



# How Today's Unions Help Working People: *Giving workers the power to improve their jobs and unrig our economy and politics*

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Americans and Pennsylvanians have always joined together – when the nation was first formed and in local associations bound by place, faith, and/or ethnicity ever since – to solve problems and make changes that improve their lives and communities.<sup>1</sup>

Through unions, people join together to improve the activity on which they spend many waking hours – work – and also to achieve gains that improve their family lives, work-family balance, and community.<sup>2</sup>

The freedom of workers to join together in unions and negotiate with employers (though collective bargaining) is widely recognized as a fundamental human right across the globe. In the United States, this right is protected by the U.S. Constitution and U.S. law and is supported by most Americans.

Over 16 million working women and men in the United States exercise this right currently – the more than one in nine workers represented by unions. In Pennsylvania, unions represent more than one in every eight workers, a total of 723,000.<sup>3</sup> These numbers make organized labor one of the largest institutions in our nation and our state.

Americans and Pennsylvanians come together in unions because they improve the lives of people and communities in simple but powerful ways.

- Unions create the middle class and ensure a fair reward for hard work.<sup>4</sup> “Unions, the folks that brought you the weekend” says a well-known bumper sticker. In fact, unions do more than that – they created, and help maintain, the middle class. When unions are strong, incomes in the middle go up and the economy tends to grow more quickly as a result. When unions are weaker, the highest incomes go up much more and growth often lags. Today, unions raise wages by an estimated 13.2% – about \$4,000 per year for someone earning around \$30,000. In local industries when unions organize most of the major employers, they can have a bigger, and more transformative, impact – lifting entry-level wages from poverty levels (\$8 to \$10 per hour) to family sustaining (\$15 per hour), for example.<sup>5</sup> Unions help ensure that middle- and low-income workers enjoy health benefits and a secure retirement. They boost wages most for non-college, black and Hispanic workers.
- Unions fight for policies that benefit all working families, boosting democracy and creating a more decent and caring state and country. Managers, business owners, and CEOs organize to advocate for their economic interests including through local chambers and other industry groups. Unions give working people who are not executives or company owners the opportunity to get their voices heard in vital policy debates. Today, in Pennsylvania and its communities, unions are at the forefront of campaigns for a higher minimum wage and overtime threshold; family friendly labor standards (paid family and medical leave, earned sick days, and fair scheduling); and more accessible and affordable health care and higher education. In the past, workers fought for – and today work to strengthen – the basic standards that limit worker exploitation (child labor laws, health and safety laws, the 40-hour work week, anti-discrimination laws, etc.); and the pillars of middle-class economic security – Social

Security, Medicare, and unemployment insurance. Many of the public policies for which unions fight benefit many more people who don't belong to unions than they do union members.

- Unions can transform today's "new economy" just as they did the old, manufacturing economy. Some people associate unions with manufacturing and the "old economy" and see them as an anachronism. In fact, workers joining together to form unions are our best – likely our only – shot at creating an equitable new economy. Workers and their unions are further along in the effort to reposition themselves to grow again than is widely recognized. Unions already represent a higher share of workers in education, health services, and information – as well as transportation, utility, and construction – than in manufacturing. Unions represent workers in almost every part of the new economy, including television writers, digital journalists, and other arts workers; graduate students and adjunct faculty; professional and technical workers; and child-care professionals and home-health-care workers. In a growing number of service and other industries in which employers cannot easily relocate because they have to remain near the customer – most jobs today – unions can lift wages 50% or more once they represent most workers in a local market.<sup>6</sup> Change of this magnitude can transform jobs from low-wage to middle-class or middle-class to even better, just as unions transformed manufacturing jobs from bad to good in the 1930s and 1940s. In many cases, high levels of union representation in a local industry also opens the door to partnership with employers on training, career ladders, and performance improvement, a foundation for a more productive economy as well as one that is more just.

Unions' declining share of the workforce – and the Janus case – stem from a long-term attack on workers and their freedom to join together. Unions have declined as a share of the workforce not because of a shift away from sectors in which workers need or want unions. Almost half (48%) of workers polled say they'd vote to create a union in their workplace tomorrow if they got a chance.<sup>7</sup> Because unions give workers and working families power, they are opposed by corporate interests and policymakers representing the highest-earning 1%.<sup>8</sup> At individual private employers, this opposition takes the form of legal and illegal intimidation when workers do attempt to form a union.<sup>9</sup> In public policy and the courts at the state and national level, corporations and representative of the anti-union 1% have sought to strangle unions financially by eliminating any requirements that workers represented by and benefiting from a union contribute to it financially. Next week's Supreme Court oral hearing is the latest legal effort to weaken unions financially. In *Janus v. AFSCME*, plaintiffs seek to reverse a 40-year-old precedent which established that requiring non-members to pay "fair-share" fees does not violate the First Amendment.<sup>10</sup>

The future of workers' freedom to join together in unions is vital to the future of the country. A lot hinges on how the media, policymakers, and the public interpret the *Janus* case and the broader debate it will trigger about the importance of labor unions. The evidence above suggests that labor unions, and the protection of workers' freedom to join together into unions, are vital to the preservation of an American economy and politics that honors widely shared values – the idea of fair reward for hard work, the American Dream of widespread mobility, the belief in a democracy responsive to ordinary people and the common good. When it comes to solutions to economic inequality, no other ideas put forward in past 35 years by social scientists and policymakers would have a big impact on inequality – not investing in education from cradle to grave (a good thing that would have limited impact on equity), not raising the minimum wage (a good thing but not powerful enough to reshape the middle of the job market), not changing trade and immigration policy (both likely to have small direct impacts on equity). When it comes to making our economy and politics less rigged to benefit the 1%, restoring workers' real freedom to join together in a union – free from employer intimidation and on a broad-enough (i.e., multi-employer) basis to influence area wage and benefit standards – is the only game in town.

## END NOTES

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<sup>1</sup> This document adapts with permission portions of Josh Bivens et al., "How today's unions help working people: Giving workers the power to improve their jobs and unrig the economy," Economic Policy Institute, August 24, 2017; <https://www.epi.org/publication/how-todays-unions-help-working-people-giving-workers-the-power-to-improve-their-jobs-and-unrig-the-economy/>. More complete references can be found in Bivens et al.

<sup>2</sup> As noted in Bivens et al., footnote 1, "Article 23 of the Universal Declaration of Human Rights declares that everyone has a right to form and/or join a trade union. The right of labor unions to gather is given under the First Amendment to the United States Constitution, which protects the right to exercise freedom of speech in peaceful protest. The U.S. Congress enacted the National Labor Relations Act (NLRA) in 1935 to protect the rights of employers and employees, including the right to form, join, or assist labor organizations and to bargain collectively. Americans of all ages broadly support the ability of workers in various sectors to unionize, with shares supporting unions ranging from 62 percent to 82 percent, depending on the sector." See "Mixed Views of Impact of Long-Term Decline in Union Membership: Public Says Workers in Many Sectors Should Be Able to Unionize," Pew Research Center, April 27, 2015; <http://www.people-press.org/2015/04/27/mixed-views-of-impact-of-long-term-decline-in-union-membership/>

<sup>3</sup> <https://www.bls.gov/news.release/union2.t05.htm>

<sup>4</sup> Bivens et al., pp. 7-9.

<sup>5</sup> In C. Jeffrey Waddoups, "Wages in Las Vegas and Reno: How Much Difference Do Unions Make in the Hotel, Gaming, and Recreation Industry?" *UNLV Gaming Research & Review Journal* vol. 6, no. 1 (2001); Jeffrey Waddoups, "Unions and wages in Nevada's hotel-casino industry," *Journal of Labor Research*; Spring 2000; 21, 2; pp. 345-361. See Matt Vidal and David Kusnet, *Organizing Prosperity: Union Effects on Job Quality, Community Betterment, and Industry Standards*, Economic Policy Institute and UCLA Institute for Research on Labor and Employment, 2009; [https://secure.epi.org/files/page/-/orgpros/organizing\\_prosperity-full\\_text.pdf](https://secure.epi.org/files/page/-/orgpros/organizing_prosperity-full_text.pdf)

<sup>6</sup> See the sources listed in end note 4. A number of Pennsylvania examples point to the potential of high levels of union density to make a significant difference to wage and benefit standards in a private industry, including the non-residential construction sector, the janitorial and security guard industries in Philadelphia and Pittsburgh, Philadelphia airport workers, the nursing home industry, the broader health care sector in Philadelphia and in pockets elsewhere in the state,

<sup>7</sup> In 2012, 48% of all nonmanagerial workers surveyed by the AFL-CIO Workers' Rights Survey (May 2012 Hart Research Associates poll) said they would "probably" or "definitely" vote to form a labor union if an election were held tomorrow. Bivens et al., p. 18 and footnote 67.

<sup>8</sup> Bivens et al., p. 18 and footnote 67.

<sup>9</sup> Bivens et al., pp. 19-21.

<sup>10</sup> Amy Howe, *For the third time, justices take on union-fee issue: In Plain English*, SCOTUSBlog, Dec. 18, 2017, 2:34 PM), <https://tinyurl.com/yavexggg>.