

# OPEN SI



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## Even Democrats favor a right-to-work law that will end compulsory union dues

*By Mike Nichols*

**B**ack in the 1990s, Tiffany Koehler worked part time at a delivery service distribution center in Oak Creek making a modest hourly wage that shrank even further when somebody took a chunk out of her paycheck without asking and gave it to the union.

So she did something lots of workers have done over the years but that few, back in the old days, talked about. She started asking, “Well, what does the union do?” And why should she have to join?

The answer to the first question depends on whom you ask.

The Teamsters' national website succinctly states its view: The union was organized more than 100 years ago for workers to "wrest their fair share from greedy corporations" and, today, "the union's task is exactly the same." Less polemical supporters say the union pushes for higher wages, better pensions and working conditions, and even provides invaluable training.

Koehler had another perspective. She thought the union protected slackers, doubted it really secured higher take-home pay and didn't like the union's political bent.

The answer to the second question — why she had to join — is cut-and-dried.

She had to join because this is Wisconsin, and Wisconsin — until legislators passed a right-to-work law the other day — was not a right-to-work state. If you worked at a company with a "union shop," you had no choice but to give the union a percentage of your check and become subject to its contract. Or else lose your job.

For years, this was accepted as a fait accompli. Wisconsin has had labor unions since the bricklayers in Milwaukee organized themselves in 1847, and you don't have to be a socialist (though many were) to acknowledge the benefits unions fought for and won: shorter workdays, workers' compensation, higher wages.

By 1939 — just four years after President Franklin Roosevelt signed the union-empowering National Labor Relations Act — union membership had grown to almost 30% of all non-agricultural workers in America. In Wisconsin, membership was as common as German lager. But, of course, beers and union membership slowly evolved into something much less stout.

**Union membership has plummeted everywhere for decades.** By 2014, it had fallen to 11.1% of all public- and private-sector workers in the country. The rate is slightly higher in Wisconsin — about 11.7%, according to the federal Bureau of Labor Statistics — but still just a fraction of what it once was. Skeptics note that the percentage is even lower in the private sector, less than

7% in Wisconsin, and ask why right-to-work legislation was even necessary.

Proponents counter that the numbers of workers and businesses impacted are still large. There were still 306,000 workers in Wisconsin's public and private sectors who were union members, according to 2014 Bureau of Labor Statistics figures. And when you include workers who are not union members but are represented by a union contract — whether they want to be or not — that figure grows to 327,000 — 12.5% of the working population.

Almost 25 years ago, a Chicago labor lawyer by the name of Thomas Geoghegan wrote a trenchant book comically entitled, "Which Side Are You On? Trying To Be For Labor When It's Flat On Its Back."

Labor has been increasingly supine for a while but, a little north of Chicago, Wisconsinites are still largely for it, or at least sympathetic. Nearly six in 10 Wisconsinites (58%) still approve of labor unions, far more than disapprove (34%), according to a WPRI poll of 600 adults conducted by University of Chicago professor William Howell in January.

"Though there are important partisan disagreements, Wisconsinites on the whole are pro-labor and see value in unions," says Howell. Support for unions is in Wisconsin's genes, you might say.

"What's interesting here is that, at the same time, most state residents — Republicans and Democrats alike — support right-to-work legislation," he says. "The argument

that workers should not be obligated to join a union in order to hold a job resonates broadly."

They see the issue as a basic and simple one: No American should be required to join any private organization, like a labor union. More than three-quarters of Wisconsinites (77%) agree with that statement, while only 22% disagree — proof that many people who value the history of labor and are still supportive of unions are even more supportive of individual rights.

Indeed, even among Democrats — 85% of whom approve of unions — more than half (54%) say that they

**Counter-intuitive as it might sound, an Ohio University economist thinks right-to-work laws might help labor in the long run.**



Right-to-work protesters whip up the crowd during a futile outpouring at the Capitol.

AL FREDERICKSON PHOTO

## 30-year change

U.S. private sector workers covered by a collective bargaining agreement:

**1984**  
13 million or **17%**



**2014**  
8.2 million or **7.4%**

Source: Bureau of Labor Statistics

would still vote for right-to-work legislation.

Support for right-to-work among independents and Republicans is even higher — resulting in widespread support in all ideological corners of the state. All told, nearly twice as many Wisconsinites say they would vote for such legislation as against it (62% to 32%).



AL FREDERICKSON PHOTO

Union workers, many from the building trades, turned out to oppose the bill.

That said, folks on the right are a little easier to figure out on the issue. They generally see little value in unions and lots of value in right-to-work. Democrats are more complex. They love unions. Yet they are largely supportive of a policy that union leaders fear could destroy their movement.

Geoghegan, the labor lawyer — without alluding to right-to-work — put his finger on the explanation for the apparent paradox.

“Yes, there is a certain macho appeal” to unions, he wrote. “I loved being a labor lawyer, all the little pieces of stage business. Yet this was never the true appeal. . . . No, it was the appeal of stepping into some black hole in American culture, with all the American values except one: individualism.

“Labor thinks of itself consciously as American as apple pie. But it is not. Go to any union hall, any union rally and listen to the speeches. It took me years to hear it but there is a silence, a deafening Niagara-type silence, on the subject of individualism. No one is against it, but it never comes up. Is that America? To me, it is like Spain.”

Confusion and split allegiances on the left — the internal tug-of-war between a belief in the power of collective action and the American individualistic spirit — is palpable in a way it is not in the center or on the right. Nearly seven of 10 Republicans (69%), most of whom aren’t particularly enamored of unions anyway, say they would vote for right-to-work legislation if given the chance.

Still, that leaves over 30% on the right who are opposed. And, before changing his tune and signing the new right-to-work legislation, the state’s top Republican of them all, Gov. Scott Walker, famously called the push for right-to-work a “distraction,” a stance that flummoxed supporters who watched him pass Act 10.

It’s impossible to talk about labor laws in Wisconsin without talking about Act 10, the budget-repair law that

guttled the powers of public employee unions. Some conservatives see right-to-work legislation as a logical extension and, indeed, there is one key similarity.

While Wisconsin's government workers had not been required to join unions prior to Act 10, they had long been required to pay the equivalent of union dues that were automatically deducted from their paychecks and handed over to the unions.

Act 10 ended that, and right-to-work legislation similarly protects private-sector workers from being forced to pay union dues. But that's where the similarities end. Act 10 virtually eliminated public-sector collective bargaining. In the private sector, labor rights are guaranteed under federal law. Nothing Wisconsin has done or could do will alter that.

Private-sector workers in right-to-work states are free to negotiate everything they always have. The only difference: Rather than compelling workers to join, union

leaders have to convince them to voluntarily pay dues — something business interests think will be difficult and something union leaders fear will exacerbate the ongoing decline of union membership.

**There's no question that over the last 150 years,** unions have helped workers increase their wages substantially. That's why the central argument of right-to-work opponents is that all workers in unionized workplaces should pay for the gains the union is responsible for. Otherwise, they say, non-joiners are just freeloaders.

But right-to-work proponents say we live in a markedly different world today. And not just because 25 states, including Michigan and Indiana and now Wisconsin, have right-to-work laws. And not just because America now has the federal Occupation and Safety Health Administration, anti-discrimination laws, Social Security, pension plans and IRAs — all protections that have nothing to do

## The tiff over training

The fight over right-to-work had lots of subplots, but a big one involved the role some unions play in training workers.

The International Union of Operating Engineers Local acts "almost like a staffing agency" for contractors and provides training at its Joseph J. Goetz Jr. Training Center in Coloma, Wis., says John Gard, a lobbyist for the union. The arrangement works for the more than 400 contractors in the state who oppose right-to-work legislation, Gard notes.

If younger workers in the future walk away from the union under right-to-work legislation, he argues, the training costs will be "dumped on the backs of taxpayers." Finding skilled labor, he says, will become more difficult. The contractors themselves will not fund that sort of training because they don't want to pay for programs that will be used by their competitors, he insists.

Scott Manley, vice president of government relations at Wisconsin Manufacturers & Commerce, disputes that. All sorts of businesses provide training. And, in fact, he says, it is not the Operating Engineers union that funds the training center. It is the Operating Engineers Skill Improvement and Apprenticeship Fund, an affiliated,

Pewaukee-based 501(c)(3) that is funded largely by employer contributions. The group's 990 tax filing, he points out, states that 95% of its \$4.7 million in revenue comes from employers of union members.

"The idea that if they lose union dues that will impact training is nonsense," says Manley, adding that, at any rate, there are many other types of worker training programs.

Terry McGowan, who serves as both the IUOE Local's president and as chairman of the Improvement and Apprenticeship Fund, responds, in turn, that although the employers technically make the contribution, it actually comes from union members who could choose to take that money from employers in their paychecks instead.

"My members are the ones who fund that training and they do that voluntarily right now," says McGowan. "If their wages start rolling back, they will take the [training] money back."

Gard suggests that part of the tab would shift to technical colleges that are funded, at least in part, by tax dollars.

They are, of course, also funded by tuition.

— M.N.

### **'The argument that workers should not be obligated to join a union to hold a job resonates broadly,' says a pollster.**

with union membership.

Competition from cheap labor in other parts of the world, including right-to-work states in America, makes capital investment in non-right-to-work states less likely today than it once was, according to proponents.

Wisconsin has fallen behind in the global economy. Per capita personal income received from all sources in 2013 was \$43,244, according to the Bureau of Economic Analysis — \$1,521 less than the national average of \$44,765.

**Richard Vedder, an Ohio University professor retained** by WPRI to study potential impacts of right-to-work legislation, says that regression analysis suggests the state's per capita income would be over \$1,600 higher had Wisconsin adopted a right-to-work law back in 1983. The state, in other words, would be slightly over the national average.

There are some caveats that apply to all such analysis. Although the results are strong, the authors — as all good economists would — urge some caution in using the precise estimation. Comparing states with right-to-work to those without is a complex undertaking. Some possible determinants of economic growth are very difficult or impossible to measure.

That said, it is a fact that Wisconsin has fallen behind economically, and, according to Vedder, even if impacts are not as big in the future as they would have been in the past, the right-to-work law will help us catch up.

Not everybody on the right agrees. John Gard, the former Republican Assembly speaker, is now a lobbyist who represents the Operating Engineers Local 139. He says there are more than 400 contractors in the state — most of whom use union labor — who oppose right-to-work.

Gard argued before the bill passed that that hardly anyone in Wisconsin believes right-to-work legislation should be a “top priority,” says few think they will personally benefit, and argues that right-to-work could eventually erode unions to the point where they will no longer be able to supply trained workers for business.

Unions such as the Operating Engineers — which includes heavy equipment operators, mechanics and surveyors, among others — have a “very harmonious relationship” with the contractors they work for and “it is likely to be significantly disrupted” by right-to-work legislation, he argues.

Gard's other main argument is that businesses should have the right to enter into contracts with employee groups, and that government has no business intruding.

Too late, says Scott Manley, vice president of government relations for Wisconsin Manufacturers & Commerce. He points out that government intruded long ago by forcing companies to bargain with unions that were formed by virtue of a one-time vote requiring approval of only 50% of employees. Once businesses in unionized industries recognized union shops, he says, it became exceedingly difficult to ever reverse that.

“We are a membership organization as well,” Manley says of WMC, “and we have a recertification every year by members who decide if we are doing a good job and if they want to pay dues.” Right-to-work legislation, goes the argument, simply asks unions to demonstrate value instead of forcibly compelling membership.

While Gard says lots of construction and building trades contractors are opposed to right-to-work, WMC says 81% of its members support it, and the general populace — regardless of political affiliation — is solidly supportive as well.

The schism could have numerous explanations, but one in particular rings true. If you're building a new home in Stevens Point or laying asphalt in Hudson, you don't have to worry about a competitor in Mexico or India coming along the same way a manufacturer or a nonunionized tech-based business does. In a global economy, some folks have a little more motivation to control labor costs than others.

**Union leaders like Terry McGowan, president of the** Operating Engineers, worry that right-to-work will drive down wages and argue that's not good for anyone. And



AP PHOTO

Members of the United Auto Workers went on strike at the CNH Case plant in Racine in 2004.

Act 10, though it was a very different animal, proved that changes in labor law could indeed weaken union ranks.

Vedder, however, suggests that union supporters have an unnecessarily bleak view of the future. Counter-intuitive as it might sound, he thinks right-to-work laws might actually help labor in the long run.

Vedder points out that within the 19 states with right-to-work laws by 1980, the decline in union membership has been less pronounced than in the non-right-to-work jurisdictions. In two right-to-work states, Florida and Nevada, there was actually an increase from 515,000 union members in 1980 to 583,000 in 2013 — an 11% gain.

Clearly, population increases in those states are a factor in this growth. Moreover, dozens of factors impact differences in economic performance, including taxes, mix of industry, educational attainment, natural resources, regulatory policies, even climate. You don't have to be an economist to know that people move to the Sunshine State because of, well, the sunshine.

But, Vedder points out, since goods and services are produced primarily from the use of labor, labor laws are

important. And there can be economic benefits for everyone, including labor, from a union working harder to prove its worth. Vedder doesn't believe that right-to-work laws should be considered "anti-union." Rather, he sees them as pro-competition and pro-worker freedom.

**Tiffany Koehler long ago left her unionized part-time job, and after a career working in the military and the nonprofit world, recently ran for the state Senate seat vacated by Congressman Glenn Grothman. Koehler didn't win the February primary. But the guy who did, Duey Stroebel, is also fervently pro-right-to-work and was also willing to co-sponsor the bill.**

Turns out Stroebel didn't have to. Right-to-work supporters didn't even need a full Senate in order to pass a bill that also moved quickly through the Assembly.

And distraction or not, there was never much doubt Scott Walker would sign a fundamentally conservative policy change that even most Wisconsin Democrats favor.

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