Right to Work Would Harm All Americans

By Ryan Erickson and Karla Walter May 18, 2017

Given how regularly President Donald Trump's election is attributed—wrongly or rightly—to his ability to speak to Americans who feel alienated by the modern, global economy, it would be wise for Republicans in Congress to pause in their push to hobble worker power. Nonetheless, days after President Trump's inauguration, Republicans introduced a so-called right-to-work bill that would weaken the bargaining power and lower the wages of working people.[1]

The bill has been introduced in several previous sessions of Congress, where it languished without passage. This time, however, is different: Now, in addition to controlling the House and the Senate, Republicans hold the White House. Even though President Trump sometimes plays coy with his feelings about worker organizations, Trump and his administration support right-to-work laws.[2] As a result, the law has a real shot at passing—an action that would harm all working Americans, regardless of whether they are union members.

The right-to-work bill's champions struck predictable tones: House bill sponsors Rep. Steve King (R-IA) and Rep. Joe Wilson (R-SC) framed their National Right-to-Work Act as a way to restore workers' rights and claimed that the "expanded freedoms" offered by a right-to-work law would drive "job creation and economic growth."[3] Responding to the introduction of companion legislation in the Senate by Sen. Rand Paul (R-KY), National Right to Work Committee President Mark Mix issued a statement saying that "the case for Right to Work has always rested on the principles of employee freedom, but passage of a National Right to Work law will also pay economic dividends."[4]

But make no mistake: Right-to-work laws are about increasing the power of corporations while restricting the power of workers to join together in unions, rather than worker freedom or job creation.

Indeed, research shows that when governments support workers' right to freely organize and advocate for themselves, the playing field between workers and corporations evens.[5] Workers share in the profits they help create by bargaining for better wages and benefits.

Workers and companies collaborate more, investing in training and other mutually beneficial improvements. And workers are better represented in the government and can advocate for policies that benefit everyday Americans.

By reducing workers' voice, right-to-work laws drive down the wages and reduce the economic well-being of all workers—union and nonunion alike. At the same time, right-to-work laws make it easier for more of the economy's gains to flow straight to the country's wealthiest people. A national right-to-work law would keep even more power in the hands of companies that, despite record corporate profits in recent years, have not shared their gains with workers.[6] And by weakening workers' power to join together in unions, Republicans will be able to limit the voices of ordinary Americans in our democracy, since these organizations help ensure that more people vote and advocate for policies that are essential to working Americans.[7]

Far from bolstering worker freedom, the campaign for a national right-to-work law stems directly from a long-term campaign by special interests to erode the impact of worker voices and blunt their ability to bargain for a better deal.

This issue brief explains how right-to-work laws diminish workers' power in the economy and democracy. Forthcoming reports will highlight other likely attacks on unions, such as so-called secret ballot and paycheck protection legislation.

Right to work solves a nonexistent problem

The name "right to work" is a lie. The federal government already protects workers' freedom not to join a union. Workers can decide to opt out of membership at a unionized workplace and pay a reduced fee that covers the costs the union pays to negotiate for wages and benefits and represent an employee if they have a problem at work.[8] Opponents of unions frequently claim that workers who decline to join a union are still legally required to support that union's political activities. In reality, however, these fees exclude the costs of political activities.

What the federal right-to-work law would really do is give some workers a free ride. Anti-union workers could opt out of paying any fees to a union, even though unions would still be legally required to represent them. As a result, nonmember employees would receive higher wages and benefits negotiated by a union without paying the cost of negotiating for these improvements, and those who encounter problems at work would receive free representation by the union. And, by allowing some workers a free ride, the law would inhibit workers who want to come together in unions from getting enough power to negotiate on even footing with employers for better wages, benefits, and work conditions.

From the U.S. Chamber of Commerce to the AARP, organizations require their members to pay dues to receive benefits. Without dues collection, these organizations would be unable to provide the services that members expect.

Indeed, when a local chamber leader in Kentucky was asked if his chapter would agree to provide all services to any interested business, even if that business does not pay dues, he explained that they could not do that because dues are the primary source of chamber funding and it would be unfair to other dues-paying members.[9] This is common sense—for unions as well as groups such as the Chamber.

Economic harm of right-to-work laws

A majority of states—28 after the adoption of a right-to-work law in Missouri earlier this year—currently have right-to-work laws on the books.[10] The negative economic effects of these state right-to-work laws presage a grim future for workers.

According to a study by the Economic Policy Institute, or EPI, wages for a typical full-time worker in right-to-work states are 3.1 percent lower—or $1,558 annually—than those in non-right-to-work states, even after controlling for a host of other socioeconomic and demographic factors.[11] This is true for both union and nonunion workers alike—workers in non-right-to-work states earn more than those in right-to-work states.

Moreover, research shows that right-to-work laws have no impact on job growth, contradicting another claim frequently advanced by right-to-work proponents. An EPI review of the effects of Oklahoma's right-to-work law found that it had no significant effect on employment.[12] In fact, the EPI study found that relocations to the state by manufacturing firms declined after the right-to-work law passed.[13] The EPI also compared two states that debated right-to-work laws in 2011: New Hampshire and Indiana. Indiana passed its right-to-work bill a year later, while New Hampshire's did not muster enough support to override a gubernatorial veto. While New Hampshire's economy was stronger to begin with, enactment of the Indiana right-to-work bill did nothing to close the performance gap, again belying right-to-work supporters' claims.[14]

Considering that evidence indicates that right-to-work bills do not raise wages or create jobs, the policy case for national right-to-work legislation is nonexistent. A national right-to-work bill would simply take a bad wage trend countrywide. But there is another force at play, which helps explain why a national right-to-work bill can count on repeated introductions in Congress: Right to work is a critical tool for special interests in asserting corporate power over worker power and diminishing the impact of worker power in the democratic process.

Silencing worker voice and power

By weakening workers' ability to join together in unions, a national right-to-work law could reduce voter turnout and weaken worker organizations' ability to advance government policies that support all working people, not just their members. Unionized workers are more likely to vote, be politically active, and contribute to charity.[15] Indeed, in communities where union membership is strong, all workers—particularly nonwealthy and nonwhite voters—are more likely to vote.[16]

Moreover, unions are one of the few organized groups that have the capacity to successfully advocate for the economic interests of working people. Unions have been key supporters of landmark legislation, including the Social Security Act, the Voting Rights Act, and the Affordable Care Act. Indeed, countries that want to build their democracy often work to strengthen the country's labor movement.[17] For example, in the aftermath of apartheid, South Africa enshrined workers' rights to form unions in its constitution and reformed national labor laws to better guarantee those rights.

Yet, in the United States, corporate interest groups have engaged in a coordinated, strategic, decadeslong effort to weaken the power of workers. Since the passage of the Labor Management Relations Act of 1947, also called the Taft-Hartley Act, state right-to-work laws have gradually spread throughout the country, state by state, as a result of anti-worker activism.[18]

These laws have been promoted and advanced by the same anti-worker groups pushing other policies that diminish worker power. The Chamber considers right to work a top priority, and state affiliate chambers of commerce have been instrumental in organizing the push for right-to-work laws locally.[19] The Chamber's extensive history of anti-worker activism goes back generations and includes opposition to minimum wage increases, paid leave, workplace safety, and much more.[20] The American Legislative Exchange Council, or ALEC, has promoted model right-to-work legislation for passage in states.[21] ALEC is frequently linked to other anti-worker campaigns and the push to pass anti-worker legislation in states.[22]

The National Right to Work Committee, which advocates for the passage of right-to-work legislation, received $1,000,000 from Freedom Partners, a group affiliated with the Koch brothers, in 2012 alone.[23] The Koch brothers are famous anti-labor activists, investing by some counts hundreds of millions of dollars into campaigns to weaken workers' ability to organize into unions.[24] For corporate interest groups, the assault on unions promises two main benefits: First, the decline in unions means that corporations can cut workers' wages and benefits instead of sharing the benefits of increased profits; and second, lower union membership means that workers will weaken as a political force backing other progressive economic policies.

The campaign to make unions weaker is nothing short of an attack on America's middle class. Indeed, research from Princeton University political scientist Martin Gilens shows that while groups such as the Chamber and various industry lobby groups take positions in conflict with middle-class interests, unions are among the very few groups that represent the middle class.[25]

Moreover, when unions do better, the middle class does better: A 2016 report by the Center for American Progress found that the decadeslong decline in unionization rates accounts for 35 percent of the falling share of middle-class workers.[26] And the decline in union rates has contributed to flagging wages for union and nonunion workers alike. For example, the EPI found that if unionization rates were the same in 2013 as they were in 1979, weekly wages for nonunion men would be an estimated 5 percent higher—or about $2,700 more per year for a full-time worker.[27] Moreover, unions are linked strongly to intergenerational economic mobility. According to another report by CAP, union membership is associated with higher future wages for one's children.[28] Even lower-income children who grow up in communities with high union density have higher income mobility as compared with low-income kids in areas with low union membership rates. The key to restoring a growing middle class is to support unions and to foster their growth.

Conclusion

A national right-to-work bill is a natural extension of the state-led effort to reduce workers' wages and muzzle workers in the political process. Rather than nationalizing this trend, Congress should support the growth of worker organizations and empower workers to bargain collectively. Empowering workers to have their interests more adequately represented in workplaces and in the political process will provide these workers with a solution to economic alienation. Congressional Republicans' push for a national right-to-work law demonstrates that they plan to stymie workers who seek to defend their interests. This effort only underscores the power of corporate influences, to which Republicans have long been beholden.

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Endnotes

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