

AFL-CIO Point of View
July 30, 2009
(this Op-Ed is no longer online)

The Employee Free Choice Act and the Economic Prospects for Young Americans

by Martin J. Bennett

Once again a generation gap is evident in American politics and culture. Young voters supported President Obama by a huge 2-1 margin over Senator John McCain in the national election last fall. A recent Pew Research Center poll reveals that differences between the young and old about social issues and values is greater than any time since the turbulent Vietnam and civil rights era of the 1960s.

Behind this widening generation gap are the declining economic prospects for young workers--not surprisingly, jobs and the economy are the top issues for young voters. Congress is currently considering the Employee Free Choice Act that would restore the right to organize a union. President Obama supports the legislation, and approval by Congress is critical for the upward mobility of young workers and to rebuild the middle class.

In 1935 Congress passed the National Labor Relations Act to guarantee the rights of workers to organize a union and to bargain collectively for better pay, benefits, and working conditions. However, today those rights exist only on paper according to Human Rights Watch. During organizing campaigns, workers are forced to attend anti-union meetings with their supervisors, routinely subjected to threats that a company will close if a union-organizing drive is successful, and 10,000 workers are illegally fired each year for exercising their right to organize a union.

Our current system is broken and must be overhauled. The Employee Free Choice Act will protect the right to organize by strengthening penalties for illegal violation of worker's rights during an organizing campaign, and by providing an option for majority sign-up which would require employers to recognize a union when a majority of workers have signed union authorization cards.

Young workers are now experiencing the most extended period of downward mobility since the Great Depression. According to a 2008 report published by Demos, a nonprofit research organization, "The Economic State of Young America:"

+Median annual earnings for young men (25-34) with a high school education declined by 29 percent between 1975 and 2005, and decreased by 10 percent for young women who are high school graduates. The drop of earnings was even steeper for young African-American and Latino workers with only a high school education.

+Median earnings for young men with a bachelor's degree decreased 2 percent between 1975 and 2005, while the earnings for college-educated women increased slightly by 10 percent.

+One in three young workers between the ages of 18 and 34 does not have health care insurance - the highest rate by far for all age groups.

Moreover, economic mobility for young workers is constrained by the rising costs of higher education. Tuition at public universities has doubled since 1980 after adjusting for inflation. In 2006, more than half of all graduates from four-year institutions left with student loan debt averaging nearly \$20,000.

The stagnation of wages and diminishing benefits for young workers over the last three decades is due to erosion of the inflation-adjusted minimum wage; globalization and the export of good manufacturing jobs abroad; the 'dot-com' tech bust of the late 1990s and the proliferation of low-wage service sector jobs; the increase of part-time and contingent employment, and most importantly, the decline of union membership.

In 1955, 37 percent of private sector workers were union members but in 2007 only 12 percent of all workers belonged to a union. Less than 5 percent of young workers are union members today.

Polling data suggests that young workers strongly support unions. Young workers are disproportionately clustered in nonunion low-wage service sector industries such as hotels, restaurants, retail, and security services. The benefits of union membership for young workers are substantial.

A Center for Economic and Policy Research report indicates that young workers (between 18-29) who are union members earn 12.4 percent more - or about \$1.75 per hour--compared to nonunion and that 68 percent of young union workers receive health benefits compared to 38 percent for nonunion workers.

A major upsurge of unionization could occur in the service sector after the approval of the Employee Free Choice Act by Congress. The massive opposition by big business to the legislation reflects the fears of corporations like Wal-Mart, Starbucks, and Whole Foods that are dependent on a young, nonunion workforce.

Congress must comprehensively address the deteriorating economic conditions of young workers: health care reform and a public option for the uninsured, increased support for higher education such as need-based federal Pell grants for college tuition, paid family leave, and tax credits for first time home buyers will all benefit young workers.

First and foremost, Congress must implement the Employee Free Choice Act to ensure a prosperous future for the next generation.

Martin J. Bennett teaches American history at Santa Rosa Junior College, serves on the Executive Board of the North Bay Labor Council AFL-CIO, and as Co-Chair of the Living Wage Coalition of Sonoma County.