

## Unionization of Low Wage Workers

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### Executive Summary

The unionization of workers, particularly those engaged in occupations which pay low wages, has often been criticized by business leaders as stifling economic development. This brief explores unionization of low wage work in both national and local terms and discusses its effects on economic development and on the lives of workers. It asserts that in spite of the recent decline in union participation, the organizing of low wage labor significantly increases workers' quality of life.

### Does unionization improve the lives of low wage workers?

Unionization does tend to improve the lives of low wage workers. A recent study released by the Labor Project for Working Families at UC Berkeley found that unionized workers receive more family-friendly benefits than do their non-union counterparts. Among these benefits are a better understanding of their rights, better health care and pension programs, greater willingness on the part of their employer to comply with the Family Medical Leave Act, access to paid leave and sick days, and the provision of childcare benefits.<sup>1</sup> These benefits are of great significance, considering the number of single mothers employed in low wage work.



Unionization generally results in higher wages.<sup>2</sup> Though there is some disagreement about the extent to which membership in unions offers greater benefits than simply working under the collective bargaining agreements procured by unions, there seems to be a consensus that unions do provide real benefits for workers.<sup>3</sup>

## **Has there been an increase in the number of unionized low wage workers nationwide?**

Across the country, worker participation in unions has been declining. In 1954, 35% of all public and private sector workers belonged to a union. By 2009 that number had dropped to 12%.<sup>4</sup> It is likely that the decline in manufacturing jobs in the United States is closely related to this dramatic shift.<sup>5</sup>

This does not necessarily lead us to conclude that the participation of low wage workers in labor unions has dropped, as well. In fact, the past twenty-five years have seen significant efforts to organize low wage workers, including immigrant workers. For instance, Janitors for Justice, a campaign of Service Employees International (SEIU), started in 1985 with the aim of helping janitors obtain better wages and working conditions. This campaign has been sustained over the course of twenty-five years, and has contributed to improved conditions for janitors in the United States, Canada, and in Europe.<sup>6</sup>

In 1990, for example, the Justice for Janitors campaign succeeded in organizing 90 percent of the custodians cleaning major office buildings in downtown Los Angeles. Not only did this movement succeed in creating new union members, it also implemented new and aggressive tactics and demonstrated a strong commitment to social justice that had been absent in other campaigns. These same methods have been used by other unions, such as the hotel, restaurant, and casino workers of Las Vegas, to gain similar victories.<sup>7</sup>

Along with these successes, SEIU, HERE, and other unions like the Communications Workers of America (CWA) have also experienced great difficulties (including a six-year strike by Las Vegas casino workers), but they continue to organize security guards, health care, workers, and other service professionals.

## **How does union participation in Western New York compare to the national trends?**

Like the rest of the country, Western New York has seen a steady decline in the percentage of workers who belong to labor unions. As late as 1986, 33.3% of all workers in Western New York were members of labor unions. By 2009, however, this number had dropped to 23.4%.

However, the percentage of the workforce that is unionized remains substantially higher in Buffalo than in other parts of the country. Nationally, participation in labor unions dropped from 17.5% in 1986 to 12.3% in 2009.



## **Have there been sustained efforts to unionize low wage workers in Western New York?**

Despite the decline in union participation, there have been successful campaigns to unionize low wage workers in Western New York. SEIU has been particularly active in organizing local healthcare workers—many of whom work in low wage occupations—and janitors.<sup>8</sup> Locally, Janitors for Justice helped local custodians organize in the mid-1990’s, securing improved working conditions.<sup>9</sup>

In December 2009, workers at Sheehan Health Network in Buffalo (including maintenance and clerical employees) received a new contract, negotiated with the help of Local 1199 SEIU. This new agreement improves employer contributions to pensions, provides training and education benefits, and secures significant wage increases.<sup>10</sup> While this is only one example of the benefits unions can secure for their members, it is consistent with impact unions have been had throughout the region.<sup>11</sup>

## **Does the unionization of low wage workers discourage meaningful economic development?**

Business owners often argue that unionization will increase the cost of doing business. In Western New York, where the last forty years have been marked by economic hardship and significant population loss (particularly in the urban core), many fear that a strong union presence will discourage economic development. As a result, local politicians, bloggers, and other concerned citizens often suggest that the

demands of organized labor be eschewed so as to attract industry. Erie County Executive Chris Collins, has argued that, at least in some situations, unionization and job growth are incompatible.<sup>12</sup> Additionally, Collins and others have opposed prevailing wage policies (in which employers with certain government contracts must pay the “union,” or “prevailing” wage rate) in the belief that such requirements provide a disincentive for businesses to invest in the local economy.<sup>13</sup>



However, there are studies which suggest that the increased wages are not necessarily bad for business, as higher paid employees are often more productive, produce higher quality goods, and render superior service.<sup>14</sup>

## What are some policy suggestions that can aid the unionization of low wage workers?

One of the most important benefits unions provide is educating worker's about their rights. This being the case, the most immediate and significant way to secure the rights of low wage workers is not to pass new legislation, but to enforce laws already in existence. For that reason steps should be taken to educate employers as to the rights of workers, the role of unions in enforcing these rights, and, perhaps, the threat of stiffer penalties for refusing to honor them.

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<sup>1</sup> Jenifer MacGillvary & Betsy Firestein, "Family-Friendly Workplaces: Do Unions Make a Difference?" UC Berkeley Center for Labor Research and Education, and the Labor Project for Working Families, 2009.

<sup>2</sup> John Schmit, Margy Waller, Shawn Fremstad, & Ben Zipperer; "Unions and Upward Mobility for Low-Wage Workers," WorkingUSA, Vol. 11, No. 3 (Sep. 2008), pp. 337-348; John W. Budd & In-Gang Na, "The Union Membership Wage Premium for Employees Covered by Collective Bargaining Agreements," Journal of Labor Economics, Vol. 18, No. 4 (Oct. 2000), pp. 783-807.

<sup>3</sup> Budd "Union Membership Wage Premium."

<sup>4</sup> "Playing an Insecure Hand: Low-Wage Workers in the New Economy," University at Buffalo Regional Institute, 2010.

<sup>5</sup> Ibid.

<sup>6</sup> SEIU, <http://www.seiu.org/a/propertyservices/property-services-faq.php> (accessed April 15, 2010).

<sup>7</sup> See, generally, Rick Fantasia & Kim Voss, Hard Work: Remaking the American Labor Movement (Berkeley: University of California Press, 2004), Ch. 4.

<sup>8</sup> Organizing low wage workers has been a priority for the SEIU of late. Labor scholar Harley Shaiken suggested that former SEIU leader Andy Stern would ultimately be remembered for his drive to organize the "unorganizable" (i.e., home health workers and janitors). See, Sam Hananel, "Stern confirms he'll leave service employees union," Associated Press, April 14, 2010.

<sup>9</sup> James T. Madore, "Union accord allows janitors to cancel protest at opening event," Buffalo News, September 19, 1996.

<sup>10</sup> "Sheehan contract OK'd," Buffalo News, December 24, 2009.

<sup>11</sup> See also, "BryLin workers OK terms," Buffalo News, December 23, 2009; Matthew Spina, "Erie County's blue-collar union OKs contract," Buffalo News, October 30, 2009.

<sup>12</sup> See, e.g., [http://www.collinsforourfuture.com/newsroom/detail-page/article/making-it-in-buffalo/?tx\\_ttnews\[backPid\]=20&cHash=ce5c7f9bb4](http://www.collinsforourfuture.com/newsroom/detail-page/article/making-it-in-buffalo/?tx_ttnews[backPid]=20&cHash=ce5c7f9bb4).

<sup>13</sup> Matthew Spina, "Collins airs ad blitz opposing prevailing wage," Buffalo News, July 22, 2009.

<sup>14</sup> See, Harley Shaiken, The High Road to a Competitive Economy: A Labor Law Strategy, Center for American Progress, June 25, 2004, pp. 7-8. <http://www.americanprogress.org/atf/cf/%7BE9245FE4-9A2B-43C7-A521-5D6FF2E06E03%7D/unionpaper.pdf>, (accessed April 14, 2010); Saul A. Rubinstein, "The Impact of Co-Management on Quality Performance: The Case of the Saturn Corporation." Industrial and Labor Relations Review, Vol. 53, No. 197 (January 2000); cited in "Unions Are Good for Business, Productivity and the Economy,"

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<http://www.aflcio.org/joinaunion/why/uniondifference/uniondiff8.cfm> (accessed April 14, 2010).

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