



Economic Policy Institute

RESEARCH FOR BROADLY SHARED PROSPERITY

A message from President Mishel:

I wanted to write to you and tell you about some of the resources the Economic Policy Institute (EPI) has developed for the public debate on the Employee Free Choice Act (EFCA).

The basic economic case for why the Employee Free Choice Act must become law is based on the twenty year history of EPI documenting and explaining the attack on workers and the resulting wage stagnation and inequalities. EPI has long argued that restoring the right to form a union would go a long way toward returning balance to labor markets, where bargaining power has been heavily weighted toward employers for many years. That imbalance has contributed greatly to recent historic increases in income and wealth disparities between the very rich and everyone else.

We are contributing much needed information and context to the public debate. I co-authored a [statement in support of the Employee Free Choice Act](#) with [Richard Freeman](#) of Harvard and [Frank Levy](#) of MIT, citing the recent unprecedented growth of inequality in household income and the urgent need to give workers more bargaining power. Forty prominent economists signed the original statement, including three Nobel Prize winners, agreeing that the reform would be an overall benefit to the economy, and would provide a boost to workers when they need it most. We are now [inviting other economists](#) to add their voices by signing the same statement, and more than 300 have done so.

EPI prepared a [question-and-answer](#) document to explain the Employee Free Choice Act, and has been instrumental in making the economic argument in its favor. EPI's economists have briefed House and Senate staff and are meeting with key senators. EPI helped recruit Rutgers economist Paula Voos to [testify in the Senate in support of the Employee Free Choice Act](#) and worked closely with her on her testimony. We are also running an effective outreach campaign to disseminate information and anticipate unfounded challenges that need to be rebuffed.

Over the years, EPI's staff economists and associated scholars have conducted extensive research on unions and the economy. A partial list of significant studies and analysis follow:

[State of Working America 2008/2009](#), excerpts from select chapters

This signature publication by EPI, which has documented the economic well-being of American workers since 1988, contains a wealth of information on [union benefits](#) for members and non-members, especially for African-Americans, Hispanics and Asians.

[No Holds Barred: The Intensification of Employer Opposition to Organizing](#), by Kate Brofenbrenner, 2009.

Co-published by America Rights at Work and the Economic Policy Institute, this new study reveals that private sector employer opposition to workers' efforts to form unions has intensified and become more punitive than in the past. Employers are more than twice as likely to use 10 or more tactics - including threats of and actual firings - in their campaigns to thwart workers' organizing efforts. Today's anti-union activities include a greater focus than in the past on more coercive and punitive tactics designed to intensely monitor and punish union activity.

[Still Open for Business: Unionization Has No Causal Effect on Firm Closures](#), by John DiNardo, 2009

DiNardo, a University of Michigan professor and research associate at the National Bureau of Economic Research, offers overwhelming evidence that unionization does not cause businesses to fail.

[Squandering the Blue Collar Advantage](#), by Josh Bivens, 2009

Bivens shows why unions are not to blame for the loss of U.S. manufacturing jobs, and that in fact, the real culprits are manipulated currency rates that make U.S.-made goods overly expensive. A dysfunctional health care system that burdens responsible employers with outsized costs, and high executive and managerial salaries also contribute to any lack of competitiveness.

[Organizing Prosperity](#), by Matt Vidal with David Kusnet, 2009

Using twelve case studies from a variety of industries, including nursing, meatpacking and janitorial, the authors show how unions can benefit workers and communities while making companies more productive. They also illustrate the damage inflicted when union representation is removed.

[The Right to Organize, Freedom, and the Middle Class Squeeze](#), by Lawrence Mishel, 2007

I testified before the U.S. Senate Committee on Health, Education, Labor, and Pensions on March 27, 2007 about the importance of unions for American workers. I explained how unions strengthen our economy as well as our democracy, and how throughout our history unions have made the United States a fairer, more productive and healthier society. The passage of EFCA, I advised, will help restore the purchasing power of average Americans and lift the living standards of those who have endured the middle class squeeze.

[Unions, the Economy, and Employee Free Choice](#), by Harley Shaiken, 2007

Shaiken, a professor at UC Berkeley, found that "The yawning gap between the robust demand to join unions and the anemic membership numbers reflects the fact that, for many Americans, joining a union has become a risk rather than a right."

[Do Workers Still Want Unions? More Than Ever](#), by Richard Freeman, 2007

In this paper, Freeman, a noted labor economist at Harvard University, writes that an overwhelming majority of workers say in surveys that they want a stronger collective voice on the job, and believe that a union would be good for their firm as well.

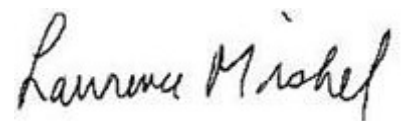
[A New Social Contract: Restoring Dignity and Balance to the Workplace](#), by Thomas Kochan and Beth Shulman, 2007

The authors note that at a time of soaring productivity, workers were not sharing in the profits. "People are working harder and smarter, but they are not sharing in the gains from their efforts." They call for new laws to protect the right to join a union and bargain a contract.

We have recently gathered our resources on unions and the economy to one page on our website, epi.org/laborpolicy, and will be adding new research and analysis through the coming weeks and months. Please check back often.

We are proud to count our brothers and sisters in the labor movement among our closest friends and supporters. We will not back down from this fight.

Sincerely



Lawrence Mishel
President
Economic Policy Institute

The Mission of EPI

To inform and empower people to seek solutions that will ensure broadly shared prosperity and opportunity.