

POLICY NOTE

Study shows union collective bargaining in schools has negative learning effect on boys

By Liv Finne, Director, Center for Education
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Key Findings:

1. A comprehensive economic analysis shows mandatory union bargaining reduces the quality of public education students receive.
2. The negative effect falls disproportionately on boys.
3. The study found “robust evidence” that these laws worsen the future labor market earnings of boys.
4. Earnings estimates for men show teacher collective bargaining systems reduce earnings by \$149.6 billion in the U.S. annually.
5. This secret collective bargaining system raises concerns about whether learning needs of children are sacrificed to fund the labor agenda of a particular union.
6. In response states like Wisconsin, Indiana, Idaho and Tennessee, and Michigan have passed reforms to reduce the power of union executives over public K-12 education budgets.

Introduction

A comprehensive economic analysis of the effect of union collective bargaining in public schools shows mandatory union bargaining reduces the quality of public education students receive. Researchers found the negative effect falls disproportionately on boys, and especially on black and Hispanic boys.

Study findings

The study, authored by economists Michael Lovenheim of Cornell University and the National Bureau of Economic Research, and Alexander Willen of Cornell University, examined labor market outcomes and the level of education attained for 35 to 49 year-olds. The economists used the different timing across states of mandatory teacher collective bargaining laws to examine these effects, and found “robust evidence” that these laws worsen the future labor market earnings of boys.¹

Specifically, the economists found that teacher collective bargaining laws worsen the future labor market earnings of boys. Living in a state with these laws reduces male earnings by \$1,493 (or 2.75%) per year and decreases hours worked by 0.52 hours per week.

Lower employment levels and labor market earnings for men

Earnings estimates for men show teacher collective bargaining systems reduce earnings by \$149.6 billion in the U.S. annually.² Estimates for women do not show consistent negative effects of these laws on these outcomes. The researchers observed:

“Why men would be so adversely affected but not women is an open question that our empirical approach admittedly cannot address, but these findings are consistent with emerging evidence that boys’ long-run outcomes are more susceptible than are those of girls to negative shocks

1 “The Long-run Effects of Teacher Collective Bargaining,” by Michael F. Lovenheim, Associate Professor, Cornell University, and the National Bureau of Economic Research, and Alexander Willen, PhD candidate, Cornell University, Journal of the American Economic Association, January 6, 2018, at https://www.aeaweb.org/conference/2018/preliminary/1282?q=eNo1jEsKgDAQQ69cIIm7UMGN5_ACRQcZ6A-nKqX07o6ou_eSkAIhEQ5-zpEwIV8xoUcLOslcJ-UBtYURCYuK5ol2p-RN0q2xjQ1-43SsrKL1avK3Y0cvmUzX87_HqMHYodYb3LpcJxo.

2 Ibid.

that occur in childhood (Autor et al. 2016; Fan et al. 2015; Autor and Wasserman 2013; Bertrand and Pan 2013)."

The study also found evidence of lower employment rates for men. Living under collective bargaining laws also leads to reductions in the skill levels of the occupations which male workers usually select. Effects are worse among black and Hispanic men, although white and Asian men also experience sizable negative impacts of the school collective bargaining system.³

The negative effects of exposure to collective bargaining laws hurt black and Hispanic males the most, with their earnings declining by \$3,640 (10.75%), hours worked per week declining by 1.35 (4.06%), the likelihood of being employed being 2.6 percentage points lower, and years of schooling and occupational skill being significantly lower.

Collective bargaining in Washington state

Mandatory collective bargaining for public school employees began in 1962 when President John F. Kennedy signed Executive Order 10988. The order applied to bargaining over the working conditions, but not pay and benefits, for federal government employees.

Before the early 1960s, teacher unions in the U.S. were professional organizations with little role in the negotiation of contracts between teachers and school districts. After President Kennedy's Executive Order, states began imposing laws that require districts to negotiate with a union, called "Duty to Bargain" laws.

Paid union membership for teachers became mandatory. The system requires that any teacher who does not make regular monthly payments to union executives will be fired.

Washington state passed its Duty to Bargain law in 1967.⁴ Thirty-three states impose these laws today. Duty to Bargain laws have led to a sharp rise in teacher unionization and the prevalence of mandated collectively-bargained contracts.

How union collective bargaining reduces the quality of education

The Lovenheim-Willen study examined how union collective bargaining affects the quality of public education that children receive. The authors described the "rent-seeking" economic model of teacher unionization:

"A key prediction of this model is that teacher collective bargaining should lead to increases in resources going to teachers, but also to lower student achievement: the resource changes induced by teachers unions reduce the efficiency of educational inputs, which negatively impacts students.

³ Ibid.

⁴ Revised Code of Washington, Chapter 41.56, Public Employees' Collective Bargaining, at <http://app.leg.wa.gov/RCW/default.aspx?cite=41.56>.

“Furthermore, by protecting [poor-performing] teachers from being fired, unions can reduce teacher effort and lower the quality of the teacher workforce, which will lead to worse student outcomes.”⁵

In an earlier study, Washington Policy Center described how teacher collective bargaining lowers school quality:⁶

“Over the years...the politically-connected Washington Education Association (WEA) union has helped construct a complex web of rules, regulations and limitations that dictate every important decision made in the day-to-day operation of public schools.

“The main vehicles for creating and policing this regulatory system are hundreds of binding collective bargaining agreements negotiated between the teachers’ union and central district administrators.

“The growth of collective bargaining agreements has had a far-reaching effect on education policy. Public sector unions represent a significant obstacle to public education reform in Washington.

“The WEA firmly opposes policies centered on public school choice, parental decision-making, merit pay for teachers, voluntary school assignments, accountability for student learning, and recruiting mid-career professionals into teaching jobs.”

In these ways teacher collective bargaining laws have exacted a real human cost. The negative effect is experienced by men who earn thousands of dollars less every year because union collective bargaining laws have reduced the quality of the public school education they received.⁷

Teacher collective bargaining leads to misallocation of public money

The 2012 *McCleary* school funding case is a recent example of how teacher collective bargaining reduces the efficiency of resources provided to public schools.

In 2007, the WEA union filed the *McCleary* lawsuit against the state of Washington. WEA union executives funded the case with money taken from teacher paychecks in the form of mandatory dues.

5 “The Long-run Effects of Teacher Collective Bargaining,” by Michael F. Lovenheim, Associate Professor, Cornell University, and the National Bureau of Economic Research, and Alexander Willen, PhD candidate, Cornell University, *Journal of the American Economic Association*, January 6, 2018, at https://www.aeaweb.org/conference/2018/preliminary/1282?q=eNo1jEsKgDAQQ69cIIm7UMGN5_ACRQcZ6A-nKqX07o6ou_eSkAIhEQ5-zpEwlv8xoUcL0slcJ-UBtYURCYuK5ol2p-RN0q2xjQ1-43SsrKL1avK3Y0cvnUzX87_HqMHYodYb3Lpcjxo.

6 “A Short History of Collective Bargaining in Washington Public Schools,” by Liv Finne, Policy Note, Washington Policy Center, June 2010, at <https://www.washingtonpolicy.org/library/docLib/collectivebargaininghistorypn.pdf>.

7 See also court ruling in *Vergara v. California* that teacher tenure, retention and assignment policies, the main focus of collective bargaining, violate the constitutionally guaranteed right to an adequate education for each child in California.

After the supreme court ruled in the union's favor in 2012, the legislature increased spending on public K-12 schools from \$13.54 billion in 2011-13 to \$21.9 billion in 2017-19, with plans to add billions more in following years.

Most of this multi-billion dollar increase is being directed toward reduced-class size programs, hiring more teachers (who must become union members), and increasing teacher pay and benefits (which in turn increases union dues collections).

In funding the union's education priorities, the legislature has consistently ignored policies that have proven effective in improving the quality of education children receive. These effective policies include school choice, public charter schools, and improving the professional quality of teachers and school principals.

The power of the WEA union in state politics

The legislature is unable to consider these more cost-effective improvements because of the power of the WEA union in Washington state politics, which has grown unchecked since Washington's mandatory collective bargaining law passed in the 1960s.

Washington law now requires teachers to join the union as a condition of employment. Union executives then deduct about \$1,000 a year from each teacher's paycheck. Forced union membership provides executives at the WEA union with about \$34 million a year in diverted education funding.

WEA executives then use these funds to help elect public officials who support their agenda. The union also uses dues money to fund the largest lobby operation at the state capitol.

Secret collective bargaining sessions

Under collective bargaining rules, WEA union executives negotiate in closed-door sessions with a governor they helped elect, and who will likely seek their financial contributions in future political campaigns. The legislature is then required to vote funding for these secretly-negotiated agreements with a straight up-or-down vote, with no amendments allowed.

This secret collective bargaining system raises concerns about special interest corruption, and whether learning needs of children are sacrificed to fund the labor agenda of a particular union.

Conclusion

The Lovenheim-Willen study is the first objective economic analysis of the effects of secret union collective bargaining on the earning potential of public school graduates. Study findings show a long-term negative impact on the earning capacity of men by thousands of dollars each year.

In response to the harm done by secretive collective bargaining systems, lawmakers in states like Wisconsin, Indiana, Idaho and Tennessee, and Michigan have passed reforms. In 2011 and 2012 these states enacted legislation to reduce the power of union executives over public K-12 education budgets.



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In addition, a case before the U.S. Supreme Court, *Janus vs. American Federation of State, County and Municipal Employees (AFSCME)*, may, for the first time, give all public school teachers the right to leave a union without being fired. Ending forced union dues would reduce union power within the public system, reduce corrupt influence on education policy, and help shield funding for K-12 schools from special interest politics.

Both policy trends would lead to improved learning outcomes for students, particularly boys. The findings of the Lovenheim-Willen study show that reducing union collective bargaining power would improve the lifetime earning prospects for boys and for all public school students.

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