



# COALITION FOR A DEMOCRATIC WORKPLACE

September 9, 2021

To the United States Conference of Mayors:

The Coalition for a Democratic Workplace (CDW), a broad-based coalition of hundreds of organizations representing hundreds of thousands of employers and millions of employees nationwide in nearly every industry, writes to express our concern over your organization's decision to endorse the Protecting the Right to Organize (PRO) Act (H.R. 842/S. 420).

This legislation would fundamentally re-structure federal labor law with the goal of increasing union membership, but it comes at the expense of workers, small and local businesses, entrepreneurs, and Main Street consumers. It attempts to implement policies that have been rejected by the judicial system, opposed on a bipartisan basis in Congress, and/or withdrawn by the agencies that prior administrations tried to use to implement the policies unilaterally.

The economic damage caused by the PRO Act would be felt by all municipalities and their workers regardless of size, location, or economic output:

- By repealing right-to-work laws, one study found that right-to-work states would lose nearly a 10 percent competitive advantage in recruiting businesses over states without right-to-work protections for workers.<sup>1</sup>
- The PRO Act would implement an “ABC test” to determine independent contractor status, causing millions of independent workers to be reclassified as employees. Studies have found that this provision alone would cost employers \$57 billion<sup>2</sup> and impact 8.5 percent of total U.S. gross domestic product.<sup>3</sup>
- Additionally, a survey of small business owners found that if the PRO Act's ABC test were implemented, nearly half (45 percent) of all small businesses would be forced to shut down, as many depend on hiring freelancers to win business, manage costs, and keep companies afloat.<sup>4</sup>
- By expanding the joint-employer standard, the PRO Act would significantly impact the entire franchise industry. If franchisors were held legally responsible for the actions of their franchisees, many would turn to a corporate-ownership model that would preclude countless entrepreneurs from buying into a successful business model and brand. One study found that it could cost franchise owners \$33.3 billion a year, lead to over 350,000 job losses and increase the number of lawsuits by 93 percent.<sup>5</sup>

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<sup>1</sup> Isabel Soto and Thomas O'Rourke, “State-Level Costs Of The Protecting The Right To Organize Act,” [American Action Forum](#), 8/13/21

<sup>2</sup> Ibid.

<sup>3</sup> Isabel Soto, “The Economic Cost of Worker Reclassification,” [American Action Forum](#), 9/27/19

<sup>4</sup> Lisa Price, “61% of Small Businesses Say PRO Act Will Destroy Their Business,” [Small Business Trends](#), 6/2/21

<sup>5</sup> Isabel Soto and Thomas O'Rourke, “State-Level Costs Of The Protecting The Right To Organize Act,” [American Action Forum](#), 8/13/21



## COALITION FOR A **DEMOCRATIC WORKPLACE**

The PRO Act would threaten to derail our nation's fragile economic recovery and force many small and local businesses to close permanently.

Contrary to its name, the PRO Act will hurt workers and take away their essential rights and freedoms:

- By repealing right-to-work protections, millions of workers could be forced to pay union dues in order to obtain or retain a job. One report found that this would cost workers up to \$1,000 per year, an expense that would disproportionately hurt low-income workers.<sup>6</sup>
- The PRO Act forces employers to hand over the personal information of their employees to unions without their consent, taking away privacy rights. With unfettered access to workers, union organizers could harass and intimidate workers at their homes, over email, or on social media.
- The PRO Act could also eliminate secret ballot elections in favor of “card check” where employees would be forced to vote in the presence of their peers and, consequently, be subject to harassment or intimidation.
- A national survey of 1,000 registered voters conducted by Forbes Tate Partners found that 70 percent of U.S. voters are concerned that the PRO Act will force workers to pay union dues as a condition of employment and limit the ability to work as an independent contractor.<sup>7</sup>

We strongly urge the United States Conference of Mayors to reconsider its support of the PRO Act to support American small businesses and workers.

Sincerely,

Kristen Swearingen  
Chair  
Coalition for a Democratic Workplace

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<sup>6</sup> “PRO Act Would Reduce Workers’ Incomes and Job Opportunities,” [Institute for the American Worker](#), 7/21

<sup>7</sup> Gabriella Hoffman, “New Poll Reveals Bipartisan Disapproval for the PRO Act,” [Townhall](#), 7/5/21