



# American Workers Need Unions

## 3 Steps to Strengthen the Federal Labor Law System

By Karla Walter and David Madland

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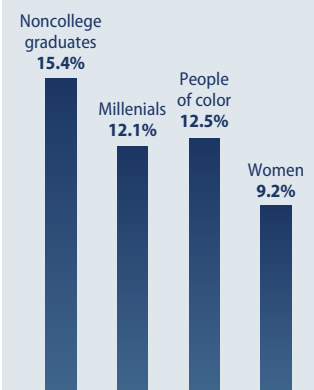
Unions help ensure that working people earn decent pay and benefits and have a voice in our democracy. Unfortunately, decades of conservative and corporate attacks on unions, as well as a changing economy, have eroded the power of American unions. As a result, workers' wages and well-being have declined, leading to a less equal society. Federal lawmakers must act to reverse this decadeslong trend of declining unionization rates.

### Unions raise pay, improve benefits, and strengthen economic conditions

- Unions raise wages for all types of workers. When unionized workers are compared with similar nonunionized counterparts, analysis shows union wages are about 12 percent higher.<sup>1</sup> The union wage premium is even larger for some demographic groups, including workers of color and those without a college degree.
- Workers in unions have the power to negotiate for high-quality benefits, such as health insurance, retirement, paid sick leave, and family leave.
- Unions give children from low-income families a better chance of moving up the income ladder. Research shows that communities' union membership levels and high school dropout rates are equally strong predictors of low-income children's earnings as adults.<sup>3</sup>

### Unions make democracy work for everyone

- Corporate interest groups and the wealthy play an outsized role in American politics, often shaping government policy to help themselves rather than the population at large. Unions are an important check on corporate power, leading efforts to raise state and local minimum wages, support the passage of the Affordable Care Act, and fight against President Donald Trump's corporate tax cut bill.<sup>5</sup>
- Unions are one of the few types of advocacy groups whose positions align with the economic interests of working people. According to research by Princeton University's Martin Gilens, unions lobby for policies that, more often than not, low- and middle-income Americans support.<sup>6</sup> Corporate interest groups—including the National Restaurant Association, oil companies, and the U.S. Chamber of Commerce—advocate against policies that low- and middle-income Americans favor.
- Mobilization efforts led by unions help boost voter turnout. Union led get-out-the-vote efforts increase turnout, particularly among voters of color and working-class voters.<sup>7</sup> Also, voter turnout is higher in states with higher unionization rates.



**Unions raise wages for workers of all types.<sup>2</sup>**

Numbers represent union wage premiums over nonunion worker wages.

Union employers, compared with similar nonunion employers:

**Contribute 56 percent more** toward workers' retirement

**Pay 77 percent more** toward workers' health care

**Provide 11 percent more** toward paid vacation and holidays<sup>4</sup>

### Conservative lawmakers and the courts have tilted the law against workers

- So-called “right-to-work” laws and the U.S. Supreme Court’s recent decision in *Janus v. AFSCME* have undermined unions by allowing workers to receive the benefits of unionization without having to pay for its costs.<sup>9</sup> In the case of state right-to-work laws, union membership rates have fallen as a consequence. As a result, unions have less power to bargain for decent wages and benefits for all members.
- Companies that break the rules face few repercussions. Corporations can stamp out unionization efforts through legal means—such as forcing workers to attend mandatory anti-union meetings with their supervisor—and through illegal means, such as firing workers for supporting a union.

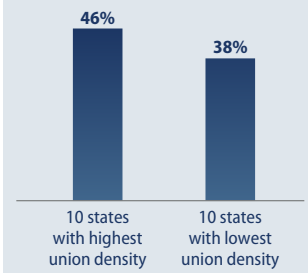
### American labor law has not kept up with recent changes in the economy

- Workers typically must negotiate work site by work site instead of with groups of companies or across an industry. This has become less effective in recent years, as companies contract out work and directly employ fewer people.<sup>11</sup>
- As firms’ structures change, workers often have trouble negotiating with the firm that is in charge. Moreover, they risk receiving lower pay and losing benefits when their employer changes, since labor suppliers are under pressure from contracting companies to keep costs low. As the percentage of workers in unions declines, enterprise-level bargaining leaves out a growing share of the workforce. Enterprise-level bargaining also increases conflict between workers and their companies, since unionized firms may have higher labor costs than their competitors.
- Workers’ free speech rights are constrained by laws that restrict their right to strike to improve pay and conditions—especially when they are dealing with outsourced work, since workers may only strike against their direct employer.

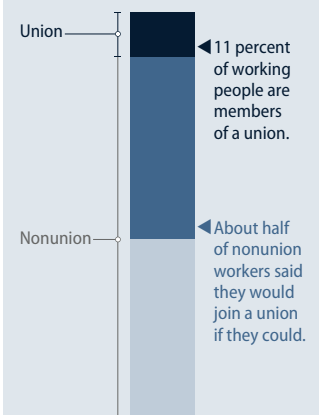
### As a result of weakened unions, middle-class Americans are doing worse

- After states enact right-to-work laws, workers are less likely to be contacted to vote; turnout falls, and fewer working-class candidates serve in government.<sup>12</sup>
- Working Americans take home smaller paychecks due to the decline in unions. According to the Economic Policy Institute, nonunion workers have lost roughly \$133 billion in annual wages due to weakened unions.<sup>13</sup>
- Unions help increase the share of income going to the middle class and constrain top-end incomes. The decline of unions explains one-third of the growth in inequality among men and one-fifth of the inequality among women from 1973 to 2007.<sup>14</sup>
- As union membership declines, so does the prosperity of the middle class.<sup>15</sup>

**Voter turnout in midterm elections is higher in states with greater levels of unionization.<sup>8</sup>**

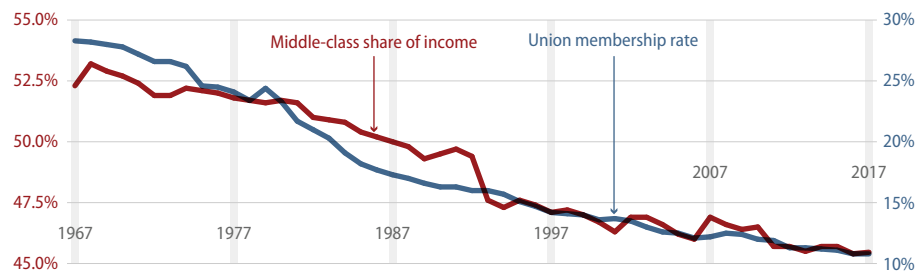


The portion of union elections where corporations fire at least one pro-union worker<sup>10</sup>



**54 percent** of working Americans would be union members if all nonunion workers who want to join a union could do so.<sup>16</sup>

## The U.S. union membership rate and middle-class share of income have fallen to near post-1967 lows



Note: The middle-class share of income is defined as the share of income that is earned by the middle 60 percent of households. The 2013 middle-class share of income is calculated from the U.S. Census Bureau subsample that received redesigned income questions.

Sources: Authors' analysis of union membership rates from updated Barry T. Hirsch, David A. Macpherson, and Wayne G. Vroman, "Estimates of union density by State," *Monthly Labor Review* 124 (7) (2001): 51–55, available at [http://unionstats.gsu.edu/MLR\\_7-01\\_StateUnionDensity.pdf](http://unionstats.gsu.edu/MLR_7-01_StateUnionDensity.pdf); Unionstats.com, "Union Density Estimates by State, 1964-2018," available at <http://unionstats.gsu.edu/MonthlyLaborReviewArticle.htm> (last accessed March 2019); authors' analysis of middle-class shares of total income is calculated from U.S. Census Bureau, "Household Income Tables: Households, Table H-2. Share of Aggregate Income Received by Each Fifth and Top 5 Percent of Households," available at <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-income-households.html> (last accessed March 2019).

## 3 essential changes Congress must enact to strengthen collective bargaining

The United States needs a collective bargaining system that not only fixes holes in existing law, but also adapts to the changing economy.<sup>17</sup>

### 1. All workers should be free to join a union and bargain

- Workers who are excluded from federal labor laws—including public sector workers, low-level supervisors, and most independent contractors—should have the right to join a union.
- All workers should be protected against employer retaliation. Corporations should face significant fines for violations of labor law—including illegal firings—and should be required to temporarily reinstate fired workers while the National Labor Relations Board (NLRB) investigates. Workers should have the ability to go to court or work with the NLRB to redress violations.
- Workers should not be forced to attend anti-union meetings; have their ability to communicate with each other limited by their employer; or be required to sign agreements to arbitrate workplace disputes individually.

### 2. Workers need more power to make collective bargaining work in the modern economy

- Workers should be able to bargain with corporations that have the power to improve working conditions, in addition to their direct employer, and decide if bargaining should include multiple firms.
- When a majority of workers demonstrate their support for a union, corporations should be required to bargain with them and, if bargaining becomes protracted, submit to arbitration for a first contract.
- Workers should have the right to strike, picket, or boycott their own employers or other employers without fear of being punished.
- The government should promote bargaining across industries through wage boards, as is done in some cities and states. In heavily unionized sectors, wage boards would extend the labor standards set in collective bargaining agreements to nonunion workplaces. In nonunion sectors, wage boards would allow far more workers to push for better work conditions by bringing together workers, employers, and the government to set minimum workplace standards.
- Large corporations should be required to further strengthen workplace democracy by adopting works councils and including workers on their boards.

### 3. Government should be on the side of strong unions and worker organizations

- The government should ban state right-to-work laws; allow all workers to deduct a portion of their pay to unions or other worker organizations; and ensure that unions are able to maintain contact with workers through modern and convenient means.
- Policymakers can incentivize membership by ensuring that unions have a key role in providing public benefits—including workforce training—and the enforcement of workplace laws.
- The government can raise standards for private sector workers whose jobs are funded by the federal government—including federal contracts, loans, and grants. Federal funding recipients should pay wages that do not undercut collectively bargained wage rates and refrain from any activity that would interfere with workers' right to organize.
- In its role as an employer, the government can ensure that unionized workers are able to communicate with existing members and train new hires on the benefits of membership.

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## Endnotes

- 1 Wage premiums, the degree to which union workers' wages exceed those of nonunion workers, control for several characteristics of workers, including their education, industry, occupation, and region. Calculations may underestimate the union wage premium because they include those with imputed earnings. Authors' analysis of Center for Economic and Policy Research, "CPS ORG Data: 2017," available at <http://ceprdata.org/cps-uniform-data-extracts/cps-outgoing-rotation-group/cps-org-data/> (last accessed February 2019); Barry T. Hirsch and Edward J. Schumacher, "Match Bias in Wage Gap Estimates Due to Earnings Imputation," *Journal of Labor Economics* 22 (3) (2004): 689–722, available at [http://www2.gsu.edu/~ecobth/JOLE\\_Match%20Bias%20220307.pdf](http://www2.gsu.edu/~ecobth/JOLE_Match%20Bias%20220307.pdf).
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- 3 Richard Freeman and others, "Bargaining for the American Dream: What Unions do for Mobility" (Washington: Center for American Progress, 2015), available at <https://www.americanprogress.org/issues/economy/reports/2015/09/09/120558/bargaining-for-the-american-dream/>.
- 4 Josh Bivens and others, "How today's unions help working people: Giving workers the power to improve their jobs and unrig the economy" (Washington: Economic Policy Institute, 2017), available at <https://www.epi.org/publication/how-todays-unions-help-working-people-giving-workers-the-power-to-improve-their-jobs-and-unrig-the-economy/#epi-toc-6>.
- 5 Yannet Lathrop, "Impact of the Fight for \$15: \$68 Billion in Raises, 22 Million Workers" (New York: National Employment Law Project, 2018), available at <https://www.nelp.org/publication/impact-fight-for-15-2018/>; Mark Gruenberg, "Pressure builds to stop repeal of Affordable Care Act," *Workday Minnesota*, July 19, 2017, available at <https://www.workdayminnesota.org/articles/pressure-builds-stop-repeal-affordable-care-act/>; Danielle Paquette, "The tax cuts were supposed to help workers. Unions say they're not," *The Washington Post*, April 5, 2018, available at [https://www.washingtonpost.com/news/work/wp/2018/04/05/the-tax-cuts-were-supposed-to-help-workers-unions-say-theyre-not/?utm\\_term=.264eb0caf31b](https://www.washingtonpost.com/news/work/wp/2018/04/05/the-tax-cuts-were-supposed-to-help-workers-unions-say-theyre-not/?utm_term=.264eb0caf31b); Mark Gruenberg, "Unions Urge Action to Stop GOP Tax Scam," *United Steelworkers*, November 3, 2017, available at <https://www.usw.org/blog/2017/unions-urge-action-to-stop-gop-tax-scam>.
- 6 Martin Gilens, *Affluence and Influence: Economic Inequality and Political Power in America* (Princeton, NJ: Princeton University Press, 2014).
- 7 Roland Zullo, "Union Membership and Political Inclusion," *ILR Review* 62 (1) (2008), available at <https://digitalcommons.ilr.cornell.edu/ilrreview/vol62/iss1/2/>; Benjamin Radcliff and Patricia Davis, "Labor Organization and Electoral Participation in Industrial Democracies," *American Journal of Political Science* 44 (1) (2000): 132, available at <https://www.jstor.org/stable/2669299>; J. Ryan Lamare, "Union Influence on Voter Turnout: Results from Three Los Angeles County Elections," *ILR Review* 63 (3) (2010), available at <https://journals.sagepub.com/doi/abs/10.1177/001979391006300305?journalCode=ilra>; Jan E. Leighley and Jonathan Nagler, "Unions, Voter Turnout, and Class Bias in the U.S. Electorate, 1964–2004," *Journal of Politics* 69 (2) (2007), available at <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1468-2508.2007.00541.x>.
- 8 States ranked by total union membership levels. Authors' analysis of United States Elections Project, "Voter Turnout, State Turnout Rates," available at <http://www.electproject.org/home/voter-turnout/voter-turnout-data> (last accessed February 2019); Unionstats.com, "Union Membership, Coverage, Density and Employment by State and Sector, 2018," available at <http://www.unionstats.com/> (last accessed February 2019).
- 9 Ryan Erickson and Karla Walter, "Right to Work Would Harm All Americans" (Washington: Center for American Progress Action Fund, 2017), available at <https://www.americanprogressaction.org/issues/economy/reports/2017/05/18/167539/right-work-harm-americans/>; Karla Walter, "State and Local Policies to Support Government Workers and Their Unions" (Washington: Center for American Progress Action Fund, 2018), available at <https://www.americanprogressaction.org/issues/economy/reports/2018/06/27/170587/state-local-policies-support-government-workers-unions/>.
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- 11 David Weil, *The Fissured Workplace: Why Work Became So Bad for So Many and What Can Be Done to Improve It* (Cambridge, MA: Harvard University Press, 2014); Mark Barenberg, "Widening the Scope of Worker Organizing" (New York: Roosevelt Institute, 2015), available at <http://rooseveltinstitute.org/widening-scope-worker-organizing/>.
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- 16 Thomas A. Kochan and others, "Worker Voice in America: Is There a Gap Between What Workers Expect and What they Experience?" *ILR Review* 72 (1) (2019), available at <https://journals.sagepub.com/doi/abs/10.1177/0019793918806250>. Additional documentation detailing Kochan and others' analysis of the Current Population Survey's Outgoing Rotation Group is on file with authors.
- 17 For more on these concepts, see David Madland, "Wage Boards for American Workers: Industry-Level Collective Bargaining for All Workers" (Washington: Center for American Progress, 2018), available at <https://www.americanprogress.org/issues/economy/reports/2018/04/09/448515/wage-boards-american-workers/>; David Madland, "The Future of Worker Voice and Power" (Washington: Center for American Progress, 2016), available at <https://www.americanprogress.org/issues/economy/reports/2016/10/11/143072/the-future-of-worker-voice-and-power/>; Karla Walter, "State and Local Policies to Support Government Workers and Their Unions" (Washington: Center for American Progress Action Fund, 2018), available at <https://www.americanprogressaction.org/issues/economy/reports/2018/06/27/170587/state-local-policies-support-government-workers-unions/>.