

EXPANDING COLLECTIVE BARGAINING TO BUILD WORKER POWER

THE PROBLEM

Today in the U.S., working people face unprecedented challenges in making ends meet. Income inequality continues to climb at alarming rates: the share of income held by the top 1 percent of earners has neared a historic high last seen in the Gilded Age.¹ Meanwhile, productivity has grown while incomes for the bottom 90 percent of earners have barely grown faster than inflation.² CEOs, who made about 30 times the typical worker 40 years ago, now make around 275 times more than the typical worker.³

In addition to the large and growing gap between the super-rich and everyone else, jobs that provide wages sufficient to sustain individuals and their families are becoming ever more scarce. Research has shown that, to a significant degree, inequality rates increase in proportion to the rate that unionization declines.⁴ Indeed, studies demonstrate that unionized workers earn roughly 14 percent more per hour than non-unionized workers in the same field.⁵ Unionized workers are much more likely to have health and retirement benefits than their non-unionized counterparts.⁶

Despite Americans' high approval of unions⁷ and findings that nearly half of non-unionized American workers would join a union if they could,⁸ unionization rates have declined by half in the past 35 years, with only 10.7 percent of all Americans belonging to a union in 2017.⁹ This decline in unionization comes with enormous consequences: research indicates that the decline of unions and collective bargaining is responsible for roughly one-third of the rise in inequality among male workers.¹⁰ Black workers, in particular, have fared worse as unionization rates decline, with the racial wealth gap increasing, especially for Black women who stand the most to gain from union membership.¹¹

Even among unionized workers, or those attempting to unionize, corporations and an anti-labor infrastructure push so-called "right to work" laws to make it difficult for workers to form and maintain unions.¹² There are few - if any - consequences for

companies who break labor laws or fire working people who attempt to support unions.¹³ Structural issues, including the rise of outsourcing, court rulings, fissured and subcontracted work, and opaque firm structures, also make unionizing under current laws more challenging.

THE SOLUTION

EXPANSION OF COLLECTIVE BARGAINING THROUGH WAGE BOARDS AND COMMISSIONS:

Relentless attacks on the right to organize and related declining unionization rates call for new, creative efforts by local lawmakers to support the expansion of collective bargaining. One such approach is creating and expanding the use of wage boards or industry commissions, which bring together workers, employers, unions, worker organizations, and local or state government in a commission or board. Some industries, such as the taxi industry, have long had commissions that govern industry standards, while in other cases, boards and commissions have more recently been established to address working conditions.

Wage boards are charged with setting minimum working standards for a given industry, region, or occupation, based on factors such as regional cost of living, industry productivity, and testimony from workers, employers, and other stakeholders.

Wage boards could establish minimum wages for jobs in specific industries or occupations, wage scales for increased skills or experience gained by workers, standards for workplace benefits, scheduling requirements, rules around independent contractors, and profit-sharing considerations. In municipalities unable to set their own wages due to state preemption laws, wage boards could focus instead on non-wage issues, such as working conditions, hiring, or paid time off. In areas where municipalities cannot set higher wages, boards or industry commissions could also make recommendations on wages and working conditions. These can be later negotiated into contracts by labor unions or implemented as a result of increased public

awareness, as in the **Pittsburgh** example below.

While most examples of wage boards exist at a state level, local elected officials should explore authority to create them municipally. In some cases, policy from state wage boards can fuel local action as well. In 2015, the **New York State** Commissioner of Labor convened a wage board to “inquire into and report and recommend adequate minimum wage and regulations for workers in fast food chains.”¹⁴ The wage board’s final determinations set the minimum hourly wage for fast-food workers to increase from \$8.75 to \$15 over a period of several years.¹⁵ Subsequently, the **New York City Council** addressed working conditions of those specific workers in fast food chains with legislation ensuring fair workweek protections.¹⁶

HIGH STANDARDS, UNIFORM APPLICATION: Importantly, wage board standards could apply to both traditional employees and independent contractors in a given industry, occupation, or geographic location. This would account for firms that maximize their own profits in part by relying on part-time, contracted, outsourced or other forms of non-traditional labor. Workers would be represented on the wage boards in sufficient numbers to stand on relatively “even footing” with employers.

CONSISTENT ENFORCEMENT THAT INVOLVES WORKER ORGANIZATIONS: Wage board standards ought to be enforced by local governments in essentially a co-enforcement model that would integrate civic and worker organizations. Additionally, wage boards could provide unions and other worker organizations with funding to help educate workers about workplace standards.

LOCAL EXAMPLES

SEATTLE DOMESTIC WORKERS STANDARDS BOARD: In 2018, the **City of Seattle** became the first municipality to pass a Domestic Worker Bill of Rights.¹⁷ The ordinance covers domestic workers (both employees and independent contractors) who provide paid services to an individual or household in a private home, such as nannies, cleaners, gardeners, and more.¹⁸ In addition to providing minimum wage rates and rest breaks for domestic workers, the ordinance established the Domestic Workers Standards Board to provide a forum for hiring entities, domestic workers, worker organizations, and the public to consider, analyze, and make recommendations to the city on legal protections and standards for domestic workers.¹⁹ The board’s mandate includes issuing recommendations on training, accreditation, wage standards, paid time off, retirement and healthcare benefits, workers compensation, and hiring agreements.²⁰ Perhaps most importantly, domestic workers, as well as representatives from worker organizations, are represented on the board,²¹ giving

them an official mechanism to bargain over industry working conditions.

In 2019, **Philadelphia** became the second municipality to pass a Domestic Worker Bill of Rights. The city will also create an enforcement and implementation task force made of domestic workers, employers, advocates, and government representatives.²²

PITTSBURGH WAGE REVIEW COMMITTEE: In 2015, the **City of Pittsburgh** established a Wage Review Committee to look at wages and working conditions affecting service workers employed by the city’s hospitals.²³ While **Pittsburgh** is preempted from raising its minimum wage above the **Pennsylvania** minimum of \$7.25 per hour,²⁴ the committee was tasked with exploring the adequacy of wages and working conditions as well as the impact of hospitals and hospital workers on the city’s economy. The committee found that wages averaged around \$12.94 an hour and were “insufficient to allow hospital workers to live in even modest comfort in **Pittsburgh**.”²⁵

The committee’s final report included six recommendations, including endorsing the call for a \$15 minimum wage for the city’s hospital workers, encouraging hospital management to engage employees further in decision making, and lowering the barriers to receiving health care for hospital workers and their families.²⁶ As a result of the report and the public awareness, the University of Pittsburgh Medical Center (UPMC) pledged to raise starting wages to \$15 per hour, and UPMC employees and labor unions continued to exert pressure on the hospital to abide by the Committee’s additional recommendations.²⁷

LANDSCAPE & RESOURCES

For more information on this issue, please see the Center for American Progress (CAP) [report on wage boards](#)²⁸ and on [local/state initiatives for worker power](#).²⁹

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ENDNOTES

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