Press Release

Economic Costs of the PRO Act: Update

PAULINA ENCK | MARCH 7, 2023

A bipartisan group of House and Senate members has reintroduced the Protecting the Right to Organize (PRO) Act, legislation intended to strengthen labor unions and increase their leverage in collective bargaining negotiations. In an update to previous American Action Forum research, Labor Policy Analyst Isabella Hindley walks through the PRO Act's major provisions and estimates the bill's macroeconomic costs.

Key points:

- The PRO Act would reclassify independent contractors, broaden the joint employer standard, repeal right-to-work laws, and eliminate employers' ability to replace striking workers.
- While the intent of the bill is to increase worker protections, many of the provisions ignore stated worker preferences and have the potential to harm the labor market through increased costs that small businesses, franchisees, and entrepreneurs likely cannot afford.
- This paper estimates that the bill could increase employment costs by anywhere from $18–$61 billion and put up to $2.3 trillion of gross domestic product at risk.

Read the analysis