

news release

Chicago Transit Authority

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CTA Providing Incentives for Bus and Rail Workers

Hiring and retention bonuses, incentives designed to help attract and retain bus and rail personnel—part of efforts to address workforce shortages

As part of its ongoing efforts to address industry-wide workforce challenges, the CTA will begin to offer financial incentives to attract and retain employees.

"Every industry has faced the challenges of attracting new employees and retaining current ones, and it's an issue that has especially impacted the transit industry," said CTA President Dorval R. Carter, Jr. "In order for CTA to hire and retain the best employees, we have to do everything we can to make CTA an even more attractive employer."

The CTA is introducing the following incentives for newly hired union employees in certain job titles:

- 1. Hiring bonus—all new bus operators, bus mechanics and rail car repairers hired in 2022 and 2023 will receive a \$1,000 hiring bonus. The bonus will appear on the employee's first paycheck, and employees must remain with CTA for one year, or would be required to pay back the bonus.
- 2. Retention incentive—eligible employees will receive a retention incentive payment after every six-month period worked, though December 2023. The incentive is equal to 3 percent of their hourly rate for actual hours worked, up to a maximum of 1,250 hours per six-month period.

The retention incentive will be paid to all eligible ATU-represented employees (except employees newly hired as bus mechanics and railcar repairers in 2022 and 2023) on the payroll at the time the payments are issued. Payments will be approximately \$1,500 or operators, about \$1,200 for other employees.

3. Increased starting rate for bus and rail operators, mechanics and car repairers.

Under the current system, bus mechanics and railcar repairers begin at 80 percent of hourly rate, and move up to 100 percent after two years. Now, through 2024, salaries will begin at 100 percent—between \$39 and \$40 per hour.

Bus and rail operators will also see a jump, with starting hourly rates increasing to more than \$28, up from \$24. In 2023, as part of contractual wage increases, the starting rate will increase to just under \$30. Through 2024, their time to reach 100 percent of the top rate will be shortened by 12 months, from 45 months to 33 months.

"Our employees are this agency's most important assets," Carter said. "They are the unsung heroes of the City, who are devoted every day to provide the service on which so many people rely." The CTA already offers very competitive salaries and good benefits, including generous health insurance, paid time off and other benefits.

The new employee incentives carry a budget of around \$80 million for two years.

The incentives are the latest in a series of initiatives introduced in support of the *Meeting the Moment: Transforming CTA's Post-Pandemic Future* Action Plan—a multifaceted investment plan to strengthen the rider experience through more consistent and reliable service, safe rides, clean facilities, modern amenities, dynamic customer engagement tools, and a strong CTA workforce.

Like transit agencies throughout the country, the CTA is seeing the effects of not having enough employees to provide full service—including long gaps between buses and trains, and trips that have to be canceled at the last moment because not enough operators are available to drive trains and buses.

The impacts of the pandemic, including time off because of illness or taking care of a family member, has led to historically high absenteeism. Additionally, CTA has seen the effects of the "Great Resignation," in which workers opt for different career paths. Further, competition for drivers have never been more fierce, with CTA competing with retail outlets, delivery services, ride-hailing companies and other transportation businesses for workers.

CTA's new employee incentives are in line with recommendations made in a recent report by the American Public Transportation Association. The <u>Transit Workforce Shortage Study</u> notes that financial incentives are among many strategies U.S. transit agencies can address unprecedented worker shortages.

CTA also continues aggressive recruitment efforts to attract new workers via virtual and inperson job fairs—including hiring events today at Olive-Harvey College and another one in December at Malcolm X College.

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