

Good Jobs Strong Communities

Creating a High-Wage Future for Connecticut





Executive Summary

The growth of the new global economy has profoundly changed Connecticut. Hundreds of thousands of manufacturing jobs have been replaced by service sector jobs. Leaders in Connecticut are struggling to understand how to ensure that the global economy will provide good jobs to support a strong, healthy community.

Connecticut policymakers expect people to work for a living. On October 1, more than 300 Connecticut families reached their lifetime limit for cash assistance, and hundreds more will do so in the coming months. The state has reduced its welfare caseload by half, but many who have moved off the rolls remain in poverty. As of December 1999, half of those in the “Jobs First” program earned less than \$7.50 per hour.

Where will these families — and thousands more who have never been on welfare and wish to stay off, find good jobs that pay wages and benefits sufficient to meet their needs? This question has become doubly urgent since September 11. There is now no question whether there will be a recession, only of its severity.

The Connecticut Department of Labor projects job growth for Connecticut’s economy by industry. The most recent projections, through 2008, describe an economy that will continue to fracture, producing high-paid executive and high-tech jobs alongside tens of thousands of low-wage jobs. Connecticut’s working families face a future of growing struggle, and our communities face a growing gap between rich and poor.

- Connecticut has 42% more service sector workers than manufacturing workers.
- The four industries expected to be the state’s largest are all service industries — health care, education, business services and restaurants and food service.
- The four fastest growing industries are also service industries: Business services, social services, health care, and “amusement and recreation services,” which includes tribal gaming.
- Wages for the four largest and four fastest growing industries are all lower than the Connecticut average. Although these industries include many highly paid professionals, they also generate tens of thousands of low-wage jobs.
- Working families cannot maintain self-sufficiency on wages paid by these jobs. The entry-level wage for a nurses aide provides only 60% of the income needed to maintain self-sufficiency for a single parent with one pre-school and one school age child in the Hartford area.
- There are three basic policy tools to raise wages — minimum and living wage standards, investments in education and encouragement of unionization.
- The primary obstacle to unionization is employer intimidation and harassment of workers seeking form unions. Commitment to stronger protection of the right of free association is an essential part of any strategy to secure a middle class standard of living in Connecticut’s service sector economy.



Introduction

In 1983, after a decade of economic devastation, the mayor of New Haven formed a commission to study poverty in his city. New Haven had fallen to the seventh poorest city in America, according to the 1980 census.

The Commission, headed by Yale University Political Science Professor Douglas Rae, drew a dismal picture. Working poverty would grow, and large numbers of people would depend on public assistance.

One key assumption underlay this bleak vision: “Since the job market in New Haven would continue to shift to the service sector, the percentage of “working poor” - those in the worst paid and most unstable jobs - would increase.”¹

Most discussion of economic policy begins with this assumption — that millions of American jobs *must* offer poverty wages, few or no benefits and no job security. “Service sector” workers can expect to support their families only by getting another job — either a second or third job, or a better job reached through education, training, promotion or good luck.

The shift of American jobs from manufacturing to service has indeed coincided with a quarter-century decline in real wages. However, there is nothing inherent in the nature of either kind of work that requires it be high or low wage work.

Manufacturing jobs became good jobs in the middle of the 20th century when workers by the millions organized themselves into unions and bargained high wages, good benefits and job security. Millions of service sector workers could do the same thing, with the same effect. Some argue that service employers can’t afford high wages, but thousands of service sector employees work for large, profitable employers whose future is tied to the state — hospitals, universities, Indian casinos.

“Good Jobs, Strong Communities” examines the historic shift in Connecticut’s economy and illuminates policy options for improving wages. In particular, the report focuses on the role of unionization — one of the most effective tools for raising wages and one of the most often ignored policy options — in setting community standards for good jobs.



Connecticut's Economy Has Changed

Hundreds of thousands of Connecticut families once depended on the high wages and good benefits of union jobs in the armaments industry and the state's associated steel, rubber, glass and other factories. Like the textile mills before them, much of this production has either shut down or moved away.

Manufacturing vs. Service Jobs

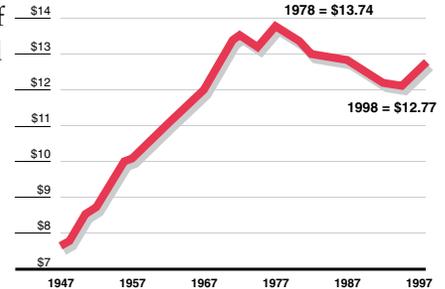


In place of manufacturing jobs, working people in Connecticut now do clerical office work, care for hospital and nursing home patients, teach our children, serve drinks in hotel bars and clean office buildings for a living. After two decades of manufacturing decline, the number of service sector jobs in Connecticut reached the level of manufacturing jobs in the late 1980s. Since that time, Connecticut lost another 100,000 manufacturing jobs and added more than 130,000 service sector jobs — there are now 42% more service workers than manufacturing workers in the state.²

DECLINING U.S. WAGES

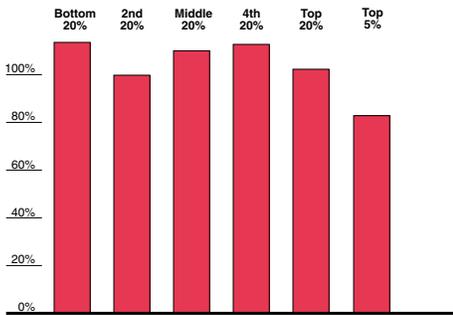
Connecticut's shift has coincided with a dramatic decline in American wages nationwide. After decades of consistent growth, U.S. wages peaked in the 1970s, and declined for two decades.³ Even during the first five years of the 1990s boom economy, wages continued to decline for most workers. The past five years have seen significant wage growth as a result of the tight labor market, but as of 1999 real wages remained below the postwar peak reached more than 20 years ago.

Real Non-Supervisory Wages, 1947-1998



GROWING INEQUALITY

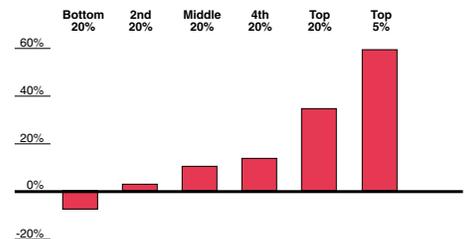
Change in U.S. Family Income 1947-1979



The drop in wages since the 1970s has driven growing inequality in the U.S. From the end of World War II through 1979, family income grew roughly equally across the income spectrum, with the bottom 20% achieving the largest gains in income, and the top 5% of families showing slightly slower income growth than the rest of the population.⁴

However, from 1979 to 1998, the bottom 20% of families actually lost ground, while the middle 60% essentially stagnated. The top 5% of families saw a 64% increase in real income.⁵

Change in U.S. Family Income 1979-1998

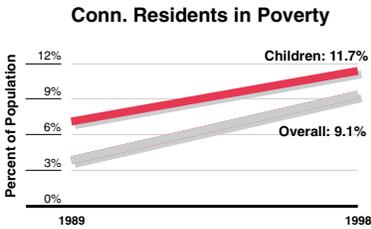


INEQUALITY IN CONNECTICUT

If one looks at the last twenty years as a whole, the average Connecticut worker has fared better than the average U.S. worker. The real wages of the median worker in Connecticut (workers in the middle of the economy) grew 22.1% from 1979 to 1998. Even low-wage workers made some gains in the 1980s, and Connecticut currently has the highest wages for low-wage workers in the country.

However, in the last decade, Connecticut low-wage workers have been losing ground. While wages for the bottom 20 percent of workers were growing across the U.S., they were dropping 6.4% in Connecticut.⁶

At the 1990 census, Connecticut had the lowest poverty rate in the nation.⁷ No longer. Overall poverty increased nearly threefold from 1989-90 to 1997-98. By 1998, nearly twelve percent of children in the wealthiest state in the union lived below the official federal poverty line.⁸

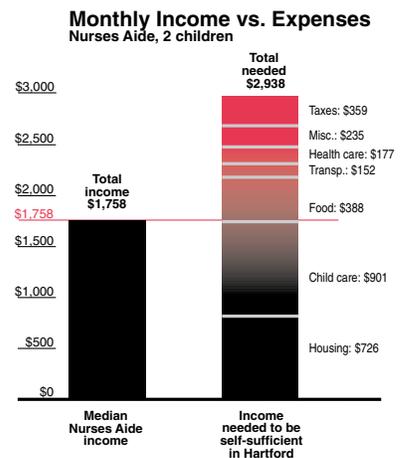


In 1999, according to the Economic Policy Institute, “16.8% of jobs in Connecticut paid below the wage needed to lift a family of four above the poverty line with full-time, full-year work.”⁹

The federal poverty rate does not accurately measure a family’s ability to sustain itself on available income. In 1999, following drastic changes in welfare policy, Connecticut commissioned a study of “self-sufficiency,” to determine the wages needed to meet the basic needs of families in various labor markets.¹⁰

The study suggests that hundreds of thousands of families simply cannot make ends meet on the wages available to them from their jobs. For example, health services is the largest industry in Connecticut. According to the Connecticut Department of Labor, there are more than 9,050 “Nursing Aides, Orderlies and Attendants” employed in hospitals, nursing homes and other facilities in the Hartford Labor Market Area. The state reports that entry level wages for those jobs averaged \$9.99 per hour in 2000. In Hartford, that wage provides just 60% of the income needed for a single parent to be self-sufficient with one pre-school and one school age child¹¹:

- A full-time job at \$9.99 per hour pays \$1,758 per month.
- Hartford housing costs for three people average \$726 per month, leaving this family with \$1,032 remaining to spend.
- Child care costs for one full-time and one after school are \$901 per month, leaving just \$131 to spend on the rest of the family’s necessities.
- Food costs of \$388 per month yield a \$256 deficit.
- Transportation costs of \$152 per month deepen the hole to \$408.
- Health care costs of \$177 put the family \$585 in the red. (Note that this is an extremely conservative estimate, assuming that the family has a plan for which the employer pays 75% of the premium).
- Miscellaneous items like clothing cost \$235 — the shortfall is now \$820.
- Federal, state and local taxation take \$359 per month — \$1,159 deficit. Note that the Self-Sufficiency Wage takes into account federal tax relief through the Earned Income Tax Credit and child care credits, but even with these tax rebates, this family faces a \$1,159 monthly deficit on the earnings from a job as a home health aide.



This study paints a grim picture for parents moving from welfare to work. The average wage for these job classifications in the Hartford area is \$11.69. Although higher than entry-level wages, this figure still represents only 71% of the self-sufficiency standard for a single parent with two children.



How Working Families Cope

Working families have responded to downward pressure on wages through two major strategies.

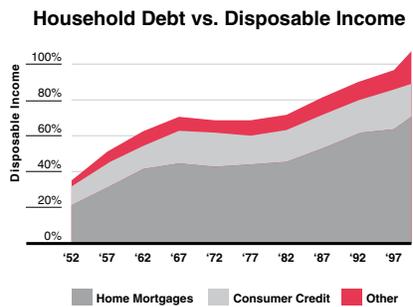
MORE WORK

From 1979 to 1998, parents in two-parent middle income families added over 12 weeks and more than 600 hours of work per year between them.¹²

Social commentators note the decline in civic participation in American life. But how can parents participate in Bible study at their church, attend neighborhood meetings or join a bowling team, when their evening hours are consumed by second or third jobs, or by the ordinary household tasks left undone by long hours at work?

MORE DEBT

Even working more hours and more jobs have not been enough to sustain a middle class standard of living, and households have taken on an unprecedented level of debt. In 1952, household debt was less than 40% of total U.S. disposable income. The total



value of outstanding household debt now surpasses total disposable income for all American households.¹³

From the mid-1960s to the mid-1980s, the level of debt relative to income held steady between 62% and 66%. However, as the impact of declining wages took hold, debt levels rose. The growing recession raises the specter of an unprecedented wave of personal bankruptcies and home foreclosures.



Connecticut's Low-Wage Future

Declining wages, declining incomes, deepening inequality, unmet needs. Escaping this cycle requires high wage work. Where will Connecticut's future working families look to find jobs?

Media coverage of economic development in Connecticut celebrates the development of high technology jobs.¹⁴ High tech computer and biotechnology jobs are assumed to be the key to the state's economic future. However, there's more — or less, when it comes to wages — to the picture than biotech labs.

Connecticut's Department of Labor projected employment growth from 1998 to 2008 for all of Connecticut's major industries.¹⁵ While computer and other technology jobs will be an important part of the future economy, the DOL projections suggest that the largest and fastest growing sectors of the economy will include tens of thousands of jobs that historically have not provided a standard of living needed to support a family.¹⁶

In sum, many more people will be emptying bedpans in nursing homes, teaching or maintaining our schools, working as office temps or cleaning rooms in casino hotels than will be working as biotech or computer scientists.

- Nearly 10% of all Connecticut jobs will be in the health services industry — 186,582 jobs by 2008.
- Education, both in our public schools and our colleges and Universities, will be the second largest source of employment — 144,320 jobs by 2008.
- The third largest industry category, “business services,” reflects the importance of the technological “New Economy.” This is the fastest growing category, and includes an array of occupations, from highly skilled, well-compensated computer programmers to temporary office workers and janitors — 136,398 jobs by 2008.
- The next two fastest growing major industry categories are social services and “Amusement and Recreation Services.” The fact that the state projects that social services workers will grow even more rapidly than the state's booming casino industry reinforces the need for urgent action to create high wage jobs. “Amusement and Recreation Services” includes thousands of casino employees on the Mashantucket Pequot and Mohegan reservations. At least two additional tribes may achieve recognition soon, which could render DOL's projection of 40,073 Amusement and Recreation Services workers by 2008 an underestimate.

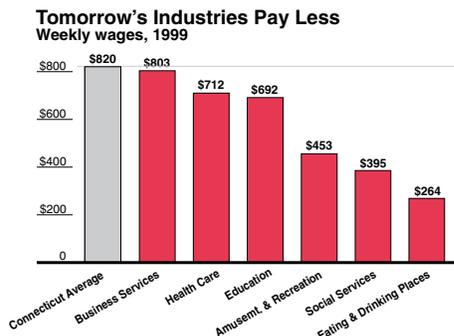
The table on the next page shows the number of jobs projected for the top 15 industries outside the home, and the 1999 average annual wages for each. Note that only four of the fifteen industries had average wages that exceeded the 1999 state average of \$42,622, and none of the four largest projected industries exceed the average.

PROJECTED NUMBER OF JOBS—TOP 15 INDUSTRIES

Industry	1998	2008	Net change	% Change	'99 wages ¹⁷
Health Services	159,916	186,582	26,666	16.7	*\$37,045
Educational Services	133,192	144,320	11,128	8.4	*\$35,997
Business Services	103,638	136,398	32,760	31.6	\$41,778
Eating and Drinking Places	76,355	81,880	5,525	7.2	\$13,704
Insurance Carriers	58,594	63,056	4,462	7.6	\$65,906
Food Stores	52,526	55,821	3,295	6.3	\$16,630
Social Services	41,804	54,592	12,788	30.6	\$20,529
Wholesale Trade, Durable Goods	49,638	51,779	2,141	4.3	\$58,172
Miscellaneous Retail Stores	44,502	49,874	5,372	12.1	\$26,854
Transportation Equipment	49,738	49,179	-559	-1.1	\$60,077
Local Govt., exc. Education & Hospitals	44,550	47,578	3,028	6.8	*\$37,828
Engineering & Management Services	39,242	45,190	5,948	15.2	\$69,109
Special Trade Contractors	40,045	43,904	3,859	9.6	\$69,109
Amusement & Recreation Services	34,136	40,073	5,937	17.4	\$23,561
State Govt., exc. Education & Hospitals	36,506	36,141	-365	-1	*\$41,561

Industry to industry comparisons with these wage data are less than exact. The data do not distinguish part time and full time work. Thus, the annual wages of industries in which people are more likely to work less than full-time will appear lower than in industries in which people generally work full-time, even if the base hourly wage is the same.

Nevertheless, the DOL projections paint a picture of an increasingly polarized economy. Food service, retail and casino workers earn only 20-35%



of what engineers, managers, transportation equipment manufacturing workers and durable goods wholesalers make — differences that are unlikely to be accounted for entirely by differences in hours worked.

Inequality may also be observed within industries. Connecticut's physicians earn the highest wages of any occupation in the state — more than \$100,000 per year — while tens of thousands of nurses aides and home health workers struggle in working poverty, dragging health services industry

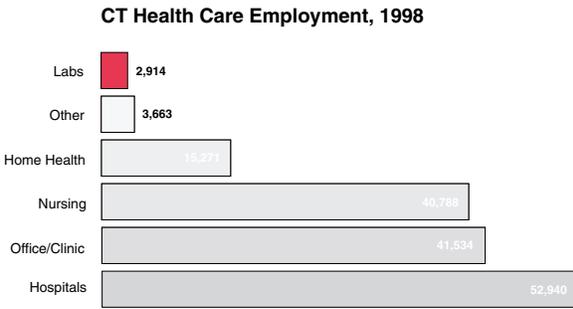
wages down below the state median.

Unless we are content to allow deepening poverty in our state, we must find ways to raise standards for all workers.

*Job Projections for Education and Health include state and local government workers, but for the wage data, those employees are rolled into state and local government.

HEALTH CARE

Already the largest industry in the state, health services will employ 186,582 people by 2008.



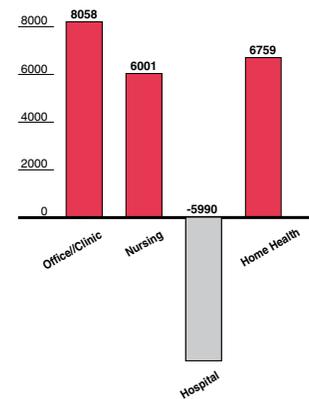
As of 1998, hospitals were the largest single source of employment within the health services industry. Connecticut's hospitals reflect the state's overall inequality. American hospitals spend more than twice as much on administration — 25 cents on the dollar — as comparable Canadian hospitals. In 2000, 3,480 medical and health services managers averaged

\$72,250 per year — the highest paid healthcare executive in the state, Yale-New Haven Hospital CEO Joseph Zaccagnino, earned a base salary of \$821,395 — 33 times the average Connecticut nurses' aide annual salary.

Although hospitals are and likely will remain the largest source of healthcare employment, the fastest growing segments of health care are providers that offer care to those not acutely sick — doctors' offices, clinics, nursing homes, home health agencies, assisted living facilities.

The DOL projects that by 2008, there will be more than 41,000 nursing aides, orderlies and home care workers in Connecticut, jobs that averaged just \$11.90 per hour last year.

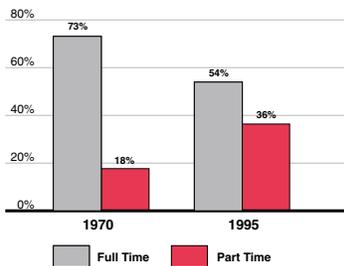
Growth in Health Care Jobs 1992-1998



EDUCATION AND CASUAL LABOR

Like health care, education is becoming an industry. At the top, fewer and fewer PhDs are able to find full-time tenured positions in our institutions of higher education, and are forced to resort to part-time and temporary or contingent teaching. At the bottom, teachers' aides and janitors in our public schools struggle to make a living wage.

Increasing Part-Time Faculty Jobs



In higher education, from 1970 to 1995, the percentage of faculty jobs held by part-time teachers doubled. Increasingly, newly minted PhDs must stitch together a living by teaching on a contract basis, without job security or decent wages and benefits.

Colleges and Universities are shifting more of their teaching to these part-time and temporary faculty, as well as relying more heavily on graduate teaching assistants. There is strong financial incentive to do so—graduate teaching assistants earned \$23,270 per year in 1998, the last year for which data are available. Note the data exclude Yale, the

New Haven area's largest employer.¹⁸

Although public school teachers on average earn slightly above the state median wages, entry level salaries are not competitive enough to ensure a flow of well-qualified teachers. Many districts are now offering large bonuses for teachers to sign up. In addition, thousands of support staff do not earn a living wage. More than 19,000 teachers' aides averaged \$21,419 per year in 2000.¹⁹

BUSINESS SERVICES

The federal industrial classifications used by the Connecticut Department of Labor have certain weaknesses — some “industries” are not really identifiable clusters of business activity, but rather several distinct industries grouped together. This is particularly true of “business services,” which includes a wide array of occupations and businesses. Included in this are very highly paid computer programmers, and low-wage office clerical temps and building service workers.

Of the top fifteen industries in Connecticut, the DOL projects business services as the fastest growing (32% increase in jobs 1998-2008).

Unfortunately, although some “New Economy” workers make high wages, on average, business service industry workers currently make slightly less than the Connecticut average. The state projects that there will be more than 18,000 computer systems analysts in 2008. They earned an average of \$61,915 in 2000. However, the DOL also projects 18,000 receptionists by 2008, who presently earn \$24,227 per year on average and 31,237 “janitors and cleaners,” who presently earn \$21,195 per year.²⁰

TOURISM AND GAMING

Just a decade ago, there were no casinos or casino employees in Connecticut. Now there are more than 17,000 gaming employees on Connecticut reservations and there will be more than 22,000 when Mohegan Sun completes its current expansion. Two or more tribes may gain recognition in the next several years and gain the right to build casinos.

Gaming is the most dynamic element of a larger Connecticut tourism boom — the state Department of Economic and Community Development estimates that 89,000 people work in the tourism industry, accounting for \$5 billion in economic activity per year — 4% of the gross state product.²¹

The DOL does not project “tourism” as an industry classification. However, they do project restaurants and food service — a significant portion of which involves tourist revenue — as the state’s fourth largest industry category. After business services and social services, the DOL projects “Amusement and Recreation Services” as the fastest growing of the state’s 15 largest industries — 17.4% growth from 1998 to 2008. If new casinos are built, that figure could turn out to be a significant underestimate.

The casinos have replaced manufacturing at the core of the Eastern Connecticut economy, and in a sense saved the economy of the region.²² They generate enormous revenue. The slot machines alone at Foxwoods and Mohegan Sun won \$1.29 billion in fiscal year 1999-2000, generating \$319 million in revenue for the state of Connecticut. And slots represent only a percentage of the revenue for the overall operations of the casinos. Financial data for the table games are not available.

But in one crucial respect, casino employment has not replaced manufacturing jobs. Thousands of families who once depended on defense-related manufacturing for a middle class standard of living, now earn wages well below the self-sufficiency standard for Eastern Connecticut. At Foxwoods some hotel housekeepers earn less than \$9.00 per hour after more than a year on the job. A Room Service Representative (someone who takes orders for room service) employed at Foxwoods for more than five years still made less than \$9.00 per hour as of September 2001.²³

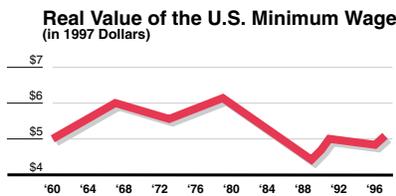


Raising Wages in a Service Economy

There are three broad policy approaches to raising wages: raising and enforcing minimum or living wage standards; investing in training and education; and nurturing collective bargaining. Each plays an important role in setting community standards for job quality. Each, by itself faces significant limitations.

POLICY OPTIONS: MINIMUM AND LIVING WAGES

The Minimum Wage is Shrinking: In 1997, the real value of the federal minimum wage was worth 18% less than in 1979. Connecticut's state minimum is \$6.40. In 1998, a single adult required full time wages of \$6.59 per hour to be self-sufficient in the Northeast region of the state — the lowest single adult self-sufficiency rate identified by the state. Even with both parents working full time and only one child, the state minimum does not meet self-sufficiency for any families anywhere in the state, except where there are no cash child care expenses. Single parents with more than one child have self-sufficiency needs ranging up to three or four times the state minimum wage.



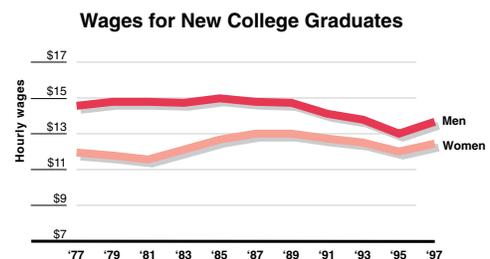
A number of Connecticut jurisdictions have passed “living wage” ordinances. In effect, living wage ordinances establish local minimum wages for different classes of workers or industries.

There is actually no bar to ordinances covering all workers in a geographic area, but for political reasons, most governments have focused on workers employed by government contractors or recipients of government subsidies. Passing a living wage standard that covers all workers and sets the wage at a truly “living” level is a very difficult task. Nevertheless, raising the wage floor for the economy, whether through the federal minimum, or local and regional living wage laws is a critical policy priority for fighting low wages.

POLICY OPTIONS: EDUCATION AND TRAINING

College Graduates Make More than High School Grads: Getting an education is the most important single thing an individual can do to improve her or his life chances. In 1997, men who had graduated from college earned 51.1% higher wages than high-school graduates, for women, the “college premium” was 44.1%. The percentage difference between college and high school graduate wages has grown dramatically since the low point in 1979.

But They're Losing Ground Too: Unfortunately, education by itself is not enough to ensure quality jobs. This difference between college and high school graduate wages does not appear to be the result of improvements in wages for college graduates, but rather of declines in wages for high school-educated workers. Real wages for workers who have not finished college dropped sharply over the past 25 years, while college graduate wages have grown just 5% over the same 25 years. More troubling, entry level wages for new college graduates are down as well.



Nevertheless, college attendance remains a vital step on the ladder of economic success. Unfortunately, many Connecticut children are left behind—particularly in urban areas, where test scores seriously lag the state average.

A recent study of welfare reform by Connecticut Voices for Children notes that parents with low educational attainment are likely to have low (and declining incomes).²⁴ Low income, for a host of reasons, diminishes the likelihood that children will achieve academically. When those children become parents, the cycle continues and gets worse.

Longer work hours carry consequences. Most importantly, parents must sacrifice time with their children and communities. The non-profit Northwest Regional Education Laboratory surveyed the literature on parent involvement in education and concluded:

The research overwhelmingly demonstrates that parent involvement in children’s learning is positively related to achievement...the more intensively parents are involved in their children’s learning, the more beneficial are the achievement effects. [T]here are strong indications that the most effective forms of parent involvement are those which engage parents in working directly with their children on learning activities in the home.²⁵

Having parents home and involved in children’s lives gives them a better chance of avoiding discipline and, ultimately, criminal justice problems.

There is an exit from this cycle, but to make it, both government and major employers must contribute in two ways. First, class size reduction dramatically improves educational achievement among low-income primary school students.²⁶ A major commitment from state and local government and the major employers who help finance the school system could make a huge difference.

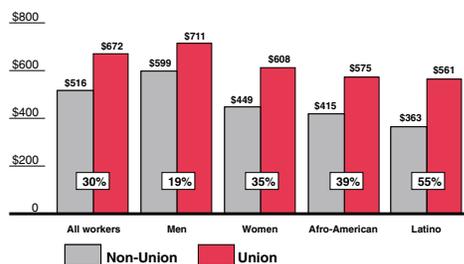
Secondly, employers must make a commitment to living wage employment to allow parents more time with children.

POLICY OPTIONS: SERVICE SECTOR UNIONIZATION

If getting a college degree is the most effective action an individual can take to improve long-term life prospects, forming a union is the most effective action a service sector worker can take to improve her or his economic circumstances right now.

Education investments will not ensure that all the jobs waiting for graduates are good jobs, and the payoff for such investment takes a long time. Even if everyone in the state got a world-class education, there simply would not be enough high-skill work to go around. Meanwhile working people in Connecticut must build their families and communities on service sector employment.

Non-Union vs. Union Weekly Wages, 1999



The Union Difference: The chart at left shows the difference between the salaries earned by U.S. union and non-union workers. On average, the “union difference” is thirty percent according to aggregate data from the U.S. Bureau of the Census March Current Population survey. The difference is particularly strong for ethnic minorities who struggle with discrimination in the workplace.

Union workers also bargain insurance bene-

fits that on average far exceed their non-union counterparts. Union employers pay more than twice as much for their employees' health and life insurance as do non-union employers.²⁷

The benefits of unionization appear overwhelming. And U.S. law and all major international human rights covenants recognize the right to form a union, bargain collectively and strike as fundamental human rights.

Barriers to Unionization

So, given the obvious benefits of unionization, why haven't service sector workers formed unions in large numbers and transformed their workplaces into high-wage shops the way their ancestors did in manufacturing firms between the 1930s and 1970s?

Many of the answers to this question can be found in a book-length report from one of the world's leading human rights organizations. Human Rights Watch reported that "workers' freedom of association is under sustained attack in the United States, and the government is often failing in its responsibility under international human rights standards to deter such attacks and protect workers' rights."

The report, entitled *Unfair Advantage: Workers' Freedom of Association in the United States under International Human Rights Standards*,²⁸ identifies four key obstacles to worker self-organization. In particular, the current process of holding elections to determine recognition under the auspices of the National Labor Relations Board is fatally flawed. Consider:

- **Workers not protected by law:** "Millions of workers in the United States are excluded from coverage of laws that are supposed to protect the right to organize and bargain collectively," and thus have no legally protected right to form a union at all under U.S. law. This is a particular problem in Connecticut's leading industries — medical interns and residents and university graduate teaching assistants have only recently had their rights recognized by the government, and tribal law does not protect the rights of thousands of casino workers to form unions.
- **Laws Allow Unfair Employer Behavior:** Employers are permitted under U.S. law to engage in conduct that has the effect of intimidating, threatening and harassing workers attempting to form a union. Employers regularly require workers to attend meetings at which they are subject to long anti-union diatribes, and supervisors are allowed to meet with workers one on one to address their "concerns" and express strong anti-union opinions.
- **Weak Penalties for Violations:** Penalties for violations of the law — even serious violations such as illegally firing workers for union activity — are so weak that they don't deter employers.
- **Justice Delayed = Justice Denied:** In addition to weak penalties, workers must wait months or years for cases to be resolved. In the case of fired workers or illegal intimidation by employers, delays give the illegal conduct its intended effect — frightening the remaining employees out of support for a union.

In sum, workers deciding to exercise their right to free association must confront what Human Rights Watch calls "a culture of near-impunity," under which employers try every trick — legal and illegal — to dissuade, misinform or just plain scare workers away from forming a union. Cornell University Professor Kate Bronfenbrenner studied hundreds of union representation elections and found a persistent pattern of aggressive and sometimes illegal



behavior designed to suppress workers' right to choose representation free of intimidation and harassment:²⁹

- 91% force employees to attend closed-door meetings to hear anti-union propaganda
- 80% require immediate supervisors to attend training sessions on how to attack unions
- 80% hire outside consultants to run anti-union campaigns, often based on mass psychology and distorting the law.
- 79% have supervisors deliver anti-union messages.
- Half of employers threaten to shut down if employees join together in a union.
- 31% illegally fire workers just because they want to form a union

Short of outright violence, it is difficult to imagine a more severe violation of a worker's right to organize than firing someone for union activity — yet nearly a third of employers do so.

Bronfenbrenner's Cornell colleague, Law Professor Lance Compa, authored *Unfair Advantage*. Compa notes that communities often misunderstand their relationship to union drives. "We often think of a union organizing drive as a contest between two large institutional forces — "the company" and "the union." It's not. Organizing comes from a basic human desire to band together for protection and self-improvement — it's a fundamental human rights issue. We must see the right to organize from the human rights dimension."

Card Count Neutrality—A Better Way

The weaknesses in U.S. labor law and the employer misbehavior associated with it affect local communities in two ways.

- First, when large numbers of workers are denied their right to free association, the community loses the economic benefits of high wage jobs.
- Second, when workers are successful in organizing under extremely divisive conditions, it sets a tone for an ongoing disruptive relationship in collective bargaining, greatly increasing the risk of strikes and other labor strife.

Unfair Advantage recommends a long list of modifications to U.S. labor law, and U.S. law does require major reform. However, achieving these will take time. In the interim, Human Rights Watch also recommends "expanded use of voluntary card check agreements," under which employers and employees agree to a process by which workers achieve union recognition once a majority of workers have signed union authorization cards.

These agreements are also known as "card count" agreements, and often come coupled with a neutrality agreement. Under a "card-count neutrality" agreement, an employer agrees to remain neutral and not interfere as employees decide whether or not to form a union. The union is recognized when a mutually agreed upon third party verifies that a majority of the employees have signed authorization cards attesting to their desire to form a union. The workers and the employer then begin good-faith bargaining. Unions often agree to refrain from negative public statements about the employer, or even to refrain from striking during an initial bargaining period as part of the agreement, contributing to a positive bargaining environment.

Community leaders can have a strong impact in encouraging such agreements. In 1998 in New Haven, the Omni Hotel at Yale had signed a card-check neutrality agreement with the Hotel Employees and Restaurant

Employees International Union Local 217. But after the hotel's ownership changed, the new management failed to honor the agreement. Local religious leaders held demonstrations to support the right to organize and met with company officials, and Yale University President Levin also stepped in to encourage the parties to abide by the agreement. The company agreed, and eventually the workers and management agreed to a contract with significant improvements in wages and benefits without a strike.

Communities seeking to ensure that employers offer a living-wage basis for their economies must come to grips with the human rights crisis in the freedom of association. Unionization by itself will not ensure strong communities. But any policy framework to rebuild the broad middle class once sustained by unionized manufacturing jobs must include a commitment to more adequately protect the right to organize.

NOTES

¹ Bass, Paul "Heavier Burden of Poverty Seen for New Haven. *New York Times* 7/24/83 Sec. 11, p1.

² CT Dept of Labor, *The Connecticut Economic Digest*, July 2000, p 4

³ U.S. Census Data analyzed by the *Economic Policy Institute* www.epinet.org

⁴Hartman, Chris, United for a Fair Economy, analysis of U.S. Census Bureau, Historical Income Tables, Table F-3:
<http://www.census.gov/hhes/income/histinc/f03.html>.
Chart available at www.inequality.org.

⁵ Hartman, Chart available at www.inequality.org.

⁶ CT Voices for Children, *State of Working Connecticut: 2001*. Shelley Geballe, JD, MPH. www.ctkidslink.org.

⁷"Persons Below Poverty Level by State 1980-1998," U.S. Census Bureau *Statistical Abstract of the United States: 2000*, table 759, p.477.
<http://www.census.gov/prod/2001pubs/statab/sec14.pdf>

⁸ Overall poverty: CT Voices for Children, *State of Working Connecticut: 2000*. Shelley Geballe, JD, MPH. www.ctkidslink.org. Child poverty: Annie E. Casey Foundation, *Kids Count Databook*, 1999 cited in SWC 2000

⁹ Economic Policy Institute analysis of Current Population Survey data
www.epinet.org

¹⁰ Diana Pearce, Ph.D. and Jennifer Brooks, "The Self-Sufficiency Standard for Connecticut," Connecticut Office of Policy and Management Fall 1999.

¹¹ Nursing Aide, etc. wages from Connecticut Department of Labor, *Connecticut Occupational Employment and Wages, by major categories*,
<http://www.ctdol.state.ct.us/lmi/misc/oeswages.htm>. Self Sufficiency standard and costs for monthly expenses estimated from Pearce and Brooks, p. 43. Pearce and Brooks data is from 1998. Figures contained here have been adjusted by the CPI-U to estimate 2000 costs.

¹² Lawrence Mishel, Jared Bernstein and John Schmitt *State of Working America 2000-01*, Economic Policy Institute, 2001 p. 98.

¹³ Federal Reserve Flow of Funds data analyzed by the Financial Markets Center. See *FOMC ALERT*, January 30-31, 2001; vol. 5 Issue 1 page 1.

¹⁴ See for example, "Tech Haven" series in the New Haven Register, December 3-8, 2000.

¹⁵ Employment Projections by Industry 1998-2008,
<http://www.ctdol.state.ct.us/lmi/misc/proctind.htm>

¹⁶ These data have significant limitations, as do all predictions. For example, the DOL projects strong growth in nearly all segments of the Finance, Insurance and Real Estate (FIRE) industry cluster, but the insurance industry recently began unprecedented layoffs.

¹⁷ The table draws data from two closely related but distinct sources, each drawn from the same underlying data set. The DOL's employment projections are drawn from ES-202 Covered Employment and Wage data files, as are the current wages. However, in making the projections, DOL reclassifies certain government workers as health services and education services employees. This gives a clearer picture of employment growth in these industries, but as a result, the industry classifications for employment projections contain different sets of workers from the annual CEW files regularly published on the web. Thus, there are significant differences in the size of the industry samples for the 2008 projections and 1999 wages, particularly for education. By the classification used in the projections, there were 133,192 Education Services employees in Connecticut in 1998. The 1999 CEW file lists 39,232. For researchers interested in wages by industry, this is an unfortunate weakness in the DOL's projections. DOL should publish current wages for industries as defined in the projections as well as the current CEW files.

¹⁸ Yale self-insures for unemployment, and thus is not required to submit ES-202 data to the state. This skews some of the data for the state and renders the New Haven Labor Market Area data virtually worthless, particularly in education services. It would be like calculating gaming employment and wages in Eastern Connecticut but excluding Foxwoods.

¹⁹ Connecticut Department of Labor, *Connecticut Occupational Employment and Wages, by major categories*, <http://www.ctdol.state.ct.us/lmi/misc/oeswages.htm>

²⁰ The DOL's occupational categories cut across its industry categories. Thus, although many computer systems analysts, receptionists and janitors are employed in companies considered part of the "business services" industry, many are not.

²¹ Barbara Nagy, "State Trumpets Tourism," *Hartford Courant* 6/2/01

²² The Connecticut Center for Economic Analysis at the University of Connecticut noted in a recent report, "from 1988 to 1993, [Eastern Connecticut] lost approximately 10,000 jobs, including nearly 4,800 manufacturing jobs."

²³ Paycheck stubs for two Guest Room Attendants, one employed for two years, one for three, show rates of \$8.68 and \$8.89 as of August 2001. Paycheck stub for one five-year Room Service shows wage rate of \$8.42.

²⁴ Geballe, Shelley, *Welfare Reform in CT: Its Impact on CT Families*, CT Voices for Children, February 16, 2000, <http://info.med.yale.edu/chldstdy/CTvoices/kidslink/kidslink2/welfare/welre3600ppt.pdf>

²⁵ Cotton, Kathleen and Wikeland, Karen Reed *Parent Involvement in Education* <http://www.nwrel.org/scspd/sirs/3/cu6.html>

²⁶ The most extensive study of class size reduction is Tennessee's Project STAR. See Elizabeth Word, et al, "Project STAR Final Executive Summary Report, Kindergarten through third grade" Tennessee Department of Education, June 1990. Available on the web at <http://www.cde.ca.gov/classsize/eval/projstar.htm>.

²⁷ Lawrence Mishel, Jared Bernstein and John Schmitt, *The State of Working America 2000/2001*, Economic Policy Institute, Cornell University Press 2001, p. 181.

²⁸ *Unfair Advantage: Workers Freedom of Association in the United States under International Human Rights Standards*, Human Rights Watch, August 2000.

²⁹ Bronfenbrenner, Kate, "Employer Behavior in Certification elections and first contracts: Implications for Labor Law Reform," in Friedman, et al. eds, *Restoring the Promise of American Labor Law*, ILR Press 1994, 75-89; plant closure threats in *Uneasy Terrain: The Impact of Capital Mobility on Workers, Wages, and Unions* (Kate Bronfenbrenner, New York State School of Industrial and Labor Relations, Cornell University, September 6, 2000).



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