Press Release

The Costs of the Protecting the Right to Organize Act

ANDREW EVANS | JANUARY 21, 2020

While unions have historically played a valuable role in protecting workers, the Protecting the Right to Organize (PRO) Act risks significant damage to both the economy and individual workers' freedom and privacy, argues AAF's Labor Market Policy Data Analyst Isabel Soto. The House of Representatives is expected to vote soon on the legislation.

See related piece in Bloomberg Law, "Punching In: Gig Workers, Pay Data, and a Big Bill for Employers."

The PRO Act would make several changes that come with significant potential costs, Soto writes. It would:

- Change the definition of a joint employer, which would affect 44 percent of private sector employees and lead to $17.2 billion to $33.3 billion in lost annual output for the franchise business sector;
- Change the classification criteria for Independent Contractors, implicating 8.5 percent of GDP and putting $3.6 to $12.1 billion of annual upward cost pressure on employers;
- Restrict employers from permanently replacing strikers, resulting in over $1.9 billion in total additional annual upward cost pressure; and
- Repeal all right to work laws, hindering private sector output, employment growth, and business migration.

Read the analysis.