

# Union Strong

## The IDC Labor Protection Plan



February 2017

## *Introduction*

Controversy over labor unions has existed in the United States for almost as long as the country has been in existence. American history is riddled with stories of dangerous working conditions, child labor and violent strikes.<sup>1</sup> Today, a new movement that undermines the collective bargaining rights of workers has spread to a majority of states: the right-to-work movement. The 28<sup>2</sup> states that have enacted right-to-work legislation are seeing the adverse impacts of dismantling labor unions.

Examining the performance of states that have enacted ‘right-to-work’ laws with those that have not shown us that states that have protected labor rights have higher wages for workers and superior benefits. The societal differences are also important – right-to-work states lag behind in such key social indicators as poverty rates and infant mortality. These studies show that strong labor movements are a net positive for society and for individuals.

The Independent Democratic Conference (IDC) will fight to ensure that New York State will not join the ‘right-to-work’ movement and continues to protect labor rights. This is why the IDC is unveiling its Labor Protection Plan. We will work with our partners in labor to oppose any attempts at the state or federal level to undermine labor rights by instituting ‘right-to-work’ laws in our state. We will work to ensure that the state sends no funding to organizations advocating for such laws. The IDC will also combat any policies that undermine important labor protections and guarantees that our workers count on for their future security.

### **The IDC Labor Protection Plan**

- **Oppose right-to-work legislation at the state level.**
- **Calls on our federal delegation to prevent the passage of a national right-to-work law**
- **Ensure that no state dollars go to organizations promoting right-to-work laws.**
- **Oppose calling a new Constitutional Convention and work to educate voters on the dangers.**

### *History of Labor Union Movement and New York State’s Involvement*

The history of labor unions in this country goes hand in hand with American history. The earliest labor strike in recorded history occurred in New York in 1768. New York State was a leader in the early labor movement and again during the most recent modern labor movement caused by the recent recession. Labor unions continue to be a fundamental part of American history and have been fighting an uphill battle since their formation.<sup>3</sup>

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<sup>1</sup> *Labor Movement*, THE HISTORY CHANNEL (Feb. 7, 2017) <http://www.history.com/topics/labor>.

<sup>2</sup> Adam Shaw, ‘Right-to-Work’ Movement Claims Victory in Missouri, *Eyes NH Next*, FOX NEWS POLITICS (Feb. 6, 2017), <http://www.foxnews.com/politics/2017/02/06/right-to-work-movement-claims-victory-in-missouri-eyes-nh-next.html>.

<sup>3</sup> *Labor Movement*, THE HISTORY CHANNEL (Feb. 7, 2017) <http://www.history.com/topics/labor>.

The labor movement in the United States formed to protect the common interests of workers. The first unions fought for better wages, reasonable hours and safer working conditions. In addition, the movement halted child labor, fought to provide health benefits and fought to provide aid for those injured on the job and those that retired.<sup>4</sup> Importantly, immigrants in New York led some of the most famous strikes.<sup>5</sup>

For example, in 1909 the first mass strike led by women occurred in New York and was led by immigrants. Apparel workers led the Uprising of the 20,000 on a three-month walkout in New York. Ironically, the cause was “embraced by high society, so much so that... Anne Morgan, J.P.’s daughter, sponsor[ed] a Carnegie Hall benefit to support the 20,000 strikers.”<sup>6</sup> After several historic strikes, some started calling New York City “the cradle of the American labor movement.”<sup>7</sup>

Today, labor unions continue to fight for workers’ rights. For example, the Fight for \$15 movement, one that was born in New York City, has made national news for years.<sup>8</sup> New York City continues to be a labor union hub, regardless of the national regression away from organized labor. Across the country, one in nine workers belongs to a union. However, in New York City more than 25 percent of workers are unionized.<sup>9</sup> According to the New York Times, “[t]he share of New York City workers who belong to unions has risen for three straight years....”<sup>10</sup> It is clear that despite the national trend, New York will continue to be a union state. It is imperative that we allow our workers the same protections they have fought so hard for throughout history. A national right-to-work law will thwart hundreds of years of progress.

### *Benefits of Labor Unions on the Economy*

In general, unions have been important to the sustainability of the American economy. According to a report by the Center for American Progress Action Fund, “[t]he essence of what labor unions do – give workers a stronger voice so that they can get a fair share of the economic growth they help create – is and has always been important to making the economy work for all Americans.”<sup>11</sup>

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<sup>4</sup> *Labor Movement*, THE HISTORY CHANNEL (Feb. 7, 2017) <http://www.history.com/topics/labor>.

<sup>5</sup> Steven Greenhouse, *New York, Cradle of Labor History*, THE NEW YORK TIMES (Aug. 30, 1996) <http://www.nytimes.com/1996/08/30/arts/new-york-cradle-of-labor-history.html>.

<sup>6</sup> Steven Greenhouse, *New York, Cradle of Labor History*, THE NEW YORK TIMES (Aug. 30, 1996) <http://www.nytimes.com/1996/08/30/arts/new-york-cradle-of-labor-history.html>.

<sup>7</sup> Steven Greenhouse, *New York, Cradle of Labor History*, THE NEW YORK TIMES (Aug. 30, 1996) <http://www.nytimes.com/1996/08/30/arts/new-york-cradle-of-labor-history.html>.

<sup>8</sup> Patrick McGeehan, *Labor Unions, Waning Nationwide, Stay Robust in New York*, THE NEW YORK TIMES (Sept. 4, 2016) [https://www.nytimes.com/2016/09/05/nyregion/labor-unions-waning-nationwide-stay-robust-in-new-york.html?\\_r=0](https://www.nytimes.com/2016/09/05/nyregion/labor-unions-waning-nationwide-stay-robust-in-new-york.html?_r=0).

<sup>9</sup> Patrick McGeehan, *Labor Unions, Waning Nationwide, Stay Robust in New York*, THE NEW YORK TIMES (Sept. 4, 2016) [https://www.nytimes.com/2016/09/05/nyregion/labor-unions-waning-nationwide-stay-robust-in-new-york.html?\\_r=0](https://www.nytimes.com/2016/09/05/nyregion/labor-unions-waning-nationwide-stay-robust-in-new-york.html?_r=0).

<sup>10</sup> Patrick McGeehan, *Labor Unions, Waning Nationwide, Stay Robust in New York*, THE NEW YORK TIMES (Sept. 4, 2016) [https://www.nytimes.com/2016/09/05/nyregion/labor-unions-waning-nationwide-stay-robust-in-new-york.html?\\_r=0](https://www.nytimes.com/2016/09/05/nyregion/labor-unions-waning-nationwide-stay-robust-in-new-york.html?_r=0).

<sup>11</sup> David Madland and Karla Walter, *Unions are Good for the American Economy: More Unionized Workers Would be Even Better*, CENTER FOR AMERICAN PROGRESS ACTION FUND (Feb. 6, 2017) [http://images2.americanprogress.org/CAPAF/2009/02/US\\_EFCA.pdf](http://images2.americanprogress.org/CAPAF/2009/02/US_EFCA.pdf).

When union members earn higher wages they have higher spending power. Consumerism accounts for about 70 percent of the American economy.<sup>12</sup> Without livable wages throughout the middle and lower classes, the economy would crumble.

According to a 2015 study in Kentucky, where several counties have enacted right-to-work laws, “the best evidence suggests that right-to-work fails to result in stronger job growth including in manufacturing while resulting in lower wages and benefits for workers....”<sup>13</sup> Proponents of right-to-work laws mislead the public by saying that jobs and wages increase in states with this legislation. The following charts depict the loss of manufacturing jobs.

<b>Manufacturing Jobs, Kentucky and Border States</b>			
<b>RTW states in red</b>			
	<b>2013 Manufacturing as Share of Total Employment</b>	<b>Number of Jobs Lost, 1998-2013</b>	<b>Jobs Lost (1998-2013) as Share of Total Employment in 1998</b>
<b>West Virginia</b>	6.4%	29,500	4.1%
<b>Kentucky</b>	12.4%	76,700	4.4%
<b>Virginia</b>	6.1%	145,000	4.4%
<b>Missouri</b>	9.2%	125,600	4.7%
<b>Illinois</b>	10.0%	330,500	5.6%
<b>Indiana</b>	16.8%	169,500	5.8%
<b>Ohio</b>	12.6%	368,500	6.8%
<b>Tennessee</b>	11.6%	191,700	7.3%

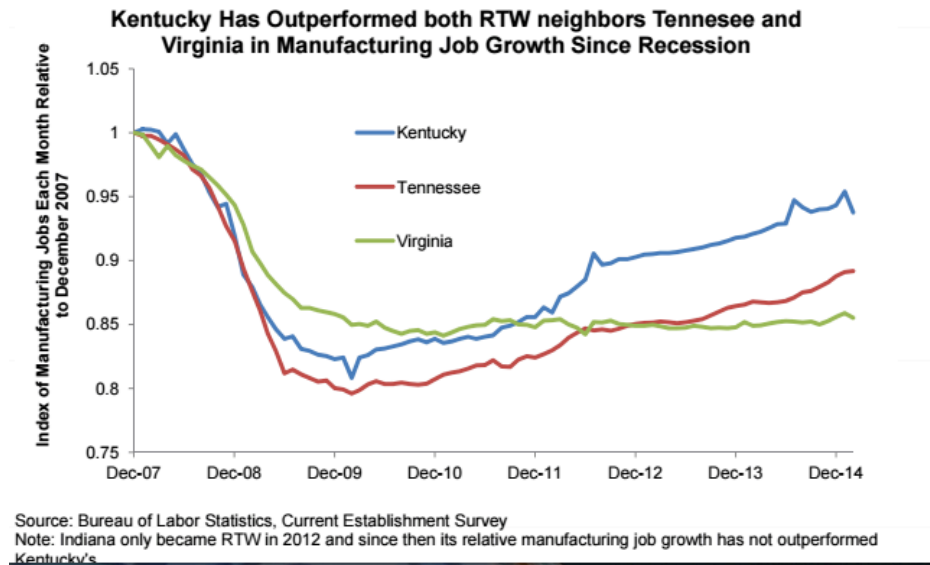
Source: Economic Policy Institute analysis of Bureau of Labor Statistics data

In addition, the next chart shows how Kentucky, without right-to-work legislation, outperformed neighbor-states with right-to-work legislation.<sup>14</sup>

<sup>12</sup> David Madland and Karla Walter, *Unions are Good for the American Economy: More Unionized Workers Would be Even Better*, CENTER FOR AMERICAN PROGRESS ACTION FUND (Feb. 6, 2017) [http://images2.americanprogress.org/CAPAF/2009/02/US\\_EFCA.pdf](http://images2.americanprogress.org/CAPAF/2009/02/US_EFCA.pdf).

<sup>13</sup> Anna Baumann, *What the Research Says About “Right-to-Work” Laws, Employment and Wages*, KENTUCKY CENTER FOR ECONOMIC POLICY (April 15, 2015) [www.kypolicy.org](http://www.kypolicy.org).

<sup>14</sup> Anna Baumann, *What the Research Says About “Right-to-Work” Laws, Employment and Wages*, KENTUCKY CENTER FOR ECONOMIC POLICY (April 15, 2015) [www.kypolicy.org](http://www.kypolicy.org).



### *‘Right to Work’ vs. Labor Union States*

#### Labor Union States see Higher Wages for Employees.

Right-to-work laws “make it illegal for employees and employers to negotiate a union contract that requires all employees who benefit from the contract to pay their fair share of the costs of negotiating it. Right-to-work laws are designed to undermine unions’ bargaining strength, and their primary focus is the manufacturing industry.”<sup>15</sup> Effectively, right-to-work laws make unionizing a burdensome process and thus, unionization rates drop in states that have enacted them.<sup>16</sup> According to Timothy Bartik, senior economist at the nonpartisan Upjohn Institute for Employment Research in Michigan, they have found significant evidence of negative effects on wages in the non-union sector.<sup>17</sup>

According to Bartik, wages drop in non-union states because “one affect that unions have is that if your company might be unionized, you might want to increase your wages to avoid that. And, one thing that right-to-work laws do is make it harder to organize unions, and easier to decertify them.”<sup>18</sup> Thus, if your company sees no threat of unions there is less incentive to offer competitive wages because employees have no recourse.

According to the Bureau of Labor Statistics from the U.S. Department of Labor, union members typically make higher wages than non-union members do.<sup>19</sup> From the 2016 union statistics data,

<sup>15</sup> Lawrence Mishel, *Unions, Inequality, and Faltering Middle-Class Wages*, ECONOMIC POLICY INSTITUTE (Aug. 29 2012) <http://www.epi.org/publication/ib342-unions-inequality-faltering-middle-class/>.

<sup>16</sup> *Do Right-To-Work Laws Help Or Hurt The Economy?* NPR (Dec. 13, 2012) <http://www.npr.org/2012/12/13/167198023/do-right-to-work-laws-help-or-hurt-the-economy>.

<sup>17</sup> *Do Right-To-Work Laws Help Or Hurt The Economy?* NPR (Dec. 13, 2012) <http://www.npr.org/2012/12/13/167198023/do-right-to-work-laws-help-or-hurt-the-economy>.

<sup>18</sup> *Do Right-To-Work Laws Help Or Hurt The Economy?* NPR (Dec. 13, 2012) <http://www.npr.org/2012/12/13/167198023/do-right-to-work-laws-help-or-hurt-the-economy>.

<sup>19</sup> Bureau of Labor Statistics from the U.S. Department of Labor (Jan. 26, 2017) <https://www.bls.gov/news.release/pdf/union2.pdf>.

“[a]mong full-time wage and salary workers, union members had median usual weekly earnings of \$1,004 in 2016, while those who were not union members had median weekly earnings of \$802.”<sup>20</sup> In addition, according to the Bureau’s findings, New York State continues to have the highest union membership rates in the U.S.<sup>21</sup> The following chart from the Economic Policy Institute depicts higher wages earned by union members.<sup>22</sup>

### Union wage premium by demographic group, 2011

Demographic group	Percent union*	Union premium**	
		Dollars	Percent
<b>Total</b>	13.0%	\$1.24	13.6%
Men	13.5	2.21	17.3
Women	12.5	0.67	9.1
<b>White</b>	13.3%	\$0.76	10.9%
Men	14.1	1.79	14.9
Women	12.5	0.18	7.0
<b>Black</b>	15.0%	\$2.60	17.3%
Men	15.8	3.05	20.3
Women	14.4	2.25	14.8
<b>Hispanic</b>	10.8%	\$3.44	23.1%
Men	10.8	4.77	29.3
Women	10.7	2.06	15.7
<b>Asian</b>	11.1%	\$1.54	14.7%
Men	9.9	1.53	16.6
Women	12.4	1.61	12.9
<b>New immigrants (less than 10 years)</b>			
Men	5.4%	\$0.49	16.0%
Women	7.0	2.74	16.2
<b>Other immigrants (more than 10 years)</b>			
Men	10.4%	\$2.13	16.7%
Women	12.7	0.57	8.8

\* Union member or covered by a collective bargaining agreement

\*\* Regression-adjusted hourly wage advantage of being in a union, controlling for experience, education, region, industry, occupation, race/ethnicity, and marital status

Source: Author's analysis of Current Population Survey Outgoing Rotation Group microdata

Economic Policy Institute

<sup>20</sup> Bureau of Labor Statistics from the U.S. Department of Labor (Jan. 26, 2017) <https://www.bls.gov/news.release/pdf/union2.pdf>.

<sup>21</sup> Bureau of Labor Statistics from the U.S. Department of Labor (Jan. 26, 2017) <https://www.bls.gov/news.release/pdf/union2.pdf>.

<sup>22</sup> Lawrence Mishel, *Unions, Inequality, and Faltering Middle-Class Wages*, ECONOMIC POLICY INSTITUTE (Aug. 29 2012) <http://www.epi.org/publication/ib342-unions-inequality-faltering-middle-class/>.

## Right-to-work States Have Lower Rates of Health Insurance Coverage, Higher Poverty Rates, and Higher Infant Mortality Rates.

According to a study by the AFL-CIO, workers in right-to-work states have lower rates of health insurance coverage. 13 percent of workers under 65 in right-to-work states are uninsured compared to 9.4 percent in union friendly states. In addition, only 47 percent of private-sector employers in right-to-work states offer insurance coverage to their employees. Notably, of employers with less than 50 workers in right-to-work states, only 30.1 percent offer health insurance to employees. Poverty rates in right-to-work states for families with children is 21.4 percent. Finally, infant mortality rate is 12.4 percent higher in right-to-work states.<sup>23</sup>

## Union Members Have Better Benefits.

### Union premiums for health, retirement, and paid leave benefits

Benefit	Union	Nonunion	Difference		Union premium
			Unadjusted	Adjusted*	
Health insurance					
Percent covered	83.5%	62.0%	21.5	17.5	28.2%
Employee deductible	\$200	\$300	-\$100	-\$54	-18.0%
Employer share					
Single plan	88.3%	81.8%	6.5	9.1	11.1%
Family plan	76.3%	64.9%	11.4	10.1	15.6%
Retiree health coverage	76.6%	59.8%	16.7	14.6	24.4%
Pension					
Percent covered	71.9%	43.8%	28.1	23.6	53.9%
Employer costs (per hour)					
Defined benefit	—	—	—	\$0.39	36.1%
Defined contribution	—	—	—	-0.11	-17.7%
Time off					
Vacation weeks	2.98	2.35	0.63	—	26.6%
Paid holiday/vacation (hours)	—	—	—	22.2	14.3%

\* Adjusted for establishment size, occupation, industry, and other factors. Adjusted difference is used to calculate premium.

Source: Buchmueller, DiNardo, and Valletta (2001) and Mishel and Walters (2003, Table 4)

Economic Policy Institute

<sup>23</sup> AFL-CIO (Feb. 6, 2017) <http://www.aflcio.org/Legislation-and-Politics/State-Legislative-Battles/Ongoing-State-Legislative-Attacks/Deceptive-Right-to-Work-Laws-Hurt-Everyone>.

According to a study by the Economic Policy Institute, union states increase the likelihood that an employee will receive benefits. Notably, the table above shows that unionized workers are 28.2 percent more likely to receive employer-provided health benefits. Also, unionized workers are 24.4 percent more likely to receive employer-provided health benefits during their retirement.<sup>24</sup> The preceding chart depicts union premiums for health, retirement and paid leave benefits.

### *The IDC's Labor Protection Plan*

Evidence illustrates the important societal and individual benefits provided by a strong and vibrant labor movement. Unfortunately, labor rights are increasingly coming under attack. With 28 states now having 'right-to-work' laws, there is talk in Washington DC of trying to implement this pernicious policy through federal laws.<sup>25</sup> In addition, the establishment of right-to-work laws are often not enough for the enemies of labor. For example, while Iowa has been a right-to-work state for some time, the current legislature is now seeking to destroy collective bargaining rights by limiting the right solely to wage levels, and preventing workers from collectively bargaining for better work terms or other benefits.<sup>26</sup>

The IDC opposes any attempts to make New York State the 29<sup>th</sup> state in the nation to implement this failed policy. We call on our federal delegation to do everything in its power to defeat any attempt to make right-to-work the law of the land. The IDC will also combat any attempts to pass such a law at the state level.

A number of organizations around the country, such as the American Legislative Exchange Council (ALEC) and National Right to Work Foundation, work to undermine labor rights around the country. The IDC will ensure that the state not spend taxpayer dollars on these organizations.

The IDC also opposes any policies that could serve to undermine critical labor rights. One such policy would be creating a new Constitutional Convention. According to the New York State Constitution, every 20 years the people of New York State vote on whether to call a new Constitutional Convention.<sup>27</sup> However, amendments can be made to the Constitution after passage by two consecutive Legislatures and a public vote. This process has amended the state Constitution over 200 times in the last century.<sup>28</sup>

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<sup>24</sup> Lawrence Mishel, *Unions, Inequality, and Faltering Middle-Class Wages*, ECONOMIC POLICY INSTITUTE (Aug. 29 2012) <http://www.epi.org/publication/ib342-unions-inequality-faltering-middle-class/>.

<sup>25</sup> Jamleson, Dave. *Republicans Want To Pass A National Right-To-Work Law*. HUFFINGTON POST (February 1, 2017) [http://www.huffingtonpost.com/entry/republicans-pursue-national-right-to-work-law-while-they-hold-the-reins-in-washington\\_us\\_5891fb30e4b0522c7d3e354d](http://www.huffingtonpost.com/entry/republicans-pursue-national-right-to-work-law-while-they-hold-the-reins-in-washington_us_5891fb30e4b0522c7d3e354d)

<sup>26</sup> Pfannenstiel, Brianne and Petroski, William, *Iowa Republicans propose sweeping changes to collective bargaining laws, public unions*, DES MOINES REGISTER (February 7, 2017) <http://www.desmoinesregister.com/story/news/politics/2017/02/07/iowa-republicans-propose-sweeping-changes-collective-bargaining-laws-public-unions/97589324/>

<sup>27</sup> Section 2 of Article XIX of the NYS Constitution, [https://ballotpedia.org/Article\\_XIX,\\_New\\_York\\_Constitution#Section\\_2](https://ballotpedia.org/Article_XIX,_New_York_Constitution#Section_2)

<sup>28</sup> Hamilton, Matthew, Report: *Few pros many cons to New York's constitutional conventions*, ALBANY TIMES UNION (June 23, 2016) <http://www.timesunion.com/local/article/Report-Few-pros-many-cons-to-New-York-s-8321655.php>

The last Constitutional Convention, called in 1967, followed voters approving a proposal from the Legislature to call a convention earlier than the scheduled 1977 vote. The convention put together a package of proposals that voters rejected down by a wide margin. That convention cost an estimated \$47 million, or \$336.5 million in inflation-adjusted dollars.<sup>29</sup> Voters in 1977 and 1997 rejected calls for a new convention.

Now, in 2017, there is a renewed attempt to convince voters that holding a new convention would be a positive step for reform. Unfortunately, these calls ignore the reality that many cherished rights currently enshrined in our state Constitution would come under attack in any new Constitutional Convention. The same organizations pushing right-to-work laws would push to remove constitutional protections for pension benefits, the right to join unions or the right of labor members to bargain collectively. The only way to prevent such an outcome is to educate voters on the danger of calling for a new Constitutional Convention. The IDC will work with labor to spread the message and educate voters on the dangers and costs that a new convention would pose.

### *Conclusion*

The IDC understands the importance of labor unions and the labor movement to the wealth and health of the state. By giving workers the power to bargain for better wages and benefits we empower individuals and allow them to create strong and prosperous households. Unfortunately, these rights are under attack nationally. The IDC will always stand on the side of labor and for the rights of workers. We will fight side by side with labor to prevent New York becoming a right-to-work state and from any actions that would undermine or possibly end crucial labor protections.

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<sup>29</sup> Ibid.