

Testimony in Opposition to LD 65 “An Act To Ensure the Right To Work without Payment of Dues or Fees to a Labor Union as a Condition of Employment” and LD66 “An Act To Prohibit Public Employers from Acting as Collection Agents for Labor Unions”

Maine Center for Economic Policy

James Myall, Policy Analyst

May 8, 2017

Good morning Senator Volk, Representative Fecteau, and distinguished members of the Labor, Commerce, Research and Economic Development Committee. My name is James Myall. I am a policy analyst at the Maine Center for Economic Policy, and I am here today to speak against LDs 66 and 65.

A prosperous future for Maine and a robust economy requires more middle-wage jobs with good benefits and working conditions that are compatible with family life.¹ Maine cannot survive as an economy with a few people with good wages and benefits and the rest who struggle to provide for basic necessities. The right of workers to bargain collectively is not only a long-settled question of constitutional law, but it’s a necessity for a prosperous middle class. Without collective bargaining, individual workers are at an impossible disadvantage when negotiating wages and benefits with management. Anti union legislation like the bills before you are partially responsible for the erosion of America’s middle class, and a lack of middle-wage jobs.²

Real wages have been stagnant for decades as union bargaining power has been eroded by lawmakers across the country. Wages in so-called “right to work” states are significantly lower than states with collective bargaining rights, even in manufacturing jobs that were traditionally well paid. A detailed study by the Economic Policy Institute found that the decline in union membership has resulted in a payroll cut of 5%, or the equivalent of \$2,700 annually for a full-time year-round worker.³ For workers with a high school level of education, the cost of declining union power is 9%, or \$3,200 a year. It’s widely acknowledged that America’s middle class was strongest in the 1950s and 60s, and it’s no

¹ Inequality drags on economic growth. See: International Monetary Fund. 2015. *Causes and Consequences of Income Inequality: A Global Perspective*. Available at: <https://www.imf.org/external/pubs/ft/sdn/2015/sdn1513.pdf>

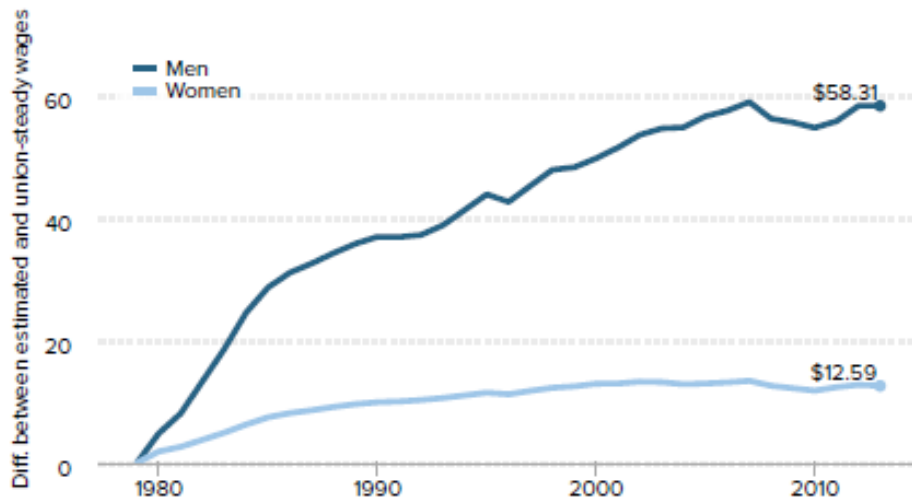
² See Madland, Walter, and Bunker. 2011. *Unions Make the Middle Class Without Unions, the Middle Class Withers* Available at: <https://www.americanprogressaction.org/wp-content/uploads/issues/2011/04/pdf/unionsmakethemiddleclass.pdf>

³ <http://www.epi.org/publication/union-decline-lowers-wages-of-nonunion-workers-the-overlooked-reason-why-wages-are-stuck-and-inequality-is-growing/>

coincidence that this period also saw the highest levels of membership and negotiating power.⁴ The ability of unions to negotiate with management boosts the wages of all workers - even those who don't belong to unions - because they increase the value of labor in the market. By eroding the ability of unions to conduct negotiations, legislation like that before you weakens the well being of *all* workers.

Drop in union membership has taken \$13 to \$58 out of the weekly wages of workers with less than a college degree

Additional weekly wages that nonunion private-sector workers without a college degree would earn had the share of workers in a union (union density) remained the same as in 1979, 1979–2013 (2013 dollars)



Notes: Sample restricted to nonunion full-time workers in the private sector ages 16 to 64. See the text and Methodological Appendix for details on the analysis.

Source: Authors' compilations from the Current Population Survey (CPS) May Supplement microdata and CPS Outgoing Rotation Group microdata.

Economic Policy Institute

Source: Economic Policy Institute

Here in Maine, organized labor has a long history in our manufacturing industries. In 1881, dozens of spinners in Brunswick's Cabot Mill walked off the job in protest that they were being paid less than their coworkers. The strikers were children, some as young as 8. Their parents and other adult workers followed, and they succeeded in gaining a raise - from their previous rate of 8 cents a day, as well as a cleanup of the company-owned tenements that were incubators of diphtheria and other deadly diseases. Organizing and standing together were the means these worker had to improve inhumane conditions.⁵ Organized labor fought to abolish child labor, establish a minimum wage, and many of the safety conditions we take for granted today.

⁴ <https://fivethirtyeight.com/features/americans-dont-miss-manufacturing-they-miss-unions/>

⁵ For more about the Cabot textile mill strike see: <http://frenchnorthamerica.blogspot.com/2015/08/the-childrens-strike-in-gilded-age-mill.html>

Today, most Mainers live substantively better lives than the mill workers of the turn of the century, but our workforce still faces challenges. Rising income inequality means low income workers haven't seen the gains of a growing economy in their paycheck (see appendix A); women are paid less than men for the same work; and too many workers have to choose between work and taking care of themselves or a family member. The disparity between men's and women's wages is highest in so-called "right-to-work" states, and workers have fewer benefits, on average, in these states. Overall wages are lower.⁶ That's because collective bargaining is essential for creating a two way dialogue between workers and employers about how these needs can be addressed.

Collective bargaining rates assessed on non union members are nothing more than fair share contributions to those who negotiate better wages, working conditions, and benefits on behalf of all employees. The right of unions to collect some dues from non-members that they nevertheless represent has been the law for 70 years. The Taft-Hartley Act, named for two Republican legislators, unequivocally conferred this right as a means of ensuring that there were no "free riders" who benefitted from union negotiations without paying for that representation. The same legislation also unequivocally prohibits these dues from non-members for being used for anything other than union negotiations.⁷ In other words, not a penny of the payments collected from non-members goes toward political activities. Eliminating the ability of unions to collect payments from non-members who benefit from their works, would ask them to continue to work on behalf of everyone with a fraction of their existing resources.

"Right to work...is a law to rob us of our civil rights and job rights. Its purpose is to destroy labor unions and collective bargaining."⁸ Those are not my words, but those of Dr. Martin Luther King 56 years ago. It was true then, and it is true now. LDs 65 and LD 66 would only reduce the ability of workers to exercise their constitutional right to bargain collectively, and empower large corporations at the expense of Maine workers.

I urge this committee to stand with Maine workers and reject LDs 65 and 66, and any other legislation that diminishes the ability of workers to stick together and exercise a collective voice.

Thank you. I'll be happy to take any questions.

⁶ <http://www.epi.org/publication/right-to-work-states-have-lower-wages/>

⁷ <https://www.gpo.gov/fdsys/pkg/USCODE-2010-title29/html/USCODE-2010-title29-chap7.htm>

⁸ Martin Luther King, Jr., "Vote No of State Question 409: So-Called Right-to-Work," 1961. <http://www.thekingcenter.org/archive/document/vote-no-state-question-409-oklahoma-naacp#>