

# working on common goals:

## *foundations and labor unions*

**H**ealth foundations and labor organizations have more in common than they may realize: both have missions focused on improving lives and achieving social benefits. They share a variety of social justice goals including improving access to quality health care, reducing racial and ethnic disparities, supporting fair compensation and benefits for workers, and creating safe and healthy working conditions. Foundations may not readily think of labor groups as potential grantees or partners. By providing a collective voice, however, labor unions and related advocacy groups can be powerful allies in both mobilizing memberships and bringing the concerns of workers and their families to the attention of policymakers and the public.

The American middle class was built largely on manufacturing jobs in the 1950s and 1960s. Labor union membership meant higher hourly wages, as well as health and retirement benefits. Today's workers, both unionized and nonunionized, face higher health insurance costs, benefit reductions, and wage compression. Employers are also feeling the financial pressures of increasing health care costs, coupled with a rising number of retired workers drawing pensions and other retirement benefits.

Some would argue that a declining union presence is at least partially responsible for both decreasing rates of employment-based health insurance and the rising share of health-related costs workers now shoulder.

Union membership has been slowly declining for some time. Over the last 15 years, membership has declined about 8 percentage points, dropping from 20 percent of the workforce in 1983 to 12 percent – or 15.4 million Americans – in 2006 (U.S. Bureau of Labor Statistics 2007a). This decline is largely due to a shift from manufacturing to service-based employment, which has historically had lower rates of unionization. Other community-based organizations, such as worker centers focused on farm and garment workers, are forming to organize and provide services to workers and their families, but these centers typically lack the collective bargaining rights of labor unions. Overall, labor organizations remain important voluntary membership organizations providing workers with a collective voice.

### LABOR UNIONS

Unions represent a variety of workers—from public sector workers to tradesmen and factory workers. They are also able to engage many audiences—from employers and policymakers to the broader public. Overall, government workers are more likely to be unionized than private sector workers. In 2006, 36 percent of government workers were unionized. The highest levels of public sector membership are among fire fighters, teachers, and police officers. Within the private sector, only 7.4 percent of workers were unionized in 2006, with the transportation and utilities (23 percent) and construction (13 percent) industries having the highest membership rates (U.S. Bureau of Labor Statistics 2007a). Within the health care sector, unionization rates among licensed professionals tend to be somewhat higher than the private sector average. Just over 12 percent of practitioners and technical staff (nurses, physician assistants, and therapists) participate in unions. In contrast, 10 percent of health care support workers (nursing and home health aides and medical records, food preparation, and custodial staff) are unionized (U.S. Bureau of Labor Statistics 2007b).

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The membership of labor unions generally reflects the diversity of American workforce. Overall, union membership rates are slightly higher for men (13 percent), although women are a growing segment (11 percent). Women are more heavily represented in unions affiliated with health care and education. African-American workers, both men and women, have the highest rates of union membership, and they are more likely to be unionized than their white counterparts. In 2006 more than 16 percent of African-American workers belonged to unions, compared to almost 13 percent of white workers. In addition, 11.5 percent of Asian workers and 10.7 percent of Latino workers were union members in 2006 (U.S. Bureau of Labor Statistics 2007a).

## WORKER CENTERS

Community-based organizations are playing an increasingly important role for immigrants, particularly undocumented workers who may be ineligible to participate in formal labor unions. Worker centers serving vulnerable populations are helping workers and their families access health and human services, enroll children in public schools, and find affordable housing. They also provide health education classes and training to identify and speak out against unsafe work environments. They also advocate for workers' rights and improved working conditions. In industries that have "become almost entirely non-union, these groups are calling attention to problems and providing opportunities for low-wage workers to come together and take action" (Neighborhood Funders Group 2005).

A study conducted for the Neighborhood Funders Group's Working Group on Labor and Community found that the strength of worker centers lies in their ability to "cultivate and develop immigrant leadership" (2005). They have been particularly successful in improving working conditions; winning back wages for immigrant workers; and compelling government to enforce minimum wage, health, and safety regulations.

Historically, the work of labor unions has yielded significant social benefits. Using collective bargaining and other tools, unions have improved wages, working conditions, and health care and retirement benefits for their members. For example, union workers are more likely to have employment-based health benefits than their nonunion counterparts. In 2003, 95 percent of union workers received health benefits from their employers compared to 77 percent of nonunion workers (Employee Benefit Research Institute 2005). Union workers also have higher earnings than nonunion workers. The median weekly earnings for union members was \$833 in 2006, compared to \$642 for nonunion members—a 30 percent difference (U.S. Bureau of Labor Statistics 2007a). Earnings differences are even greater for people of color. While researchers acknowledge higher wages of union workers, they note other influences including variations across industries, geography, and firm size (Anderson et al. 1990). High unionization rates within some sectors, such as nursing, education, and public service,

have also created an upward pressure on wages for nonunion employees.

## FINDING COMMON GROUND

Health funders may not automatically think of establishing partnerships with organized labor, and unions may be an underutilized ally. Foundations may be wary of working with labor groups for a variety of reasons ranging from making grants to labor unions that generally do not have nonprofit status to historical allegations regarding corruption within some union groups. In addition, health and health care may not be a top priority for some labor groups, which may be more focused on wages or other non-health related issues. Despite these challenges, unions can bring established infrastructure, motivated constituents, and financial resources to the table. Leo Canty, board chair of the Connecticut Health Foundation, suggests that unions' organizing structure and active memberships can effectively bring issues to the attention of policymakers by providing a collective voice. He also notes that unions can effectively reach out to the broader public on issues of concern through their communication networks.

Making grants to unions may represent a challenge to some foundations. The tax status of both parties is a primary concern. The tax status of private foundations, community foundations, and public charities have different, yet important, nuances regarding their ability to receive and grant funds, as well as limits on advocacy and lobbying. Labor unions and agricultural organizations typically have 501(c)(5) tax status, and most can lobby policymakers. The Internal Revenue Service prescribes specific procedures in order for foundations to award grants to non-501(c)(3) organizations. Foundation staff may also need to determine whether the activities supported by the foundation will serve a charitable purpose such as educational activities or provision of health care or legal services. Staff will also need to determine if the activities will serve the public good (Nober 2001).

Leadership at the Universal Healthcare Foundation of Connecticut identified unions early on as a critical partner in the foundation's campaign for universal coverage in the state. Legal research was required to determine if the foundation could award grants directly to unions in Connecticut. With the legal questions resolved, the foundation awarded a series

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of grants for public education activities to several local unions. Given the foundation's restrictions on lobbying, the foundation required union grantees to submit monthly reports on their activities and any lobbying work. Kate Garvais, a senior program and development officer at the

rooms, for stakeholder meetings. In the case of the Universal Healthcare Foundation of Connecticut, the foundation's offices were located close to a major highway and with ample parking to permit easy access for groups throughout the state. The foundation also allows groups to use its conference

facilities after hours and on weekends. Having a neutral space for meetings has helped break down barriers and build strong relationships among disparate groups.

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foundation, noted another challenge: most of the unions had never received foundation grants before and were less savvy about the application and grant reporting processes.

Given the range of social concerns shared by foundations and labor organizations, there are a number of strategies foundations can use to engage with labor groups. If a foundation's organizing documents do not permit grants to non-501(c)(3) organizations, support for coalitions that include community and labor groups or grants to a supporting organization of the non-charitable grantee may be alternative funding mechanisms.

Coalitions, for example, bring together multiple stakeholders to mobilize communities. They can help ensure that residents' concerns are expressed in decisions affecting their health and that of their families. Coalitions can involve training people to speak out on their own behalf and work for changes that lead to better health and prevent harmful policies and practices. Awarding grants to nonprofit coalitions can provide foundations with an opportunity to create change at the community level without the complexities of resolving tensions regarding the tax status or activities of any single entity. Frequently, however, coalition partners come to the table with varying levels of resources. Sara Kay, health program director at The Nathan Cummings Foundation, suggests it is important to make sure that both the labor and community sides of a coalition have a voice in the process since unions can be better organized and resourced than their community partners. She also cautioned that grantmakers need to strategically navigate various agendas that can be at play in any coalition.

Another strategy for foundations to engage labor groups is to act as a neutral convener. Foundations can provide access to office space, such as conference

In an economy where working families increasingly lack health care coverage, affordable housing, and opportunities for career advancement, foundations and labor organizations can find much common ground (Neighborhood Funders Group 2007). The following section describes some of the ways foundations and labor groups are working toward common social justice goals.

## EXPANDING HEALTH COVERAGE

In the United States, health care coverage and employment have historically been linked. Today, however, workers' insurance coverage is eroding, and they are being asked to assume increasing copayments and deductibles. Additionally, public programs, such as Medicaid and the State Children's Health Insurance Program (SCHIP), are at risk of decreased funding and stricter eligibility requirements that may make it more difficult for low-income, working families to enroll and receive services. As a result, a number of foundations are supporting campaigns to expand public programs or universal coverage at the state level.

The mission of the Universal Healthcare Foundation of Connecticut is to engage people and communities in shaping a health system that provides universal access to quality health care and promotes health throughout the state. The foundation sees itself as a catalyst and seeks to partner with a broad array of stakeholders. The foundation's orientation toward social change undoubtedly stems from its leadership – the foundation was created by labor organizers and consumer activists, many of whom sit on its board of directors.

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Labor has been an important partner in the foundation's work. The foundation launched healthcare4every1 in 2006, a statewide advocacy campaign committed to organizing an active and diverse network of concerned residents to build

synergistic opportunities. For example, the Public Welfare Foundation is helping advocates advance universal health coverage in Ohio, Pennsylvania, and Vermont. The foundation's Health Reform Program works in tandem with

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America's Agenda, an advocacy group founded by 20 labor unions to provide state and local advocates with the tools needed to campaign for universal health care coverage. The foundation awarded a \$100,000 general support grant to the Vermont

public and political support to achieve universal health care in the state. To educate and mobilize active and retired union members, the foundation awarded \$25,000 grants to several labor unions including the Connecticut chapters and local affiliations of the American Federation of Teachers, Communication Workers of America, New England Health Care Employees Union, International Association of Machinists & Aerospace Workers, Service Employees International Union, Teamsters, United Auto Workers, and United Food and Commercial Workers Union. The constituencies of unions such as these were exactly who the foundation wanted to reach. For some union groups, such as Justice for Janitors, the issue of health coverage is a real and pressing issue. Health care coverage, however, was not the top priority of other union groups in the state. In these instances, foundation staff sought to motivate union members to engage on universal coverage as an economic and social justice issue.

The Universal Healthcare Foundation of Connecticut has also provided support to the John J. Driscoll United Labor Agency. Founded by the Connecticut AFL-CIO, the agency helps union and nonunion workers access health and human services such as unemployment and veterans benefits, health care services, workers compensation, Social Security and disability benefits, food stamps, and alcohol and drug counseling. In 2007 it awarded the agency a \$37,000 grant for the production and distribution of a biweekly television series to examine and increase awareness of universal health care issues. The agency also used the resultant video on Web sites such as YouTube.

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Campaign for Health Security. At the same time, America's Agenda assisted Vermont advocates to unite stakeholders and develop a public education campaign that included printed information and radio spots about the soaring costs of health care insurance. A brochure providing information on Vermont's three public programs for the uninsured was also developed. Terri Langston, a senior program officer at the Public Welfare Foundation, notes that the involvement of this group of unions, through the common organization of America's Agenda, has significantly contributed to the debate on health reform.

#### IMPROVING OTHER HEALTH-RELATED BENEFITS

Workers without health coverage or related benefits are less likely to seek preventive health care services for themselves and family members. They are also more likely to put off getting care until an illness or chronic condition worsens. Inadequate leave benefits can exacerbate these dynamics. Workers lacking sick leave benefits face high out-of-pocket payments for care, as well as lost wages, if they need to miss work to seek health services or to care for a sick child or aging parent.

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The Public Welfare Foundation funded a two-year, \$1 million sick leave initiative to leverage support from a variety of groups, raise awareness of the issue, and identify policy solutions. The foundation awarded its first grant under the initiative to the National Partnership for Women and Families to support the first Sick Day Summit held in July 2007. A key feature of the summit was to examine how



local coalitions working on the issue could expand their reach through collaboration with health reform advocates, labor organizations, and others. Additional grants under this initiative will support activities to organize stakeholders at the local, state, and national levels. In 2007 the foundation awarded the Multi-State Working Families Consortium, a group of eight, labor-community coalitions working in 11 states to make family leave more accessible and affordable. In California, the Work and Family Coalition, composed of unions and advocacy groups, successfully advocated for a number of family bills. One will expand California's Paid Family Leave law to cover grandparents, siblings, parents-in-law, and grandchildren. A second prohibits discrimination against workers based on family responsibilities.

### REDUCING OCCUPATIONAL HEALTH RISKS

Health and safety issues are of large concern to workers, particularly in industries with less regulatory oversight. To address the growing needs of day laborers, the Public Welfare Foundation's Workers' Rights Program provides support to organizations, such as immigrant worker centers, that advocate on behalf of low-income workers on issues such as living wages and working conditions. The foundation has provided \$250,000 in grants since 2002, for example, to the National Day Laborer Organizing Network. This collaborative of more than 30 community groups organizes day laborers across the country. It also advocates for systemic change to improve wages and working conditions for low-income workers.

California hosts the largest garment manufacturing industry in the United States, and the health and safety hazards associated with this industry are growing as its workforce expands.

The Garment Worker Center (GWC) in Los Angeles provides a collective voice for workers to put pressure on owners, manufacturers, and retailers to improve working conditions. Key to its success has been the creation of a multi-ethnic approach to organizing Chinese, Thai, and Latino garment workers. Garment workers are among the most vulnerable working populations in California because they are low-wage, uninsured, and face cultural and economic barriers in accessing adequate health care, noted the program director for The California Wellness Foundation's work and health priority area. To address this critical need, the foundation supports worker centers and other organizations providing health and safety education to workers, links them to health

and social services, and advocates for workers' rights. Ongoing support from the foundation has allowed the GWC to coordinate outreach, conduct health and safety workshops, and improve access to health care services. For example, culturally sensitive classes are offered on topics such as nutrition, mental health, children's health, domestic violence, how to obtain medical services, and instructions for reporting health and safety violations.

### ADDRESSING COMMUNITY HEALTH CONCERNS

Foundations and labor groups can help build community-based coalitions to protect the health and welfare of working people. These broad-based coalitions address issues ranging from economic development to increased access to health insurance. Labor unions engaged in such coalitions can assist with local and state advocacy efforts as well as help with public education campaigns. The Nathan Cummings Foundation, for example, is part of a growing movement to refocus local land use and community development planning to include "explicit consideration of community needs like healthy environments, access to health care, and good jobs with living wages and health benefits" (The Nathan Cummings Foundation 2006). In 2006 the foundation awarded a grant to the Colorado-based Front Range Economic Strategy Center (FRESC), which develops and negotiates community benefit agreements (CBAs) with local governments and developers. CBAs leverage city investment in large-scale, multi-use

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urban redevelopment projects to set standards for a healthy environment, safe construction, and family-supporting jobs. FRESC and its partners, such as the Colorado AFL-CIO and Denver Area Labor Federation, also work to promote contracting practices that reward responsible, locally based, "high-road" companies that create good local jobs, pay fair wages, and provide adequate health care and other benefits. FRESC's first CBA, based in its Campaign For Responsible Development, focused on a polluted, 50-acre brown-field, which is upstream from many of Denver's poorer neighborhoods. The site was selected because of the opportunity it presented to develop relationships between the city's environment, labor, and faith-based organizations.

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### PROMOTING ECONOMIC MOBILITY

Low-wage workers often lack opportunities to advance in their careers or develop the skills necessary to obtain well-paying jobs. Workers may find themselves seeking new jobs requiring new skills due to lay-offs. Increasing workforce participation, however, is unlikely to yield meaningful health benefits for low-income workers and their families unless wage levels and working conditions associated with employment improve substantially. Health funders have a unique role to play in making employment a gateway to income security, self-sufficiency, and well-being.

The Nathan Cummings Foundation supports the Illinois-based Center for Labor & Community Research (CLCR), founded in 1982 by local union and community leaders in reaction to plant closings and the impact they had on local communities. CLCR's Illinois High Performance Manufacturing Initiative, a partnership of the Illinois Manufacturers Association and the state AFL-CIO, has developed "high-road" strategies working to establish improvements in benefits and working conditions for workers while also strengthening employers. As part of its work, the initiative is developing a new polytechnical academy. The academy will have relationships with manufacturing companies in the region and provide its students with work

exposure, internships, apprenticeships, and access to careers in manufacturing. It is also working with Community Colleges of Chicago to help redesign manufacturing programs to more effectively

meet industry's demand for a skilled workforce and to prepare residents for family-sustaining careers in manufacturing.

### CONCLUSION

The social justice goals of foundations and labor organizations make them uniquely positioned to affect real change in the health and well-being of American workers and their families. Grantmakers can find strong allies in labor unions and their constituencies to work on issues including access to health coverage, living wages, and paid pick leave, as well as workplace safety. After carefully considering their goals and objectives, foundations can use a variety of strategies to support labor groups or partner with them.

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