



International Association of Machinists and Aerospace Workers
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Union Herald Article from the desk of:

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Wisconsin Right to Work Watch

The march towards right to work legislation in Wisconsin carries on. The Wisconsin Legislature has made known its intention to introduce legislation after the April 7th elections when their majorities will be stronger yet. If you will recall, I predicted legislation to put be put forth within 120 days of Governor Walker's inauguration on January 5th, which would be prior to April 26th if I am correct. Although I'm surprised we did not see action in January, work on the Governor's destructive State Budget proved more important.

The following information was sent to me by Neil Gladstein, Director of the IAMAW Strategic Resources Department. It includes excerpts from the article titled "**Right to Work**" is the **Wrong Answer for Wisconsin's Economy** written by author **Gordon Lafer** published on January 23rd, 2015 and reprinted with permission from the **Economic Policy Institute**. For more information or to read the entire article, please visit www.epi.org. **About the author:** Gordon Lafer is a political economist and an associate professor at the University of Oregon's Labor Education and Research Center. A research associate at the Economic Policy Institute, he has written widely on issues of labor and employment policy, and is author of *The Job Training Charade* (Cornell University Press, 2002). Lafer has served as an economic policy analyst for the Office of the Mayor in New York City and has testified as an expert witness before the U.S. Senate, House of Representatives, and state legislatures. In 2009-2010, Lafer took leave from his faculty position to serve as senior labor policy advisor for the U.S. House of Representatives Committee on Education and Labor. He holds a Ph.D. in political science from Yale.

“RIGHT TO WORK” IS THE WRONG ANSWER FOR WISCONSIN’S ECONOMY

Four years after Wisconsin severely restricted public employee’s right to collective bargaining, state legislators may soon consider whether to make Wisconsin a so-called right-to-work (RTW) state. RTW laws have nothing to do with anyone being forced to be a member of a union, or forced to pay even a penny to political causes they do not support; that’s already illegal under federal law. What RTW laws do is to make it illegal for a group of unionized workers to negotiate a contract that requires each employee who enjoys the benefit of the contract to pay his or her share of the costs of negotiating and policing it. By making it harder for workers’ organizations to sustain themselves financially, RTW laws aim to restrict the share of employees who are able to represent themselves through collective bargaining, and to limit the effectiveness of unions in negotiating higher wages and benefits for their members. The strong performance of Wisconsin’s manufacturing industry indicates that the state’s manufacturers do not need RTW. Through cutting wages, RTW may undermine Wisconsin’s small businesses, which depend on the state’s residents having wages to spend. Additionally, through reducing the number of people with health insurance, RTW may endanger the state’s health care industry. According to multiple quality-of-life measures, Wisconsin significantly outperforms the states with RTW laws. Thus, it appears RTW states should be trying to become more like Wisconsin, instead of Wisconsin becoming more like RTW states. In short, Wisconsin lawmakers considering a RTW law should weigh the consequences, specifically the impact on wages, against the unsubstantiated claims that RTW laws would boost the state’s economy and attract new businesses to locate in the state.

What does the national research tell us about RTW? Hundreds of things affect a state’s economic growth—including warm or cold weather, the urban or rural nature of its economy, possessing natural resources such as oil, and a wide variety of state laws. RTW is just one of these hundreds of things, and it is not the main or only factor controlling states’ economies. That’s why there’s no consistent pattern of RTW states growing faster or slower—or having better or worse unemployment rates—than other states. While it is far from determinative as far as a state’s economic performance is concerned, a wide range of national evidence shows why RTW would be detrimental to Wisconsin.

RTW lowers wages and benefits for both union and nonunion workers. The mark of serious economic research is that it uses statistics to hold "all else equal," in order to specifically measure what impact an RTW law would have on Wisconsin’s economy. Dr. Heidi Shierholz, now chief economist of the U.S. Department of Labor, and Dr. Elise Gould at the Economic Policy Institute conducted a study controlling for a wide array of variables showing that Wages in RTW states are 3.2 percent lower than those in non-RTW states. The incidence of employer-sponsored health insurance is 2.6 percentage points lower in RTW states. The incidence of employer-sponsored pensions is 4.8 percentage points lower in RTW states. RTW lowers wages and benefits for nonunion workers as well as union workers. In places where unions are strong, they create pressure for nonunion employers to raise their own wages and benefits—or to see the best employees go work for a union employer. If RTW laws weaken unions and cut union wages and benefits, nonunion employers no longer have to compete

with such high standards in order to get the best workers, so there is a negative spillover effect in which they lower their own wages and benefits. RTW is intended to lower wages. The goal of RTW—according to its supporters—is to cut wages and benefits in the hopes of encouraging out-of-state manufacturers to move in. If it didn't lower wages, there would be no incentive for companies to move into the state

Weakening unions hurts the middle class. Unions are a critical part of what makes it possible for normal working people to earn a decent living. As unions have shrunk—due in part to antiunion policies such as RTW laws—the middle class has suffered. Companies may still be profitable, and executive salaries may soar ever higher, but the share of income that goes to the middle 60 percent of the country is essentially at a 45-year low.

RTW does not create jobs. In the 1970s or 1980s, companies may have left the Upper Midwest for cheaper labor in the South or Southwest. But globalization has fundamentally changed our economy. Today, a company that's primarily interested in cheap labor is going to China or Mexico, not to South Carolina or Arizona. Oklahoma is the only state to adopt RTW since NAFTA and where enough time has passed to measure its impact. Oklahoma lawmakers were told that if they passed a RTW law, there would be an eight- to 10-fold increase in the number of new companies coming into the state—especially in manufacturing. Instead, manufacturing employment in the 10 years after RTW fell by one-third, as did the total number of new jobs created by companies coming into the state. RTW may undermine key sectors of Wisconsin's economy, particularly health care and small business. Over the next 10 years, the industry that will add the most jobs in Wisconsin is health care—accounting for 25 percent of all new jobs. If RTW reduces the number of people with health insurance, this industry's growth may be endangered. Similarly, through reducing workers' wages, RTW may hurt Wisconsin's small businesses, which are not in the position of deliberating whether they want to be in Green Bay or Phoenix, but are rooted in their local communities and depend on local residents having wages to spend. On average, for every \$1 million in wage cuts, in addition to the impact on the people whose wages are cut, an additional six jobs are lost through people spending less on groceries, rent, clothing, and other family needs. It may be unsurprising, then, that in discussing Wisconsin, the National Right to Work Committee admitted that "we're not purporting to prove that right-to-work produces superior economic performance.

Wisconsin already outperforms RTW states. By multiple quality-of-life measures, Wisconsin significantly outperforms the states with "right to work" laws. It thus appears that RTW states should be trying to figure out how to become more like Wisconsin, rather than Wisconsin trying to figure out how to become more like RTW states.

Is "right to work" about freedom? Corporate lobbies advocate RTW with the goal of restricting unions. There are many organizations that, like unions, require membership dues. For instance, an attorney who wants to appear in court must be a dues-paying member of the bar association. One may dislike the bar association, but must still pay dues if he or she wants to appear in court. Condominium or homeowners associations similarly require dues of their members. A homebuyer can't choose to live in a

condominium development without paying the association fees. But by federal law, unions are required to provide all their benefits to every employee covered by a union contract. In "RTW" states, if a non-dues-paying employee has a problem at work, the union is required to represent her—including providing an attorney at no charge if one is needed—the exact same as it would a dues-paying member. Unions in RTW states are the only organizations in the country forced to provide all benefits for free, and banned from requiring those who enjoy the benefits to pay their fair share of the costs of creating them. This may explain why some corporate lobbies continue advocating for it even though it doesn't add up as economic policy. It appears that the main goal of RTW may be not to create jobs or give workers more freedom, but instead to make it harder for workers to have an effective voice in negotiating with their employer.

DISTRICT LODGE 66 ANNUAL SCHOLARSHIP

The District's Annual Scholarship Program essay submission deadline is here! The competition is open to all High School Seniors that are children of any IAMAW Lodge that is affiliated with District Lodge No. 66. This includes Lodges 21, 1030, 1115, 1771 and 2191.

There are Two (2) \$750 scholarships annually, one for a female student and one for a male student. If we do not have one of each, then it will be given to two female or male students. Only seniors in High School that are the children of Machinist Union members and those that are seeking post high school education are eligible.

An essay must be written and must be based on how Unions have been important to your family and your community to be considered for the Scholarship. Information should be gathered from your parents or relatives and the struggles they may have faced in their jobs. The essays must be at least 500 words in length. Please note: Essays copied directly from Labor History Books, encyclopedias, etc., or essays where the material is mostly plagiarized will NOT BE ACCEPTED. After a review of the competency of each essay, a selection process will follow and the winner will be the essay that best meets the requirements stated above.

The scholarship must be used beginning in the year of the award and in consecutive semesters. The first half of the scholarship will be paid directly to the school in the first semester and the second half will also be paid directly to the school in the next consecutive semester. Selection of the essay winners will take place no later than the April regular meeting of the District Lodge Delegates. **Scholarships awarded but not used in consecutive semesters beginning in the year of the award will be forfeited. The essays must arrive at the District Lodge 66 office 1307 Market St., La Crosse WI no later than SUNDAY, March 1, 2015.**

MACHINISTS UNION SCHOLARSHIP COMPETITION

The deadline for application packets to be returned for consideration in the Machinists Union Scholarship Competition for 2015 is fast approaching. Applications must be postmarked by **February 27, 2015**. Application packets are available from your Local or

District Lodges but at this late date accessing the application on line may be your best bet. The Scholarship Program is fully accessible from the web. We will now announce Scholarship Winners in the IMAIL and will also be available to view at www.goiam.org, under the Scholarship Department. Also, you can now download and print the 3 different Scholarship Applications online. Get that application filed and good luck!

District Lodge 66

The Delegates of District Lodge 66 came together for our regular monthly meeting on Monday January 19th. In addition to the regular business of the Lodge, approval was granted to make a monetary donation to the Midwest Rides for Guides fund raiser to be held this summer in support of Guide Dogs of America. The delegates also approved sending our representative to the Wisconsin Alliance of Retired Americans biennial convention to be held in Madison. We had much discussion on the upcoming Right to Work issue, with the group inquiring about plans and training. In communication with the Territory I have learned that we will be involved in specialized training and efforts on behalf of the Union; I will keep everyone informed.

Although February arrived by reminding us we are still in the grip of our North Country winter, we can already see signs of the coming of spring. The sparkle of drifting snowflakes in the late afternoon sun marks the extending daylight we now enjoy...don't let them pass by unnoticed. Until next month...