New data reveals how unions benefit communities, consumers, employers, and employees

When asked about unions, what comes to mind for many Americans is the motto reflected on the aging bumper sticker, “The Labor Movement: The Folks Who Brought You the Weekend.” That phrase nicely sums up the huge accomplishments won through collective bargaining by workers. Unfortunately, the slogan also reinforces the idea that unions are a relic, something that had value for workers in earlier generations. Of course, unions continue to play a vital role in the workplace, creating a mechanism for employees to obtain a voice over their pay, benefits, and working conditions. Even non-union employees enjoy higher standards in industries or geographic regions where union representation is high. Yet there is more to the story.

Over the past year, American Rights at Work Education Fund has produced and funded new research revealing that when employees come together in the workplace, the benefits of their collective action extend far beyond themselves. The data and case studies show how union members are contributing innovative ideas and critical resources with positive outcomes for communities, consumers, employers, and employees. As society struggles with addressing our nation’s social and economic problems, union members are diligently working to provide quality affordable healthcare and bring people out of poverty and into careers.

*Beyond the Weekend* features highlights from five new reports demonstrating the broader value of unions. Frontline healthcare workers are collaborating with hospital administrators to find real solutions that improve care and control costs. Partnerships between union-represented teachers and school administrators are boosting student achievement in schools that serve disadvantaged families. Union members’ pensions are funding public and private works projects that create good American jobs. Building trades unions are partnering with community groups to create new career paths for workers of color and women. And through their unions, childcare providers are gaining new skills and resources to improve how they care for children of low-income families.

The following compilation of research showing how and why unions matter to society comes at a critical time. In an era where employees’ basic rights to come together in the workplace are increasingly at risk, Americans need to understand what is at stake if these rights and resulting opportunities are lost.
Building Middle-Class Careers

Provisions in project labor agreements offer career paths to disadvantaged workers

With near record levels of unemployment in this country, job creation is naturally at the forefront of the public discourse. Yet our economic future dims if our nation’s employers and leaders embrace the addition of part-time, low wage, low benefit, and dead-end jobs. As Federal Reserve Chairman Ben Bernanke argues, stagnant wages explain the weak consumer spending hampering our economic recovery. It is therefore essential for Americans that these new jobs offer decent enough wages to boost consumer spending—the engine of our economy.

One mechanism available to make sure that newly created jobs in the construction industry are quality jobs is the project labor agreement or PLA. A PLA is a contract setting labor standards for larger private or public construction projects negotiated between building contractors and unions. As a result of such an agreement, a tradesperson working under a PLA can expect a fair level of pay, contributions towards medical and retirement benefits, and strong safety protections.

Over the last decade, unions are increasingly negotiating for PLAs to include community workforce provisions to provide local residents, women, people of color, and military veterans with better job opportunities. If these workers aren’t yet tradespersons, PLAs can create slots for them to enroll in union-operated apprenticeship programs where they can earn while they learn—working on construction sites while acquiring advanced vocational skills they can use throughout their career.

Cornell University recently released the report “Community Workforce Provisions in Project Labor Agreements: A Tool for Building Middle-Class Careers,” which found that the inclusion of community workforce provisions in PLAs has become widespread across the country. Maria Figueroa, Jeff Grabelsky, and Ryan Lamare conducted a national survey of PLAs, including an analysis of more than 185 agreements and a survey of Building Trades Councils.

Key findings from the report include:

- More than 100 PLAs implemented from 1997 to 2011 incorporated various types of community workforce provisions. The most widely used provisions included hiring military veterans, hiring local area residents, and utilizing apprentices.
- Agreements negotiated during recent years tended to have more community workforce provisions than those signed prior to 2004.
- The implementation of community workforce or targeted hiring provisions resulted in career opportunities in the construction industry for workers of color and low-income residents in Washington, DC, New York City, and Cleveland.

Union members’ pensions provide funding for middle-class jobs

Project labor agreements serve as an effective framework for ensuring that construction jobs are good jobs that provide opportunities for community residents to advance. Of course, these career opportunities would not exist without new construction projects. An often overlooked source of private funding for construction and real estate comes from union members themselves through their own deferred wages. Defined benefit pension plans not only provide employees with a decent retirement, they serve as a powerful source of capital that drives our economy.
Pension fund investments bring competitive returns while also creating family-supporting jobs, according to a 2011 American Rights at Work Education Fund report. In “Creating Good Jobs for Our Communities: Pension Dollars at Work,” Michael Wasser examined economically targeted investments (ETIs) which can generate a double, even triple, bottom line that creates returns for the pension fund while also facilitating good jobs. His accounting of public and private pension money invested in such construction funds and real estate trusts reveals that from 1995 to 2010, $21.8 billion was invested in projects that created approximately 161,000 jobs. While this amount of money is significant, it represents only 0.004 percent of assets held by defined benefit plans in 2009, thus there is great potential for an expansion of these types of investments.

Of course, pension funds do not function as altruistic operations. Stakeholders intend for them to perform and create a return for the investor. As the accompanying chart indicates, the returns from the investments examined in the report meet the fiduciary responsibilities by providing a competitive rate of return for the client pension plans.

One investment highlighted in the report is a construction project underway on the Ritchie Station Marketplace in Prince George’s County, MD, funded with $53 million from the AFL-CIO Building Investment Trust (BIT). More than 1,000 construction workers are building 1 million square feet of retail and mixed-use space. With tenants in place, the complex will provide the community with an influx of tax revenue and more than 3,000 jobs. BIT will maintain ownership of the property, and will ensure job standards remain high through the adoption of responsible contractor language in the leasing requirements.

### PENSION FUNDS CREATE JOBS

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<th>AMOUNT INVESTED</th>
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### PENSION FUNDS CREATE COMPETITIVE ROI

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New data informs public discourse on PLAs and pensions

Despite their broad value to society, PLAs and defined benefit pension plans are increasingly challenged in our current political landscape. PLAs are attacked by corporate-backed politicians and trade groups representing “race to the bottom” employers who rely on a low-wage, low-skill, easily exploitable workforce. Policymakers and special interests who embrace small government and increased privatization advocate for cutting or gutting public employee pensions by claiming they are a fiscal burden to taxpayers. However our research tells a different story: workers’ pension funds are jumpstarting new development and creating good jobs. Further, community workforce provisions in PLAs are on the rise across the nation because they are effective tools for creating prosperous career training paths for communities that desperately need them.
Quality, affordable care—whether health care or dependent care—is something policymakers, employers, consumers, and advocates continue to grapple with. The providers of care themselves, however, are finding that by collectively working through a union, they are able to find solutions that increase the quality of care, control costs, and improve their own work in the process. As our research reveals, collective bargaining can be quite important—if not essential—in creating the structure that empowers frontline care providers to improve the care they provide.

**Partnerships in health care are controlling costs and improving quality**

The passage of the Affordable Care Act in 2010 introduced initiatives to improve quality and reduce costs for Americans, yet healthcare administrators are still struggling to meet these twin goals. A new report from Cornell University recommends administrators explore labor-management partnerships to address these critical healthcare issues. In “How Labor-Management Partnerships Improve Patient Care, Cost Control, and Labor Relations,” Peter Lazes, Liana Katz, and Maria Figueroa examined partnerships in four healthcare facilities. The authors found that the “inclusion of frontline staff in quality improvement and cost containment work is crucial because they are often the employees with the most intimate knowledge of where everyday work processes break down and what solutions may be viable.” Through committees and processes setup by their unions and employers, healthcare employees are able to apply their expertise to resolve problems and redesign their work.

**Examples of clinical improvements:**

- The percentage of homecare patients that are given care within 24 hours of being referred or discharged from the hospital nearly doubled from January 2010 to November 2010 (San Diego, CA)
- Faster turnaround in obtaining test results for patients under a stroke alert (San Rafael, CA)
- Patient fall rates in a surgical unit reduced from 3.07 falls per 1,000 patient days in 2010 to 2 falls per 1,000 patient days in January and February 2011 (Burlington, VT)
- Overall call quality scores among call center employees increased from a scale of 85 out of 100 in 2005 to 90 out of 100 in 2010 (New York, NY)

**Examples of cost containments:**

- Call center staff turnover was reduced from 14% in 2008 to 3.9% in 2010 (New York, NY)
- Zero work-related injuries were reported in the clinical lab in 2010 and zero patient handling injuries were reported in a surgical unit since 2009 (San Rafael, CA)
- Reduced use of costly traveling nurses (Burlington, VT)

Labor-management partnerships are not easy to develop and maintain—they require real investment and leadership on the part of management, employees, and their unions. Yet as this report demonstrates, the four healthcare facilities that remained committed to working through the challenges of partnerships clearly reaped the benefits.

**Through unions, child care providers find training opportunities to improve care**

Child care providers play an important role in caring for children during a critical time in their
development, yet quality, affordable care can be difficult to find. To help address the challenges, every state provides subsidies to low-income parents to cover part of the cost of child care and many allow care provided by a family member, friend, or neighbor. While these home-based “license exempt providers” provide families with convenient, affordable care, they unfortunately often lack formal training or education. With research linking the quality of child care to specialized training, finding the resources and opportunities for these providers to obtain training is critical for the low-income children they serve. Now that more states are granting subsidized child care providers the right to bargain collectively with their state governments, these caregivers are finding opportunities to obtain training through their own unions.

A new report by the Economic Opportunity Institute, “The Impact of Training on License-Exempt Child Care Providers in Washington State,” found that providers were able to improve their skills through training provided by their union and funded by Washington State. Gary Burris and Allyson Frederickson surveyed child care providers to assess the effectiveness of the union-run training program, which was created when the providers organized and collectively bargained with the state. Providers generally found the union-operated training experience to be positive and attested to moderate changes in knowledge and in skills after attending trainings. The authors noted, “modest gains in knowledge and skills from the provider’s perspective are a very positive outcome, given the short duration of the training classes and workshops.”

Other findings from the report include:
• Over 60% of providers reported gaining skills by sharing advice and ideas during informal discussions held throughout the training.
• Over 90% of providers agreed that without their union, fewer training opportunities would exist.
• Over 90% of providers felt that the training made providing child care more satisfying.

This research reveals that when child care providers have the opportunity to come together in a union, they can receive effective training opportunities that advance their skills and satisfaction in their work—benefitting the low-income children they care for. Home-based child care providers have only been authorized to collectively bargain in 14 states. State lawmakers considering whether to grant these rights should consider this research on the broader value of organizing rights in their decision.
When teachers are given the opportunity to join together in a union and offer solutions to problems in their schools, students are the beneficiaries—particularly those from low-income communities where resources are scarce. A recent American Rights at Work Education Fund report, “Partnerships in Education: How Labor-Management Collaboration Is Transforming Public Schools,” reveals how labor-management partnerships between teachers and school administrators are transforming schools in communities in desperate need of change. In these partnerships, teachers and school administrators accept shared responsibility for student success, resulting in improved academic performance across socio-economic divides, increased parent engagement, and more engaged communities.

**Examples of partnerships improving student achievement:**
- A partnership between the Cincinnati Public Schools and the Cincinnati Federation of Teachers created nine community learning centers within the district. The centers act as hubs for community services, providing access for both students and families to health, safety, and social services, as well as recreational, educational, and cultural opportunities. One school has already seen a rise in enrollment, attendance, and student performance as a result of its community center.
- At John Muir Elementary in Merced, CA, the labor-management partnership reformed professional development programs, reduced class sizes, and provided intervention assistance for kids who are struggling. Since the partnership began in 2006, the school went from being the lowest performing school of the 17 schools in the district to one of the top four.
- Compadres in Education, a program based at Putnam City West High School in Oklahoma City, OK, was created through a grant from the National Education Association to address low academic achievement among Latino students. Since the program began, graduation rates have more than doubled and English test scores increased by more than 20 percent. By making community engagement a priority, the labor-management partnership could better identify and address the primary factors contributing to achievement gaps.
- At Taylor Allderdice High School in Pittsburgh, the teachers’ union and administrators established the Promise-Readiness Corps, enabling teachers to offer students the academic, social, and emotional support they need to develop a sense of ambition for success beyond high school.

These examples of effective labor-management partnerships help make the case for preserving the collective bargaining rights of teachers at a time when America’s schools need it most. A growing number of state and local elected leaders have used teachers and other public employees as scapegoats for the fiscal woes brought on by the economic crisis. Under the false pretense of saving budgets, lawmakers in Ohio, Wisconsin, and Michigan revoked collective bargaining rights for teachers and other public employees. These anti-worker forces are perpetrating the myth that collective bargaining is a cost and not a solution to state and local budgets. Often lost in the debate is the fact that when teachers and other public employees are able to come together in the workplace, their collective ideas and initiatives can foster innovation and problem solving, as evidenced in this report.
Conclusion

For the past year, American Rights at Work Education Fund produced new data shedding light on the ways in which unions benefit communities, consumers, employers, and employees. Whether through funding development projects that produce good jobs, operating effective training programs, or controlling healthcare costs, it’s clear from this research that when employees organize into unions, they improve more than their own working conditions. Justin Proch is on track towards a solid career as a bricklayer thanks to an opportunity made possible by a project labor agreement. Montefiore Medical Center’s President and CEO Dr. Steven Safyer is turning to his employees for creative and effective solutions to controlling healthcare costs and improving quality. Latino students in Oklahoma City are graduating in higher numbers after an initiative by their teachers’ union spurned more community engagement with area schools.

While these reports make evident the unseen value and worth of collective bargaining in our society, they only scratch the surface. American Rights at Work Education Fund will continue to produce research examining what happens when employees join together to solve problems. When employees achieve greater job security, how does it impact their community? When men and women secure a voice over issues like outsourcing at their company, what is the effect on the offshoring and independent contracting policies industry-wide? How do unions provide employees firsthand access to democratic participation in shaping policies regarding wages, hours, and conditions of work? What is the effect on local economies when consumers buy union-made products?

It’s clear from this research that when employees organize into unions, they improve more than their own working conditions.

It’s easy to forget that unions fought for many of the protections we take for granted in today’s workplaces: the minimum wage, the eight-hour work day, child labor laws, health and safety standards, and of course, the weekend. But there’s a danger in our nation’s collective amnesia about why unions mattered then: we might not recognize the critical role they play today.

Unions advocate for workplace reforms that benefit all workers, serve as a check on corporate power, and defend the need for a balanced economy. So it’s no surprise that, according to a recent study from Harvard University, the rising income inequality of the last three decades is directly tied to the decline in union membership. But rather than support Americans’ ability to form a union and bargain collectively for a better life, the right wing is ramping up the attacks on workers and their unions. As this unprecedented assault on the 99 percent continues to play out nationwide, it’s more important than ever that we expand our thinking about the role of unions in society, a role that extends far beyond the weekend.
Beyond the Weekend

A report by Erin Johansson, Research Director, American Rights at Work Education Fund featuring highlights from the following collection of new research demonstrating the value of unions to society at large:

Community Workforce Provisions in Project Labor Agreements: A Tool for Building Middle-Class Careers, Maria Figueroa, Jeff Grabelsky and Ryan Lamare, Cornell University ILR School, October 2011.


Creating Good Jobs for Our Communities: Pension Dollars at Work, Michael Wasser, American Rights at Work Education Fund, March 2011.

How Labor-Management Partnerships Improve Patient Care, Cost Control, and Labor Relations, Peter Lazes, Liana Katz and Maria Figueroa, Cornell University ILR School, February 2012.

The Impact of Training on License-Exempt Child Care Providers in Washington State, Gary Burris and Allyson Fredericksen, Economic Opportunity Institute, February 2012.

Citations

4 The funds examined in the study include: AFL-CIO Building Investment Trust, AFL-CIO Housing Investment Trust, Intercontinental Real Estate, Multi-Employer Property Trust, and Union Labor Life Insurance Company (ULLICO). Due to differences in reporting by the funds and trusts participating in this study, the number of jobs created is an estimate based off both job hours and actual jobs reported. To find estimated number of job years, total job hours were divided by 2,080 hours (assuming 40 hours of work over 52 weeks).
6 States include IA, IL, KS, ME, MD, MI, NJ, NY, NM, OH, OR, PA, WA, and WI. For more information on child care provider organizing, see the National Women’s Law Center report, “Getting Organized: Unionizing Home-Based Child Care Providers,” June 2010.

About American Rights at Work Education Fund

The American Rights at Work Education Fund conducts vital research, executes public education campaigns, and builds coalitions to help promote and guarantee the freedom of workers to organize unions and bargain collectively. We work to find solutions to critical issues affecting America’s working families by exposing the inadequacy of U.S. public policy to address workplace injustice and by advocating for commonsense reforms. ARAWEF plays a critical role in bringing the right of workers to organize to the forefront of the national policy agenda.