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HR Policy Association Releases Study Proving that Economic Recovery is Not Dependent on Passage of the Employee Free Choice Act

Data Shows that Wages and Productivity Continued to Increase as Unionization Declined

Washington, DC—The HR Policy Association, in collaboration with Applied Economic Strategies (AES), released a [policy brief](#) today rebutting the misleading data in a February 2009 study by the Americans for Progress Fund, “Unions Are Good for the American Economy,” by David Madland and Karla Walter. That study claims that the Employee Free Choice Act (EFCA) will help the economy recover by boosting unionization rates and that higher unionization rates will improve the wages and productivity of the American worker.

The AES policy brief shows the very premise of the Americans for Progress Fund study — that the link between greater productivity and higher wages has broken down — is false. The policy brief also reveals other inaccuracies of the study. According to the U.S. Bureau of Labor and Statistics, from 1959 to 2007, the decline in the U.S. unionization rate has had no significant impact on the increases in real hourly compensation and the productivity of workers. The policy brief also shows that as the U.S. unionization rate declined from 1955 to 2007, the share of national income going to workers has actually trended higher.

Daniel V. Yager, Chief Policy Officer of HR Policy Association, said, “This policy brief uses data from the most reliable sources to show that the economic recovery of the United States is not dependent on higher unionization rates, or the passage of the Employee Free Choice Act. Our economy will be harmed by passing this legislation which would replace our system of collective bargaining for first contracts with one in which panels of government-appointed arbitrators make decisions that will, in effect, result in government wage-setting,” said Yager.

D. Mark Wilson, Principal of Applied Economic Strategies, and the author of the AES policy brief concluded, “The economic recovery and a strong middle-class are not dependent on higher unionization rates. Compensation growth still tracks productivity and workers continue to receive their ‘fair share’ of national income. Significantly changing the Nation’s labor relations law is unlikely to have any impact on these trends and may lead to a variety of unintended negative impacts on workers,” said Wilson.

To view the complete policy brief in PDF format, visit <http://www.hrpolicy.org/downloads/2009/Final%202009-3%20AES%20Economic%20Recovery%20is%20Not%20Dependent%20Policy%20Brief.pdf>

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About the HR Policy Association

HR Policy Association brings together the chief human resource officers of more than 260 of the largest corporations in the United States who are concerned about the direction of HR public policy and practices in the United States and globally. Representing nearly every major industry sector, HR Policy members have a combined market capitalization of more than \$7.5 trillion and employ more than 18 million employees worldwide. For more information visit www.hrpolicy.org.

About Applied Economic Strategies

Applied Economic Strategies provides economic and public policy analyses on a variety of workplace issues to enable decision-makers to clearly examine public policy choices and make fully informed decisions. D. Mark Wilson is the Principal of Applied Economic Strategies and has over 25 years of economic policy experience. Most recently, Wilson served as the Deputy Assistant Secretary for Employment Standards Administration of the U.S. Department of Labor. In that role he managed the Wage and Hour Division, the Office of Federal Contract Compliance Programs, and the Office of Labor-Management Standards.