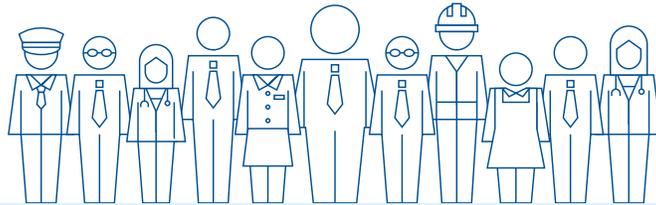




U.S. Chamber of Commerce

# Do Unions Really Deliver on Their Promises?



When a union tries to organize a workplace, it makes many promises to get workers to vote yes, but what can it really deliver?

The National Labor Relations Act (NLRA) places almost no restrictions on what unions can pledge—some of these commitments might be feasible, while others could be misleading. Regrettably, many workers lack the necessary understanding of labor law to discern the difference, potentially putting them at a disadvantage.

Here's the reality

U.S. labor law requires the union and the employer to negotiate a contract if a union wins an election. However, it doesn't guarantee what that contract will look like or how lengthy negotiations will take. On some matters, the employer isn't even obligated to negotiate. This means your wages, benefits, and working conditions could end up the same, better, or even worse than they are now.

## WAGES



### ✗ **Promise: Unions promise higher pay if workers unionize**

Unions often promise higher pay rates if employees unionize, citing existing contracts with other employers to show better wages. They may also claim that voting yes will increase wages, even without specific details.

### ✓ **Reality: Unions can't guarantee wage increases**

Although employers must negotiate, the law does not guarantee any specific outcome. Wages can stay the same or decrease if the union secures other benefits like health care, retirement plans, or improved working conditions.

## RETIREMENT



### ⊗ **Promise: Unions guarantee better retirement plans**

Unions sometimes promise to bring back defined benefit pension plans or improve 401(k) plans, such as offering a higher employer match. They may cite examples from other contracts to show potential benefits.

### ☑ **Reality: There are no guarantees in retirement plans**

While benefits must be negotiated, outcomes are not guaranteed. For example, during their strike against the Detroit Three, the United Auto Workers (UAW) unsuccessfully pushed for traditional pension plans, even amid a contentious work stoppage.

## HEALTH INSURANCE



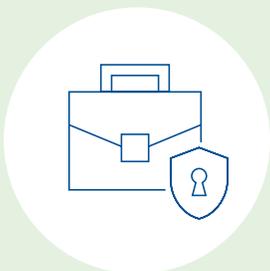
### ⊗ **Promise: Unions promise better health insurance benefits**

Unions often promise to obtain superior health benefits, such as employer-covered health insurance with no copay or deductible, in exchange for employee support.

### ☑ **Reality: Health benefits are subject to negotiation**

None of these promises are guaranteed and must be bargained with the employer. Additionally, unions may push workers into union-run health plans, which may offer different benefits at a potentially higher cost.

## JOB SECURITY



### ⊗ **Promise: Unions promise job security**

Unions frequently promise to prevent employers from firing employees if the union is elected. This creates a belief that union presence equals job security.

### ☑ **Reality: Job security cannot be guaranteed**

In a recent example, Yellow trucking was forced to close after contract negotiations failed, costing all workers their jobs. Similarly, layoffs followed the conclusion of the 2023 contract negotiations with the Detroit Three.

## SOCIAL ISSUES



### ⊗ **Promise: Unions promise a voice on social issues**

Unions promise to provide employees with a “voice” at work and sometimes pledge to challenge businesses on social issues, such as geopolitical conflicts.

### ☑ **Reality: Social issues are not subject to collective bargaining**

Employers are under no obligation to consider a union’s stance on social issues, and these matters are not part of collective bargaining agreements.