

Testimony in opposition to LD 187, "An Act to Prohibit Labor Organizations from Imposing Mandatory Service Fees on Nonmembers."

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Good morning, Senator Tipping, Representative Roeder, and members of the Joint Legislative Committee on Labor, my name is James Myall, and I am an Economic Policy Analyst at Maine Center for Economic Policy. I am here to testify in opposition to LD 187, which seeks to undermine the ability of labor unions to represent all workers they represent.

Maine Center for Economic Policy is dedicated to improving the economic wellbeing of Maine's working and low-income people. As an overwhelming body of research has demonstrated, collective bargaining is critical to workers' ability to secure decent wages, benefits, and safe conditions on the job. Unionized workers have been found to earn significantly better wages than comparable non-union workers. Meanwhile, a greater presence of unionized workplaces in a particular sector and geography also raises standards for workers not covered by a collective bargaining agreement, as other employers compete to attract workers. Collective bargaining also reduces racial and gender inequalities, with one analysis finding that Black workers have gotten a 13.1% wage boost from collective bargaining, compared to a 10.2% wage boost for unionized workers overall.¹

Much of the wage stagnation we have experienced in recent decades correlates to a concurrent decline in union membership. Anti-union legislation like this bill are partially responsible for the decades-long erosion of good standards for working people. Meanwhile, recent polling has shown public approval for unions in the US is at its highest point in nearly 60 years.²

Under federal labor law, unions are held to a duty of fair representation, which means that all workers, whether members of the union or not, must be treated equally in bargaining, grievances, and other union functions. Meanwhile, a collectively bargained contract sets terms for all workers in a shop, not just those who are dues-paying members. For these reasons, employers and unions have the right to negotiate an agreement that requires the deduction of dues from all members' paychecks. Notably, these are simply to cover the cost of negotiating a contract and representing workers' interest and do not extend to any political or charitable union activities. If passed, this bill would incentivize "free riders" and would undermine unions' abilities to sufficiently represent all workers and to deliver all the benefits research shows us unions do.

It is important to note that wages in so-called "right to work" states are significantly lower than in states with strong collective bargaining rights, even in manufacturing jobs that were traditionally well paid. A detailed study by the Economic Policy Institute found that the decline in union membership has resulted in a payroll cut of 5%, or the equivalent of \$2,700 annually for a

full-time worker. For workers with a high school level of education, the cost of declining union power is 9%, or \$3,200 a year.³

If this bill passed, Maine would be an outlier in the region. No other state in the northeastern United States has so-called "right to work" laws, with Virginia being the nearest to Maine. It has been a decade since another state passed a right to work law, and in 2023, Michigan lawmakers repealed a such a law ten years after adopting it.

Labor unions are democratic institutions, which workers ultimately decide how to operate. This includes the question of whether to negotiate union security agreements with their employers, which require all members to share equally in the costs of running their organization. To take away this right violates workers' freedom and undermines their right to self-determination.

For these reasons, I urge you to reject LD 187. Thank you for your time and I welcome any questions.

¹ "Unions help reduce disparities and strengthen our democracy," Economic Policy Institute, April 2021, <https://www.epi.org/publication/unions-help-reduce-disparities-and-strengthen-our-democracy/>

² For more information on the economic and social benefits of a unionized workforce see, "The state of union organizing in Maine," Maine Center for Economic Policy, August 2023, <https://www.mecep.org/jobs-and-income/brief-the-state-of-labor-organizing-in-maine/>

³ Union decline lowers wages of nonunion workers," Economic Policy Institute, August 2016, <https://www.epi.org/publication/union-decline-lowers-wages-of-nonunion-workers-the-overlooked-reason-why-wages-are-stuck-and-inequality-is-growing/>