

Press Release

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HR Policy Association Rebutts Claims that EFCA Would Be Good for the Economy

Study Shows EFCA Likely to Lead to Higher Costs and Fewer Job Opportunities

Washington, DC—The HR Policy Association, in collaboration with Applied Economic Strategies (AES), released a [policy brief](#) today outlining the unintended economic consequences of increasing union influence if the Employee Free Choice Act were enacted.

Using data from the U.S. Census Bureau, the U.S. Bureau of Labor Statistics, the U.S. Bureau of Economic Analysis, and recent economic reports, the AES policy brief shows:

- States with higher unionization rates have significantly slower GDP growth rates.
- Job growth is slower in high union density states and increasing union influence will slow state GDP growth and per capita income growth.
- Passing EFCA is not cost free; someone will have to pay for the economic impact of increasing union influence.
- Increasing union influence under the Employee Free Choice Act will lead to higher unemployment rates – for every 1.5 million workers who are organized under EFCA, 600,000 Americans lose their jobs the following year.
- Increasing union influence will slow wage growth.

Daniel V. Yager, Chief Policy Officer of HR Policy Association, said, “As this policy brief clearly demonstrates, EFCA would be bad for the economy and bad for American workers. EFCA would take away the democratic right of workers to have a secret ballot vote to choose their representative and replace it with ‘card check.’ Card check actually weakens rights that workers currently enjoy under existing labor laws.”

D. Mark Wilson, Principal of Applied Economic Strategies, and the author of the policy brief concluded, “In the long-run, economic research and state comparisons indicate that American workers, including union members, will pay for a large part of the cost with higher slower job growth and fewer job opportunities, and slower wage growth – costs that many workers can not afford, especially in this recession. In fact, history is filled with examples of what happens to workers in industries, such as steel, autos, tires, and textiles where union influence was relatively high,” said Wilson.

To view the complete policy brief in PDF format, visit
<http://www.hrpolicy.org/downloads/2009/09-52%20Final%202009-2%20AES%20EFCA%20Who%20Pays.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.