

Brief: The state of labor organizing in Maine

At a glance:

- Labor unions play an essential role in delivering better wages, benefits, and working conditions not just for their members, but for all workers
- Women and people of color see even more pronounced gains in wages, retirement security, and health care coverage because of being union members
- Labor unions contribute to increased civic and community engagement
- Maine and the nation are seeing a resurgence in worker organizing across a wide range of sectors
- Public support of unions is at a 60 year high despite the share of workers who belong to a union continuing to lag
- Recent policy changes in Maine will improve opportunities for workers to organize and secure good jobs
- Labor laws still fall short when it comes to upholding the rights of workers to organize and have greater say

Unionized workers play an essential role in advancing economic justice

The 40-hour work week. Protections for worker health and safety. These are hard fought standards secured by unionized workers that benefit all workers.

Unions are fundamentally about balancing power between workers and management or ownership, and a unionized workforce is associated with a host of positive economic, health, and civic outcomes.

For unionized workers, the benefits are clear. Research has found union membership <u>boosts wages</u> by around 15 percent compared to nonunion workplaces, when accounting for age, education, occupation, and other factors.

Negotiated wages help reduce gender and racial disparities

Unionized women workers enjoy a substantial boost in pay compared with their nonunion counterparts, with <u>one study</u> finding unionized women workers earned 24 percent more than similar nonunion women workers. Because this pay boost is larger for women than for men, it also helps reduce inequality between men and women workers. And the positive effects of unionization on wage equity is particularly strong for workers in lower-paying job classifications, in which women and Black workers are overrepresented. <u>One study</u> found after controlling for age, education, and other differences, the union wage premium for Black workers was 15.6 percent and the union wage premium for black workers in low-wage occupations was nearly 20 percent.

Unionized women workers are also far more likely to have retirement benefits, which is particularly important as women more often take time away from the labor force to care for family members, thereby reducing their retirement savings. <u>One study</u> found that women represented by unions were more than 50 percent more likely to have a pension than their nonunion counterparts, and for women with less than a high school diploma unionization raised the likelihood of having an employer-provided retirement benefit by nearly 80 percent.

Unions help sustain a healthier workforce

Unions negotiate better, more affordable health insurance plans for workers they represent and help facilitate higher enrollment rates compared with unorganized workers. A 2019 Bureau of Labor Statistics <u>analysis</u> found 84 percent of union workers participated in employer-sponsored health care plans, compared with just 54 percent of nonunion workers. About three-quarters of union workers had access to dental benefits compared to 40 percent of nonunion workers, and more than half of unionized workers had access to vision benefits compared to just 23 percent of nonunion workers. Unionized workers are also <u>associated</u> with better outcomes connected to a series of determinants of health, including job protections for speaking up about unsafe working conditions and taking sick leave when needed.

Worker organizations help strengthen and protect democracy by facilitating greater political engagement

When workers organize to improve conditions and challenge power imbalances at work, they learn skills that are applicable in the civic and political spheres. The workplace is also a unique site in which, unlike political clubs or religious settings, people do not choose who they work with on the basis of their beliefs. When workers organize together across lines of ideology or identity, they can gain a greater understanding and tolerance for people they view as different from them. And while unions are primarily focused on improving conditions at work, they also engage members in politics, helping turn more people out to vote and running for office themselves, and engendering a broader sense of solidarity.

The benefits of unions on our country and economy are not limited to their members

When unions negotiate contracts delivering higher wages and better benefits to significant numbers of workers, there are ripple effects across entire industries. Union strength is associated with fairer distribution of the benefits of economic growth. <u>One study</u> found the decline in union membership over the past half-century has contributed significantly to the growing income inequality between the poorest and wealthiest Americans. Here in Maine, from 1964 to 2016, over a period when union membership roughly halved, the scale of income inequality <u>more than doubled</u>.

Organizing is experiencing a resurgence in Maine and across the US

Maine is witnessing a resurgence of organizing. From nurses and social service providers to baristas and restaurant workers; from college faculty and staff and art museum and nonprofit workers; **workers across our state are taking collective action to raise standards for themselves and, by extension, all working people in Maine**.

The resurgence of organizing in Maine mirrors what is happening nationally. Delivery workers, baristas, auto workers, actors and writers, hotel housekeepers and restaurant servers, warehouse workers — across the country, all are organizing and taking action to raise wages and demand dignity and respect on the job.

Some of this energy stems from a resetting of expectations for workers as a result of the pandemic. After working through a public health emergency and an economy turned upside down, workers faced a red-hot recovery defined by record-high corporate profits and extremely tight labor markets. Meanwhile, the current National Labor Relations Board (NLRB) has proven more friendly to workers than under recent administrations, taking a more proactive stance in enforcing worker rights to form unions and bargain contracts. Through the first half of 2023, unions won 662 NLRB representation elections covering more than 58,000 workers across the US, the second highest first half total of the 21st century. During that time, <u>unions won 80 percent</u> of representation elections and 18 out of 19 that involved bargaining units of 500 or more workers.

Public support of unions is at a 60-year high while the share of workers in a union lags

Currently, people in the US have a <u>higher opinion</u> of unions than at any time in nearly 60 years, with more than 70 percent of Americans registering their approval. However, despite this popularity, historically tight labor markets, and an upsurge in organizing, **a small and shrinking share of overall workers are represented by unions today**.

In 2022, union membership in the US grew by more than 270,000, yet union density — the share of all workers who are union members — declined, as job growth that year greatly outpaced the number of newly organized workers.

In Maine, around 12 percent of workers are union members, down from 14 percent in 2000 and as high as 38 percent in 1950.ⁱ Maine's union density sits slightly above the national average, 10.1 percent, which peaked in the 1950s when one-in-three workers belonged to a union.

There are many reasons for the long-term decline of union membership in Maine and across the country, including outsourcing, the rise of free-market economic ideology, and the development of sophisticated "union avoidance" firms. But while considering all these factors, it is clear our labor laws — which were passed in the New Deal era and then weakened with 1947's Taft-Hartley Act — fall well short of a fair balance between workers and employers.

Recent policy changes and organizing efforts put a spotlight on workers and unions in Maine

Policy change is needed to empower workers to organize

Labor law in the US was established nearly 90 years ago under the 1935 National Labor Relations Act (NLRA), which extends the right of private sector workers — except for agricultural and domestic workers — to form unions and bargain collectively. Federal labor law today falls woefully short in effectively enabling workers to organize and bargain union contracts, as illustrated by the <u>wide gap</u> between the number of workers who would vote to join a union and the number who are represented by one.

Under current law, employers can fire workers who are organizing a union with minimal consequence. This weapon, perhaps the greatest threat an employer can hold over its workers, has been used in roughly one out of every five organizing campaigns, while an estimated one-in-seven union activists are <u>illegally fired</u> while trying to organize. When

employers are found to have illegally terminated workers for their organizing efforts, they simply must rehire the worker and pay back wages. (A 2022 ruling by the NLRB asserted employers may also be held liable for broader financial impacts of their termination, including out-of-pocket medical expenses and credit card debt.) Workers who are illegally fired do not have the right to bring a civil lawsuit, but instead must rely on a NLRB determination, which some employers have challenged or disregarded.

Among other examples of the flaws in current law, employers often refuse to voluntarily recognize a union when a majority of workers have demonstrated a desire to bargain collectively and can delay or challenge the results of union elections. However, on August 25, the NLRB issued what could be a landmark ruling that when a union requests recognition with majority support from workers, the employer must recognize and bargain with the union or quickly

Chipotle workers take on the corporate goliath in Augusta

In June 2022, workers at an Augusta Chipotle Mexican Grill filed for a union election, seeking to become the company's first-ever unionized location in the US. Workers were motivated to organize due in part to what they described as unsafe staffing levels. In response, Chipotle shuttered the store just hours before the election was set to commence. Unlike other fast-food brands that rely on a franchise model, Chipotle owns and operates all its more than 3,200 restaurants and employs more than 100,000 workers. Workers at the Augusta restaurant responded to the closure by filing unfair labor practice charges, asserting the corporate giant's actions were retaliatory. Faced with the potential of a first-ever unionized shop, Chipotle agreed to an NLRB-negotiated settlement that required the company to pay 24 workers a total of \$240,000, offer preferential hiring for any job opening at Chipotle locations in Maine, and post a notice about worker rights at 40 locations throughout New England.

file a representation election. If the employer commits unfair labor practices that would impact the election results, the NLRB will order the employer to recognize and bargain with

the union. As a board ruling, opposed to a legislative reform, this could be overturned under a new administration.

Employers often campaign against organizing on workers' paid time. One study found that three-quarters of employers hire union avoidance consultants when facing a union organizing campaign, and US employers today collectively spend more than <u>\$400 million</u> per year on consultants who direct campaigns to crush union organizing efforts.

Starbucks workers in Biddeford join a national wave of organizing

In July of 2022 baristas in Biddeford voted overwhelmingly to join workers at hundreds of other Starbucks locations in unionizing. Workers reported being motivated by the significant employee turnover caused by low pay and unreliable schedules, and a desire to hold the company to its stated values toward workers it calls partners. Despite the wave of organizing at Starbucks, where workers at more than 300 stores have won union elections over the past two years, none has reached a contract, more than 200 workers have allegedly been fired for organizing, and many unionized stores have been permanently shuttered. Starbucks founder and, until recently, chief executive officer Howard Schultz appears to have publicly ruled out engaging with the union and the company has repeatedly been found to have violated labor law. As workers in Biddeford remain in limbo, the corporate giant's intransigence is among the more visible illustrations of the limits of US labor law.

Employers are also able to delay progress in bargaining a first contract: one study found that for more than half of workplaces that have voted to form a union, it takes <u>longer than a year to win a</u> <u>first contract</u>, and for more than one-third, workers must wait more than two years. These and other factors reflect why it is extremely challenging for workers to successfully organize and bargain a contract.

In response, federal legislators have introduced the Protecting the Right to Organize (PRO) Act. If passed, <u>the PRO Act</u> would impose stronger penalties for breaking labor law and would in some cases even hold corporate officials personally responsible for illegal conduct. The bill would implement new mediation and binding arbitration measures to ensure employers do not drag out the union recognition process or contract negotiations. The PRO Act would properly classify as workers people currently considered independent contractors and who thereby do not have the legal right to

organize. And it would eliminate so-called "right to work" laws that exist to undermine unions' abilities to collect fair-share fees from everyone who benefits from the fruits of collective bargaining.

In addition to federal labor law reform — or in the absence of progress in Washington — there are many ways for state lawmakers to shore up worker rights in Maine. **Below are a few recent examples of critical pro-worker bills, some of which have come into law and others that remain to be passed.**

Protecting workers from employer intimidation

This year Senator Mattie Daughtry introduced, and Governor Mills signed, a bill to offer workers critical protection from employer intimidation. LD 1756, An Act to Protect Employee Free Speech, will make it illegal for employers to hold mandatory workplace meetings, sometimes known as "captive audience" meetings. Until now, employers have used these mandatory group or one-on-one meetings, often under the direction of highly compensated union avoidance consultants, to thwart collective bargaining efforts by forcing employees to listen to anti-union messaging. In many such meetings, consultants suggest unionizing will result in a loss of jobs or benefits to scare workers ahead of an election. This new law means Maine will join Oregon, Connecticut, and <u>other states</u> in making it clear employers cannot mandate attendance at such meetings.

Ensuring a just transition for workers in the energy sector

In the 130th legislature, then-Representative Scott Cuddy introduced <u>LD 1969</u> to require large renewable energy projects that receive financial support from the state pay workers a decent wage commensurate with workers in their industry. The bill also incentivizes the use of project labor agreements and builds out a pre-apprenticeship system to improve equity in accessing good jobs. The bill became law without the Governor's signature.

Maine Medical Center nurses organize in Portland

In 2021 nearly 2,000 workers at the state's biggest employer, in the state's biggest employment sector, overcame tireless management opposition to form a union. The nurses of Maine Medical Center — a majority of whom are women and most of whom have a post-secondary degree, contrasted from traditional images of the working class — faced down substantial efforts to dissuade them from unionizing, with parent company MaineHealth spending nearly \$1 million on anti-union consultants that year alone. (MaineHealth was found to have vaccinated out-ofstate anti-union consultants ahead of Maine-based frontline health care professionals, violating state protocol and drawing a rebuke from Gov. Mills.) Over a year after negotiations began, the nurses ratified a contract that, among other improvements, guaranteed a 15 percent across-the-board raise over the course of three years, starting with a seven percent raise in the contract's first year.

This year, Senator Mark Lawrence introduced LD 1895, a bill to incentivize offshore wind power development and ensure workers who build this future energy infrastructure will do so at collectively bargained rates and without the use of temporary staffing agencies or independent contractors. After negotiating with the bill's sponsor, Governor Mills signed the bill into law.

Extending basic economic rights to agricultural workers

Federal legislation enshrining labor rights, including the National Labor Relations Act and the Fair Labor Standards Act, has for nearly 90 years maintained carveouts excluding farmworkers from the right to organize and be paid a decent wage. This legislative session Speaker Rachel Talbot Ross introduced two bills to ensure the workers who do the hard work to cultivate and harvest our food are granted the same economic rights as all other workers. LD 525 would have finally enshrined farmworkers' rights to collective bargaining, as several other states have done. LD 398 would cover farmworkers under Maine's wage and hour laws, including the state's minimum wage and overtime pay. After deliberations in the Labor and Housing Committee and a lengthy stakeholder process facilitated by the Mills administration and Maine Department of Labor, LD 398 was significantly scaled back to simply cover farmworkers under the statewide minimum wage — without any overtime

pay — and formally classify them as employees under state law. Despite an expectation that it would become law, Governor Mills vetoed LD 398 at the last minute and convened a committee to further study a farmworker minimum wage. LD 525 was carried over for further deliberation in the 131st legislature's second session.

Levelling the playing field for public sector workers

Unlike most private-sector workers, public-sector employees were not covered by the 1935 National Labor Relations Act, so it has been left to states and municipalities to establish their own labor relations frameworks for public servants. In Maine, state law still prohibits public-sector workers

University of Maine voluntarily recognizes graduate workers union in Orono

This spring, graduate student workers announced their intent to organize so they could advocate for better pay and working conditions. After organizers collected signed union cards from a majority of workers, the university, which already negotiates with other unions across several campuses, announced it had agreed to a neutral, cardcheck process to determine whether a majority supported unionizing. This is a fairer process for determining whether to form a union, as it avoids the potential for employer intimidation and delay that often occurs around NLRB elections. The 1,000 University of Maine graduate workers will join around 100,000 academic workers represented by the United Auto Workers nationwide.

from the right to strike. In many other labor relations contexts, the prohibition on work stoppages is complemented by a process of binding arbitration, in which a panel of arbitrators who are mutually agreed upon by workers and employers can help mediate between the sides and, if necessary, implement what they determine is a fair economic agreement. However, when public sector workers in Maine cannot reach an agreement with their employer on wages, health coverage, or retirement benefits, the employer can ultimately impose their economic terms on workers. Over the past 15 years, Maine state employees have fallen far behind their peers in other states and comparable workers in the private sector and have struggled to recruit and retain the people needed to provide vital public services. To address this situation, in the 129th and 130th legislatures Senate President Troy Jackson introduced bills to extend binding arbitration to cover these critical economic issues and thereby ensure public servants can successfully negotiate fair wages and benefits. After passing the legislature both times, Governor Mills vetoed these bills.

ⁱ Bureau of Labor Statistics, Union members 2018-2022, Union affiliation of employed wage and salary workers by state, five-year average to account for statistical variability; Charles A. Scontras, *Maine Labor in the Age of Deindustrialization and Global Markets, 1955-2005*, Bureau of Labor Education, University of Maine, 2017.