majority (51 percent) of all covered workers. However, women comprise majorities of three occupation categories—terminal concession services (59 percent), airplane cabin cleaners (57 percent), and building maintenance services (52 percent).¹⁷
- Race or ethnicity: Workers of color substantially outnumber white workers. Black workers are a majority (53 percent) of the covered airport workforce, while Latinx workers make up 25 percent, and other workers of color are 15 percent of the workforce. White workers make up 7 percent of the workforce. Overall, 93 percent of covered workers are people of color. Black workers make up majorities or nearmajorities of almost all occupational categories, except building maintenance services and airline catering services, where Latinx workers are a majority.¹⁸
- Age: While 37 percent of workers are young (under 30 years old), workers in the
 middle or later stages of their career are a larger share (47 percent). Older workers
 are primarily concentrated in the following occupational categories: in-terminal
 passenger and baggage services; airplane cabin cleaning; passenger-related
 security services; building maintenance services; and airline catering services.¹⁹
- **Household language:** Monolingual English speakers are 44 percent of the covered airport workforce. Workers who live in a household where other languages are spoken make up a majority (56 percent). Most of these workers live in Spanish-speaking households (33 percent).²⁰
- **Parental status:** Nearly half (49 percent) of covered workers are parents to dependent children living with them at home. Single-mother households comprise 21 percent of the workforce, and single-father households are 10 percent.²¹
- Residence: Although the two New York airports (JFK and LGA) employ nearly 86 percent of the private sector airport workforce,²² only 69 percent of covered workers live in one of the five New York City boroughs.²³ Newark Liberty Airport employs 14 percent of the airport workforce,²⁴ yet New Jersey is home to approximately 28 percent of covered workers.²⁵ These figures suggest a workforce with long and expensive commutes as workers get priced out of the cities they service.



Throughout this policy brief, we feature quotes and stories from four New York-Newark-Jersey City region airport workers who advocate for fair wages, robust and uniform health benefits, and paid leave. We thank Tanjanina Reynolds, Dania Herrera, Desmond Grant, and Marcia Oxley for sharing their experience.

"Enough is enough. We deserve better. We need better. We are what makes the airport. The airport wouldn't be there if it wasn't for the airport workers. [\$]19 is not enough [anymore]. Every day is a struggle not only for me, but several people in the airport."

— Tanjanina Reynolds, EWR worker and 32BJ SEIU member



Tanjanina is a single mother who works for Prospect Airport Services out of Newark Liberty Airport. She is a leader on the overnight shift and makes sure that the aircraft is clean and safe for travel. She has been working at EWR for two years and has been a member of 32BJ SEIU for one year. The rising cost of living has hit her household hard. She has difficulty paying bills and putting food on the table for her 19-year-old son. In the past, she and her son experienced homelessness. As a worker leader, she's standing up for herself and her fellow workers and calling on the Port Authority to raise the minimum wage and improve working conditions at the airport.26

How Wages Impact Turnover and Airport Safety

High labor turnover in the aviation industry poses serious risks to both public and worker safety. Research has found an association between wages and turnover, injuries, and mistakes on the job.

Workplace injuries are more common in the aviation industry than in the overall private sector. According to 2022 U.S. Bureau of Labor Statistics data, the Support Activities for Air Transportation subsector—which is most representative of the Port District Covered Services airport workforce—had a non-fatal injury and illness rate of 3.2 incidences per 100 employees, while the rate for all industries in the private sector was 2.7 per 100 employees.²⁷ That is a 19 percent higher injury rate for the Support Activities for Air Transportation subsector.

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Private Sector, All Industries Support Activities for Air Transportation

Figure 1. Injury & Illness Rates per 100 Workers, 2022

Source: Bureau of Labor Statistics, Survey of Occupational Injuries and Illnesses, 2022.

Although these figures do not include fatalities, a recent article published in the *Wall Street Journal* documents several senseless employee deaths that took place at airports since 2022.²⁸ The article also reported that in 2022, the aviation industry's injury rate per 100 workers rose by 17 percent compared with 2019, and that company-specific injury rates rose sharply—including 54 percent at dnata (an aviation services company).²⁹ In April 2024, the union representing American Airlines pilots raised the alarm on "a significant

spike in safety and maintenance related problems" throughout the airline's operation.³⁰ Inadequate experience or training are among the factors identified as contributing to this spate of incidents. In the article, the CEO of GAT Airline Ground Support—one of the employers which lost a worker after a gruesome accident—is reported to have said that low staffing levels and the need to promote new workers to supervisory roles are two challenges the company has been facing since 2019. Both of those challenges point to high labor turnover. Per the article, "The percentage of workers that had been with GAT for more than a year fell from 68% before the pandemic to 22% in 2022," and its serious injury rate skyrocketed by 72 percent in 2022 compared with 2019.³¹ The increase in injury rates during this period tracks with the post-pandemic return to air travel.³² In essence, workers have been put on the chopping block as airlines race to recover lost profits.

Climate change is exacerbating occupational health risks at airports. News reports document incidents of loss of consciousness and even death among airport workers stemming from extreme heat.³³ Experts argue that "weather-related heat stress should be considered an escalating occupational hazard that deserves full societal recognition" and that heat is associated with an increase in workplace injuries.³⁴

Wages and Turnover

A review of the literature on labor turnover by the University of California, Berkeley points to decades of research showing a correlation between higher wages and reduced turnover.³⁵ Among them is a 2003 study which looked specifically at the impact of a 2000 policy that raised wages at the San Francisco International Airport (SFO) by an average of 22 percent. The authors found that as a result, turnover fell by 34 percent on average.³⁶ Certain workers (for example, entry-level screeners) received substantially higher raises and saw a corresponding greater decline in turnover. The authors concluded that the "larger increases in wages are clearly associated with greater reductions in turnover."³⁷

Wages and Worker Performance

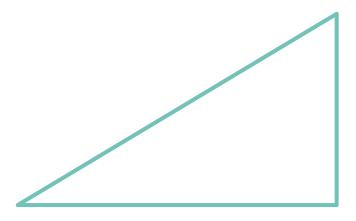
In addition to a link between higher wages and reduced turnover, the 2003 study of the SFO wage policy also found improvements in work performance; morale and customer service; and reduced absenteeism, disciplinary issues, and problems with equipment maintenance.³⁸ A separate 2015 study found that income insecurity negatively affects work performance.³⁹

Wages, Turnover, and Public Safety and Security

In separate reports (2000 and 2007), the U.S. Government Accountability Office identified high turnover, low wages, and few benefits as the main factors leading to ramp accidents and poor screening performance at airports. Two studies published in the *Journal of Air Transport Management* in 2006 and 2015 found that low wages were linked to poor screening, and that longer tenure at the job resulted in fewer security screening errors and better job performance overall.

Industry publications have made similar observations. An article in *Airport Business Magazine* states that "ill-trained and poorly paid workers [are a] potentially lethal hazard with enormously expensive consequences," and that "low salaries fail to attract experienced workers and contribute to high turnover." The editors of *Ground Support Worldwide* noted that, "Simply put, an increase in wage could reduce employee turnover. As a result, more satisfied workers may be more inclined to stay in a position for a longer period of time, gather valuable on-the-job experience and impart their years of knowledge on new employees. Moreover, *employees with years of experience may be less prone to mistakes and accidents, helping create safer working conditions.*" "43

The PANYNJ has come to a similar conclusion. In its September 2018 Board Minutes, it stated that "studies have demonstrated a powerful causal connection between improvements in airport safety, security, and operations, on the one hand, and rising airport minimum wages, on the other. Lifting airport workers' wages is now a tried and tested tool, widely used for responding to a recurring set of serious problems at airports around the United States."⁴⁴



"Airport workers like me form the backbone of LaGuardia Airport. Our essential role begs the question: Can we be expected to survive on \$19 per hour in 2024? I know that between my rent, utilities, car payment, and phone bill, the answer is I cannot survive on the current wage. And I am far from alone. My co-workers and I need the Port Authority to deliver a wage that allows us to not just survive but thrive."

— Dania Herrera, LGA worker and 32BJ SEIU member



Dania works at LaGuardia Airport as a cabin cleaner. Her commute takes her about four hours a day and can cost her upwards of \$37 per day—roughly 2 hours of pay. Her current wage has not kept up with the rising cost of living, especially rent. She buys fewer vegetables and less meat and fish so she can budget for rent. She believes that as essential workers, she and her co-workers deserve and need better pay and better healthcare benefits.⁴⁵

Why Updates to Airport Wage and Benefits Policies are Urgently Needed

A combination of union representation and prior PANYNJ and state policies have led to improved pay and benefit standards for airport workers. But these standards are now insufficient and must be updated.

It has been six years since the PANYNJ revised its wage policy to provide a gradual path to a \$19 minimum wage for contracted service workers and to require employers to provide Martin Luther King (MLK) Jr. Day as a paid holiday. It has been four and three years, respectively, since New York and New Jersey adopted their Healthy Terminals Acts (HTA), requiring employers to provide benefits—and in the case of the New Jersey HTA only, paid time off. These policies significantly improved labor standards for thousands of underpaid airport workers in the region. However, since their passage, the minimum wage has lost 19.5 percent of its purchasing power⁴⁶ and the cost of health insurance premiums is climbing faster than inflation.⁴⁷

Airport wage rules, holiday and vacation policy, and benefits requirements must be adjusted to ensure adequate and uniform standards across the region's airports.

The Port Authority's \$19 Wage Floor is No Longer Sufficient

When the PANYNJ adopted a \$19 minimum wage for contracted service workers, a \$19 hourly wage was a living wage³ for a single adult without children.⁴⁸ Today, this wage has the purchasing power of only \$15.30,⁴⁹ and it is insufficient for any household size in the New York City metropolitan area. The living wage for a single adult today is \$28.04.⁵⁰ For parents, the living wage is significantly higher: \$49.85 for a single parent supporting one child; \$63.89 for those supporting two children; and \$84.64 for those supporting three children.⁵¹

Housing is easily the most expensive item in the budgets of New York City and Northeastern New Jersey residents.⁵² According to a Bloomberg analysis, in Queens rent

³ A living wage is defined here as an hourly wage that allows a worker and their family (if any) to afford basic necessities and live in relative economic security with a single full-time job and without having to rely on public support programs such as the Supplemental Nutrition Assistance Program.

can easily surpass \$3,200 per month *on average*.⁵³ The National Low Income Housing Coalition estimates that rent for a studio apartment in Queens costs nearly \$2,400, and rent for a 1-bedroom is \$2,450.⁵⁴ This is over 70 percent of an airport worker's monthly pay at \$19 an hour, before taxes. Even if an airport worker was splitting a studio apartment with a family member, they would still be rent burdened, as they would be putting over 30 percent of their gross income toward rent.⁵⁵

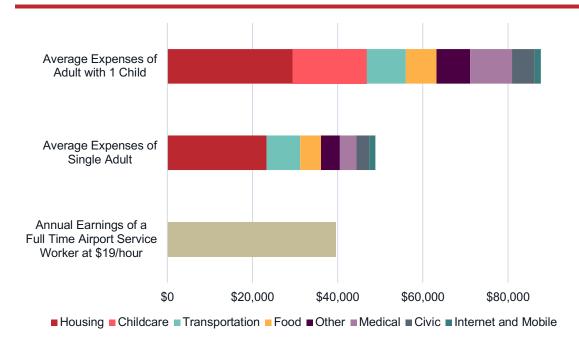
In Jersey City and Hoboken, rents are not much lower and can be as high as \$3,600 per month on average in areas close to the PATH train.⁵⁶ Fair market rents for a studio apartment and a 1-bedroom apartment in Hudson County, where Jersey City and Hoboken are located, are estimated at \$1,990 and \$2,025, respectively.⁵⁷

Not only are rents in the area already unaffordable for many underpaid workers, but they are climbing sharply. Between 2019 and 2023, rents in New York City rose by 27.5 percent, according to a recent news release by Zillow.⁵⁸ In New Jersey, rents increased by 48 percent between January 2020 and October 2023, according to Bloomberg.⁵⁹

Transportation is the second most expensive cost to households in the region. According to the MIT Living Wage Calculator, an adult without children spends on average nearly \$8,000 a year in transportation. Although this figure is not broken down by transportation type—such as personal vehicles vs. public transit—it does illustrate the high costs of commuting in the area and to the airports. For example, an MTA monthly pass costs \$132 and an AirTrain JFK monthly pass costs an additional \$42.50.60 One roundtrip ticket from New York's Penn Station to Elizabeth, New Jersey (a commuter city) on New Jersey Transit is \$14.50.61 Due to the high cost of commuting by train or personal vehicle, many airport workers report traveling to work by bus. While this is a less expensive option, commuting by bus takes longer. Per 32BJ SEIU, many of their members report long and stressful commutes by bus.62

These average costs for housing and transportation demonstrate that it is impossible for any worker—even a single adult without children—to make ends meet in the New York-Newark-Jersey City metropolitan area on a \$19 hourly wage.

Figure 2: Annual Airport Service Worker Earnings Compared with Typical Expenses in New York-Newark-Jersey City Metro Area



Source: Bureau of Labor Statistics, Survey of Occupational Injuries and Illnesses, 2022

Benefits are Insufficient and Uneven Across the Region's Airports

In December 2020, New York enacted the Healthy Terminals Act (HTA),⁶³ which set a benefits supplement of \$4.54 for covered workers at JFK and LaGuardia. New York's HTA does not provide for annual adjustments to the supplement, and over the last four years this supplement has lost 17 percent of its value relative to overall inflation.⁶⁴ New York's HTA excludes part-time workers and some workers in cargo, ramp-related, and concessionary services from coverage, which means that many New York airport workers have not been able to access employer-provided healthcare.⁶⁵

In April 2021, New Jersey passed its own Healthy Terminals Act⁶⁶—but unlike New York, it pegged its benefits supplement to the federal McNamara-O'Hara Service Contract Act (SCA), which is periodically adjusted by the U.S. Department of Labor to reflect increases in the cost of healthcare.

In 2021, when both New York and New Jersey had recently adopted their versions of the Healthy Terminals Act, the benefits supplement rate in both states was the same: \$4.54.

Today, both the federal SCA supplement rate and the New Jersey supplement rate have increased to \$5.36 per hour, ⁶⁷ while New York's rate has remained at \$4.54. Yet, the cost of healthcare has risen rapidly. An analysis by KFF found that average health insurance premiums for covered families increased by 22 percent between 2018 and 2023, including a 7 percent increase in 2023 alone. ⁶⁸ Experts expect premiums to increase by an additional 7 percent to 8.5 percent in 2024. ⁶⁹

If the \$4.54 benefits supplement had increased at the same pace as insurance premiums since 2018, it would be \$5.54 today. ⁷⁰ If it had kept up with overall inflation since 2020, it would be \$5.36. ⁷¹ Because New York's required benefits contribution has not kept pace with the rising cost of health insurance, all currently covered New York workers are at risk of losing their current plans.

In this country's system of private health insurance, health coverage is an important benefit for all workers. It is especially critical for airport employees who are regularly exposed to infectious diseases and could pass their illnesses onto passengers. As discussed in the previous section, airport workers also face on-the-job safety incidents which may require medical attention. These risks underscore the importance of robust, across-the-board, benefits supplement policies that keep up with rising costs and provide workers with meaningful access to healthcare and other critical benefits.

Paid Time Off Benefits are Uneven and Insufficient

New York airport workers receive far less paid time off than New Jersey workers, putting them at risk for economic hardship when workers need to attend to family or personal needs and burnout. Both New York and New Jersey provide paid sick time for all workers, but New York workers receive only one paid holiday, MLK Jr. day, pursuant to PANYNJ policy, while New Jersey workers enjoy two weeks of paid vacation, which increases to 3 weeks after 5 years, 4 weeks after 15 years, and 5 weeks after 25 years, and twelve paid holidays, under the NJ HTA, which pegs vacation and holiday standards to the SCA rate. All workers in the New York City area should be entitled to the paid holidays and vacation time at the SCA rate.

Paid sick and other paid time off are critical to the health and wellbeing of airport workers and the public.

Paid sick and other paid time off are critical to the health and well-being of airport workers and the public. As discussed above, airport workers are regularly exposed to airborne and other infectious diseases and are at risk of injury on the job. When they get sick, they can

transmit infectious diseases to passengers and other members of the public who they come into contact with. Airport workers should be guaranteed paid sick leave to take care of their own and their families' health, to keep the traveling public healthy, and to decompress and rest. Research shows that inadequate sleep can lead to mood and cognitive problems. Vacation not only offers an opportunity to reduce or eliminate sleep deficits, but also reduces depression, promotes positive emotions, and can lead to other improvements in mental and physical health. For airport workers, many of whom are immigrants, maningful paid time off also allows them the opportunity to visit loved ones abroad.

Not only do workers benefit from access to paid time off, but so do employers. An analysis by Ernst & Young found that every additional 10 hours of vacation taken by workers leads to an 8 percent improvement in their year-end performance.⁷⁴ Other research finds that paid leave can help employers attract and retain talent.⁷⁵



"If I had paid vacation time, I would truly enjoy visiting and spending quality time with my loved ones abroad because I would have enough money to pay my bills when I returned home. I need—all airport workers need—paid time off!"

— Desmond Grant, JFK worker and 32BJ SEIU member



Desmond has been a wheelchair agent at John F. Kennedy Airport for six years. A Guyana native, Desmond firmly believes that he and his fellow airport workers need and deserve paid time off. The lack of paid time off has meant he can only visit his family in Guyana infrequently and must grapple with financial stress when he takes time off work. He recently visited his family in Guyana for the first time in two years. He took two weeks of unpaid vacation but could not enjoy this rare time with his family because he was stressed about his bills back in New York. When he returned to New York, he had to wait two weeks before getting his next paycheck.76

Airport Compensation is No Longer Competitive

As discussed above, turnover is an ongoing challenge for the aviation industry. One of the main drivers of high turnover is low wages. As data from the Bureau of Labor Statistics shows (see Appendix Table 4), there are many occupations in other industries requiring comparable skill levels and education attainment which offer higher pay. These occupations may attract airport workers looking for a safer job and better compensation. Among them are Material Moving Workers (with median pay of \$27.95), Refuse and Recycle Material Collectors (\$27.75), and Protective Service Workers (\$27.15).

Job openings in other industries can illustrate the competition aviation industry employers face. Starting pay for a security position at a museum was recently advertised at \$22.22 per hour;⁷⁷ \$22.48 for a unionized janitorial position with a Manhattan real estate services firm;⁷⁸ up to \$25 per hour plus benefits for a porter/maintenance job in Queens;⁷⁹ and up to \$30.09 for a unionized cleaning position at a private university.⁸⁰ Service sector giants, including Whole Foods and UPS—all ubiquitous in the New York-Newark-Jersey City region—offer similar wages and some level of employer-subsidized health insurance which can attract airport employees looking for alternatives.

The PANYNJ and state leadership must increase wages and expand benefits to improve airport employers' competitiveness. Although an updated wage and benefits policy would increase airlines' labor costs, data shows they can afford it. While airline revenue fell during the pandemic, recent data shows the industry has more than recovered its losses, with \$7.8 billion in net profits in 2023—a 388 percent increase over their 2022 net profits.⁸¹ The International Air Transport Association (IATA) projects \$30.5 billion in net profits for the global airline industry in 2024, up from an estimated \$27.4 billion in 2023⁸² (an 11 percent increase). Nearly half (\$14.8 billion) of the projected net profits will accrue to North American companies—and particularly, those in the United States—according to the IATA.⁸³

"We can't be spectators. If we want to win, we must be participants!"

— Marcia Oxley, JFK worker and 32BJ SEIU member



Marcia is a JetBlue worker based in John F. Kennedy Airport. When she started working for JetBlue in 2005, her wage was just over \$10, and it was difficult to make ends meet. When 32BJ SEIU arrived at the airport in 2017, workers won a wage increase, first to \$17 an hour, and later \$19. Marcia's and her co-workers' quality of life improved. But with the cost of living still climbing and with soaring rents, she is urging workers to fight for more. Marcia says that 32BJ's work to raise the wage to \$19 motivated her to learn more about the union and inspired her to fight for more change. Marcia is now an active union member and a worksite leader. She's proud to represent her fellow workers and to help them understand their rights and get involved in the union's fight for workplace justice. Marcia believes that by standing together, airport workers can win a wage increase to \$25.84

The Benefits of Higher Wages and Improved Health and Paid Time Off Standards

Requiring higher wages and setting higher uniform health and paid time off standards across all three airports in the region will lead to positive effects for workers, employers, and the local economy. Given that the airport workforce is overwhelmingly people of color and balanced in terms of gender, improved wage and benefits policies can help advance racial and gender justice. In the paragraphs below, we recap some of the possible effects of these policies.

Benefit to Workers

A gradual increase to \$25 will provide the means for tens of thousands of workers to afford basic necessities, such as rent and groceries. Research has found that higher wages are associated with positive outcomes, including poverty reduction, improved physical and mental health, and improved educational outcomes for the children of affected workers. Similarly, paid time off policies are linked to positive mental and physical health outcomes.

Higher wage policies do not lead to disemployment effects. Decades of research shows that the minimum wage raises the incomes of underpaid workers without affecting employment. Two meta-analyses—the analysis and synthesis of independent studies—on minimum wage research found close to zero impact on employment. Recent studies also suggest higher minimum wages may lead to more job growth. Recent studies also

Benefits to Employers

Establishing uniform and competitive wage and benefits floors will enable airline contractors to compete for contracts without depressing standards. Airline contractors face intense competition from their peers as they bid to provide services to airlines at the cheapest cost. According to an airline security contractor, "We were underbid in contract after contract. The rates [the airlines] wanted us to come in at were untenable." The result has been a race to the bottom that is harmful not only to workers, but also to public safety. According to 32BJ SEIU—which represents over 10,000 airport workers in New York and New Jersey—the average wage of their airport membership is \$19.38, mere cents above the wage floor established by the PANYNJ. This average wage suggests that very few contractors can pay more than \$19 per hour, including for work in security-related positions where experience and longevity are consequential.

Fair wages and benefits floors help airline contractors more effectively recruit and retain workers, which stabilizes the industry's workforce. Higher compensation can improve worker morale and encourage workers to stay in their jobs for longer, reducing turnover. As discussed above, there is an extensive body of evidence showing an association between higher wages and reductions in turnover, as well as research linking paid time off with the improved ability to recruit and retain workers.

Airlines and contractors can easily manage the additional costs associated with improved compensation, given their strong revenues and post pandemic rebound in business. Additionally, research finds that employers can adjust to higher wages through various channels of adjustment—most notably, through reductions in turnover. 90

Benefits to Airports

As discussed above, higher wages and improved benefits are linked to lower staff turnover. Increased worker retention ensures an experienced and well-trained airport workforce that is more effective at safeguarding airport safety, identifying safety threats, and carrying out routine airport functions. In addition, paid time off and a healthy workforce helps protect against the spread of infectious disease. Today, airports remain among the locations with a high risk of transmission for viruses, like Covid-19, due to close indoor gathering and a high concentration of people traveling from all over the world.⁹¹

Benefits to the Economy

Various analyses have established that higher minimum wages benefit both workers and local economies. For example, the Institute for Policy Studies estimated that "every extra dollar going into the pockets of low-wage workers... adds about \$1.21 to the national economy." The Federal Reserve Bank of Chicago observed that after a \$1 increase in the minimum wage, affected workers increased their spending by \$700 per quarter —or \$2,800 per year. NELP estimated that state and local minimum wage increases between 2012 and 2021 led to \$87.6 billion in additional annual economic output, supporting nearly 500,000 jobs each year. The Economic Policy Institute projected that increasing New York's minimum wage to \$21.25 by 2026 would have led to over \$9.5 billion in additional wages for affected workers —much of which would have been spent at local businesses.

Because higher minimum wages increase workers' earnings, they also increase payroll and income tax revenues. ⁹⁶ The additional spending that higher wage floors allow, also increases sales tax revenues. ⁹⁷ The 2018 Economic Roundtable analysis projected that a

\$19 minimum wage for airport workers would increase state and local tax revenue by \$33.7 million by 2023. Of that amount, the largest share (38 percent) would come from sales taxes.⁹⁸

Higher wages and improved benefits can also lead to decreased spending on public supports programs. As workers earn more, they are better able to afford basic necessities with their own earnings. ⁹⁹ In addition, benefits policies such as the HTA help ensure that many workers can access high-quality union health insurance, reducing the need for government-subsidized healthcare.



Conclusion and Recommendations

Airport workers in the New York-Newark-Jersey City region need and deserve fair wages, robust and uniform health benefits, and paid leave. Coverage under updated policies should extend to all critical airport service workers, ensuring protections for workers who have been left behind.

Below is our list of recommendations we urge the PANYNJ and New York and New Jersey State leadership to adopt:

- A \$25 minimum wage: Since 2018, when the PANYNJ adopted a gradual path to
 its current wage floor of \$19 per hour, post-pandemic high inflation has eroded the
 purchasing power of this wage. A \$19 wage floor is inadequate today in high-cost
 New York and New Jersey. Advocates are now calling for a \$25 minimum wage,
 which would bring minimum pay for airport workers closer to a living wage.
- Increase holidays and provide paid vacation time to New York workers: While the PANYNJ took an important step when it required employers to provide a paid holiday for MLK Jr. Day, New York workers fall far behind New Jersey workers when it comes to paid time off. It is imperative that New York workers have access to the 12 paid holidays and paid vacation time that increases with seniority per federal McNamara-O'Hara Service Contract Act requirements, as EWR workers do.
- Increase the benefits supplement requirement for New York airport workers to match the federal McNamara-O'Hara Service Contract Act: New Jersey has already adopted this policy while New York has not. This has resulted in New Jersey's benefits supplement increasing to reflect the rising cost of healthcare, and New York's benefits supplement to lag behind. Workers at all three airports should receive a benefits supplement pegged to the SCA.
- Expanded coverage: Ensure the expanded protections cover the groups of New York airport workers currently excluded from the New York HTA (part-time workers and cargo, ramp, and concessions workers) as well as off-site cargo and warehouse workers.

Appendix

Appendix Table 1. Occupations Currently Covered by the New York-New Jersey Port Authority Policy on Wages and Benefits

Passenger Related Security Services	Cleaning Services	
 Escorts Catering security Passenger aircraft security Fireguards Terminal security Traffic security 	 Building cleaning Aircraft and cabin cleaning Plane washers 	
In-Terminal and Passenger Handling	Concession Services	
 Baggage handling Skycap Wheelchair attendant Ticketing agent Customer service representatives Queue managers ID checkers Porter service for baggage Passenger and employee shuttle drivers Cargo Related and Ramp Services	 Food service (including food and beverage service, wait service, busing, and cashiers) Retail service (including news/gifts and duty-free) Cleaning for concession services Security for concession services Airport lounge services (food, retail, cleaning, and security services) Airport Catering Workers	
	(on and off airport grounds)*	
 Cargo screening (including guards) and warehouse security* Baggage and cargo handling* Load control and ramp communication Aircraft mechanics and fueling of aircraft Provision of water, cooling/heating, and power Equipment and toilet services to aircraft Passenger aircraft servicing Cabin equipment maintenance Guiding aircraft in and out of gates Gateside aircraft maintenance Ramp area cleaning 	 Preparing and packaging in-flight meals Inspecting in-flight meals to ensure food safety and to detect contraband Cleaning dishes, utensils, and glassware used for in-flight meals Cleaning and operating kitchens or other nearby facilities (such as warehouses) used for the preparation, packaging, and storage of in-flight meals Direct delivery of in-flight meals to airport locations where they are needed, from kitchens where they are prepared or from nearby facilities (such as warehouses) where they are stored 	

Source: Port Authority of New York and New Jersey, "Amended Rules for Implementation of Minimum Wage Policy," 2018.100

*The PANYNJ added a new category of Port District Covered Services in 2018, which ensured that critical off-site jobs were covered by the Port Authority pay policy.

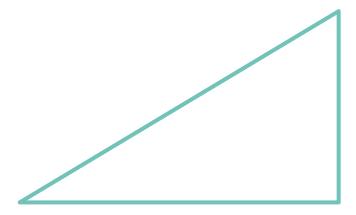
Appendix Table 2. Critical Occupations Not Currently Covered by the New York-New Jersey Port Authority Policy on Wages and Benefits

Cargo Related Services

- Cargo screening (including guards) and warehouse security*
- Baggage and cargo handling*
- Warehouse cleaning services
- Preparation and packaging of in-flight materials for delivery to aircraft

Source: 32BJ SEIU.

*These occupations are included in the Port Authority's list of "Covered Services" within the airports. However, these same occupations are not currently covered if they are performed around the airports but outside airport grounds.



Appendix Table 3. Demographic Composition of Covered Airport Workers (Compiled from the 2018 Analysis by the Economic Roundtable)

Gender	
Male	51%
Female	49%
Race or Ethnicity	
Black	53%
Latinx	25%
Asian	12%
Other	3%
White	7%
Total workers of color	93%
Age	
29 or under	37%
30-39	17%
40-49	16%
50-59	17%
60+	14%
Primary Language	
English	44%
Spanish	33%
Other	23%
Total language other than English	56%
Source: Economic Roundtable, Restor	ring Altitude, 2018. Figures are rounded and

Appendix Table 4. Ten Occupations in the New York-Newark-Jersey City Metropolitan Area with Median Pay Above \$19 (Selected)

Occupation	Median Wage	
Material Moving Workers, All Other	\$27.95	
Refuse and Recycle Material Collectors	\$27.75	
Protective Service Workers, All Other	\$27.15	
Maintenance and Repair Workers, General	\$26.87	
Postal Service Mail Sorters, Processors, and Processing Machine Operators	\$26.67	
Installation, Maintenance, and Repair Workers, All Other	\$24.81	
Customer Service Representatives	\$22.82	
Pest Control Workers	\$22.37	
Shipping, Receiving, and Inventory Clerks	\$21.73	
Motor Vehicle Operators, All Other	\$21.70	
Source: Bureau of Labor Statistics, May 2023 Metropolitan and Nonmetropolitan Area		

Source: Bureau of Labor Statistics, *May 2023 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates*, New York-Newark-Jersey City, NY-NJ-PA.

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