

A STUDY FROM THE
MACKINAC CENTER'S
LABOR POLICY INITIATIVE

F. VINCENT VERNUCCIO

UNIONIZATION FOR THE 21ST CENTURY: SOLUTIONS FOR THE AILING LABOR MOVEMENT



The Mackinac Center for Public Policy is a nonpartisan research and educational institute dedicated to improving the quality of life for all Michigan residents by promoting sound solutions to state and local policy questions. The Mackinac Center assists policymakers, scholars, businesspeople, the media and the public by providing objective analysis of Michigan issues. The goal of all Center reports, commentaries and educational programs is to equip Michigan residents and other decision makers to better evaluate policy options. The Mackinac Center for Public Policy is broadening the debate on issues that have for many years been dominated by the belief that government intervention should be the standard solution. Center publications and programs, in contrast, offer an integrated and comprehensive approach that considers:

All Institutions. The Center examines the important role of voluntary associations, communities, businesses and families, as well as government.

All People. Mackinac Center research recognizes the diversity of Michigan residents and treats them as individuals with unique backgrounds, circumstances and goals.

All Disciplines. Center research incorporates the best understanding of economics, science, law, psychology, history and morality, moving beyond mechanical cost-benefit analysis.

All Times. Center research evaluates long-term consequences, not simply short-term impact.

Committed to its independence, the Mackinac Center for Public Policy neither seeks nor accepts any government funding. The Center enjoys the support of foundations, individuals and businesses that share a concern for Michigan's future and recognize the important role of sound ideas. The Center is a nonprofit, tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code. For more information on programs and publications of the Mackinac Center for Public Policy, please contact:

Mackinac Center for Public Policy 140 West Main Street P.O. Box 568 Midland, Michigan 48640
989-631-0900 Fax: 989-631-0964 Mackinac.org mcpp@mackinac.org

The Mackinac Center for Public Policy

Unionization for the 21st Century: Solutions for the Ailing Labor Movement

By F. Vincent Vernuccio

©2014 by the Mackinac Center for Public Policy
Midland, Michigan



Guarantee of Quality Scholarship

The Mackinac Center for Public Policy is committed to delivering the highest quality and most reliable research on Michigan issues. The Center guarantees that all original factual data are true and correct and that information attributed to other sources is accurately represented.

The Center encourages rigorous critique of its research. If the accuracy of any material fact or reference to an independent source is questioned and brought to the Center's attention with supporting evidence, the Center will respond in writing. If an error exists, it will be noted in a correction that will accompany all subsequent distribution of the publication. This constitutes the complete and final remedy under this guarantee.

Contents

Executive Summary.....	iii
Introduction	1
Unionization for the 21st Century: What It Is and What It Is Not	2
Choice vs. Compulsion: Unions’ Monopoly Privilege	3
Exclusive vs. Focused: Members-only Agreements.....	4
Centered on Workers vs. Worker Centers.....	6
Models for the 21st Century Union	9
Unions as Trainers.....	9
The National Institute for Automotive Service Excellence	10
International Brotherhood of Electrical Workers	10
Unions as Professional Organizations	11
Freelancers Union	11
The American Bar Association.....	12
Teacher Associations.....	12
Unions as Representatives.....	12
Major League Baseball Players Association	13
Screen Actors Guild	13
Unions as Insurance	13
AAA	13
Conclusion.....	14
About the Author	15
Acknowledgments.....	15
Endnotes	16

Executive Summary

For years union membership has been in decline. In 2012 union membership hit the lowest percentage of the American workforce since 1916. The union business model, based largely on industrial organizing efforts from the 1930s, does not appear to carry over well for today's educated and transient workforce. It appears unions have not evolved to meet the needs of most modern workers.

There are several ways labor organizations could improve and become more responsive to the needs of workers. Unions should move away from their traditional operating formula and function more like professional associations, focusing on providing valuable services to members and representing the diverse set of needs of individual workers.

Some unions appear to be attempting to adapt, but are, unfortunately, only doubling down on the intimidation-based, one-size-fits-all union model of the past. These union front organizations, commonly known as worker centers, are using the same tactics of old to expand the power of existing unions, rather than creatively meeting the needs of modern workers.

In order to thrive, unions must move away from the old model based on coercion and monopolistic privileges granted by labor laws of the last century. The way for unions to grow and better serve workers is to shift to an operating principal based on voluntary association, where unions must compete for the hard-earned support of their members. Unions should only represent workers who desire to be represented and serve the unique needs of the skilled worker of the 21st century.

In many situations, even the choice of union representation could be further individualized. Instead of simply giving a worker a take-it-or-leave-it proposal, unions could specialize in a la carte services, where members pick and choose what they want from one or multiple unions.

The four methods by which unions might reform and improve highlighted in this study are:

- *Unions as trainers and certifiers:* More unions should provide training and apprenticeship programs for workers.
- *Union as professional organizations:* Like other professional organizations, unions should advocate for their members' interests in the industry, serve as a resource for collaboration and provide social networking opportunities.
- *Unions as representatives:* Unions should refocus on providing resources for individual contracts and employees should be allowed to negotiate compensation arrangements for themselves. Merit pay and individualized rewards for productivity should be embraced.
- *Unions as insurance:* Unions can provide life, malpractice and other forms of insurance, as well as retirement benefits, such as defined-contribution retirement savings plans, which workers can take with them from job to job and union to union.

Introduction*

For years, union membership has been in decline. In 2012, the percentage of the American workforce that was unionized hit its lowest point since 1916.¹ The union business model, primarily based on the needs of organizing industrial-era factory workers, may have worked well in the early and mid-20th century, but it has appeared to have failed to adapt to today's skilled and mobile workforce and capital.

Michigan Radio's political analyst, Jack Lessenberry, recently pronounced, "A lot of union leadership seems to have figured out what to do in 1936. If 1936 ever comes back, they're ready. But it's not coming back, and they have to come up with a new model."²

On the same radio program, Marick Masters, director of labor, professor of business and adjunct professor of political science at Wayne State University agreed:

Right now, [unions] follow the employer [to organize], but I think that's an increasingly less reliable way to organize. I think [unions] need to follow the worker, and they need to invest in the worker, and make the worker a greater value proposition to employers so that when they move across organizations, they can make a claim for higher wages and higher benefits.³

The decline in union membership shouts loud and clear that something needs to change. Unions need to be more responsive and put the individual worker at the center of the labor movement. They must become more like modern and voluntary professional associations, rather than carrying on as the industrial-era unions of old.

In order to thrive, unions must stop relying on the compulsion and monopolistic privileges labor laws granted them in the last century. The way for unions to grow and better serve workers is to compete for the voluntary support of new members. Unions of the 21st century need to provide added value to each worker, focus on their individual needs and deliver the necessary services and representation.

Unfortunately, instead of adapting to a new reality, some labor leaders are doubling down on the outdated methods of the past. Some unions are fostering hostile relationships with employers and becoming even more entrenched in the political arena. The needs of the workers these unions represent are often moved to the backburner.

* Some language contained in this paper is similar to that already published in a previous Mackinac Center publication. F. Vincent Vernuccio, "The UFOs Have Landed and They Are Here to Represent You," *IMPACT* (Mackinac Center for Public Policy, Nov. 2013), <http://goo.gl/KCD6CA> (accessed Sept. 15, 2014).

This paper suggests a model for a renaissance of unionism, particularly with regards to private sector unions.* The modern union should cater to the skilled individual worker of the 21st century and not force them into an outdated one-size-fits-all model.

The suggestions in this paper do not require any change in current law. The recommendations rely on the principles of voluntary exchange. If unions provide services for which workers are willing to pay, unions should be able to charge workers for such service, but other workers should be able to refuse those same services too. This is how voluntary transactions work in a market, and this free exchange creates incentives for service providers (in this case, unions) to deliver value to customers (in this case, workers) at a competitive price.

By switching to this voluntary model, unions will admittedly lose some of the compulsory privileges granted to them under labor laws. Unions may instinctively want to cling to these privileges, but if they do it may result in their continued and inexorable decline. It is time for unions to take off the government-granted training wheels and take their chances in the market as voluntary service-providers and professional organizations. Perhaps only then will they be able to reverse their continued decline.

Unionization for the 21st Century: What It Is and What It Is Not

A new model for union representation is needed if unions are to stem the tide of declining membership. But the interests of individual workers should be at the front of the discussion of saving the labor movement. Labor reforms must be centered on the protection and advancement of workers as individuals.

The current industrial era, one-size-fits-all bargaining model is almost a century old. It leaves little room for cooperation and does not incentivize productivity or reward the best and brightest union members through things like merit pay.

Some labor scholars are recognizing this need and calling for a new form of unionism. Benjamin Sachs of Harvard Law School (and former assistant general counsel for the Service Employees International Union) and Catherine Fisk of the University of California-Irvine School of Law (and member of the SEIU Ethics Review Board) recently wrote in the Los Angeles Times:

Requiring unions to offer free representation to workers who do not want a union in the first place makes no sense. Nor does it make sense to have a system in which workers can benefit from union representation without paying their fair share.

So, to alleviate this double bind that courts would impose on unions and workers, we propose a simple reform: Unions should not be required to represent workers who do not want, and who decline to pay for, such representation.⁴

* The Mackinac Center conceptualized this study at the end of 2012, with an intended publication date of Labor Day 2013. The original goal was simple: make recommendations to improve labor organizations across the country and suggest options for becoming more like service and professional organizations. Halfway through 2013, however, it became apparent that the date had to be pushed back because some unions, mainly through the use of "worker centers," were seemingly embracing some of the concepts this paper meant to endorse. A closer look at worker centers was needed, and so the publication of this paper was pushed back. Unfortunately, as this paper will discuss, the actions of worker centers and current push by some unions to change how they operate have mainly fallen short of the type of reform this paper proposes.

In order to revive the labor movement, unions need to go back to their original mission of representation in the workplace, but now the diverse needs of each individual worker must be at the center of that effort. This is no small task — unions will need to tailor their services to each individual worker, making his or her achievement paramount, and possibly even provide workers with a selection of choices — an a la carte model.

Choice vs. Compulsion: Unions' Monopoly Privilege

The compulsion prescribed by the federal National Labor Relations Act is often viewed by the labor movement as one of its prized possessions. This privilege of being protected from competitive pressure, however, may be one of the largest impediments to unions attempting to break out of the old model.*

In order to represent all employees in a collective bargaining unit (and in the 26 non-right-to-work states, to compel those employees to pay dues or agency fees), the union needs to be the “exclusive representative” of all employees in a particular bargaining unit. If unions want to compel employers to negotiate, they must have exclusive representation as required by Section 9 of the NLRA.⁵

The NLRA gives unions exclusive representation or monopoly bargaining power if they have been selected by a majority of the employees in a collective bargaining unit:

Representatives designated or selected for the purposes of collective bargaining by the majority of the employees in a unit appropriate for such purposes, shall be the exclusive representatives of all the employees in such unit for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment.⁶

If unions choose to be the exclusive representative of workers, they automatically receive a legal monopoly over negotiation and representation. The cost of maintaining this monopoly is that unions cannot discriminate against nonunion members and are legally required to represent all workers equally. Likewise, workers who do not want this representation must accept the union contract and cannot negotiate on their own behalf or represent themselves.

In a 1997 Mackinac Center study, Robert P. Hunter, a former regional director of the Federal Labor Relations Authority, defines the problem with exclusive representation:

When a union is selected to represent employees in an "appropriate" unit of workers, the union alone has the legal authority to speak for all employees, including those who neither voted for nor joined the labor organization. No other union, individual or representative may negotiate terms and conditions of employment, and the individual employee is effectively deprived of the opportunity to represent his or her own interests.⁷

* The NLRA applies only to private sector employees. Government employees at the state and local level are governed by various state laws. Federal employees are governed by the Federal Labor Relations Act. This paper primarily deals with unionization in the private sector.

Almost all union contracts include exclusive representation because of the legal privileges and protections that come along with it. Besides the monopoly bargaining and forced negotiations, private sector unions also receive the ability to limit other unions from organizing the workers into a different union, a practice sometimes referred to as “raiding.”⁸

This monopolistic representation model supposedly gives unions a stronger hand at the bargaining table. Even with this exclusive representation privilege, however, unions are still losing members. Unions must ask themselves if this exclusivity model is really a benefit for today’s work force, or is it more of a crutch, holding unions back from modernizing and gaining new members.

Exclusive vs. Focused: Members-only Agreements

Many labor experts, from both ends of the political spectrum, are increasingly talking about a concept called “members-only agreements.” Members-only agreements are contracts in which unions only represent the actual members of the union, as opposed to representing all employees within a bargaining unit, as is typical. Workers who do not wish to be members of the union are not forced to be represented by the union, and likewise, unions are not forced to provide these employees with any services.

Members-only agreements appear legal under the current NLRA and NLRB rulings. In a review of a book by Charles J. Morris, a leading scholar advocating for members-only agreements, John M. True III, a superior court judge in Alameda County, Calif., wrote:

Nothing in the actual language of the NLRA, in its legislative history, in NLRB or court cases, in the constitution, in international law, or indeed in common sense or sound policy suggests that unions could not *still* use this “members only” bargaining approach. It is just that we have all forgotten about it.⁹ [emphasis in original]

James Sherk, senior policy analyst in labor economics at the Heritage Foundation, agrees:

Federal law does not obligate unions to represent non-members. The National Labor Relations Act allows unions to sign “members’ only” contracts that apply only to dues-paying members. This is legally uncontroversial. In 1938, the Supreme Court expressly upheld union’s ability to negotiate only on behalf of members.¹⁰

William Gould, a President Clinton appointee to chair the National Labor Relations Board, also agreed, writing, “the law now permits ‘members-only’ bargaining for employees without regard to majority rule or an appropriate unit and without regard to exclusivity.”¹¹

Still, members-only agreements are not mainstream, and as of yet, still amorphous. In part, this is due to unions holding on too tightly to their exclusive representation privileges.

Some unions are using a new concept known as “micro-unions” to form smaller, but still monopolistic union arraignments. Unlike members-only agreements, micro-unions allow unions to gain exclusive representation privileges over a minority of the workers in a unit.

Currently, a union must organize a majority of all employees at a workplace in order to be recognized by the employer as the exclusive representation of the workers. Under the micro-union concept, a

union could try to organize just a small subgroup of workers (three of the five employees at a grocery store's deli counter, for example) and win exclusive representation for that subgroup. The employer would then be compelled to negotiate with the union in good faith and all the employees in the subgroup would be forced to accept the union's representation and contract.

Unions could use these micro-unions as just a stepping stone toward the ultimate goal of exclusively representing the entire workplace. These types of arrangements do not provide the same type of choice and accountability built in to members-only agreements.

A recent ruling by the Sixth Circuit Court of Appeals upheld an NLRB decision to allow for hyper-specific definitions of bargaining units in nursing homes. The *Specialty Healthcare and Rehabilitation Center of Mobile* ruling defined which workers could be included in a nursing home bargaining unit. The Sixth Circuit wrote of this authority, "Federal labor law gives the Board wide discretion to delineate the 'bargaining unit,' the term for the group of workers that will vote on union representation."^{*} This may give the NLRB the ability to redefine the size of other units in other industries.

Indeed, the NLRB recently used the *Specialty Healthcare* decision to justify allowing 41 cosmetics and fragrances employees in a Macy's department store in Saugus, Mass. to petition to form a micro-union. The store employs 150 employees, 120 of whom are "selling" employees (sales people in similar positions to the cosmetics and fragrances employees).[†]

The decision allows the small group of cosmetics and fragrance employees to petition for an election. Even if every cosmetics and fragrances employee votes to unionize, it will only be 33 percent of all the selling employees in the store and 27 percent of all the employees in the store. If the union is formed by a slim margin in the election, 21 to 20, this will mean that only 17.5 percent of the selling employees and 14 percent of all employees voted for the union.

After the *Specialty Healthcare* ruling by the Sixth Circuit, Michael Lotito, a labor attorney in San Francisco, told the Wall Street Journal, "The [NLRB] is very well-positioned to give unions an enormous organizing advantage by determining these small units."¹² The Journal continued:

By organizing a small group of workers, a union can gain a foothold among a company's workforce, as well as access to company information during contract negotiations that can give it leverage and make subsequent organizing campaigns easier, Mr. Lotito said. "It lets the union get their nose under the tent."¹³

The use and growing acceptance by the current NLRB of micro-unions demonstrates that changing the standard practice of unions to one that relies on members-only agreements may be difficult. Without forcing any employees or employers to join or recognize the union, members-only unions will only represent workers who want to be represented by that union. This should create stronger unions, where all the members of the union are there by choice, and unions have an incentive to provide valuable services to each worker. They are free from forcing workers to

^{*} *Specialty Healthcare and Rehab. Ctr. Of Mobile*, 357 NLRB No. 83 (2011), see also 356 NLRB No. 56 (2010).

[†] *Macy's, Inc. and Local 1445, United Food and Commercial Workers Union*, 361 NLRB No. 4 (2014).

pay for or accept unwanted representation and they are also free from representing employees who do not want these services.

Centered on Workers vs. Worker Centers

Labor leaders such as the American Federation of Labor and Congress of Industrial Organizations President Richard Trumka have publicly acknowledged that the old model of labor organizing was failing. Referring to traditional union organizing methods, Trumka said:

[Unions] are not going to rebuild the labor movement solely through NLRB elections and voluntary recognition by employers ... The AFL-CIO's door has to be — and will be — open to any worker or group of workers who wants to organize and build power in the workplace.¹⁴

In expressing a desire to explore new forms of unionization, Trumka may have been alluding to a concept called “worker centers,” which on the surface appear to conform to many of the principles outlined in this paper. They seem to be “members-only” unions where only those who want to join would pay dues.

Although promising in theory, and despite comments from labor leaders such as Trumka, the currently active worker centers are unfortunately doubling down on the union business model of old. They are not independent service organizations, but rather stalking horses to help organize workers into traditional unions. Their goals are to make organizing easier by intimidating employers into taking away the secret ballot from workers and to further the political agenda of traditional union leaders.

Worker centers are gaining in popularity as a tool to stem labor's membership declines. They are generally non-profit organizations receiving their funding from member dues, government and foundation grants and direct support from unions. Janice Fine, professor of labor studies and employment relations at Rutgers University, estimates that the number of worker centers in the United States grew from 5 in 1992 to over 200 in 2013.¹⁵

Unfortunately, these centers are often used for political purposes or to intimidate workers and employers into accepting unionization. Worker centers have been used as vehicles to protest employers and facilitate mass strikes.*

In 2006, the AFL-CIO formalized its relationship with worker centers and used them to recruit nonunion workers to help with the union's political agenda.¹⁶ One such worker center is Working America, which states its plan is to expand into all 50 states by 2018, primarily by “organizing in neighborhoods.”¹⁷ An April 17, 2013, press release boasts, “As Working America expands nationally, it will continue its year-round community organizing and electoral and legislative work, as well as pilot different methods of organizing workers on the job.”¹⁸

Organizing is a central theme on Working America's website, but it does not appear to center around collective bargaining. Instead, Working America seems to focus on providing members “a

* For example, see: “Dozens Arrested During Minimum Wage Protest at Detroit McDonald's” (CBS Detroit, Sept. 4, 2014), <http://goo.gl/VebSTw> (accessed Sept. 18, 2014).

chance to be heard in the political debate” and to “challenge the corporate agenda across the nation.”¹⁹ Member benefits seem to only include discounts for products and services such as cell phone plans, car rentals, textbooks and magazine subscriptions.²⁰

The growth of these organizations is taking root in the unions’ very foundations. At its convention in September 2013, the AFL-CIO passed the internally controversial Resolution 5, titled “A Broad, Inclusive and Effective Labor Movement.” The resolution expanded membership in the Federation to “any worker who wants to join the labor movement and who is not already covered by a collective bargaining agreement.”²¹ This opened the door to worker center members becoming part of the AFL-CIO.

Harold A. Schaitberger, president of the International Association of Fire Fighters (a member union of the AFL-CIO), expressed concern that the AFL-CIO may risk moving away from its primary mission by expanding its membership in such a way. He explained his position: “We are supposed to be representing workers and workers’ interests. We are not going to be the American Federation of Progressive and Liberal Organizations.”²²

Terry O’Sullivan, president of the Laborers’ International Union of North America, voiced similar concerns. He asked, “Does that mean we are going to turn energy policy of the AFL-CIO over to the Sierra Club?”²³

A main reason labor is reaching out beyond its ranks is that private sector unionism is in decline and has been for decades. The percentage of private sector workers who are union members dropped to only 6.6 percent of the workforce in 2012.*

Worker centers are a tool to resurrect membership in another way too: By focusing union organizing efforts on employers’ boardrooms. Through a labor tactic called a “corporate campaign,” unions can bring public pressure on job creators to capitulate to their demands.²⁴ A frequent demand involves pressuring the company into a “neutrality” agreement, which, among other things, takes away the secret ballot from workers via a card check election.

During a corporate campaign, a union or worker center engages in regulatory pressure or reputational attacks, which in some cases venture into personal criticisms of company officers. A 2011 SEIU “Contract Campaign Manual” instructed workers how to successfully put pressure on a business, saying “outside pressure can involve jeopardizing relationships between the employer and lenders, investors, stockholders, customers, clients, patients, tenants, politicians, or others on whom the employer depends for funds.” It suggested legal and regulatory pressure to “threaten the employer with costly action by government agencies or the courts.”²⁵

It also recommended personal attacks by digging up “dirt” on the company and individual officers with charges such as “racism, sexism, exploitation of immigrants or proposals that would take money out of the community for the benefits of distant stockholders.”²⁶

* Private and public sector union membership in 2013 did see a small uptick but not enough to change the overall percentage of 11.3% nationwide. Private sector membership moved up to 6.7% while public sector dropped to 35.3% from 35.9% in 2012. “Union Membership (Annual) News Release” (Bureau of Labor Statistics, Jan. 24, 2014), <http://goo.gl/JsGaX7> (accessed July 10, 2014).

An example of this is the actions of the worker center Organization United for Respect at Walmart, which is engaged in a corporate campaign against the retailer Wal-Mart and heavily supported by the United Food and Commercial Workers Union.²⁷ OUR Walmart may be attempting to compel Wal-Mart to sign a neutrality agreement with the UFCW and take away the secret ballot from employees.

A yearly example of a corporate campaign is the “Black Friday” protest, in which OUR Walmart stages demonstrations in front of Wal-Marts around the country.²⁸ Wal-Mart spokesman David Tovar claims this campaign is “an effort to attract media attention to further [union’s] political agenda.”²⁹

This campaign almost resulted in the forcing of Wal-Mart out of Washington, D.C. The anti-Wal-Mart effort successfully lobbied for Washington, D.C., City Council to impose a “living wage” for Wal-Mart employees, which was 50 percent higher than the city’s regular minimum wage. After the bill passed the council, Wal-Mart said it may have needed to leave the city. Eventually, the mayor of Washington, D.C., Vincent C. Gray, vetoed the bill.³⁰

Another worker center engaging in corporate campaigns is the Restaurant Opportunities Centers United. ROC, originally affiliated with the Hotel Employees and Restaurant Employees International Union, stages protests and files legal actions against restaurants.³¹ ROC is now generally funded by foundations such as the Tides Foundation and W.K. Kellogg Foundation and through federal grants.³² Trey Kovacs, labor policy analyst at the Competitive Enterprise Institute, estimates that between 2005 and 2009 ROC received almost \$1 million in grants from the U.S. Department of Labor and Department of Health and Human Services.³³

Worker centers are becoming common vehicles for conducting corporate campaigns because they are not subject to federal labor laws. Many such laws prohibit picketing of a company’s suppliers and other company relationships; they also dictate how long a union can picket a company before filing for an election. Finally, by claiming they are not unions, worker centers can also bypass federal financial disclosure laws which are required of labor organizations.

Labor attorneys Stefan Marculewicz and Jennifer Thomas argue that worker centers act enough like labor organizations that they should be legally treated as such with the same prohibitions:

[W]orker centers are directly engaging employers or groups of employers to effectuate change in the wages, hours, and terms and conditions of employment for their members. Indeed, when it comes to such direct engagement, these worker centers act no differently than the traditional labor organization.³⁴

If a worker center’s tactics are successful and the employer agrees to a “neutrality agreement,” then a “card check” election is instituted rather than a normal secret-ballot election. During a card check election, cards are signed in front of co-workers and union organizers, denying workers the protection of a secret ballot. These card check elections can lead to intimidation and coercion during the voting process. Unions presumably prefer card check elections because it supposedly makes obtaining a majority easier.

Of course, even with a card check campaign, employees still have a choice, albeit one that may come with the intimidation and coercion. Worker centers, on the other hand, allow unions to claim to represent workers without even giving them the opportunity of a card check choice.

Craig Becker, a NLRB member appointed by President Obama and current AFL-CIO General Council, said, “We want to figure out a way to make membership more open, to make membership in a union not depend on workers being willing to endure trial by fire in an election or extended pitched battle with the employer for voluntary recognition [card check].”³⁵

According to Becker, it is too much to force employees to vote through an election or card check recognition. Instead, he hopes that a worker center could represent them without the affirmation of the majority of employees. By that same rationale, it could be argued that voters should not have to endure trial by fire in an election for president, Congress or state offices.

If worker centers were to forego the special privileges afforded to labor unions (one of the reasons unions also have to abide by certain restrictions), they could be part of the next evolution in labor: individual, worker-centered, collaborative and nonpolitical. As it stands, however, this is not the case. Instead, worker centers appear to be ignoring the needs of workers, and serving the preferences of union leadership.

Models for the 21st Century Union

Rather than be beholden to the typical one-size-fits-all, take-it-or-leave-it-model, unions may be able to appeal to a larger group of workers by adapting the services in which they already excel, to a more worker-centered approach. Unions could shift to an a la carte model where members decide if one, several or all of the services a labor organization offers is right for them. In this way, it is conceivable that a worker could be a member of more than one union.

This model will remove the compulsion from the typical collective bargaining agreement and only allow the union to provide services to consumers who opt for such services. The successful 21st century union should not force either worker or employer to accept them.

Only by the strength and value of the provided services, will unions be able to charge membership dues. Likewise, by showing employers that their members are highly skilled, reliable and valuable to their company, unions will be able to negotiate voluntarily with the business.

Below are models that unions can use to transition to a new model of unionism. The examples provided should not be taken as an endorsement of the labor organization as a whole or other actions or stances of the organization.

Unions as Trainers

Many unions, such as the International Brotherhood of Electrical Workers, already provide top-quality training to their members.³⁶ But unions could make work training a fundamental service they provide members, and even act as a voluntary certification agency. Good training produces a win-win situation for both employers and employees. Unions can provide employers with improved worker productivity and workers with enhanced employability and career

development. Since new workers are often in need of training and certification in order to advance their careers, unions could particularly appeal to younger employees through this service.

There seems to be a real need for workers to gain additional skills through training and apprenticeship programs. There are almost 11 million Americans unemployed, but 4 million jobs still unfilled. One reason for this gap may be that employers simply cannot find workers with the skills needed to fill those jobs.³⁷

This need is so great that JPMorgan Chase launched a \$250 million Global Economic Opportunity Initiative in 2013, aimed at improving skills training programs. JPMorgan Chase pointed to statistics estimating that one-third of the U.S. unemployment rate is due to a lack of skills.³⁸

The Manufacturing Institute, a nonprofit advocacy group for manufacturing firms, recognized this problem, too. According to one of its reports, 5 percent of manufacturing jobs are not staffed because companies cannot find employees with enough skills to do the work.³⁹

Finally, unions have the ability to show their value to potential members by offering training and apprenticeship programs. They can demonstrate how valuable their members are to future employers by guaranteeing their members have gone through rigorous training and testing to prove their competence. If the union becomes trusted as a training organization, an employer hiring a union member will know that he is hiring a highly competent employee. This does not need to be limited to only the skilled trades — there may be service or technical fields where unions could also provide valuable job training.

This is not to say that unions should be given the legal power to be a licensing agency and only those with a union license will be legally allowed to work. For unions to thrive in the 21st century, they must compete with each other and with other private organizations.

The National Institute for Automotive Service Excellence

The National Institute for Automotive Service Excellence is a nonprofit organization that certifies workers in the vehicle repair and service industries. ASE claims that because of its services, car owners can recognize and select auto mechanics who have demonstrated their knowledge and expertise in the field. Repair shops employing these technicians can receive special recognition from ASE, boosting their reputation and potential for new customers.⁴⁰

International Brotherhood of Electrical Workers

Electrical work is a specialized field, and learning the skills necessary to master the craft can be challenging. The International Brotherhood of Electrical Workers' Electrical Industry Training Center outside Detroit is an example of a union-led training program that is beneficial for unions and their members.

IBEW's National Joint Apprentice Training Committee Center provides training for apprentices and journeymen electricians in southeastern Michigan. According to the NJATC website, the center has trained over 350,000 apprentices and journeymen. NJATC also claims this was done without a cost to taxpayers.⁴¹

The apprenticeship programs in southeast Michigan vary from three to five years. Instead of traditional schooling where students pay tuition, NJATC's "Earn While you Learn" experience allow students to get paid on the job while being trained.⁴²

Unions are already training thousands of workers. The AFL-CIO claims that "the labor movement trains more than 450,000 workers" annually.⁴³ But unions should make job and skills training an even larger part of their mission and service to members. They have a real opportunity to provide direct value to both employers and employees by doing so.

Just as with licensing, unions should not be given a monopoly on training and certifying workers in a specific field. Neither should the government subsidize this training. Unions can and should play a part in training workers, so long as laws do not provide them special favors over other organizations that provide training.

Unions as Professional Organizations

Unions should act similarly to professional associations. These organizations advocate for their members' interests in the industry, serve as a resource for collaboration and provide opportunities for individual career development and advancement. Professionals can freely join or leave these organizations.

Freelancers Union

The Freelancers Union is nonprofit professional organization that provides several services that traditional, industrial-era unions do not. It is "a motley collection of workers in the fast-evolving freelance economy — whether lawyers, software developers, graphic artists, accountants, consultants, nannies, writers, editors, Web site designers or sellers on Etsy." The New York Times calls it "one of the nation's fastest-growing labor organizations, with more than 200,000 members."⁴⁴

The Freelancers Union is free to join. According to its website, it only charges fees to members if they enroll in a group insurance plan offered through the organization. Benefits of membership include discounts on "everything from tax prep to gyms to coworking space," a profile in the Freelancers Yellow Pages, the ability to "post a project or gig [and to] find and apply for a gig," disability, dental, and life insurance, events targeted toward freelancers, policy advocacy and newsletters.⁴⁵

The Freelancers Union is reminiscent of a guild, according to Rutgers University professor Janice Fine. She explained that the organization "focused on workers' individual autonomy, trying to build their own careers, with the backing of a collective organization to assist them."^{*}

* Steven Greenhouse, "Tackling Concerns of Independent Workers," *The New York Times*, March 23, 2013, <http://goo.gl/t08j9C> (accessed July 22, 2014). Randy Weingarten, the president of the American Federation of Teachers, called the founder of the Freelancers Union, Sara Horowitz, "the most ingenious thinker of our time." Tejal Rao, "A Decade On , Freelancers Union Founder Sara Horowitz Takes Her Fight Mainstream" (*The Village Voice*, Feb. 2014).

The American Bar Association

The American Bar Association is a professional association of lawyers around the country. It has almost 400,000 members and is one of the largest professional organizations in the world.⁴⁶

The ABA offers a wide variety of services including an opportunity for attorneys to develop a national reputation by publishing in ABA publications and presenting at events. It also provides its own brand of professional development (Continuing Legal Education) and a multitude of discounts.⁴⁷

Teacher Associations

Typically, public school teachers who want to opt out of their union must still accept representation from the recognized bargaining representative for their school district (and in non-right-to-work states pay agency fees), but they lose some of the benefits of being a union member.

Several groups have stepped up to fill that void, including the Association of American Educators and the Christian Educators Association International. The primary benefit of these organizations is access to liability insurance. Annual membership dues for these organizations are generally much less than full union dues — approximately \$198 for the AAE and \$239 for the CEAI.⁴⁸

In addition to liability insurance, the AAE offers legal protections and services, college scholarships, grants, newsletters and other professional resources.⁴⁹ The CEAI provides \$2 million worth of liability insurance, legal assistance and a number of insurance plans (life, disability, health, auto, home, ID theft and more).⁵⁰

Unions as Representatives

Representation is perhaps the most identifiable service unions provide their members. But employees are unique and are not necessarily best served by a one-size-fits-all approach to representation. For example, under most union contracts, employees receive the same compensation as other union members, regardless of how well or poorly those employees perform. Unions should refocus on providing resources to support employees negotiating individual contracts with employers that will reward them for their unique contributions to the workplace. Employees should be allowed to choose to negotiate for themselves or to accept a collectively bargained contract.

The most important thing that labor organizations can do to modernize their representational services is to embrace merit pay and allow their members to be paid according to the value of their work. This differs from the seniority system many unions currently bargain for, which mandates that workers may only receive pay increases for logging more years on the job.

Seniority-based pay systems may be unattractive to younger employees who want to be rewarded for their effort. This type of system also provides a disincentive for ingenuity and hard work. An employee knows that no matter how well he performs, he cannot be rewarded until he reaches the next anniversary of his hiring. That disincentive can also make employers leery of unions because the employer may think that without being able to properly compensate the best and brightest

employees, they may leave for another company or simply not work as hard since they know they will not be getting a bonus based on their performance.

However, there are unions that allow individual members to negotiate for their own compensation level with employers. As workplaces become more diverse and specialized, more unions would do well to provide a similar alternative for members.

Major League Baseball Players Association

Since the 1960s, the Major League Baseball Players Association has negotiated on behalf of Major League Baseball players. The MLBPA is the collective bargaining representative for players, representing them in grievances and salary arbitration proceedings. But the MLBPA “endorses a free market system” when it comes to individual pay and benefits. The MLBPA negotiates for a minimum salary (\$500,000 in 2014), but then allows individual players to negotiate for higher salaries in their individual contracts.⁵¹

Screen Actors Guild

Similar to the MLBPA, the National Board of the Screen Actors Guild and the American Federation of Television and Radio Artists also negotiates a basic minimum salary. The general contract between the SAG and the Alliance of Motion Picture & Television Producers reads:

Nothing contained in this Agreement shall prevent any individual from negotiating and obtaining from Producer better conditions and terms of employment than those herein contained. This Agreement shall not affect any of the terms or conditions of employment contained in any individual personal service contract which are better than those herein contained.⁵²

Unions as Insurance

Unions can provide malpractice insurance and other optional life, health and retirement benefits, such as defined-contribution plans, which workers can take with them from job to job and union to union. Many of the professional associations mentioned above provide these types of insurance. There may be room, however, for a new type of employment insurance offerings.

AAA

The AAA provides insurance to car owners for towing and other services in case of auto breakdowns.⁵³ Similarly, unions could expand the type of employment insurance they offer, which typically provides attorney services in case an employee runs into a legal problem at work. In addition, instead of forcing all workers in a workplace to pay dues to get these benefits, unions could offer employment insurance protection a la carte, including legal protection and representation during disciplinary disputes with employers.

Such a system would allow individual employees to negotiate for the majority of their working conditions and pay, but still afford them a guard against arbitrary disciplinary actions on the part of

their employer or criminal charges stemming from their employment. If a problem or question arises, the employee has the assurance that he or she will be covered by this employment insurance.

This is not to be confused with the Ghent system in countries such as Denmark and Sweden. The Ghent system provides government subsidies to unions and gives them the ability to administer unemployment insurance. Granting special government benefits and allowing a group to have a monopoly over a type of insurance is contrary to many of the ideas outlined above.*

Conclusion

It is clear that the current union movement is in trouble and workers could be better served. Unions are beginning to change in small ways to meet the new demands of the 21st century worker, but there is much more that they need to do. The most fundamental change will be moving away from relying on compulsion and monopolistic privileges to embracing a model that rests on winning member support by providing valuable services.

Part of this is unions recognizing that they should focus on representing only the interests of those who wish to be represented. Like most businesses, they should try to convince buyers to voluntarily purchase their services. As outlined in this paper, there are many valuable services that unions could offer workers.

Unions must adapt to survive. The way forward for the labor movement is to inject employee choice and voluntary exchange into their outdated business model. To thrive they need to focus on the needs of individual workers and remove the training wheels of compulsion and special privileges afforded them in current labor law. In this way, they will prove their worth to both employees and employers.

* It should also be noted that in recent years independent unemployment insurance funds are emerging which do not require union membership. Matthew Dimick, "Paths to Power: Labor Law, Union Density, and the Ghent System" (Washington University Law, Sept. 22, 2010), <http://goo.gl/H6lleM> (accessed Oct. 7, 2014); Kurt Vandaele, "A Report from the Homeland of the Ghent System : Unemployment and Union Membership in Belgium," *Transfer: European Review of Labour and Research* 4 (Jan. 2006): 647–657, <http://goo.gl/tX3Kx8>.

About the Author

F. Vincent Vernuccio is director of labor policy at the Mackinac Center for Public Policy. He is a graduate of the Ave Maria School of Law in Ann Arbor, Mich. Under President George W. Bush he served as special assistant to the assistant secretary for administration and management in the Department of Labor.

Vernuccio has published articles and op-eds in such newspapers and magazines as *The Wall Street Journal*, *New York Times*, *Investor's Business Daily*, *The Washington Times*, *National Review*, *Forbes* and *The American Spectator*. He has been cited in several books, and he is a frequent contributor on national television and radio shows, such as "Your World" with Neil Cavuto and Stuart Varney and Company.

Vernuccio is a sought-after voice on labor panels nationally and in Washington, D.C. A regular guest on Fox News channels, Vernuccio has been described by Stuart Varney as a "top union watchdog."

He has advised senators and congressmen on a multitude of labor-related issues. He testified before the United States House of Representatives Subcommittee on Federal Workforce, Postal Service and Labor Policy.

Vernuccio lives with his wife in Ann Arbor, Mich.

Acknowledgments

The author would like to thank the following people for their assistance:

- James Sherk, senior policy analyst in labor economics, The Heritage Foundation
- Russ Brown, president, Center for Independent Employees
- Derk Wilcox, senior attorney, Mackinac Center Legal Foundation
- Michael Van Beek, director of research, Mackinac Center
- Nathan Lehman, labor policy intern, Mackinac Center

Although these individuals helped significantly with this study, any errors in this report are the responsibility of the author alone.

Endnotes

- 1 Steven Greenhouse, “Share of the Work Force in a Union Falls,” *The New York Times*, Jan. 23, 2013, <http://goo.gl/kg8LK> (accessed July 11, 2014).
- 2 “Why You Should Care If the United Auto Workers Union Is Dead” (Michigan Public Radio, June 3, 2014), <http://goo.gl/4aVcGm> (accessed July 21, 2014).
- 3 Ibid.
- 4 Benjamin Sachs and Catherine Fisk, “Why Should Unions Negotiate for Workers Who Don’t Pay Their Fair Share?,” *Los Angeles Times*, July 9, 2014, <http://goo.gl/7ze2YM> (accessed July 21, 2014); “Benjamin Sachs” (Harvard Law School, 2014), <http://goo.gl/D7VmFg> (accessed Sept. 15, 2014); “Catherine Fisk” (University of California-Irvine, 2013), <http://goo.gl/SoK9jh> (accessed Sept. 15, 2014).
- 5 “The National Labor Relations Act,” sec. 9, <http://goo.gl/y1nWnO> (accessed July 21, 2014).
- 6 “The National Labor Relations Act,” <http://goo.gl/y1nWnO> (accessed July 21, 2014).
- 7 Robert P. Hunter, “Compulsory Union Dues in Michigan” (The Mackinac Center for Public Policy, May 1, 1997), <http://goo.gl/4eoubw> (accessed July 21, 2014).
- 8 “The National Labor Relations Act,” <http://goo.gl/y1nWnO> (accessed July 21, 2014).
- 9 John M. True III, “The Blue Eagle at Work: Reclaiming Democratic Rights in the American Workplace” (The Berkeley Journal of Employment & Labor Law, Mar. 2005), <http://goo.gl/9xno9a> (accessed July 21, 2014).
- 10 James Sherk, “Bad Arguments Against Right-to-Work” (National Review Online, Jan. 10, 2012), <http://goo.gl/cdffVz> (accessed July 21, 2014).
- 11 William B. Gould, *Agenda for Reform: The Future of Employment Relationships and the Law* (The MIT Press, 1996), 164.
- 12 Kris Maher and Melanie Trottman, “Unions Can Organize ‘Micro Units,’ Court Affirms,” *The Wall Street Journal*, Aug. 16, 2013, <http://goo.gl/ImrR5d> (accessed July 22, 2014).
- 13 Ibid.
- 14 Richard L. Trumka, “Remarks by AFL-CIO President Richard L. Trumka, 2013 Conference on New Models for Worker Representation, Chicago” (The AFL-CIO, March 7, 2013), <http://goo.gl/zRKjq> (accessed July 10, 2014).
- 15 Janice Fine, “How Innovative Worker Centers Help America’s Most Vulnerable Wage Earners” (Scholars Strategy Network, Aug. 2013), <http://goo.gl/RBFVQN> (accessed July 10, 2014).
- 16 “Worker Center Partnerships” (AFL-CIO, 2014).
- 17 “Working America Announces Plans to Expand into All 50 States in Five Years” (Working America, April 17, 2013), <http://goo.gl/RRkohU> (accessed July 11, 2014); “About Working America” (Working America), <http://goo.gl/VwgrF7> (accessed July 10, 2014).
- 18 “Working America Announces Plans to Expand into All 50 States in Five Years” (Working America, April 17, 2013), <http://goo.gl/RRkohU> (accessed July 11, 2014).
- 19 “About Working America” (Working America), <http://goo.gl/VwgrF7> (accessed July 10, 2014).
- 20 “Benefits” (Working America, 2014), <http://goo.gl/Ylafh2> (accessed Sept. 18, 2014).
- 21 “AFL-CIO Convention 2013 Resolution 5: A Broad, Inclusive and Effective Labor Movement” (The AFL-CIO, September 2013), <http://goo.gl/B1WQqP> (accessed July 10, 2014).
- 22 Kevin Bogardus, “Unions Push Back against Labor’s Ties to Progressive Groups,” *The Hill*, Sept. 9, 2013, <http://goo.gl/V98a68> (accessed July 10, 2014).

Endnotes (cont.)

- 23 Cheryl K. Chumley, “Blue-Collar Laborers Rebel at AFL-CIO’s Embrace of Progressives,” *The Washington Times*, Sept. 10, 2013, <http://goo.gl/Q95MKy> (accessed July 10, 2014).
- 24 For more information, see: Trey Kovacs and F. Vincent Vernuccio, “Corporate Campaigns” (Competitive Enterprise Institute, April 30, 2012), <http://goo.gl/wjUhgR> (accessed July 10, 2014).
- 25 F. Vincent Vernuccio, “SEIU Intimidation Manual Exposed!” (Competitive Enterprise Institute, Sept. 17, 2011), <http://goo.gl/GzSQqw> (accessed July 10, 2014).
- 26 Ibid.
- 27 Steven Greenhouse, “Wal-Mart Workers Try the Nonunion Route” (The New York Times, June 14, 2011), <http://goo.gl/4JjwXT> (accessed July 11, 2014).
- 28 For more information, see: Clare O’Connor, “Walmart On PR Offensive As Thanksgiving Fights Go Public , With Protests Scheduled For Black Friday” (Forbes, Nov. 29, 2013), <http://goo.gl/9jLgn9> (accessed Sept. 19, 2014); Emily Jane Fox, “Wal-Mart Warns Workers on Black Friday Strike” (CNN Money, Nov. 21, 2012), <http://goo.gl/lhupq> (accessed Sept. 19, 2014).
- 29 Steven Greenhouse, “Wal-Mart Workers Try the Nonunion Route” (The New York Times, June 14, 2011), <http://goo.gl/4JjwXT> (accessed July 11, 2014).
- 30 Hadas Gold, “Vincent Gray Vetoes Bill Aimed at Wal-Mart” (Politico, Sept. 12, 2013), <http://goo.gl/vBlr3P> (accessed Sept. 19, 2014).
- 31 Steven Greenhouse, “Advocates for Workers Raise the Ire of Business,” *The New York Times*, Jan. 16, 2014, <http://goo.gl/ABkU4u> (accessed July 11, 2014); “Restaurant Workers Flashmob Dance for Justice” (Restaurant Opportunities Centers United, Aug. 18, 2011), <http://goo.gl/vBtnZL> (accessed Oct. 7, 2014).
- 32 Julia Tavlas, “Uncle Sam Pays Activists to Hit ‘ROC’ Bottom” (Capital Research Center, Aug. 2, 2013), <http://goo.gl/1Cz01v> (accessed July 10 2014).
- 33 Trey Kovacs, “Worker Centers Collecting Federal Funds” (Competitive Enterprise Institute, Sept. 19, 2013), <http://goo.gl/uCqr9q> (accessed July 10, 2014).
- 34 Stefan Marculewicz and Jennifer Thomas, “Labor Organizations by Another Name: The Worker Center Movement and Its Evolution into Coverage under the NLRA and LMRDA,” *The Federalist Society* (The Federalist Society, Nov. 19, 2012), <http://goo.gl/XzgGhI> (accessed July 10, 2014).
- 35 Josh Eidelson, “AFL-CIO’s Non-Union Worker Group Headed Into Workplaces in Fifty States” (The Nation, April 17, 2013), <http://goo.gl/1mWfZN> (accessed July 10, 2014).
- 36 “Apprenticeship Training” (National Joint Apprenticeship and Training Committee for the Electrical Industry), <http://goo.gl/tCsSzl> (accessed July 22, 2014).
- 37 Jamie Dimon and Marlene Seltzer, “Closing the Skills Gap” (Politico Magazine, Jan. 5, 2014), <http://goo.gl/X6LGA5> (accessed July 22, 2014).
- 38 “JPMorgan Chase Launches \$250 Million Global Economic Opportunity Initiative” (JPMorgan Chase & Co., Dec. 12, 2013), <http://goo.gl/1pPfsQ> (accessed July 22, 2014).
- 39 “Boiling Point? The Skills Gap in U.S. Manufacturing” (Deloitte and the Manufacturing Institute, 2011), <http://goo.gl/Mck9w> (accessed July 22, 2014).
- 40 “ASE at a Glance” (National Institute for Automotive Service Excellence), <http://goo.gl/r67B8k> (accessed July 22, 2014).
- 41 “About the NJATC” (National Joint Apprenticeship and Training Committee for the Electrical Industry), <http://goo.gl/TBMDbn> (accessed July 22, 2014); “IBEW Local 58 Electrical Industry Training Center” (GreeningDetroit.com, 2014), <http://goo.gl/7T4WOr> (accessed Sept. 19, 2014).

Endnotes (cont.)

- 42 “IBEW Local 58 Electrical Industry Training Center” (GreeningDetroit.com, 2014), <http://goo.gl/7T4WOr> (accessed Sept. 19, 2014).
- 43 “Training and Apprenticeships” (The AFL-CIO), <http://goo.gl/FfP34> (accessed July 22, 2014).
- 44 Steven Greenhouse, “Tackling Concerns of Independent Workers,” *The New York Times*, March 23, 2013, <http://goo.gl/t08j9C> (accessed July 22, 2014).
- 45 “About Us: FAQ’s” (Freelancers Union), <http://goo.gl/4oLhmD> (accessed July 22, 2014); “Corporate Discounts” (Freelancers Union), <http://goo.gl/Qy7ATX> (accessed July 22, 2014).
- 46 “About the American Bar Association” (American Bar Association), <http://goo.gl/fDBAaG> (accessed July 22, 2014).
- 47 “Benefits of Membership in the American Bar Association” (American Bar Association), <http://goo.gl/52haQ9> (accessed July 22, 2014); “ABA Advantage Discounts” (American Bar Association, 2014), <http://goo.gl/woCShD> (accessed July 22, 2014).
- 48 “Join the Association of American Educators” (Association of American Educators), <http://goo.gl/XpZBSf> (accessed July 22, 2014); “CEAI Membership Fees” (Christian Educators Association International), <http://goo.gl/Mhc08f> (accessed July 22, 2014).
- 49 “Member Benefits” (Association of American Educators), <http://goo.gl/JolZZ4> (accessed July 22, 2014).
- 50 “CEAI Member Insurance Program” (Christian Educators Association International), <http://goo.gl/tVosaJ> (accessed July 22, 2014); “CEAI Membership Fees” (Christian Educators Association International), <http://goo.gl/Mhc08f> (accessed July 22, 2014).
- 51 “MLBPA Info” (Major League Baseball Players Association), <http://goo.gl/81VjUL> (accessed July 22, 2014).
- 52 “2005 SAG Basic Agreement” (Screen Actors Guild-American Federation of Television and Radio Artists, 2005), <http://goo.gl/ee8jAU> (accessed July 22, 2014).
- 53 “Join AAA” (American Automobile Association), <http://goo.gl/14ylze> (accessed July 22, 2014).

BOARD OF DIRECTORS

Hon. Clifford W. Taylor, Chairman
*Retired Chief Justice,
Michigan Supreme Court*

Joseph G. Lehman, President
Mackinac Center for Public Policy

Joseph J. Fitzsimmons
*Retired President,
University Microfilms*

Dulce M. Fuller
Owner, Woodward and Maple

Richard G. Haworth
*Chairman Emeritus,
Haworth, Inc.*

Kent B. Herrick
President and CEO, Thermogy

J.C. Huizenga
President, Westwater Group

Phil F. Jenkins
Chairman, Sweepster Inc.

R. Douglas Kinnan
*Senior Vice President and CFO,
Amerisure Insurance*

Edward C. Levy Jr.
President, Edw. C. Levy Co.

Rodney M. Lockwood Jr.
*President, Lockwood
Construction Company, Inc.*

Joseph P. Maguire
*President, Wolverine
Development Corporation*

Richard D. McLellan
Attorney, McLellan Law Offices

D. Joseph Olson
*Retired Senior Vice President
and General Counsel,
Amerisure Companies*

BOARD OF SCHOLARS

Dr. Donald Alexander
Western Michigan University

Dr. William Allen
Michigan State University

Dr. Thomas Bertonneau
SUNY - Oswego

Dr. Brad Birzer
Hillsdale College

Dr. Peter Boettke
George Mason University

Dr. Theodore Bolema
Mercatus Center

Dr. Michael Clark
Hillsdale College

Dr. Stephen Colarelli
Central Michigan University

Andrew Coulson
Cato Institute

Robert Crowner
Eastern Michigan University (ret.)

Dr. Richard Cutler
University of Michigan (ret.)

Dr. Chris Douglas
University of Michigan - Flint

Dr. Jefferson Edgens
East Georgia College - Statesboro

Dr. Ross Emmett
Michigan State University

Dr. David Felbeck
University of Michigan (ret.)

Dr. Burton Folsom
Hillsdale College

John Grether
Northwood University

Dr. Michael Heberling
Baker College

Dr. Michael Hicks
Ball State University

Dr. Ormand Hook
Mecosta-Osceola ISD

Robert Hunter
Mackinac Center for Public Policy

Prof. Harry Hutchison
George Mason University School of Law

Dr. David Janda
Institute for Preventative Sports Medicine

Annette Kirk
Russell Kirk Center

David Littmann
Mackinac Center for Public Policy

Dr. Dale Matcheck
Northwood University

Charles Meiser
Lake Superior State University (ret.)

Glenn Moots
Northwood University

Dr. George Nastas III
Marketing Consultants

Dr. Todd Nesbit
College of Charleston

Dr. John Pafford
Northwood University

Dr. Mark Perry
University of Michigan - Flint

Lawrence W. Reed
*Foundation for
Economic Education*

Gregory Rehmke
*Economic Thinking/
E Pluribus Unum Films*

Dr. Steve Safranek
Private Sector General Counsel

Dr. Howard Schwartz
Oakland University

Dr. Martha Seger
Federal Reserve Board (ret.)

James Sheehan
Deutsche Bank Securities

Rev. Robert Sirico
Acton Institute

Dr. Bradley Smith
Capital University Law School

Dr. John Taylor
Wayne State University

Dr. Richard K. Vedder
Ohio University

Prof. Harry Veryser Jr.
University of Detroit Mercy

John Walter Jr.
Dow Corning Corporation (ret.)

Dr. William T. Wilson
The Heritage Foundation

Mike Winther
Institute for Principle Studies

Dr. Gary Wolfram
Hillsdale College

The Mackinac Center for Public Policy is dedicated to improving the understanding of economic and political principles among citizens, public officials, policymakers and opinion leaders. The Center has emerged as one of the largest and most prolific of the more than 50 state-based free-market "think tanks" in America. Additional information about the Mackinac Center and its publications can be found at www.mackinac.org.

Additional copies of this report are available for order from the Mackinac Center.

For more information, call 989-631-0900, or see our website, www.mackinac.org.



E. Vincent Vernuccio is labor policy director at the Mackinac Center for Public Policy. He is a graduate of the Ave Maria School of Law and has served as a special assistant in the U.S. Department of Labor. He has published op-eds in such newspapers as *The Wall Street Journal*, *Investor's Business Daily*, *National Review* and *The American Spectator*, and has appeared on state and national television news programs regarding labor issues.