

Testimony presented to the Colorado Senate Committee on Business, Technology, and Labor in support of SB25-005, Worker Protection Collective Bargaining

Colorado can restore workers' collective bargaining rights by reforming outdated, anti-union state labor law

Testimony • By [Jennifer Sherer](#) • January 21, 2025

EPI's Jennifer Sherer delivered the following testimony to the Colorado Senate Committee on Business, Technology, and Labor on January 21, 2025, in support of SB25-005, Worker Protection Collective Bargaining, concerning the elimination of the requirement for a second election to negotiate a union security clause in the collective bargaining process.

Chair Danielson and members of the committee, thank you for the opportunity to testify today in support of SB25-005. My name is Jennifer Sherer, and I'm Deputy Director of State Policy and Research at the Economic Policy Institute (EPI). EPI is a nonprofit, nonpartisan think tank founded in 1986 to research the economic status of working America and propose public policies that protect and improve conditions for low- and middle-wage workers.

It's an honor to be here to share findings from EPI research as Colorado considers a bill to restore workers' collective bargaining rights by repealing provisions of an 82-year-old statute that has limited Colorado workers' freedom to form unions and collectively bargain.

Nationally and in Colorado, the share of workers covered by a union contract has declined in the last four decades. Importantly, this decline was not because workers lost interest in having unions. In fact, during the same period, the number of workers saying they would vote to unionize if given the opportunity steadily increased (to around 60 million in our latest estimate), and public approval of labor unions is now at a historic high of 70%.¹

In a period of rising inequality² and record corporate profits,³ it is no surprise workers want unions. When workers are able to collectively bargain, their wages, benefits, and working conditions improve.⁴ On average, a worker covered by a union contract:

- earns 10.2% more than a nonunionized peer in the same sector with similar education, occupation, and experience and has greater access to paid sick and vacation days⁵
- is 64% more likely to have employment-provided health insurance
- is 63% more likely to have retirement benefits⁶

So why can't the millions of U.S. workers who say they want a union get one? Broken, outdated federal and state labor laws bear a large share of the blame. Since 1935, federal law has guaranteed workers the freedom to form and join unions. But the law has been weakened, both by court decisions and major 1947 amendments modeled in part on Colorado's anti-union state law.⁷ Today employers routinely exploit weaknesses in the law, mounting aggressive opposition to worker organizing and violating the law with few to no repercussions.⁸

Many states place additional obstacles in the path of workers who seek a union contract, prohibiting bargaining over union security via so-called "right-to-work" laws. Where states maintain these anti-union policies, outcomes include lower unionization rates, lower wages (on average, workers in states with anti-union laws earn 3.2% less than their counterparts in states without such laws, translating to \$1,670 less per year per full-time worker),⁹ and less safe workplaces—including a roughly 14% higher rate of occupational fatalities.¹⁰

While Colorado’s anti-union state law is unique and bears a different label, it’s had a similar impact: At 6.9%, Colorado’s 2023 union membership rate was 30% below the national average of 10%.¹¹

All workers are disadvantaged in states where laws have suppressed unionization, but disparities are especially pronounced for women and workers of color¹² because of the role unions play in counteracting labor market discrimination and ensuring equal pay for equal work.¹³ For example, EPI research has shown that declining unionization rates are a major factor in the persistence and expansion of the Black-white wage gap in recent decades.¹⁴

Meanwhile, blocking workers’ access to unions especially benefits the rich and fuels income inequality. Four decades of declining unionization rates have ushered in sharp increases in the share of incomes going to the top 10%, staggering increases in CEO pay, and wage suppression for workers.¹⁵ Nationally, the “typical” or median worker would have earned \$1.56 more per hour (the equivalent of \$3,250/year) in 2017 if unionization rates had held steady since 1979.¹⁶

Growing income inequality in Colorado has outpaced this national trend and become especially extreme—here the top 10% now take home 47.6% of all income in the state—an over 16% increase after four decades of declining unionization (compared with 11.8% nationally).¹⁷

It will take fundamental reform of our labor laws to rebalance and rebuild an economy capable of generating shared prosperity. At the state level, this reform must start with eliminating unnecessary hurdles to unionization, so I urge you to pass SB-005. The second-election rule this bill would repeal is a relic of an anti-union era of Colorado’s history defined by intense and often violent employer hostility to worker organizing in which state government was frequently an active partner. Now, at a moment when workers are looking to unions as critical vehicles for fixing what’s broken in our wildly unequal economy, it’s Colorado’s turn to play a leading role in helping to restore worker bargaining power after decades of its erosion.

Notes

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2. Elise Gould and Jori Kandra, “[Wage Inequality Fell in 2023 amid a Strong Labor Market, Bucking Long-Term Trends: But Top 1% Wages Have Skyrocketed 182% Since 1979 While Bottom 90% Wages Have Seen Just 44% Growth](#),” *Working Economics Blog* (Economic Policy Institute), December 11, 2024; Josh Bivens et al., *CEO Pay Declined in 2023: But It Has Soared 1,085% Since 1978 Compared with a 24% Rise in Typical Workers’ Pay*, Economic Policy Institute, September 2024.
3. Josh Bivens, “[Even with Today’s Slowdown, Profit Growth Remains a Big Driver of Inflation: In](#)

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4. Bivens et al., *How Today’s Unions Help Working People: Giving Workers the Power to Improve Their Jobs and Unrig the Economy*, Economic Policy Institute, August 2017.
 5. Asha Banerjee et al., *Unions Are Not Only Good for Workers, They’re Good for Communities and for Democracy*, Economic Policy Institute, December 2021.
 6. Jennifer Sherer and Elise Gould “Data Show Anti-Union ‘Right-to-Work’ Laws Damage State Economies: As Michigan’s Repeal Takes Effect, New Hampshire Should Continue to Reject ‘Right-to-Work’ Legislation,” *Working Economics Blog* (Economic Policy Institute), February 13, 2024.
 7. Harry Seligson, “Legislative Decision-Making in Labor Relations,” *Labor Law Journal* 10, no. 12 (December 1959): 895–911.
 8. Celine McNicholas et al., *Unlawful: U.S. Employers Are Charged with Violating Federal Law in 41.5% of All Union Election Campaigns*, Economic Policy Institute, December 2019; Celine McNicholas et al., *Employers Spend More Than \$400 Million Per Year on ‘Union-Avoidance’ Consultants to Bolster Their Union-Busting Efforts* (fact sheet), Economic Policy Institute, March 29, 2023.
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 10. Michael Zoorob, “Does ‘Right to Work’ Imperil the Right to Health? The Effect of Labour Unions on Workplace Fatalities,” *Occupational and Environmental Medicine* 75, (June 2018): 736–738.
 11. Economic Policy Institute, “[Union Membership Data](#),” accessed January 19, 2025.
 12. Janelle Jones and Heidi Shierholz, *Right-to-Work Is Wrong for Missouri: A Breadth of National Evidence Shows Why Missouri Voters Should Reject RTW Law*, Economic Policy Institute, July 2018.
 13. Economic Policy Institute, *Unions Help Reduce Disparities and Strengthen Our Democracy* (fact sheet), , April 23, 2021.
 14. Valerie Wilson and William M. Rodgers III, *Black-White Wage Gaps Expand with Rising Wage Inequality*, Economic Policy Institute, September 2016.
 15. Economic Policy Institute, *Unions Help Reduce Disparities and Strengthen Our Democracy* (fact sheet), April 23, 2021.
 16. Lawrence Mishel, *The Enormous Impact of Eroded Collective Bargaining on Wages*, Economic Policy Institute, April 2021.
 17. World Inequality Database, “Income inequality, Colorado, 1917–2018,” accessed January 19, 2025.
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