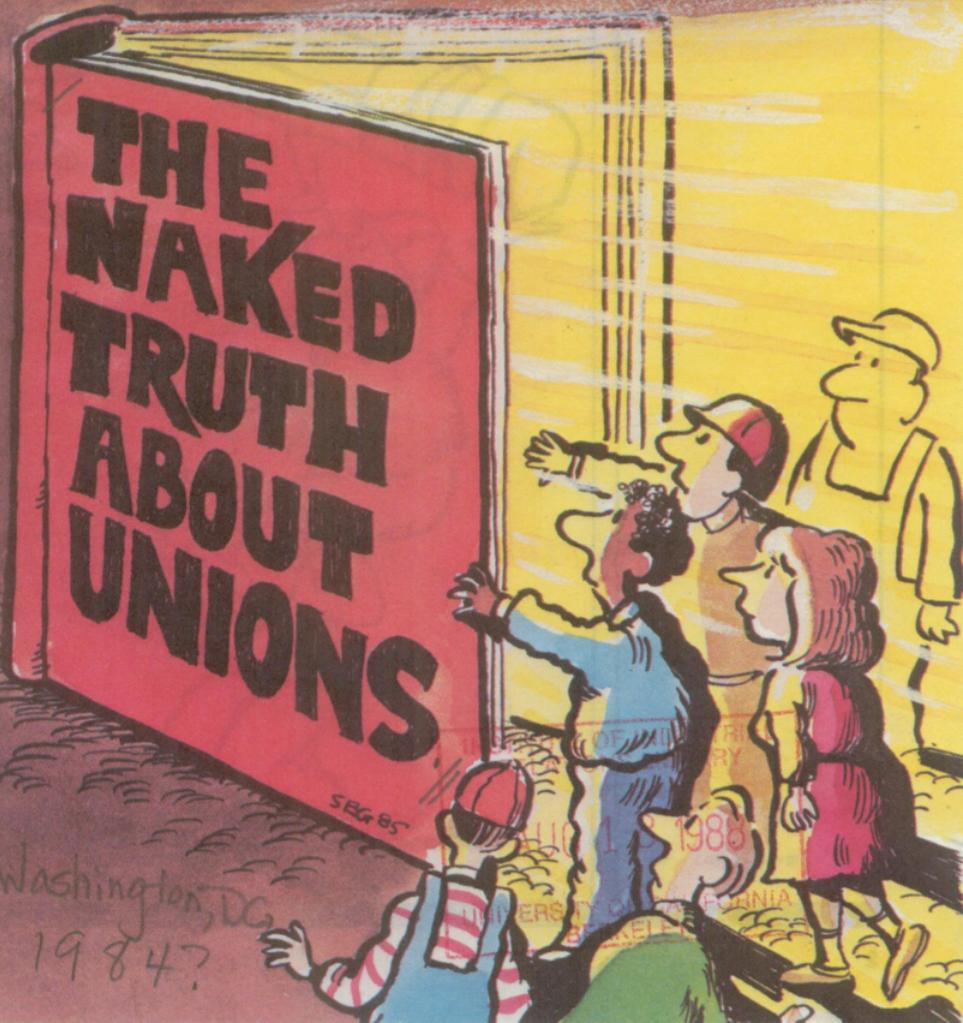
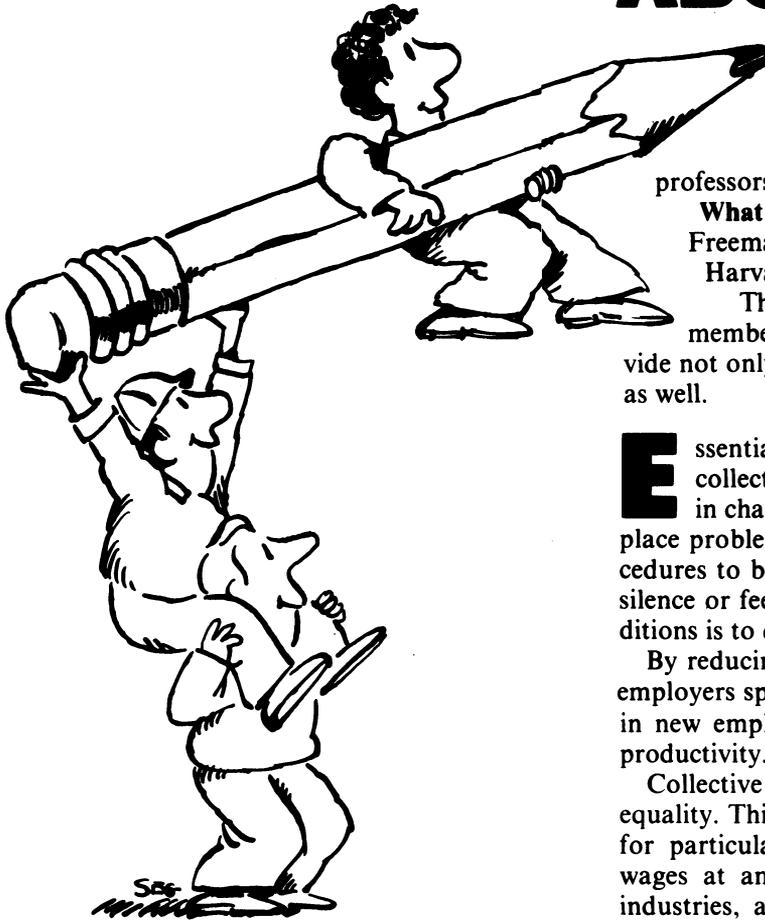


Labor Unions
(1984? folder)



Washington, DC
1984?

THE BARE FACTS ABOUT UNIONS



If you're looking for the naked truth about unions, you might start by reading a recent book by two East Coast professors.

What Do Unions Do? by Professor Richard B. Freeman, MIT, and Professor James L. Medoff, Harvard University, paints a provocative picture.

These two economists document what most union members know from experience — that unions provide not only higher wages but substantial **nonwage** gains, as well.

Essentially, their new book shows how union-won collective bargaining gives workers a powerful voice in changing workplace conditions and solving workplace problems. With union contracts and grievance procedures to back them up, workers don't have to suffer in silence or feel that their only option to unacceptable conditions is to quit their jobs.

By reducing employee turnover, the authors point out, employers spend less time hiring, retraining, and breaking in new employees. A union contract thus means higher productivity.

Collective bargaining is also a strong force for greater equality. This results from forcing employers to pay wages for particular jobs and not for "merit," by equalizing wages at an employer's many plants and across entire industries, and by lifting the pay of unskilled workers. Non-union workers as we all know, also benefit from



union advances as shown by the fact that non-union workers in heavily unionized industries and areas are paid more.

It isn't likely, however, that employers are going to roll over and play dead when they get their copy of **What Do Unions Do?** While unions raise wages and have a minimal effect on inflation according to the two professors, collective bargaining puts a squeeze on profits. And recent employer efforts to weaken pattern and centralized bargaining and master contracts and to lower unskilled wages show management's recognition of labor's effects on wages.

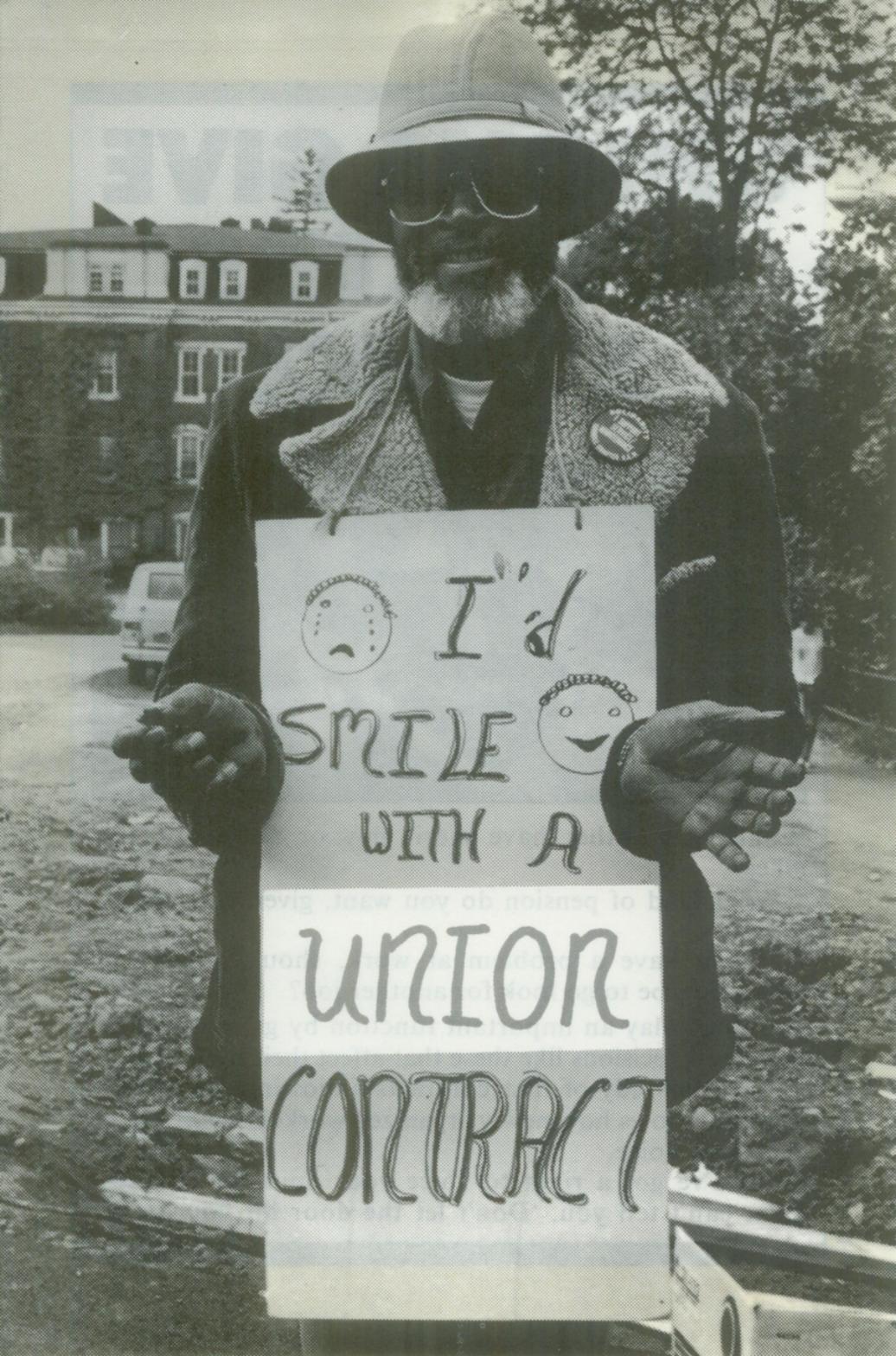
The claim that unions gain at the expense of consumers is not true. Since union gains come partially at the expense of profits and since union workers are more productive, the effect of unions on product prices is slight or non-existent.

Union pay is about 20-25 percent higher than non-union pay though the differential has narrowed slightly in the last few years. Union workers receive more and better fringe benefits than non-union workers. And Medoff and Freeman found that negotiations helped most workers get the benefits they wanted the most.

And the two professors strip away myths that unions are disproportionately corrupt, strike-happy, undemocratic, or a force for greater inequality among workers.

At the same time, Medoff and Freeman take a hard look at the decline in the percent of private sector workers who belong to unions, but unlike many academic colleagues who are cheering the downward trend, Freeman and Medoff state this continued decline is bad not only for union members but also for the entire society.

"Because our research shows that unions do much social good, we believe that the 'union-free' economy desired by some business groups would be a disaster for the country," they conclude.



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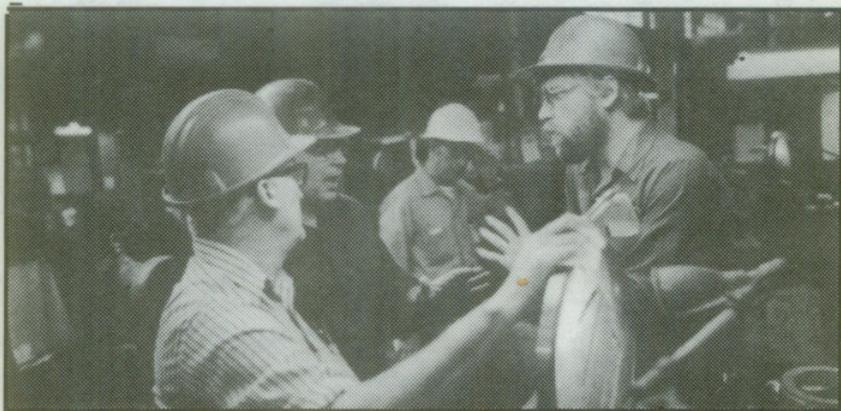


WITH A

UNION

CONTRACT

UNIONS GIVE WORKERS A VOICE



Would you rather have merit pay or automatic pay hikes?

What kind of pension do you want, given the realistic choices?

If you have a problem at work, should your only alternative be to go look for another job?

Unions play an important function by giving workers a voice in decisions like these that affect their lives.

A recent study of first contracts following organizing victories shows how newly organized workers highly value their new voice.

“You’ve got a right to voice your opinion. Management can’t tell you, ‘Don’t let the door hit you on the

way out,” is the way one new union member sums it up.

In their book, **What Do Unions Do?** economists Richard Freeman and James Medoff throw the spotlight on the consequences of the voice which unions provide for workers.

COLLECTIVE BARGAINING Through collective bargaining, unionized workers have a voice not just in the amount of pay and fringes benefits they receive but also in the formulation of the whole package.

GRIEVANCE PROCEDURE. If unionized workers have complaints about the way they are being treated, they have a recourse: they can file a grievance. Nonunion workers just have to suffer in silence. Because they have this voice mechanism, union workers tend not to quit their jobs when problems arise but to seek redress through a grievance procedure. While some companies try to set up grievance procedures, in the absence of a real union presence, they don't work.

POLITICAL ACTION Through unions, workers also gain a voice in politics to push for tougher health and safety protection, better unemployment compensation laws, fairer taxes, and many other vital interests — not just of union workers but of all working Americans.

MEMBERS USE THEIR VOICE.

Percent of total union workers who have filed a grievance in the prior two years.

TOTAL	MEN	WOMEN	WHITE	NON-WHITE	HIGH SENIORITY
28%	26%	38%	28%	27%	24%

SOURCE: Quality of Employment Survey as tabulated in **What Do Unions Do?** by Freeman and Medoff.

UNIONS MEAN BETTER PAY

Weekly Earnings 1987

	UNION	NON- UNION
All workers 16 years and older	\$465	\$342
Machine operators, assemblers and inspectors	\$397	\$258
Administrative support, including clerical	\$409	\$294
Men	\$494	\$406
Women	\$388	\$288
Blacks	\$399	\$268
Hispanics	\$395	\$261
Service employees	\$375	\$322
Precision production, craft repair	\$521	\$378
Technical and related support	\$495	\$420

Source: U.S. Dept. of Labor **Employment and Earnings**, January, 1988.

UNIONS MEAN BETTER FRINGES

	<i>HOURLY VALUE</i>	
	UNION	NON-UNION
Paid leave— vacations, holidays, etc.	\$1.42	94¢
Supplemental pay, shift differentials, etc.	66¢	28¢
Insurance Life, Health, etc.	\$1.44	65¢
Retirement, savings, and pensions	94¢	40¢
Legally-required fringes: Social Security, etc.	\$1.74	\$1.10
Other	7¢	1¢
TOTAL HOURLY VALUE	\$6.26	\$3.39

Source: AFL-CIO Research Department, using data derived from 1987 Bureau of Labor Statistics Information.

**TOTAL UNION-
WON BENEFITS
AVERAGE 78
PERCENT MORE
IN VALUE THAN
NON-UNION
BENEFITS.**



WHEN WORKERS JOIN UNIONS

FRINGES IMPROVE FOR WHITE COLLAR EMPLOYEES . . .

Immediately after white collar workers organized, their employers made dramatic changes in fringe benefits:

- Thirty-five percent of the firms improved their pensions.
- Thirty-five percent of the firms improved their health programs.
- Twenty-one percent increased sick leave allowances.

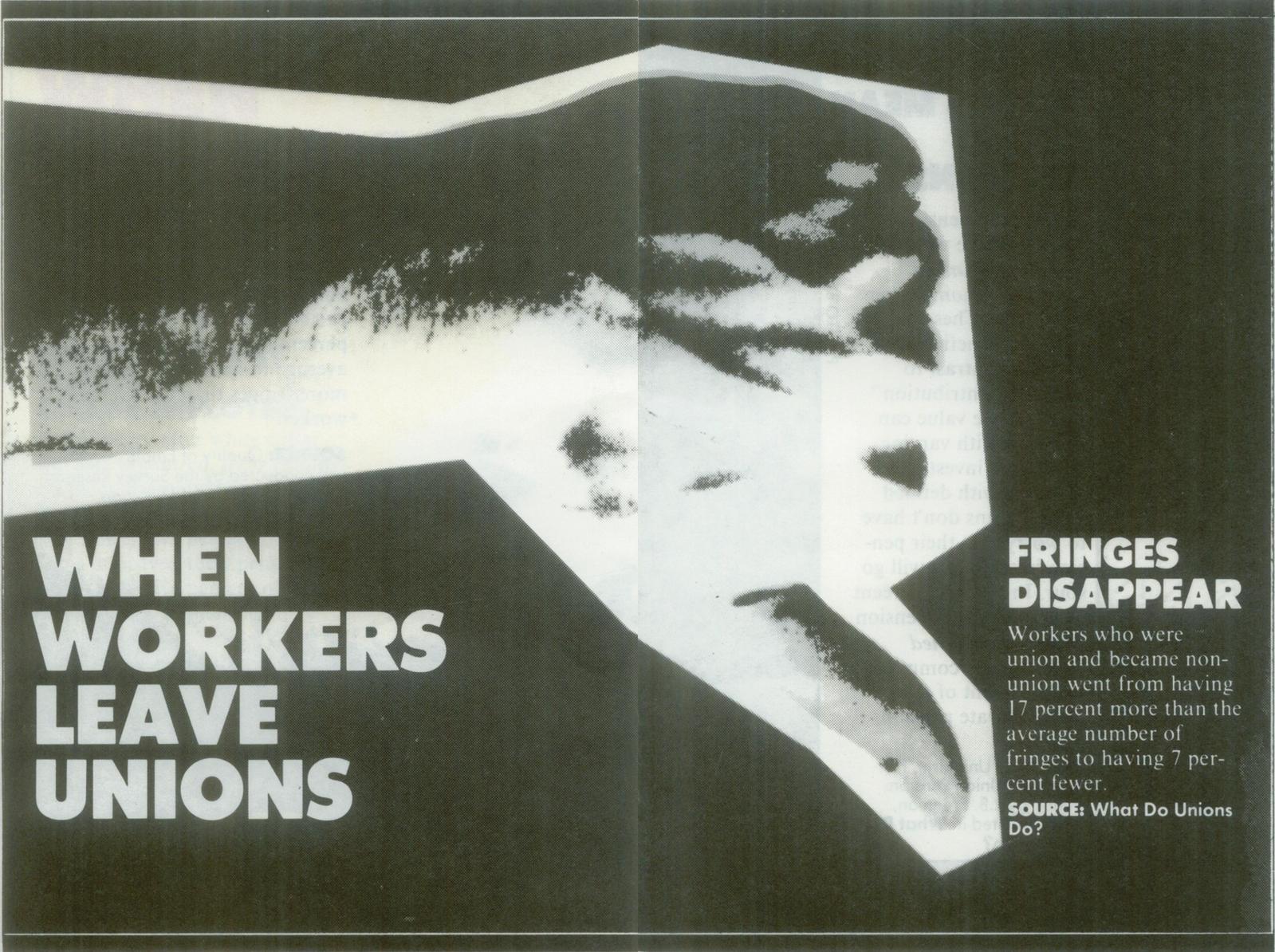
SOURCE: Conference Board Study: White Collar Unionism.

. . . AND BLUE COLLAR EMPLOYEES ALIKE.

Blue collar workers who moved from non-union to union status over a four-year period went from having 18 percent fewer fringes than average to having 10 percent more fringes than the average worker.

SOURCE: Quality of Employment Survey conducted by the Survey Research Center, University of Michigan.





WHEN WORKERS LEAVE UNIONS

FRINGES DISAPPEAR

Workers who were union and became non-union went from having 17 percent more than the average number of fringes to having 7 percent fewer.

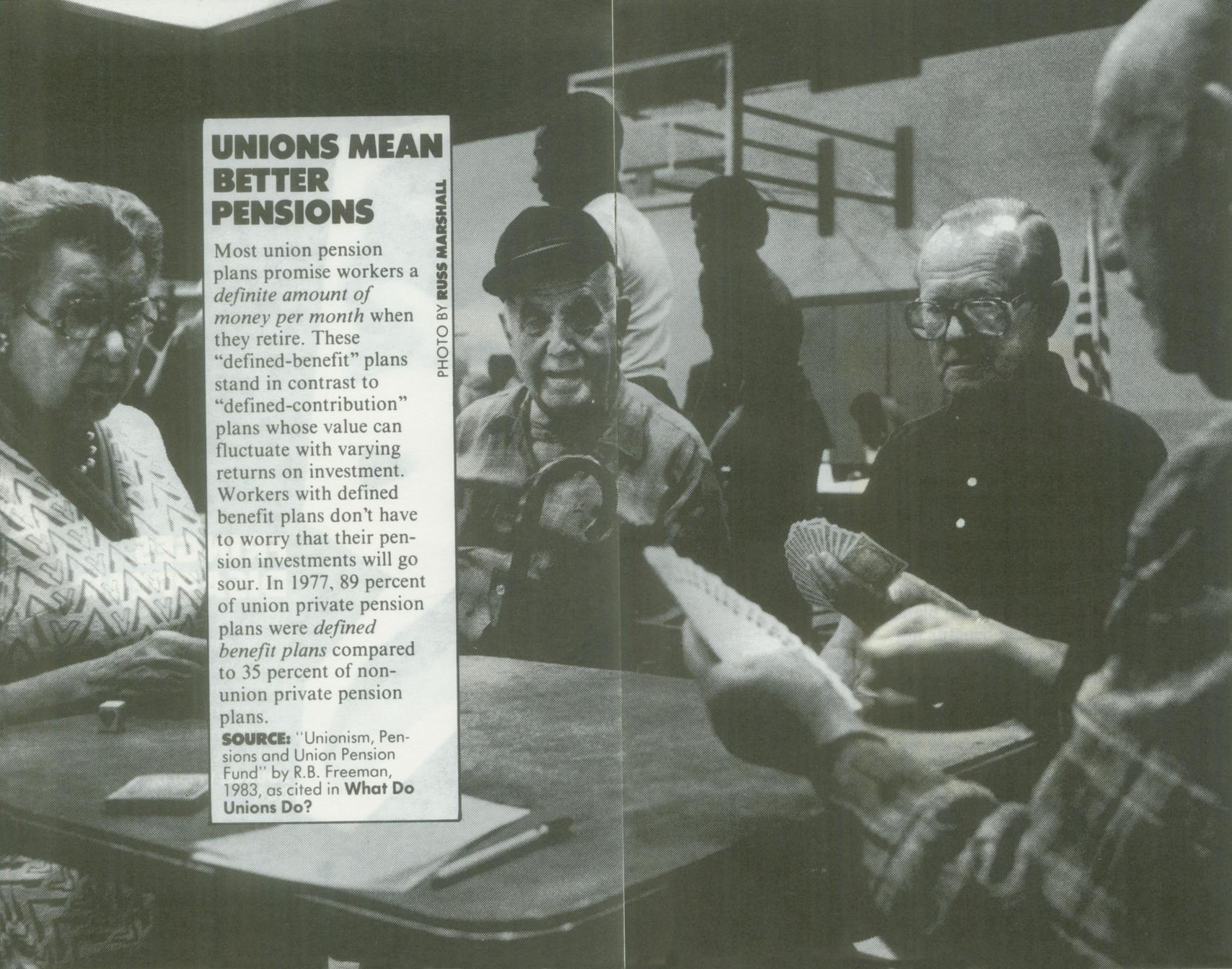
SOURCE: What Do Unions Do?

UNIONS MEAN BETTER PENSIONS

Most union pension plans promise workers a *definite amount of money per month* when they retire. These “defined-benefit” plans stand in contrast to “defined-contribution” plans whose value can fluctuate with varying returns on investment. Workers with defined benefit plans don’t have to worry that their pension investments will go sour. In 1977, 89 percent of union private pension plans were *defined benefit plans* compared to 35 percent of non-union private pension plans.

SOURCE: “Unionism, Pensions and Union Pension Fund” by R.B. Freeman, 1983, as cited in **What Do Unions Do?**

PHOTO BY RUSS MARSHALL





UNIONS MEAN BETTER HEALTH INSURANCE.

The proportion of health insurance premiums paid by employers is 14 percent higher in union settings than in non-union workplaces — and many union health plans offer diverse benefits not enjoyed by non-union workers.

SOURCE: "Employer and employee expenditures for Private Health Insurance" by Amy K. Taylor and Walter R. Lawson, Jr., 1981.

**IT MAY COME AS A SURPRISE
TO MANY DYED-IN-THE-WOOL
UNION HATERS BUT . . .**

UNIONS INCREASE PRODUCTIVITY

After examining recent research, economists James Medoff and Richard Freeman concluded that in general productivity is higher in the presence of unionism than in its absence.

- A study comparing productivity in the same industry but in different states found that productivity was 20 to 25 percent higher in heavily unionized states.
- Analysis of a single manufacturing industry (wooden household furniture) yielded an estimate of 15 percent higher productivity in union than non-union plants.
- Union/non-union productivity differences in the construction industry range from 21 to 28 percent.

- In the cement industry, productivity was 6 percent higher in plants after they became unionized.

Studies of the coal industry produced mixed results: from positive results one year to negative results another year, but the great preponderance of evidence is that unionism increases productivity.

The major reason union facilities are more productive is that unions give workers a voice.

LOWER TURNOVER. Medoff and another researcher estimated that one-fifth of the union productivity effect in their study was attributable to lower quit rates in the unionized parts of the industry. Instead of quitting, union workers use their “voice” to solve problems and companies don’t have to waste money hiring and retaining new workers.

IMPROVED MANAGERIAL PERFORMANCE. In every plant that became unionized in one study, top management replaced the plant manager and many foremen, and introduced more professional managers. Many authoritarian or paternalistic management practices were weeded out. And more professional management was better for productivity.

JOINT EFFORTS. In some areas, productivity is advanced through joint labor-management efforts.

Medoff and Freeman argue that productivity is generally higher in unionized establishments but they note there are exceptions and they conclude that higher productivity appears to run hand-in-hand with good industrial relations and to be spurred by competition in the product market.

WORK STOPPAGES

INVOLVING 1,000 OR MORE WORKERS

YEAR	PERCENT OF WORK TIME LOST TO STOPPAGES
1948	0.22
1949	0.38
1950	0.26
1951	0.12
1952	0.38
1953	0.14
1954	0.13
1955	0.16
1956	0.20
1957	0.07
1958	0.13
1959	0.43
1960	0.09
1961	0.07
1962	0.08
1963	0.07
1964	0.11
1965	0.10
1966	0.10
1967	0.18
1968	0.20
1969	0.16
1970	0.29
1971	0.19
1972	0.09
1973	0.08
1974	0.16
1975	0.09
1976	0.12
1977	0.10
1978	0.11
1979	0.09
1980	0.09
1981	0.07
1982	0.04
1983	0.08
1984	0.04
1985	0.08

SOURCE: U.S. Dept. of Labor, *Monthly Labor Review*, 1986.

MYTHS

MYTH: Unions are strike happy.

FACT: *The common cold causes more worker absence than strikes cause.*

MYTH: Unions are generally corrupt.

FACT: *The overwhelming majority of union leaders are honest. A former U.S. attorney general found serious problems in less than one-half of one percent of all local unions.*

MYTH: Unions cause inflation.

FACT: *Even during the period from 1975 to 1981, when prices were increased by 69 percent, wage gains won by unions at most accounted for 3.3 percent of the total.*

MYTH: Unions are a "special" interest.

FACT: *Unions actually use political power in ways that help the entire country. We fight for Social Security, higher minimum wage laws, strong public education, fair trade, and worker protection laws.*

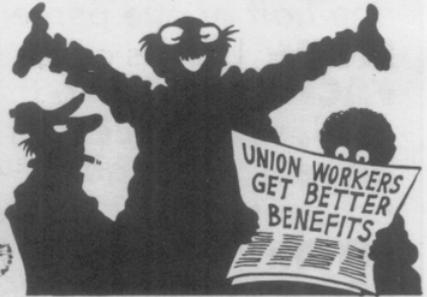
MYTH: Unions are run by bosses.

FACT: *The University of Michigan Survey Research Center found that within a two-year period about three-quarters of membership went to at least one union meeting and about the same percent voted in a union election. Unions are run by members to a greater extent than almost any other American institution.*

WE DON'T BELIEVE IN UNIONS HERE BECAUSE MANAGEMENT KNOWS WHAT'S BEST FOR YOU!



WE BELIEVE IN WORKING TOGETHER LIKE ONE BIG HAPPY FAMILY!



WHICH MEANS, OF COURSE, THAT I AM THE FATHER AND YOU ARE THE CHILDREN!



AND IF YOU DON'T STOP READING THAT TRASH, I'LL PUT YOU OVER MY KNEE!!



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