

Disney offers 25% raise over 2 years to Florida resort staff

Kinibiz.com

Apr 17, 2014

By Christopher Palmeri, Bloomberg

Walt Disney Co has offered to raise starting pay at its Florida theme parks by 25% to US\$10 (RM32) an hour over two years, almost matching the federal minimum wage sought by president Barack Obama.

Disney presented the proposal today to the Service Trades Council, a consortium of six labor groups, the company and union representatives said. They are scheduled to resume bargaining over a contract on May 28, 2014.

The unions, which represent more than 30,000 employees at Walt Disney World near Orlando, asked for at least US\$10.10 an hour, the amount Congressional Democrats and Obama propose as a new US minimum. Starting pay at the Florida parks is now US\$8.03 an hour, according to Burbank, California-based Disney. That would reach the rate Disney is offering by July 2016.

"I'm very pleased," Ed Chambers, president of the council, said in a telephone interview. "We're well on our way to getting a deal done."

The contract being negotiated covers full-time hourly employees at the world's most-popular theme-park complex. Disney reported record profit of US\$6.6 billion on revenue of US\$45 billion last year from its TV networks, parks, studios and consumer products.

"It is more generous than they have been in the past," said Donna-Lynne Dalton, secretary-treasurer of the council. "It comes at a cost."

Disney also told the unions it wants to stop offering pensions to new hourly employees starting in 2016.

New hires would be offered a 3% company match to a 401(k)-style retirement plan, said Dalton. The company doesn't currently contribute to that plan, which is available to employees from bell staff to costumed entertainers, she said.

Union Opposition

Chambers said the union would oppose the pension change.

“This offer reflects our appreciation and care for our cast members and our commitment to providing a leading employment package,” Kim Prunty, a Disney World spokeswoman, said in an e-mailed statement. “We look forward to working with the union and engaging in constructive negotiations to finalize and reach a collective bargaining agreement.”

Disney’s last contract with the council took effect in October 2010, according to the Orlando Sentinel. The pact included annual raises of 3% to 4% for workers who hadn’t already reached the top of their pay scales, as well as US\$650 one-time bonuses for non-tipped, full-time employees.

Disney’s parks and resorts business, the company’s second- largest division after television, generated operating income of US\$2.22 billion last year on sales of US\$14.1 billion.

Robert Iger, Disney’s chairman and chief executive officer, said at the annual meeting in March 2014 the company has good relations with its unions and doesn’t expect that to change.

“It is our intention to behave very responsibly and fairly with all of our cast members and compensate them in ways that reflect the value that they create for the company and for our customers,” Iger said.

Disney rose 1.7% to US\$78.95 at the close in New York. The stock has risen 30% in the past year.

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd

Source: <http://www.kinibiz.com/story/world-biz/81664/disney-offers-25-raise-over-2-years-to-florida-resort-staff.html>