

Stronger Together

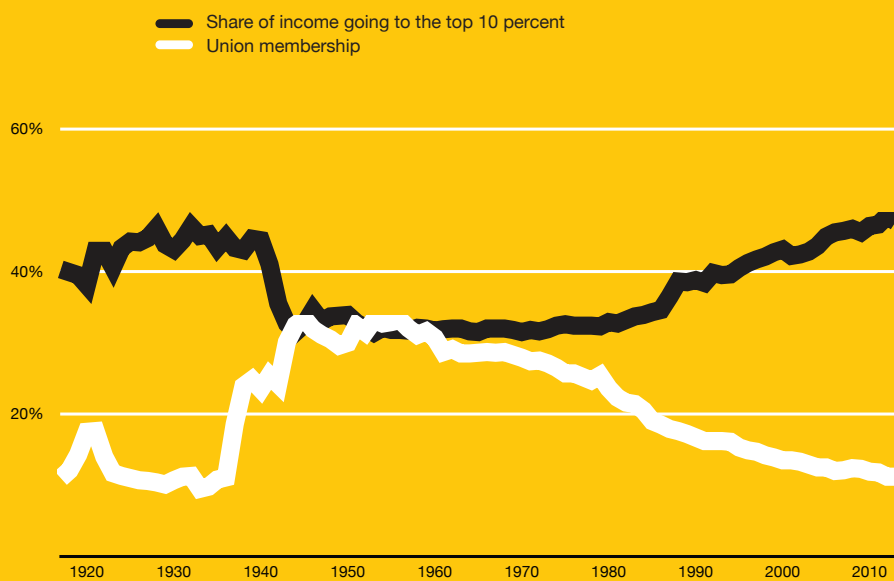
How Unions Help Strengthen Families and the Nation

Executive Summary

In the 1970s, the American economy began to shift from one in which the rising tide of economic growth lifted all boats to one in which the rich were getting richer, while the rest of Americans struggled to make ends meet. The decline in union density over the last four decades is among the primary causes of this growing disparity in wealth and income.

Today, American workers are more productive than ever, but they are not receiving their fair share of the wealth they create. From the late 1940s through the early 1970s, workers' wages and

Union membership and share of income going to the top 10%



U.S. Census Bureau and Piketty and Saez (2013)

Source: Economic Policy Institute.

productivity grew at nearly equal rates.¹ And the number of workers who belonged to a union hovered around thirty percent—reaching 33 percent in the mid-1950s and declining only somewhat by the early 1970s to 27 percent.²

But in the decades that followed, private sector union membership declined dramatically – from 34 to 8 percent for men and 16 to 6 percent for women between 1973 and 2007.³ And despite rising productivity, wages for the typical American worker barely grew.⁴

The fact that as union membership declined wage growth nearly stagnated is not surprising given the substantial positive effect unions have on workers’ wages and benefits. But rather than strengthening workers’ ability to come together to improve their wages and working conditions, Republican federal and state lawmakers – and far too many employers – routinely undertake efforts to crush union activity.

Unions have not always been a primary target for the Majority Party in Congress. The Republican Party Platform of 1968 stated:

Organized labor has contributed greatly to the economic strength of our country and the well-being of its members. The Republican Party vigorously endorses its key role in our national life.

This once bipartisan recognition of the fundamental role of unions in the American economy and democracy has been replaced by relentless partisan attacks. Since Republicans took control of the U.S. House of Representatives in 2011, the Majority on the Education and Workforce Committee has convened 22 hearings or markups, as of October 7, 2015, for the purpose of undermining the ability of workers to organize and collectively bargain. And today, three out of four employers hire a union avoidance consultant to help squash an organizing campaign. An analysis of illegal employer conduct during union organizing campaigns found that 47 percent of employers threaten cuts in benefits or wages if their employees join the union; 57 percent threaten to close the facility; and 34 percent fire at least one employee in retaliation for organizing.⁵ These conditions make it extremely difficult for workers to organize and form a union, but workers who succeed in unionizing continue to reap benefits for themselves, their employers, their communities and the broader economy.

The Union Advantage

The Union Advantage for Union Members

Workers who are able to raise their voices by joining a union experience a significant boost in wages and benefits.

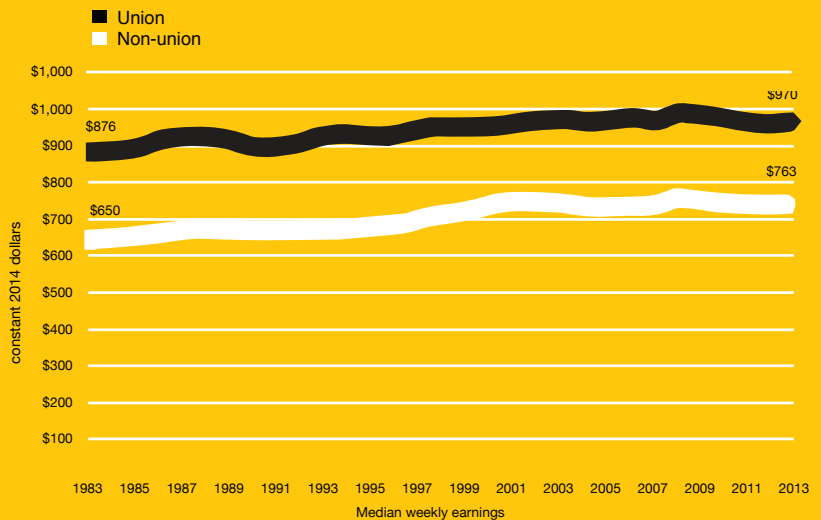
Both men and women in unions earn significantly more than their non-union counterparts, and workers of color experience the most substantial boost in pay. Union workers are also far more likely than their non-union counterparts to have access to paid sick days, fair schedules, retirement benefits and to be able to exercise their rights under our nation's workplace laws.

The Union Advantage for Businesses, Communities, and the Economy

Unions have a significant positive impact on businesses, communities and the broader economy.

- In areas with significant union density, non-unionized employers raise wages in order to be able to recruit and retain their workforce.
- Unionized businesses also experience significant benefits to their bottom lines in the form of increased worker retention, training and productivity.
- Children of union members have a better chance of climbing the economic ladder than their non-union counterparts.
- States with higher union density are more likely to have stronger workplace protections for all workers.

Full-time union workers have higher median weekly earnings than full-time, non-union workers



Note: Earnings are median usual weekly earnings of full-time wage and salary workers and have been converted to constant dollars using the Consumer Price Index research series (CPI-U-RS).

Source: Bureau of Labor Statistics Current Population Survey (CPS), annual averages.

- The broader economy benefits from unionization because when workers have more money in their pockets, this creates more demand in the economy, which in turn leads to job creation.

Protecting and Restoring Workers' Right to Organize

More than half of workers say they would vote for a union if they could.⁶ But despite workers' support for unions, union membership in the private sector currently stands at a meager 6.6 percent.⁷ Employers' illegal interference with workers' right to organize and employers' manipulation of existing laws designed to protect workers from interference with organizing are significantly to blame for the gulf between union membership rates and employee support for unions. Congress must take steps to restore the protections for collective action that the National Labor Relations Act (NLRA) intended.

Strengthening Worker Protections Under the National Labor Relations Act

The National Labor Relations Act states:

It is declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by encouraging the practice and procedure of collective bargaining and by protecting the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection.

Unfortunately, the law has been manipulated in ways that make it very difficult to achieve that goal. A number of changes in the law are needed to more effectively protect the rights of workers:

- The Workplace Action for a Growing Economy (WAGE) Act would give workers the right to go to court and get compensated if they are fired by their employer for union activity. It would also provide an avenue for illegally fired employees to get reinstated quickly.
- First-contract arbitration provides that if bargaining has been inconclusive after 120 days either party may petition for binding arbitration. The backstop of binding arbitration discourages employers from bargaining in bad faith.⁸

- The majority sign up process would provide an avenue for workers to avoid the delay and illegal tactics employers often engage in during an election.

Blocking Republican Attempts to Roll Back Worker Protections

Stopping partisan attempts to gut the protections in the NLRA is also critical. Lawmakers must take steps to:

- Protect the streamlined election rule recently implemented by the National Labor Relations Board (NLRB). This rule puts critical protections in place from employer interference with union elections.
- Preserve the joint employer standard recently articulated by the NLRB in the *Browning Ferris Industries* decision. Given the increasingly fissured nature of the workplace, this decision is critical to employees' ability to bring all of the entities who have the ability to control their terms and conditions of employment to the bargaining table.
- Defeat attempts to exempt employees from the NLRA's protections. The Tribal Labor Sovereignty Act is another attempt to eviscerate the protections available to workers under the NLRA by carving native tribes out of the protections of the Act, under the guise of tribal sovereignty.⁹ Instead of trying to exempt employees, Congress should be taking steps to protect more employees under the NLRA.

Lifting Up Model Employer Conduct During Organizing Campaigns

Rather than calling in a union avoidance consultant as soon as an employer learns of an organizing campaign, employers can take steps to allow for a fair election so that employees can freely choose whether to form a union. Employers should:

- Adopt neutrality agreements stating that employers will remain neutral during a union organizing drive.
- Endorse principles for a free and fair union election.

Conclusion

Today, the American Dream is slipping away for far too many workers and families. Unions were once recognized by both major political parties as fundamental to democracy and a strong economy. But today, numerous Republican lawmakers and employers attempt to manipulate the law in ways that make it extremely difficult for workers to freely choose a union. Congress must take steps to strengthen protections for worker organizing. Making it possible for more hardworking Americans to bargain for their fair share is a clear solution to wealth and income inequality – which is among the most pressing problems facing our nation.

Endnotes

1. Lawrence Mishel & Josh Bivens, Understanding the Historic Divergence Between Productivity and a Typical Worker's Pay, *ECON. POL'Y INST.* (Sept. 2, 2015) <http://s1.epi.org/files/2015/understanding-productivity-pay-divergence-final.pdf>.
2. William Kimball & Lawrence Mishel, Unions Decline and the Rise in the Top Ten Percent of Income, *ECON. POL'Y INST.* (Feb. 3, 2015), <http://www.epi.org/publication/unions-decline-and-the-rise-of-the-top-10-percents-share-of-income/>.
3. See Bruce Western & Jake Rosenfeld, Unions, Norms and the Rise in U.S. Wage Inequality, *AM. SOC. REV.* (Aug. 2011), <http://asr.sagepub.com/content/76/4/513.abstract>.
4. Lawrence Mishel & Josh Bivens, Understanding the Historic Divergence Between Productivity and a Typical Worker's Pay, *ECON. POL'Y INST.* (Sept. 2, 2015), <http://s1.epi.org/files/2015/understanding-productivity-pay-divergence-final.pdf>.
5. Kate Bronfenbrenner, No Holds Barred – The Intensification of Employer Opposition to Organizing, *ECON. POL'Y INST.* (May 20, 2009), <http://www.epi.org/publication/bp235/>.
6. Richard B. Freeman, Do Workers Still Want Unions? More than Ever, *ECON. POL'Y INST.* (Feb. 22, 2007), <http://www.gpn.org/bp182.html>.
7. BUREAU OF LAB. STAT., Union Members Summary (Jan. 23, 2015), <http://www.bls.gov/news.release/union2.nr0.htm>.
8. Patrick Eagan-Van Meter & Ross Eisenbrey, Business Success and First Contract Arbitration, *ECON. POL'Y INST.* (March 30, 2010), <http://www.epi.org/publication/ib275/>.
9. H.R. 511, Tribal Labor Sovereignty Act, 114th Cong. (2015), <https://www.congress.gov/bill/114th-congress/house-bill/511>.