

COMPENSATION: DELTA FLIGHT ATTENDANTS FALL BEHIND

Don't Flight Attendants Deserve A Legally Binding Contract?

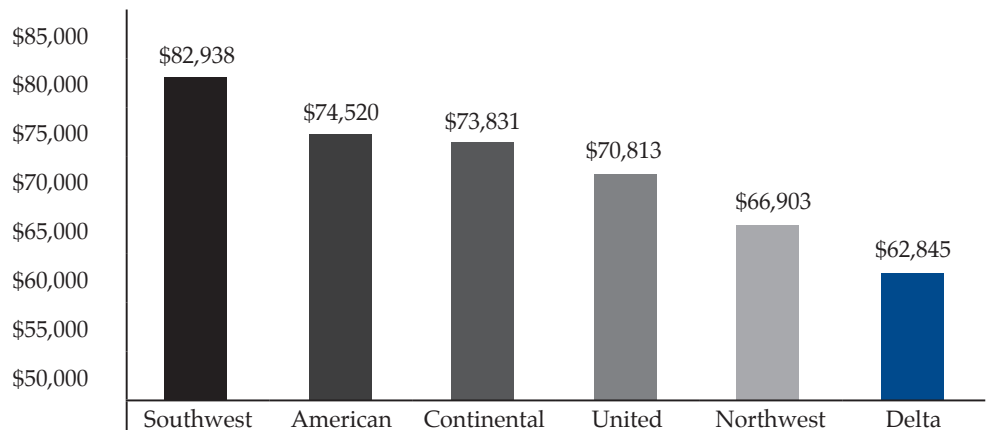
The new Delta executives have been talking about the "Delta advantage," how Delta flight attendants are the cream of the crop and will gain industry standards over the next several years.

But should industry standards be the benchmark for the world's largest airline, rather than a standard that would lead the industry, as Delta flight attendants deserve? That's what the pilots were able to negotiate – a new contract that increases compensation by some 30 percent through 2012, including salary and pension fund increases.

Delta flight attendants have a long way to go. In fact, statistics show that Delta flight attendants and pre-merger Northwest flight attendants are at the bottom of the industry (see graph). While wages for Delta flight attendants average about \$1.50 more per hour than pre-merger Northwest flight attendants, the overall compensation for Northwest flight attendants is higher, based on contractual benefits negotiated by the NWA flight attendants.

"Flight attendants' compensation is not just about pay, but the hours worked, the duty rigs and other flight attendant metrics," said airline industry expert Dan Akins. "You have to remember that Northwest flight attendants negotiated nearly

Expense per Flight Attendant 2008 Expense per Head*



Source: US DOT Form 41 Data

*Note: All reported flight attendant expenses including wages, taxes, per diem, benefits, and pension, etc, divided by the number of full-time equivalent flight attendants reported

\$200 million in givebacks after the carrier went into bankruptcy, so they had a hand in how their compensation was structured."

When Delta entered into bankruptcy proceedings, the executives slashed flight attendants' pay unilaterally, since they didn't have to negotiate. And they added a high-deductible health care plan that costs the company less, but costs flight attendants more, and changed the formula in the Delta Pension Plan to increase Social Security offset in calculating benefits.

"Delta management could change everything tomorrow, without notice," Akins noted. "There is no agreement in place to prevent them from changing pay, or work rules, or benefits. This is an odd situation, to have the largest flight attendant group in the country to not be represented."