

**ohio
workplace freedom
amendment**



Effect of Unions: No Flexibility

Case Study - Hostess Foods, who deals with 12 unions:

- **Union #1:** The Teamsters contract stipulated that Wonderbread and Twinkies going to the SAME STORE must be delivered in DIFFERENT trucks driven by different drivers and unloaded by the APPROPRIATE driver.
- **Union #2:** The Baker's union contract required that the bread products and the cake products be loaded by separate designated loaders and unloaded at warehouses by different designated unloaders.

Effects of Unions: Less Competitive

- The employer, now dealing with an **artificially less productive environment** (AKA less “flexible” because of union contract stipulations), increased costs in litigation and many other union influenced factors - now has artificially higher cost of goods sold as a combination of increased overhead, inflexibility and wages.
- They are now forced **to increase the price of their product**, therefore making them **less competitive in the market place**.

Effects of Unions: Wages Fall or Stagnate

- With a reduction in profit and productivity, the business employs fewer people – labor pool increased
- In many instances, the business closes entirely pushing even more workers into the labor pool
- ***With increased supply of labor or inability of employer to pay artificially inflated price of labor - wages fall or stagnate***

Overall Effects of Unions

- Union companies are far less competitive in an ever changing and growing global market
- Therefore, companies open or move to other states and often countries where they have the ability to profit.
- Forced union states are at a significant disadvantage to Workplace Freedom states in attracting and retaining business, and therefore have much less potential for prosperity for individuals in those states.

Ohio Case Study: Rubber and Tires

- Ohio, which once led the nation in tire production is now 11th
- Oklahoma and South Carolina lead the nation as the Ohio plants have closed and moved to states where profit is still possible.
- Michelin and Bridgestone are opening billion dollar plants there this year.

Ohio Case Study: Rubber and Tires

From President of Michelin, North America about their decision making process for a plant location:

South Carolina “is one of the least unionized state in the country, which gives the flexibility to focus on the customer. There is no significant difference between nonunion and unionized plants other than a rule book in our unionized plants that tell us what we can and can’t do.”

What is “Forced Unionization”?

1. If a workplace is unionized, in order to have a job at that place of business, ***a worker can be forced to pay union dues or fees just to have a job.***
2. Employer has no choice in whether the workplace is unionized or not.

History of Unionization

Free Market Makes Gains: 1920's

- *Union membership **steadily drops as wages rose*** – obviously not because of unions
- **How?** Fat cutting in post war time period, with overemployment in the wrong industries ended. Innovation and productivity led to renewed profit and increased demand for appropriate labor
- Employers begin to address workers concerns in workplace which means unions lose perceived value: Employee Representation Plans

History of Unionization

Era of Coercive Unionization

Unions come back in the 30's **because** federal government passes new laws, **not** because people demanded them.

History of Unionization

Prior to the 1930's - Freedom of choice for workers and employers alike:

1. If employees thought they could be better represented by a union, they were free to join one.
2. Unions were not permitted to make membership a requirement for employment.
3. Employers were also free to decide whether they desired to enter into contractual agreements with unions or not.

History of Unionization

Prior to the 1930's

“Employment contracts were guided by common law principles that apply to all citizens. Under this tradition, there was no need for special labor laws because the Constitution itself guarantees property and contract rights. Any disputes that may have arisen between labor and management were handled through private negotiations or, if necessary, in court.”

- Professor Richard Vedder

History of Unionization

1935 Wagner Act: National Labor Relations Board Act

- Workers were allowed to vote in a union at a place of employment **against the wishes of the business owner.**
- Workers could be required to be a member of the relevant union as a prerequisite for employment, **against their own wishes.**
- Power was given to unions to collect dues or fees as a condition of employment **regardless of union membership**

History of Unionization

1935 Wagner Act Effects

- Freedom removed from workers and employer
- Created a problem because now there was no incentive for unions to remain accountable to the workers. Without forced payment of dues, unions must provide something that workers believe is worth the union dues they pay. **Compulsory unionism removes the market mechanism that assures accountability.**

Thus, labor unions pursue their own interests regardless of their consistency with the interests of workers

History of Unionization

“The Wagner Act essentially granted monopoly power to unions, allowing them to coerce workers to join, or at least contribute financially, to support union activities. This represented a dramatic break from the American tradition of individual liberty.”

– Professor Richard Vedder

History of Unionization

Half a solution: 1947 the Taft-Hartley Act

- Passed in response to growing public disillusionment with union power and perceived abuses whose membership grew by almost 120% in a few years.
- **The law allowed individual states to override forced unionization provisions from the 1935 Wagner Act.** Specifically, *“shall not be construed as authorizing the execution or application of agreements requiring membership in a labor organization as a condition of employment in any State or Territory in which such execution or application is prohibited by State or Territorial law.”* – **legal basis for individual states Workplace Freedom laws today**

What is the Ohio Workplace Freedom Amendment?

It guarantees the freedom of Ohioans to choose whether to participate in a labor organization as a condition of employment.

More information on amendment

1. No law, rule, agreement, or arrangement shall require any person or employer to become or remain a member of a labor organization.
2. No law, rule, agreement, or arrangement shall require, directly or indirectly, as a condition of employment, any person or employer, to pay or transfer any dues, fees, assessments, other charges of any kind, or anything else of value, to a labor organization, or third party in lieu of the labor organization.

Why is that needed in Ohio?

Ohio is currently a “forced union” state.

1. If a workplace is unionized, in order to have a job at that place of business, ***a worker can be forced to pay union dues or fees just to have a job.***
2. Employer has no choice in whether the workplace is unionized or not.

What will the amendment do?

Guarantee Personal Freedom gives each worker a choice in whether or not they join a labor union and pay dues or fees at their place of work as a condition of employment.

Create Economic Prosperity because workplace freedom means a healthy job market with rising per capita income – details to follow

What DOESN'T the amendment do?

- Does *NOT* end unions or forbid any union contract provisions other than forced dues or fees – collective bargaining *NOT* effected
- Does *NOT* prevent unions from forming
- Does *NOT* prevent anyone from joining a union
- Does *NOT* apply to employees of the federal government (per federal law)

Why should Ohio become the 25th workplace freedom state?

Freedom of Choice

- Choice should be protected for all Ohioans.
- No one should be forced to join a union or pay dues or fees against their will just to have a job.
- In guaranteeing workers their freedom of choice, we are protecting individual freedoms for all Ohioans.

Any other reasons?

**Workplace Freedom
Brings Prosperity**

Did you know?

There are fewer jobs today in Ohio than there were in January 1990 in five out of ten industry sectors: Mining & Logging; Construction; Manufacturing; Trade, Transportation & Utility; and Information.

Did you notice those were once the most highly unionized industries which have all left the state?

Did you know?

Ohio's jobs economy is one of the worst in the US no matter what time frame you analyze:

- 37th worst during the boom years of the 1990s
- 50th worst during the lost decade of the 2000s
- ***During this time, Ohio has lost over 600,000 jobs – making us second only to Michigan in job loss.***

Compare Workplace Freedom States to Forced Union States

- The average net job growth in forced union states from 1990 to today is 14%.
- ***Average net job growth in workplace freedom states is 39% – almost THREE TIMES AS MUCH!!***
- This is Despite possessing 65 million fewer people, workplace freedom states netted 11,275,400 jobs compared to forced unionization states that only added 7,182,900 jobs.

Say what?

- ◉ **Since 2009 – 75% of all jobs created in the US were in Workplace Freedom States**
- ◉ Of the fifteen states that had the highest net job growth over the last two decades, eleven, including the top seven, protect the freedom of workers.
- ◉ In contrast, the fifteen states with the weakest job growth, of which Ohio is one, are all forced unionization states.

It gets better

- Not only do workplace freedom states create more jobs, ***but the growth of real personal income in those states also greatly exceeds the rate in forced unionization states.***
- From 1977 to 2008 (the end of the US economic “boom”), the growth in real per capita income in workplace freedom states was 62.3% compared to just 35.7% in Ohio – ***making Ohio almost 25% worse than workplace freedom states.***

Bottom Line

If Ohioans want personal freedom to make their own decisions and economic prosperity – meaning a healthy job market with rising per capita income - ***we must make Ohio a workplace freedom state.***

**Is this possible
in Ohio?**

**election analysis
and
workplace freedom
polling**



Polling Methodology

Sample

800 live interviews among a representative sample of **likely voters** statewide in Ohio. Asked 58 questions

Method – fresh off November election and Issue 2

Telephone interviews conducted

December 11-13, 2011

Sampling Error

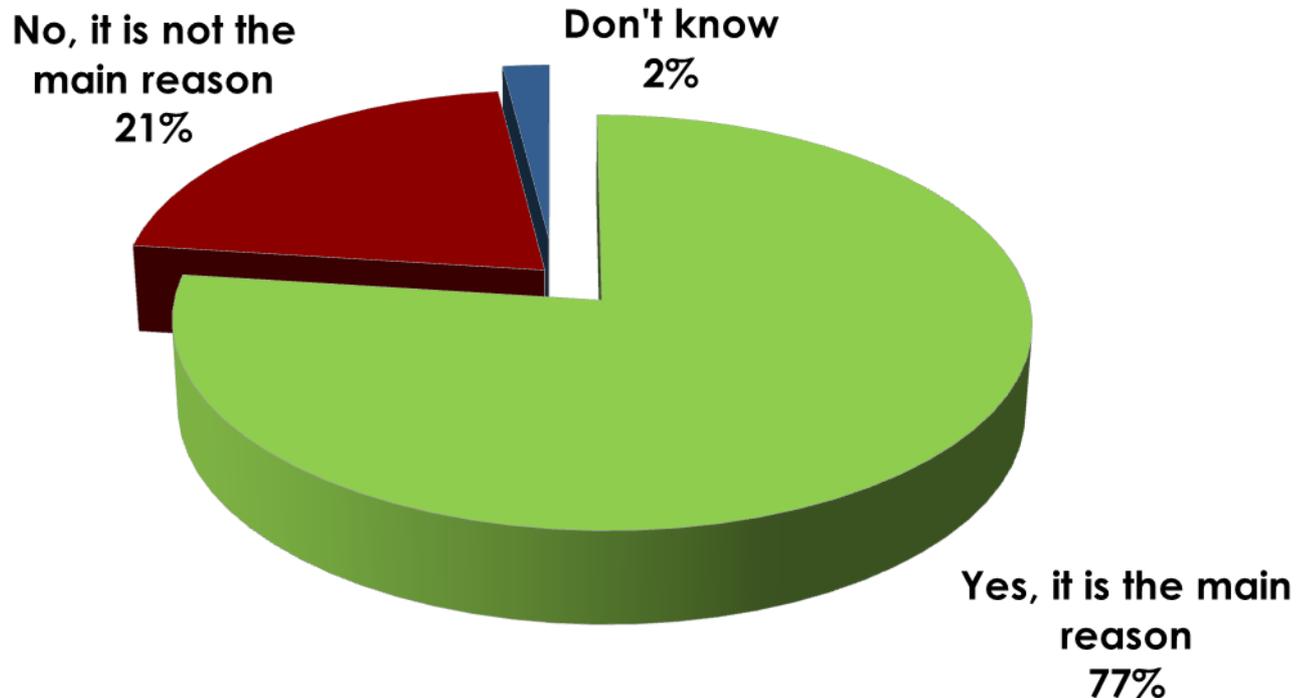
Plus or minus 3% at the 95% confidence level

Reason for No Vote on 2:

Not Fair to Take Away Rights from Public Employees

IF VOTED NO: "Some people who voted no on Issue 2 say they did so because they didn't think it was fair to take away rights from public employees.

Would you say that was the main reason you voted no on Issue 2, or not?"

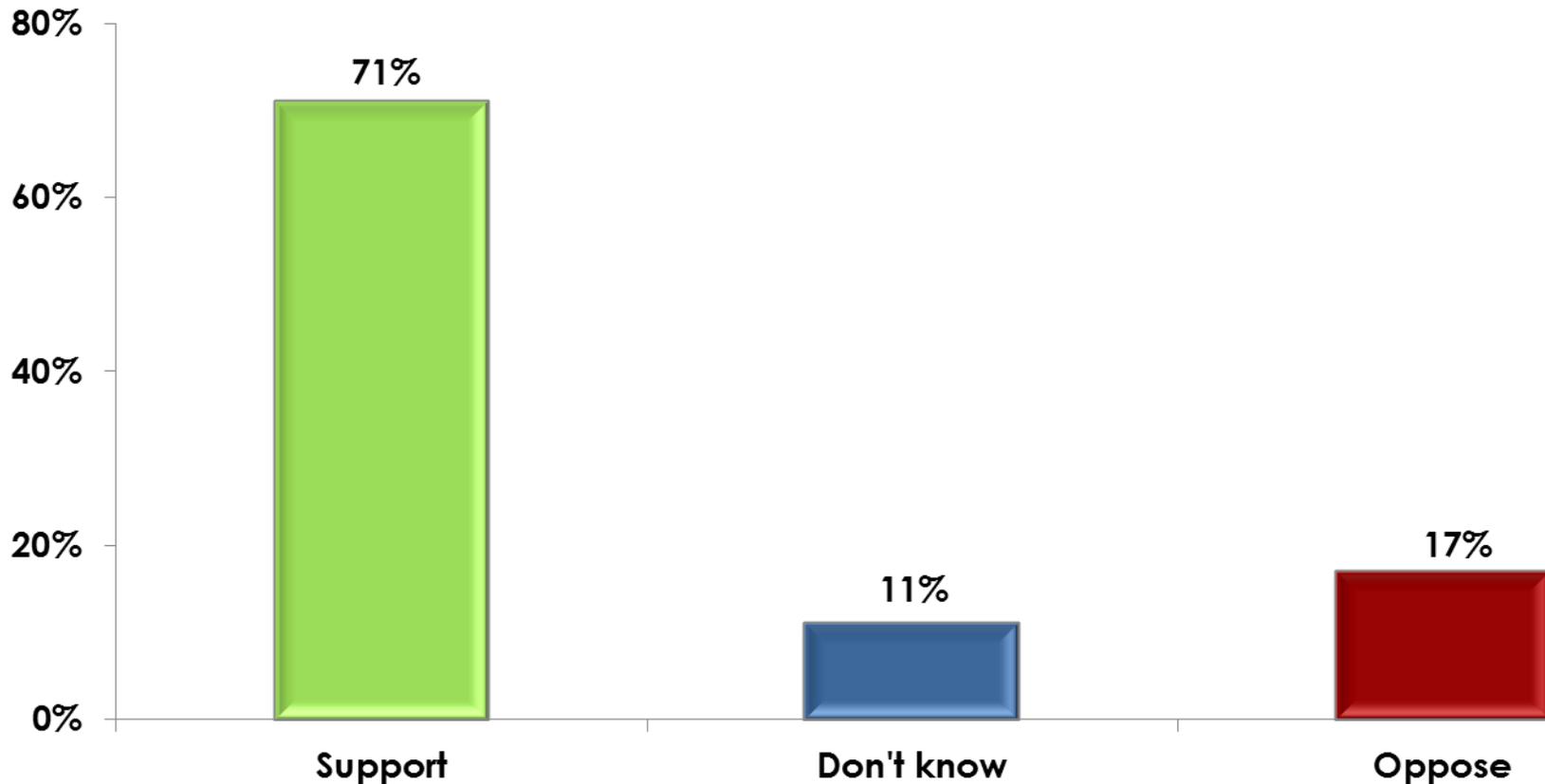


Vote on Issue 2: *Key Subgroups*

	Yes	No	Net no
All voters	33%	49%	+16%
Gender			
Men	36%	48%	+12%
Women	29%	51%	+22%
Age			
18-44	23%	56%	+33%
45-54	40%	44%	+4%
55-64	35%	50%	+15%
65+	35%	45%	+10%
Party affiliation			
Republicans	54%	29%	-25%
Independents	26%	50%	+24%
Democrats	15%	72%	+57%

Potential Measure Allowing Workers to Opt Out of Joining Unions Generates Wide Support

“Thinking about ballot issues like the ones in the elections recently held in Ohio, if there were a measure on the ballot next year that allowed workers to opt out of joining a Union if they didn't want to become a member, would you support or oppose that measure?”



Key Subgroups - 1

	Support	Oppose	Net support
All voters	71%	17%	+54%
Gender			
Men	70%	20%	+50%
Women	72%	14%	+58%
Age			
18-44	74%	16%	+58%
45-54	81%	12%	+69%
55-64	69%	21%	+48%
65+	63%	18%	+45%
Ethnicity			
Caucasians	72%	17%	+55%
African Americans (N=80)	62%	23%	+39%
Total non-Caucasians	70%	17%	+53%

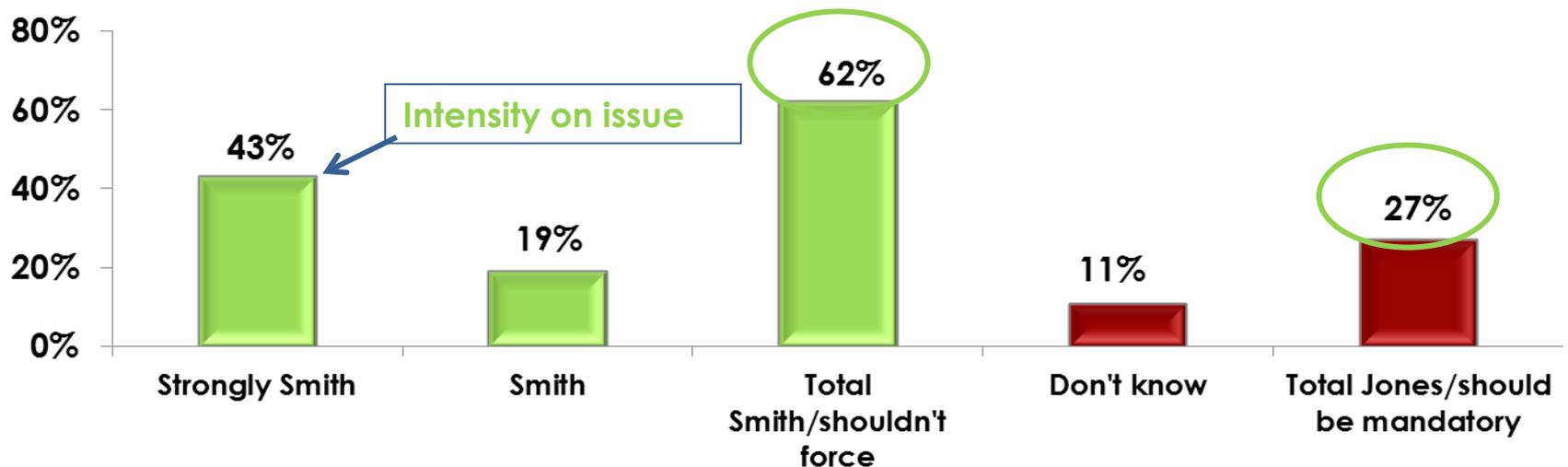
Key Subgroups - 2

	Support	Oppose	Net support
All voters	71%	17%	+54%
Union membership			
Yes, respondent	52%	40%	+12%
Yes, household member	70%	23%	+47%
Total yes	59%	33%	+26%
No	77%	12%	+65%
Party affiliation			
Republicans	83%	8%	+75%
Independents	68%	20%	+48%
Democrats	61%	26%	+35%
Political philosophy			
Conservatives	81%	10%	+71%
Moderates	70%	21%	+49%
Liberals	65%	24%	+41%

Union Membership: *Shouldn't Force vs. Mandatory*

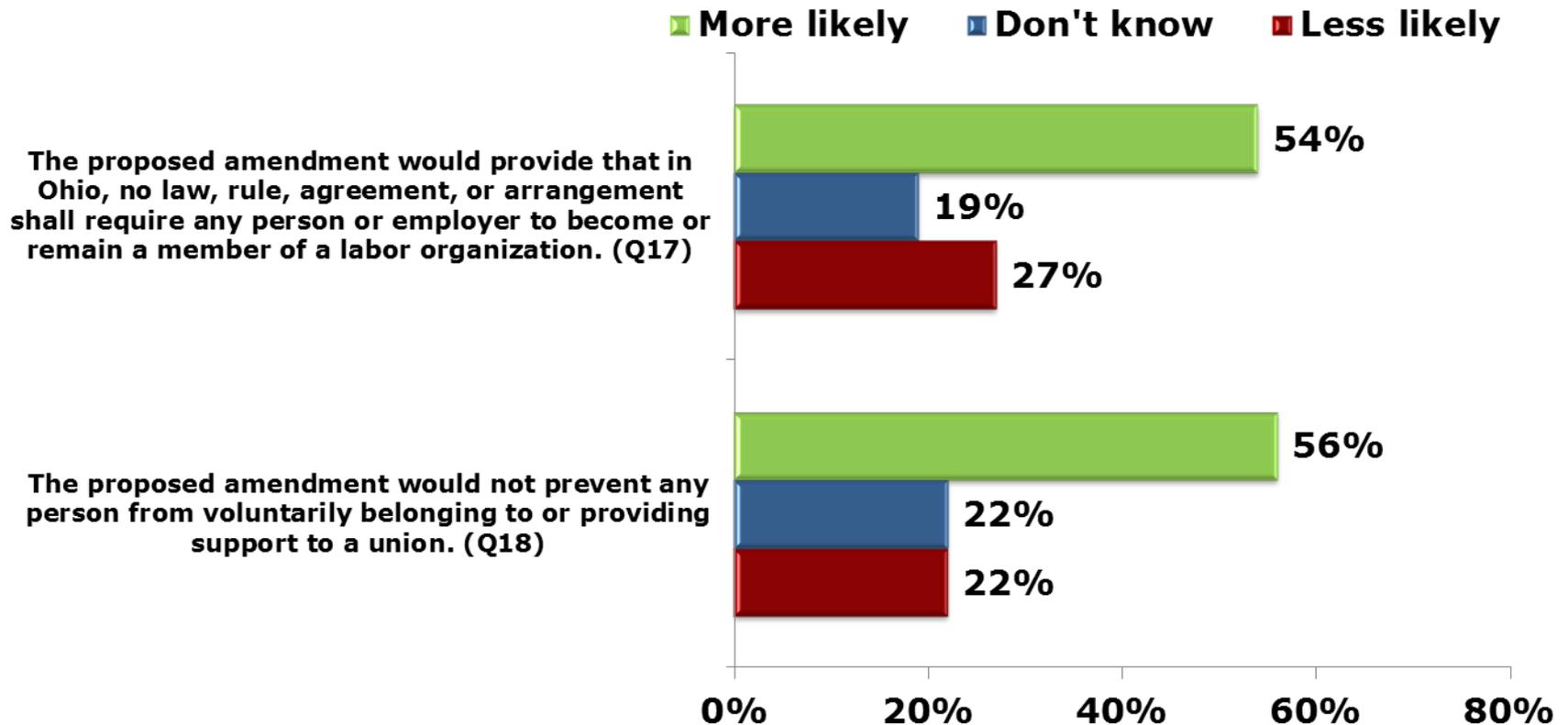
“Now, here are what two people, let's call them **Smith and Jones** are saying about the union issue. Smith says that America is a free country and if someone decides they don't want to join a union they shouldn't be forced to do so even if their fellow employees are union members and pay union dues. These people are not opposed to unions, but don't believe it is fair to make union membership mandatory.

Jones says when it comes to union membership all workers enjoy the benefits of union representation and it's not fair for employees to enjoy those benefits without joining a union. These people believe that where unions are representing workers, union membership should be mandatory. Overall, do you agree more with **Smith or Jones?**”



Ballot Language

“Now I would like to read you some statements about a proposed amendment that may be on the ballot next November. After hearing each, please tell me if you would be more likely or less likely to vote for the amendment.”



conclusions

1. 2011 election was **NOT** about pro-union vs. anti-union
2. The election **WAS** about “protecting rights.”
3. Workplace Freedom has tremendous potential in Ohio.
4. Ballot language matters



Questions?

ohioansforworkplacefreedom.com

facebook.com/ohworkfreedom

twitter @OHworkfreedom

