

NFG REPORTS

THE NEWSLETTER OF THE NEIGHBORHOOD FUNDERS GROUP

Three Strategies for Bringing Low-Wage Workers Out of Poverty

By Lee Winkelman

Most Americans believe deeply that hard work should be rewarded. Yet 33 million U.S. workers – nearly a quarter of the American work force – make poverty wages of less than \$10 an hour. Low-wage workers and their allies are having increasing success at challenging this situation.

Victor Quintana, a program officer at the Unitarian Universalist Veatch Program at Shelter Rock, has been making grants to help low-wage workers rise out of poverty for 11 years. According to Quintana, “There has been no better time for funders to fund economic justice work. Low-wage worker organizing groups are reaching new levels of scale, effectiveness and strategic sophistication. These community groups are developing strong partnerships with labor unions, including the Service Employees International Union (SEIU), United Food and Commercial Workers (UFCW), the Laborers, and UNITE/HERE. Funders have the opportunity to help transform the lives of millions of low-wage workers.”

Quintana points to three economic equity strategies that hold the most promise for funders: accountable development, the Employee Free Choice Act and immigrant worker centers.

Accountable Development: Public dollars should produce public benefits

Greg Leroy at Good Jobs First estimates that governments at all levels provide economic development subsidies worth \$175 billion to private companies every year, to enhance the business climate and create jobs.

“Too often these subsidies help the private companies but provide little or no benefit to the larger community,” Leroy explains. Seventy-one community groups are organizing in 35 states and the District of Columbia to make sure that public economic development subsidies produce living-wage jobs, affordable housing and other community benefits.

Quintana cites the Los Angeles Alliance for a New Economy (LAANE) as one of the leaders in the movement to make economic development more accountable. In 2001 LAANE negotiated a landmark community benefits agreement for the Staples Center expansion project that won commitments to provide more than

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Conference Confirms: Community Organizing Works!

By Dave Beckwith, Marjorie Fine and Sherita Jackson

“Organizing is inspiring. The courage, creativity and tenacity of the leaders you meet are inspiring. It’s inspiring to support a successful living wage campaign, or the biggest immigration march in history. And it’s inspiring to meet [people] who were once overwhelmed by their personal problems, and are now energized leaders fighting for their communities.”

Those are the words of Sarah Stranahan, a board member and donor family member of the Needmor Fund. Stranahan was speaking at a May workshop held at the 2008 Council on Foundations Leadership Summit in Washington, D.C.

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\$1 million for public parks; ensure that 70 percent of the permanent jobs pay a living wage; set up local hiring and training programs; and create at least 100 units of affordable housing.

More recently, LAANE negotiated the largest community benefits agreement to date, with commitments of nearly \$500 million to provide environmental mitigation and jobs-related benefits programs to the neighborhoods affected by the expansion of the Los Angeles International Airport.

According to Quintana, “organizing by the Los Angeles Alliance for New Economy and its allies has helped transform the political climate of Los Angeles. Now no city economic development subsidies are approved if they do not result in good-paying jobs and other community benefits.”

Employee Free Choice Act: Making it easier to join unions

“The most successful anti-poverty program is the labor movement,” Quintana notes. Workers in labor unions earn 28 percent more in wages and benefits than non-union workers. Unions even help non-union workers. A high-school graduate whose workplace is not unionized but whose industry is 25 percent unionized is paid 5 percent more than similar workers in less unionized industries.

Quintana concludes, “It is no wonder a majority of non-management and non-union workers (nearly 50 million workers) say they would join a union today if they could.”

But labor laws and company practices make organizing a union difficult. Companies force workers to attend meetings to hear anti-union propaganda, threaten to close operations and fire or demote leaders of organizing drives. Government responses to union-busting violations of labor law are so slow and so

ineffective that they provide no disincentive to companies’ abusive and often illegal anti-union practices.

“The most successful anti-poverty program is the labor movement,” Quintana notes. Workers in labor unions earn 28 percent more in wages and benefits than non-union workers.

“Fortunately for workers,” Quintana points out, “there is a solution.” Unions and community groups have proposed federal legislation – the Employee Free Choice Act – that would strengthen penalties against companies that coerce or intimidate employees trying to form unions and bargain collectively. It would also permit workers to form a union when a majority of them sign authorization cards, and require mediation and arbitration to help employers and employees reach a first contract in a reasonable period of time.

The legislation is supported by Jobs with Justice, a national coalition of unions, religious congregations and community groups with local chapters in 40 cities and 25 states.

“The Employee Free Choice Act, if it passes, would offer millions of low-wage workers the opportunity to join unions and improve their wages and working conditions,” reports Quintana. “It would increase the union movement’s power to push for health care reform and other policies that would benefit low-wage workers.”

Immigrant Worker Centers: Exploited workers coming together

“Immigrant workers are among the most vulnerable and exploited low-wage workers,” explains Quintana. Unscrupulous employers know that workers who don’t have legal status in the United States are unable to respond when there are violations of labor law, for fear of deportation. Immigrant workers face unsafe and sometimes life-threatening working conditions. Employers often pay them less than minimum wage and sometimes illegally withhold wages altogether.

Immigrant workers have banded together to form worker centers that provide service delivery (including legal representation, English classes and banking services), advocacy (including exposés about low-wage industries, lobbying for laws to protect low-wage workers, and lawsuits to recover unpaid wages), and organizing (leadership development and collective action to bring about economic and social change). A study sponsored by NFG’s Working Group on Labor and Community – “Worker Centers: Organizing Communities at the Edge of the Dream”, which was released in 2005 – identified more than 137 worker centers in the country.

As Quintana explains, “worker centers provide a vehicle to collectively go after an employer that pays less than minimum wage or otherwise violates labor laws, including maintaining an abusive workplace environment.” Collectively, worker centers secure hundreds of thousands of dollars in unpaid wages for low-wage workers.

“One of the oldest and strongest worker centers is The Workplace Project on Long Island in New York,” notes Quintana. In 1997 The Workplace Project won passage of tougher state penalties for employers that improperly withhold workers’ wages. The organization helped workers recoup

more than \$170,000 in unpaid wages and overtime in 2006 alone.

Labor unions, once explicitly anti-immigrant in their policies and practices, now recognize the importance and effectiveness of immigrant worker centers. The AFL-CIO and the National Day Labor Organizing Network signed a historic agreement in 2006 to work together on behalf of immigrant workers.

"The agreement represents a fledgling, but growing relationship between immigrant worker centers and the established union movement," explains Quintana. "Unions and Worker Centers are cooperating on apprenticeship programs and organizing for policies that benefit low-wage workers."

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Working Group on Labor and Community Partnerships: A resource for funders

Quintana cites NFG's Working Group on Labor and Community as an important influence on his grantmaking. "The Working Group is a place where I can be in relationship with other colleagues who have similar grantmaking goals and strategies. We share information about grantees, developing trends in the field

and specific grantmaking opportunities. In addition, what we learn about grantees goes beyond local impact to state and national impact."

The Working Group publishes a monthly email newsletter with links to articles and reports about labor unions and labor-community partnerships. Starting in fall 2008, the Working Group will host regular conference calls open to all funders, with speakers from unions and labor-community partnerships. The Working Group also sponsors workshops and learning tours at funder conferences. Its steering committee includes many of the most prominent funders of labor-community partnerships, including Veatch, Discount Foundation, Marguerite Casey Foundation, the Needmor Fund, Tides Foundation, General Service Foundation, CrossCurrents Foundation, Hill-Snowdon Foundation, Wieboldt Foundation, Liberty Hill Foundation, Public Welfare Foundation, Rosenberg Foundation, Solidago Foundation and Panta Rhea Foundation.

Quintana recalls a specific example of how the Working Group helped his grantmaking. "The Working Group has helped me better understand the important labor-community organizing in Los Angeles, which has moved from living wage organizing to community benefits agreements to transforming the political environment of the city. Now labor-community groups have a tremendous influence on how public dollars are used to shape economic development and improve the lives of low-wage workers."

Lee Winkelman was a community organizer in Massachusetts for fourteen years before becoming a funder, first at Jewish Funds for Justice and later at the UU Veatch Program at Shelter Rock. He currently is an independent consultant working with funders and community groups. ○

Groups mentioned in this article:

Good Jobs First

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Los Angeles Alliance for a New Economy (LAANE)

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Jobs with Justice

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<http://www.jwj.org/>

National Day Labor Organizing Network

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