



A STRONG VOICE FOR OREGON'S WORKERS

TO: Chair Barker
Vice-Chairs Bynum and Barretto
Members of the House Interim Committee on Business and Labor

FR: Jess Giannettino Villatoro, Political Director, Oregon AFL-CIO

RE: Support for Legislative Concept 180 (with amendments)

January 13, 2020

The Oregon AFL-CIO represents 300,000 workers across the state and is a voice for all workers in the legislative process. Over the last few years, we've witnessed a level of collective action by workers fighting for fairness and dignity on the job not seen in decades. Tens of thousands of retail and grocery workers, university workers and healthcare workers all voted to strike in 2019.

There are fewer rights that union members hold dearer than their ability to withhold labor to ensure fair outcomes in contract negotiations. However, the decision to strike is often an incredibly hard one to make and remains a major sacrifice no matter how necessary. Workers lose all wages, usually leaving families unable to meet basic needs. This temporary crisis can lead to permanent consequences such as poor credit, repossessed vehicles, and even foreclosed homes. Strike benefits are sometimes available, but rarely enough to avoid major hardships on families. Striking is an extreme last resort that no worker wants, but all too often, is the last tool workers have to secure respect in the workplace.

No group of workers goes into bargaining with the intent to strike. Only after many attempts have been made to resolve contract differences and a long, formal bargaining process do votes to authorize a strike even occur. A majority of members must vote to strike for it to be authorized and there are often very complicated sanction processes to ensure that a strike is valid and legal. Many employers can take similar action against a group of workers, by triggering what is called a lockout where workers are barred from entering the facility to work. The last lockout to occur in Oregon was in 2016 during a dispute between the United Steelworkers and ATI, located in Albany. There were less than a handful of strikes that were authorized by workers in 2019, every contract was eventually settled prior to workers walking off the job.

According to a December 2019 report¹ produced by the Oregon Employment Department, income inequality across Oregon is increasing at record levels. Median wages for all Oregon workers climbed from \$35,812 in 1990 to \$40,979 in 2018 -- a **14.4% increase** adjusted for inflation. Wages for the top-earning 1% climbed more than **50%** in that same period, from \$250,800 to \$380,500. The increase was even more extreme for the richest 0.1%, whose median income **doubled** between 1990 to 2018 -- to \$1.0 million. A union contract is one of the only ways to ensure that the wealth aggregated in the gains in the economy is shared across income levels and not contained in the top 0.1%. Sometimes a strike is one of the only ways to ensure those gains are made by workers.

LC 180 would provide for unemployment insurance eligibility for striking workers in Oregon. The benefit would be calculated in line with current practice which would be 1.25% of the wages in the base period, or a weekly minimum \$126 per week and a maximum benefit of \$538 per week. Providing this modest benefit would allow workers more flexibility to ensure a fair contract and alleviate some of the financial pressures facing workers when forced to authorize a strike. Due to the number of strikes that come to fruition, we don't anticipate a significant impact to the fund and remain committed to

¹ <https://www.qualityinfo.org/-/wage-inequality-in-oregon-a-wide-gap>

ensuring a solvent and steady Unemployment Insurance Trust Fund and look forward to future conversations with the Oregon Employment Department and stakeholders as their analysis is completed.