

Can political contributions by labor unions prevent the institution of statewide right-to-work laws?

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Abstract. This paper explores the relationship between labor union political contributions to state legislative candidates and right-to-work laws, which limit a union’s ability to organize. Using data from the NCSL’s Book of States from 1960 to 2020 on all 50 states, this paper compares the legality of union contributions to the institution of statewide right-to-work laws, seeking to determine if anti-labor union legislation may be more prevalent in states with preexisting bans on union campaign financing. In several linear regressions, including a two-way fixed effect model, I find that the two are not correlated, suggesting that the ban of political contributions by labor unions is not necessarily tied to unfavorable outcomes for the union. Given that union political contributions are generally banned because they are perceived as unfairly corrupting elected officials, this finding suggests the political giving of labor unions in statewide political landscapes may be less influential than previously thought.¹

Keywords: state legislatures · campaign finance · labor unions

1 Introduction

Despite their relative decline in membership in recent decades, both public and private labor unions have historically served as an engine for progressive policy in the United States. And beyond bargaining with employers, unions also fight for workers-rights issues at all levels of government – championing issues from raises to the minimum wage to bolstered family-leave policy. To this end, unions have maintained robust relationships, particularly within the Democratic party: donating to candidates, assisting in grassroots mobilization efforts, and contributing policy guidance to local, state, and national issue platforms (Ahlquist 2017, Dark 1999).

In recent decades, the decline of union participation in the workforce is thought to have driven a strategic transition more towards politics (Farber 2005,

¹ I want to briefly thank Dr. Alex Fourinaies for his assistance and mentorship throughout my last two years at Harris. I’d also like to thank friends and family who have shaped my opinion on these issues.

Hacker and Pierson 2010, Lichtenstein 2013, Rosenfeld 2014). When collective bargaining does not suffice, unions seek to improve the lives of their members through influencing public policy (Chang 2001, Schlozman 2015, Feigenbaum 2019). But what is the impact of their political giving, is it possible that it makes little change at all? Almost half of US states now ban contributions from labor unions and their affiliate political action committees (PACs), presumably under the impression that they unfairly influence political outcomes. In Massachusetts, renewed fear of the "union loophole" that allowed unions (but not corporations) to give to political campaigns brought the Secretary of State to suddenly ban unions' ability to participate financially in state elections in 2019. Was the Secretary's directive even necessary?

Campaign finance literature is mostly divided on the efficacy of political giving. Some find that state legislatures are highly responsive to the organizations who make political contributions to its members (Powell, 2012). Others are more skeptical, and find influence may only exist on a case-by-case basis (Ansolabehere, de Figueiredo, and Snyder, 2003). Existing research on the efficacy of political contributions to alter public policy is primarily focused on US Congress (and often just on a single chamber) – little empirical work has been conducted on state legislatures thus far. Engeman 2021 looks to the influence of unions on family-leave legislation in the states, but the other kinds of policy remain largely under-explored.

One of these policies is right-to-work legislation. 1947's Taft-Hartley Act (passed just 12 years after the creation of the National Labor Relations Board) gave state legislatures the right to pass right-to-work laws, or laws which prohibit security agreements between employers and unions, which weaken their ability to garner new membership (Ellwood and Fine 1987). Scholars have historically focused on down-stream economic effects (Feigenbaum 2019), but little time has been spent highlighting their institution in states. When and how do they arise? Is there a relationship between a union's ability to influence its state legislature and the prevention of laws which would severely hurt its membership? Conversely, when states legalize union political contributions, are right-to-work laws quickly done away with?

This paper seeks to explore at least part of these questions, theorizing that state legislatures who ban political contributions by labor unions will have an easier time passing right-to-work legislation, as unions will not be able to aid progressive candidates who would oppose right-to-work. To this end, I aim to determine if states that ban donations to state legislative candidates from unions and their PACs will have a higher presence of right-to-work laws.

In 1960, few states had either right-to-work laws or a ban on union political contributions. Over the next 60 years, perhaps due to an increase in anti-union sentiment, the number of states who had either or both raised precipitously. Thus far, these trends have been seldom explored in the literature.

To answer this, I compile data on the legality of union political contributions in each state for the years 1960-2020, while also compiling data on the presence of right-to-work laws in each state for the years 1960-2020. Notably, I

code right-to-work laws with a single binary variable (present or not present), as Feigenbaum 2019 demonstrated their relative comparability to one another, while the presence of a union contribution ban is also noted with a binary variable. While there are many limits of the ability of this data to speak to the nuances of bill passage within state legislatures, I hope that this may shed some light on the relationship between political giving and policy outcomes.

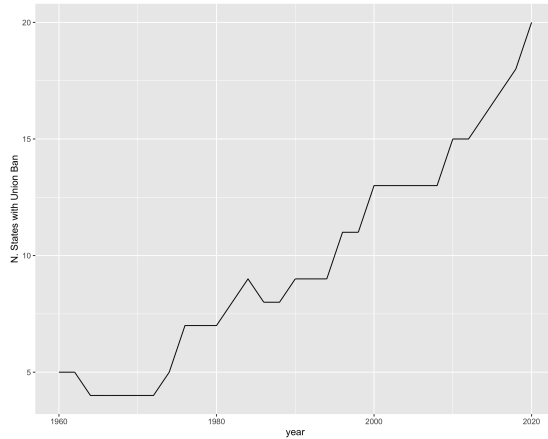


Fig. 1. This figure depicts the number of US states with a ban on union political contributions to state legislative candidates in a given year from 1960-2020.

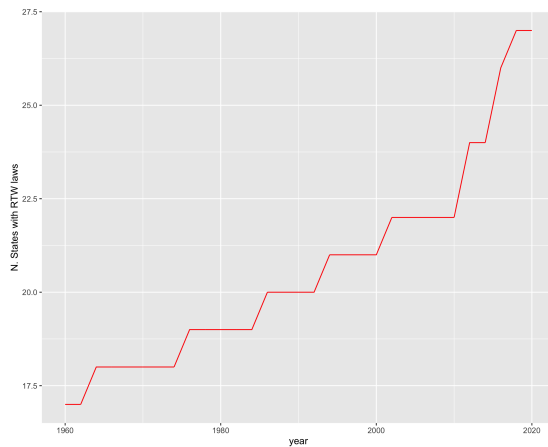


Fig. 2. This figure depicts the number of US states with a right-to-work law in a given year from 1960-2020.

2 Methods

All data are sourced from the website of the National Conference of State Legislatures (NCSL), which is a national association of state governments that collects information biannually in its Book of States catalog. Altogether, there are 1550 observations. To determine the relationship between these datasets, I decided to first run a simple ordinary least-squares linear regression and then a two-way fixed effects regression with the variables state and year. I then interact union spending by decade, as right-to-work laws may have mattered more to unions in (for example) 2010 than in 1970.

Because I transferred the information by hand into spreadsheets, there is potential for occasional human error. Additionally, the design cannot capture potentially confounding variables, such as a legal decision which overturns one of the policies or a statewide political scandal which resulted in the specific retooling of an elections law.

The design also makes several key assumptions. All bans and all right-to-work laws are coded as a binary – simply as 1 for "present" or 0 for "not present" in that given year, even though there may be slight differences among the laws themselves. In instances where there were a ban on some union political contributions (e.g. only public unions were affected), it is coded as a ban on all contributions.

Also, the data is biannual (once every two years), as state legislative sessions often span more than a single calendar year. Given this, it is possible that one change was made in one year and another in the following year, but it will be coded here as a change made in a single time period.

3 Findings

3.1 Simple and fixed-effects linear regressions

The first regression evaluates each state in each year's presence of right-to-work laws on the presence of a ban on union political contributions. I then ran the same regression but this time incorporated fixed-effects, holding for year and for state. The findings presented in Table 1 indicate these were both met with null results.

For the simple regression in the left-hand column, the coefficient estimate of $-.01$ and the wide confidence interval of $-.07$ to 0.05 suggest that the coefficient is estimated fairly imprecisely. It is not evidence of a negative correlation, but rather that it is uninformative about the direction and magnitude of the effects.

The fixed-effects regression is similar. While it does report a very small p-value, the estimate is within 1 standard deviation of 0. The confidence interval, while slightly tighter, is still not significant. This finding is consistent with a null effect.

Table 1.

	<i>Dependent variable:</i>	
	rtw_enacted	
	Simple Regression (1)	2FE Regression (2)
union_ban	-0.010 (-0.071, 0.052)	-0.013 (-0.047, 0.020)
Constant	0.414*** (0.387, 0.441)	0.926*** (0.852, 1.001)
Observations	1,550	1,550
R ²	0.0001	0.891
Adjusted R ²	-0.001	0.885
Residual Std. Error	0.493 (df = 1548)	0.167 (df = 1469)
F Statistic	0.091 (df = 1; 1548)	150.006*** (df = 80; 1469)
<i>Note:</i>	*p<0.1; **p<0.05; ***p<0.01	

3.2 Using decade as an interaction term

Table 2 depicts the simple regression from above but with an added interaction term for the decade of the union ban (or not ban). For example, each year 1960-1969 would be classified as 1960. Given that right-to-work laws may have varied in importance over time, I thought there might be potential for additional insights. This regression returns a statistically significant coefficient, however the effect appears to be small.

Table 2.

	<i>Dependent variable:</i>
	rtw_enacted
union_ban	-0.386*** (-0.599, -0.172)
1970	-0.014 (-0.104, 0.076)
1980	-0.029 (-0.120, 0.063)
1990	0.022 (-0.071, 0.115)
2000	0.095** (0.0005, 0.190)
2010	0.099** (0.002, 0.196)
2020	0.181* (-0.005, 0.366)
1970*	0.347** (0.058, 0.636)
1980*	0.579*** (0.309, 0.849)
1990*	0.407*** (0.144, 0.669)
2000*	0.213 (-0.042, 0.467)
2010*	0.407*** (0.157, 0.656)
2020*	0.319* (-0.030, 0.668)
Constant	0.386*** (0.323, 0.449)
Observations	1,550
R ²	0.026
Adjusted R ²	0.018
Residual Std. Error	0.488 (df = 1536)
F Statistic	3.201*** (df = 13; 1536)
<i>Note:</i>	*p<0.1; **p<0.05; ***p<0.01

4 Discussion

Empirical work with state legislatures is challenging given tremendous differences in their size, party composition, and budget. However, this paper makes use of panel data from 1960-2020, culminating in 1550 observations, allowing for some interesting comparison. While statistical significance between union contribution bans and right-to-work laws was only found when controlling for the decade, this is in-and-of-itself an interesting finding.

Conventional wisdom would suggest that bans are the result of a negative public perception of labor unions, believing them to be unfairly influencing the political process. Right-wing groups, often sponsored by the dark money network of the Koch family, have made a particular crusade in recent years to limit the ability of unions to participate in the political process by sponsoring campaigns and groups who vilify union political participation.

But it's possible that unions are not the bogeyman they would have you believe. In fact, it's entirely possible that unions contribute money to campaigns much like ordinary citizens: by simply writing checks to candidates who are already ideologically similar to them. In this world, direct policy outcomes from union political giving, or not giving, may not be apparent. Indeed, the assistance they provide may simply bolster pre-existing progressive coalitions or serve as ideologically signaling about their preferences. Given the results of the third regression, it is possible that as our opinion of labor unions have changed, so too has their ability to achieve policy wins.

Looking ahead, as we continue to think about the relationship between political giving and policy outcomes, it's crucial that we continue to include state legislatures in the conversation. While empirical analysis can be more challenging with them than with US Congress, they still offer meaningful insights into American governance, and continue to shape our lives in more ways than we have the tools to study.

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