

# After Janus

## The Impending Effects on Public Sector Workers from a Decision Against Fair Share

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### Executive Summary

The U.S. labor movement is bracing for a decision by the Supreme Court that could dramatically weaken public sector unions. The case, *Janus v. American Federation of State, County, and Municipal Employees, Council 31, et al.*, is expected to be decided in a vote against “fair share” fees in the public sector. The ruling would strike down a 41-year precedent (*Abood v. Detroit Board of Education, 1977*) that requires public sector workers represented by a labor union to pay for the collective bargaining work that the union performs on their behalf.

If the Court strikes down *Abood*, workers would be able to “free ride” and receive services, benefits, and representation from unions without paying for them in the form of fair share fees or membership dues. This would impact at least 5 million state and local government employees represented by collective bargaining agreements in 23 states and the District of Columbia.

This [05/09/18 report](#) examines the economic impact of effectively instituting so-called “right-to-work” conditions in the public sector across America.

#### **Overturning *Abood* would shrink the economy and reduce public sector worker wages.**

- Annual economic activity in the United States would drop by between \$11.7 billion and \$33.4 billion.
- The wages of state and local government employees would decrease by 3.6 percent on average, resulting in a \$1,810 loss in wage and salary income per worker.
- The salaries of public school teachers would drop by 5.4 percent on average.
- The pay penalty for working in state and local government would be exacerbated.

**By encouraging free riding, the *Janus* decision could impose lasting changes on the labor movement.** National “right-to-work” in the public sector would:

- Reduce the union membership rate of state and local government employees by 8.2 percentage points, which could translate into a loss of 726,000 union members over time.
- Decrease public sector unionization by an estimated 189,000 members in California, 136,000 members in New York, and 49,000 members in Illinois over time.
- Reduce the union membership rate of pre-K through 12 and special education teachers by 4.8 percentage points— a loss of 88,000 members of teachers’ unions over time.
- Disproportionately impact African American workers, who are more likely to work in state and local government and are more likely to be union members.

A *Janus* decision against fair share fees would be the largest change to collective bargaining rights in the United States in decades. The decision would reduce unionization, lower public sector worker earnings, and have negative impacts on the U.S. economy. The response to *Janus* will be critical to the long-run survival of the U.S. labor movement and the American middle class.