CAN THE LCCU & 1199SEIU BE PARTNERS?

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Submitted to the Department of Urban Studies and Planning
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at the

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ABSTRACT

This thesis explores how organizations competent at harnessing the collective power of low-income immigrants might successfully combine their strategies to advance the well-being of their mutual constituencies. Based in Durham, North Carolina, the LCCU is a successful community development credit union that delivers financial products and financial education programs to a fast growing low-income Latino community. Based in New York City, New York, 1199SEIU is a successful local labor union that organizes low-income workers to negotiate fair wages and benefits. The LCCU and 1199SEIU represent two dissimilar models of harnessing collective power in different geographic areas in the U.S. Yet, an in-depth analysis at the history of these organizations finds certain elements of common ground upon which they could base a potential partnership. The LCCU and 1199SEIU serve a mutual constituency of low-income immigrants and share the mutual goal of improving their lives. Furthermore, an analysis of their unique competences exposes complementary sets of skills and resources. Given the existence of common ground and a subsequent interest from each organization in exploring a potential partnership, this thesis attempts to answer the following question: Can the LCCU and 1199SEIU be partners? This thesis argues that the LCCU and 1199SEIU can generate synergistic possibilities of collaboration by combining their unique competences to pursue mutual interests. However, this synergy also exposes challenges to the implementation of such possibilities. This thesis concludes by recommending a series of next steps for the LCCU and 1199SEIU to follow in order to overcome these challenges and make their potential partnership a reality.

Thesis Supervisor: J. Phillip Thompson
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## BIBLIOGRAPHIC REFERENCES
Organization Acronyms

- 1199SEIU United Healthcare Workers East (1199SEIU)
- El Centro Hispano (ECH)
- Latino Community Credit Union (LCCU)
- Latino Community Development Center (LCDC)
- Local 1199 (1199)
- North Carolina Latino Coalition (NCLC)
- Service Employees International Union (SEIU)
Chapter 1: Introduction

I first became interested in the Latino Community Credit Union (LCCU) during the fall of 2006 through conversations with professor Thompson. At the time, I was studying the impact of cooperatives in community economic development and the LCCU experience presented an extraordinary model of how to harness the collective power of individuals to fulfill a need. As I started to research the LCCU model I realized that these individuals were part of a growing number of low-income immigrants. By working in low-income communities, LCCU leaders nurtured their individual capacities for several years and, at a moment of crisis, harnessed their collective economic power to fulfill their financial needs.

In the same fashion, professor Thompson and I started relating the LCCU model to labor union models. We started discussing the recent organizing efforts of the Service Employees International Union (SEIU). Due to professor Thompson’s close ties with this labor union, we were able to narrow down our focus to the organizing experience of SEIU local 1199SEIU. As in the case of the LCCU, the 1199SEIU experience also presented a model of how to harness the collective power of individuals to fulfill a need. Furthermore, these individuals were also part of a growing number of low-income immigrants. However, in contrast to the LCCU, 1199SEIU leaders nurtured their individual capacities at the workplace and harnessed their collective bargaining power to fulfill their workplace needs.

After further exploring these models I started to realize that even though they provided different services to their low-income constituencies, their impact on their lives went beyond these services. By providing financial education in addition to financial services, the LCCU was empowering low-income immigrants to harness the U.S. socioeconomic system to take control of
their financial future. In the same fashion, by collective bargaining for a comprehensive set of benefits and services, 1199SEIU was transforming financial gains into invaluable gains in education, healthcare benefits, pension and retirement benefits, etc.

**Question**

These initial explorations started shaping the idea that even though these models operated in dissimilar manners, they shared a common ground. They both harnessed the collective power of low-income immigrants with the ultimate purpose of enhancing their lives. Independently, they have been successful at enhancing the lives of many low-income immigrants. However, what greater impact could they have if they were to work together? Was there a model that could generate synergy between them? In other words, can the LCCU and 1199SEIU be partners?

**Methodology**

To better understand the LCCU model I interviewed the former and current leadership of this organization at their offices in North Carolina. During my first visit I interviewed CEO Luis Pastor and board member Randy Chambers. These initial interviews sought to understand not only the LCCU but also raised an interest in a possible partnership between the LCCU and 1199SEIU. During my second visit, I interviewed the early organizers of the LCCU: Ivan Parra and current board chair John Herrera. These second round of interviews sought to gain insight on the leadership and constituency that helped create the LCCU. I complemented my research with information from a previous thesis written about the LCCU model, information from the LCCU website and email correspondence. Finally, I put together a case study on the LCCU emphasizing
three important aspects: background, leadership and constituency and current status and developments.

To better understand the 1199SEIU model, I researched on several publications, books and websites, and conducted two interviews with current and former 1199SEIU leaders. I also relied on professor Thompson's knowledge and insights on the leadership and operations of the SEIU and 1199SEIU. The research on publications and books sought to understand the origins and evolution of 1199SEIU, and the recent organizing efforts of SEIU in Los Angeles, California. I complemented my research with information from these organization's websites, and insights from professor Thompson. In order to learn more about the current developments of 1199SEIU, I interviewed the founding director of 1199SEIU Child Care Fund Carol Joyner and met with Executive Vice President Patrick Gaspard. These interviews sought to raise an interest in a possible partnership and understand 1199SEIU's benefits and services. Finally, I put together a case study on 1199SEIU emphasizing four important aspects: background, leadership and constituency, the merge and current status and developments.

After finishing the case studies I conducted a two-part analysis to explore a possibilities of collaboration between the LCCU and 1199SEIU. During the first part of this analysis, I extracted mutual elements from each case in order to find common ground upon which to start building a case for collaboration. I focused on understanding the nature of their constituencies, the essence of their organizational goals and the skills and resources that composed their unique competences. During the second part of this analysis, I developed a framework of collaboration that generated synergistic possibilities of collaboration between the LCCU and 1199SEIU by combining their unique competences to pursue mutual interests. However, the generation of this synergy also exposed challenges to the implementation of such possibilities.
Chapters

This thesis explores how organizations competent at harnessing the collective power of low-income immigrants might successfully combine their strategies to advance the well-being of their mutual constituencies. Chapters 2 and 3 provide a detailed profile of two models that have successfully harnessed the collective power of their constituencies in order to fulfill their needs; a community development credit union model: the LCCU and a labor union model: 1199SEIU. Chapter 4 identifies and analyzes elements that create common ground between the LCCU and 1199SEIU. Chapter 5 creates a framework of collaboration to generate possibilities of collaboration and identifies challenges to their implementation. The thesis concludes by recommending a series of next steps for these organizations to follow in order to overcome these challenges and make their potential partnership a reality.
Chapter 2: The Latino Community Credit Union (LCCU)

Background

Between 1990 and 2000 the U.S. Latino population increased by more than 50 percent; Mexicans represented the largest group (58.5%), followed by Puerto Ricans (9.6%). Within these years, a large influx of Latino immigrants (migrants and from abroad) exponentially increased the North Carolina Latino population.¹ Between 1995 and 2005 most of this population found jobs primarily in the construction industry, followed by retail and wholesale trade. Due in part to low levels of education and the willingness to work in low-wage occupations, Latinos represented a large portion of the North Carolina working poor. (Kasarda & Johnson 2006, pp. 1-23)

The fast growth of Latinos caught cities in North Carolina unprepared to meet their needs. In particular, the banking industry was not successful at providing affordable financial services to low-income Latino immigrants. This lack of financial services challenged their ability to manage their assets and create wealth and left them at risk of predatory lending practices and crime. The perception that Latinos did not use banks, but instead kept their money at home, created a wave of crimes against them. Late in 1996, a dozen armed robberies and home invasions against Latinos were reported in a span of two months. Some of these crimes involved robbery, assault, rape and murder. (Elliot 2001 pp. 8-11)

¹ Between 1990 and 2000 the North Carolina Latino population grew from 76,726 to 383,465.
Leadership & Constituency

In response to the fast growth of underserved Latinos, community organizations started working in low-income Latino communities in order to meet their needs. One of these organizations, the Hispanic Resource Center, developed the Latino leadership that would help create the LCCU. (Elliot 2001, pp. 38-39) These leaders were middle-class college-educated Latin American immigrants. On the other hand, their constituency was primarily composed of low-income Mexican immigrants. (Herrera 2008) (Parra 2008) Two strategic contributions were made that helped galvanize this leadership and constituency: the organization of a large Latin American festival and the incorporation of a Latino nonprofit institution.

In 1994, John Herrera, a Costa Rican immigrant, organized one of the largest Latin American festivals in North Carolina: La Fiesta del Pueblo. After he and his wife arrived in North Carolina in 1992 John was able to connect with a group of Latin American immigrants during an event organized by the Latin American Coalition in Charlotte. In order to improve the level of community organization among the Latin American population, he called upon this group to help him organize a small dinner gathering. After receiving the interest and support from over 300 people, the dinner gathering became one of the largest celebrations of Latin American traditions; bringing the Latino community together to proudly share its heritage in North Carolina. As Herrera puts it: “La Fiesta del Pueblo was a strong organizing tool that brought together middle-class and low-wealth Latinos, Catholics and Evangelicals, White and African American entrepreneurs, etc, and positively affected the perception of Latinos in North Carolina.” (Herrera 2008) (Herrera 1999, pp. 36) (Elliot 2001, pp. 43-44)
In 1996, Ivan Parra, a Colombian immigrant, incorporated El Centro Hispano2 (ECH) and with the help of other Latino leaders, including John, started building the Latino constituency that would become LCCU’s field of membership. With a strong Latino leadership at the helm, ECH concentrated its efforts in providing a comprehensive set of social services to meet the needs of the Latino community, and in strengthening the network of Latino organizations in North Carolina. After a wave of crimes against Latinos, who were known to distrust and not approach the police and the banks, the ECH organized “crime forums,” which provided a space for Latinos to come together to listen to victim stories and discuss solutions. During these “crime forums”, the Latino leadership and constituency became one single voice: addressing local authorities and demanding action. (Parra, 2008) (Elliot 2001, pp. 45-46)

The Creation of the LCCU

In 1997, after an ECH member suggested the idea of Latinos owning their own financial institution to solve the crime issue, the Latino leadership explored it further by turning to the banking industry for support. However, they realized that this industry was not interested in providing the Latino community with basic financial services without gaining substantial profit. This lack of support steered the Latino leadership to turn to the credit union community, which had been showing interest and support after seeing the success of La Fiesta del Pueblo, and which ideology was consistent with the needs of the Latino community. (Elliot 2001, pp. 46-51)

On May 14th 1999, ECH’s Latino leadership met with credit union activists; including leaders from Self Help (SH), the State Employees Credit Union (SECU), the North Carolina Minority Support Center (NCMSC) and the North Carolina Credit Union Division (NCCUD);

2 Previously referred to as the Hispanic Resource Center.
and gained their commitment to support the creation of a Latino owned credit union in Durham (Elliot 2001, pp. 51-53). In record time: ECH provided the leadership and field of membership, SH prepared the business plan and charter application, helped form the board, provided office space and raised funds, the SECU established the computer system and provided the accounting, the NCMSC made an operating grant, and the NCCUD provided informational resources. With Management, Field of Membership, Infrastructure, Capital, Backroom Support and a Charter Number, the LCCU opened its first branch in Durham on June 26th 2000. (Elliot 2001, pp. 51-76) (Herrera, 2008)

**The LCCU Now**

Today, the LCCU is a financially sustainable, award winning, U.S. community development credit union with the mission to “improve the financial condition of the Hispanic community through the delivery of affordable financial services and financial education programs” (LCCU 2008a). Based in North Carolina, it currently operates through 5 branches in Durham, Charlotte, Raleigh, Greensboro and Fayetteville. It is composed of over 50,000 members, a member-elected 9-person board of directors and 3-person supervisory committee, and a total of 44 employees (LCCU 2008b). Through its financial services, the LCCU is responsible for $ 38 million in total shares and deposits, and provides over $ 51 million in total loans. Its total assets are valued at over $ 55 million (NCUA 2008). Through its financial education programs, the LCCU has graduated over 9,000 members (LCCU 2008c).

LCCU’s financial education programs help members understand the U.S. financial system and harness it to plan their financial future (Bell 2008). Educated members become loyal members. As CEO Luis Pastor explains: “Our classes aim to differentiate us from other financial
institutions, our classes do not market our financial products but rather truly educate our members so that they can compare several financial products and choose the one that best fit their needs. Since we do not consider our membership immigrant status to pose greater credit risk than, for instance, a citizenship status, we are certain that our financial products would be very competitive and that our members would choose us over other financial institutions.” (Pastor 2007)

Even though successful, the LCCU faces many challenges to its operational capacity. Among these challenges, strong market competition and the lack of progress on immigration reform are currently undermining its membership growth. After seven years of meteoric membership growth, the LCCU experienced its first membership decline\(^3\) at the end of 2007 (NCUA 2008). Discussing the LCCU membership decline, CEO Luis Pastor explains that “LCCU markets have started to saturate and due to the lack of progress on immigration reform, some folks have given up hope and have left the country” (Pastor 2007).

Pastor further elaborates on the LCCU challenges: “capitalizing on our success, big banks have started to offer services to Latino immigrants, but in contrast to our mission, they (big banks) receive the immigrant capital and offer abusive (or no) loans in return... ...the media frequently relates to issues of political lobbying undermining immigrant rights, whether it is the issue of undocumented immigrants getting driver licenses or allowing police officers to deport undocumented immigrants, immigrants in general face a hostile environment.” But in spite of these adverse developments, Luis remains focused: “we do not have the resources to influence immigration policies, we use all our resources to fulfill our mission, to provide financial services for immigrants like nobody else does” (Pastor 2007).

\(^3\) LCCU membership declined from 50,841 in June 2007 to 50,323 in December 2007.
Political Empowerment and the Creation of The NCLC

The creation of the LCCU generated a momentum that has gone beyond solving a crime issue. The success of the LCCU has made Latinos immigrants realize that they can organize, develop alliances with U.S. institutions and harness the U.S. socioeconomic system to solve their own problems. In other words, using their collective power, Latino immigrants can influence the decisions that affect their lives. This political empowerment has started to develop Latino leadership positions and networks of Latino organizations, at the local and state level in North Carolina. While in 2001, John Herrera became the first Hispanic member of the Carrboro Board of Aldermen; in 2004, Ivan Parra helped incorporate the North Carolina Latino Coalition (NCLC) in Durham.

The NCLC is a network of over 50 grassroots Latino organizations that addresses issues affecting its constituency through collective public action. This network has its origins in the organizing efforts of Ivan Parra. As ECH’s executive director, Parra’s membership development created LCCU’s initial field of membership. However, LCCU’s rapid growth and expansion triggered the need to organize members beyond Durham. In September 2002, after the LCCU leadership created the LCDC with the purpose of building a statewide network of Latino organizations to support expansion, Ivan was hired as LCDC’s first executive director. (CASE 2004, pp. 8)

With Parra at the helm, the LCDC provided seed money to build a Latino coalition of organizations. The LCDC also provided technical assistance to support these organizing efforts. In November 2004, due to coalition growth and a general consensus among coalition members on achieving full control and ownership, the LCDC helped incorporate the NCLC, “a non
partisan, multi-issue network of organizations dedicated to building relational power among grassroots Latino leaders" (NCLC, 2008a). At the end of 2004, Ivan resigned from the LCDC and started working with the NCLC. (NCLC, 2008a)
Chapter 3: 1199SEIU United Healthcare Workers East

(1199SEIU)

Background

Between 1945 and 1970 the U.S. healthcare industry experienced unprecedented growth. Hospital budgets increased more than ten times and hospitals employed nearly half the number of healthcare workers. The variety of occupations needed to maintain hospital operations allowed for several divisions to be formed within this workforce. These divisions grouped nurse’s aides working with the elderly, maintenance workers working in boilers rooms, dietary workers working in kitchens, janitors, etc. These workers were paid depending on the level of skills required by their occupations. Most occupations were usually “low-skilled” or “unskilled” compared to a smaller percentage of professional ones. In the late 1950s, almost three quarter of hospital workers in New York City’s voluntary hospitals were unskilled. Most of them were paid wages below the minimum national wage. (Fink & Greenberg 1989, pp. 1-12)

African Americans migrating from the South and Puerto Ricans composed a large percentage of the postwar healthcare workforce. The proportion of immigrant workers in the hospitals to the entire hospital workforce was higher than from the immigrant workers to the entire population of New York City. In addition to low wages, the hospital working culture of paternalistic management practices, which included abuse of authority to keep discipline among unskilled workers, made this low-income immigrant workforce dissatisfied with the working conditions at their workplaces. (Fink & Greenberg 1989, pp. 1-12)
Leadership & Constituency

In response to the fast growth of low-income immigrant hospital workforce, labor unions started to organize hospital workers to negotiate in behalf of their interests. One labor union, Local 1199 (1199) developed the leadership that would push the boundaries of hospital unionism. These leaders were middle-class educated Russian immigrants. (Fink & Greenberg 1989, pp. 17-19) On the other hand, most of the constituency they organized was composed of low-income African American and Puerto Rican workers. One of the most important strategic contributions that helped galvanize this leadership and constituency was the early emphasis on interracial solidarity as a union value. (Fink & Greenberg 1989, pp. 28-43)

Since their initial meeting in 1957, 1199 leaders Leon Davis and Elliot Godoff became the champions of hospital unionism. Davis, a Russian immigrant had been president of 1199 since 1934 and was “restless and hungry for new ideas” (Fink & Greenberg 1989, pp. 26). When he met fellow Russian immigrant Godoff, who had started to organize at hospitals during the late 1940s, Davis asked Godoff to lead 1199 efforts to organize hospital workers in New York City. (Fink & Greenberg 1989, pp. 17-27) During the initial campaigns, Godoff quickly identified the realities of the hospital workforce; which was racially and occupationally divided. In order to organize across these divisions, Godoff built a multi-racial core of rank-and-file organizers who represented workers by department and carried the union message to every corner of the hospitals. (Fink & Greenberg 1989, pp. 33) This organizing model became a powerful tool to establish interracial solidarity as an 1199 value. At the picket lines, this value gave African Americans, Latinos and Whites an opportunity to see themselves as allies, fighting for the right to unionize. (Fink & Greenberg 1989, pp. 89)
During the 1960s, 1199 leaders saw their African American and Latino constituency as a strong community movement that played a vital role within the civil rights movement. As Davis stated: “The fight of the hospital workers is symbolic of all the problems of the minority groups in the city and has become the focal point around which they are rallying” (Fink & Greenberg, 1989 pp. 113). 1199 campaigns used themes from the civil rights movement to inspire leadership and constituency to fight for the “human right” to living wages. In 1968, after successfully negotiating a contract with the League of Voluntary hospitals in New York, 1199 engaged in a “union power, soul power” crusade to organize hospital workers beyond New York City. With the help of the civil rights movement and the labor movement, 1199 conducted a historical labor strike in Charleston, South Carolina. During this strike, 1199 leaders were able to mobilize hospital workers and establish a local (1199B) in Charleston. However, these accomplishments were not sustainable over time and 1199’s presence in South Carolina did not last long. (Fink & Greenberg, 1989, pp. 129-158)

1199 & SEIU

Due to the nature of their constituencies, 1199 and the Service Employees International Union (SEIU) crossed paths in several instances before finally merging. SEIU had been organizing hospital workers since after the early 1930s. During the 1970s, 1199 was struggling to adapt to healthcare industry changes that were undermining the growth of its constituency. In response to this challenge, 1199 leaders decided to join forces with SEIU. Soon after this cooperation they started merger discussions based on the idea of organizing all healthcare workers into one single union. (Fink & Greenberg 1989, pp. 179-180) These discussions continued throughout the 1970s and into the 1980s. However, Davis’ frail health and a
subsequent leadership succession⁴ generated an internal power struggle within 1199 that threatened its operational stability and public image. As a result, the merging between 1199 and SEIU advanced slowly and in a fragmented manner; the New York City flagship did not merge with SEIU until 1998. (Foner 2002, pp. 105-106)

1199SEIU Now

Today, 1199SEIU is the largest local union in the world serving over 300,000 workers and retirees; 40 percent of which are immigrants (Thompson 2008). Its mission is to: “to improve and expand quality patient care, to protect and improve the lives of our members and our families, and to work in solidarity with working people in our communities and around the world” (1199SEIU 2008a). 1199SEIU has a presence in Massachusetts, New York, Maryland and the District of Columbia. It is affiliated with SEIU: the largest healthcare union representing 900,000 healthcare workers across the U.S. (SEIU 2008a) Through their “Family of Funds,” 1199SEIU members have access to a wide array of benefits, including healthcare, pension and retirement and financial and social services. (1199SEIU 2008b)

Homecare is 1199SEIU’s largest single division and the fastest growing. This division represents over 70,000 workers; a growing percentage of which are low-income immigrants. (1199SEIU, 2008c) The nature of this workforce presents a challenge for workplace-based organizing because these workers do not share a common workplace. (Thompson 2008) In the late 1980s, 1199SEIU joined forces with the American Federation of State, County and Municipal Employees (AFSCME) and organized a “Campaign for Justice” in behalf of homecare workers in New York City. This campaign used direct political action strategies to first increase

⁴ Leon Davis was the president of 1199 at the time.
state and local funding for homecare agencies and later pass this funding to homecare workers in the form of better wages and benefits. In addition, by shaping public policy through the strategic support of key state politicians, SEIU has gained further funding in behalf of these unionized homecare workers. (Mareschal 2006, pp. 37-39)

SEIU and SEIU leaders have realized the importance of organizing the growing percentage of immigrant workers in their communities. SEIU recent experience organizing in California has provided crucial insight on strategies to organize an otherwise considered "unorganizable" low-income Latino immigrant workforce. This workforce is bound through strong social networks, which are reinforced by religious institutions as well as community-based organizations. Through these networks Latinos are able to fulfill essential needs such as housing, childcare, financial assistance and employment, among others. In 1988, when SEIU successfully conducted the Justice for Janitors campaign in Los Angeles, organizers found that these social networks played an important role in membership development. As workers recruited closed contacts, such as friends and family members, they created clusters of workers with the same occupations within the same apartment buildings facilitating the union-building process. (Milkman 2006, pp. 134-135)

SEIU continues to expand its presence across the U.S. to reach out to more low-income immigrant workers. Since the 1980s SEIU has grown from 625,000 to more than 1.8 million members (SEIU 2008b) and it is currently organizing in areas with low union density, such as Florida, Texas, Georgia and Virginia. (Thompson 2008) However, these organizing efforts constantly meet strong resistance. In addition to anti-union employers and policies, the lack of progress on immigration reform also represents a constant challenge to its immigrant membership. After the tragic events of September 11th 2001, U.S. policies have taken a hard anti-
immigrant turn. As a result, the progress that labor movement lobbying had accomplished pushing immigration reform to the top of the national political agenda lost its momentum. Since then, the lack of progress on this issue has given way to an increase on, and broader legitimacy of, attacks on immigrant rights. (Milkman 2006, pp. 11) In 2002, the U.S. union density in California, which had leveled off since 1997, “resumed its long decline” (Milkman 2006, pp. 196).
Chapter 4: Common Ground

Even though the LCCU and 1199SEIU represent two dissimilar models of harnessing collective power, the following analysis finds certain elements of common ground upon which they could base a potential partnership. This analysis focuses on the nature of their constituencies, organizational goals and unique competences.

Mutual Constituency

The LCCU serves a low-income Latino immigrant constituency. LCCU early leaders organized low-income Latino immigrants in their communities in order to create the LCCU. Currently 97% of LCCU members are minorities and 97% are low-income. (LCCU 2008c) The majority of these members come from Mexico and different countries in Latin America; a few come from countries in Africa (Pastor 2007). Even though middle-class, LCCU early organizers, Herrera and Parra, also come from immigrant backgrounds. While Herrera is a Costa Rican immigrant, Parra is a Colombian immigrant.

1199SEIU serves a low-income immigrant constituency. 1199SEIU early leaders organized low-income African Americans and Latinos at their workplaces. Currently, 1199SEIU members are African American and Latino and a growing percentage are low-income immigrants. Even though middle-class, 1199SEIU early organizers Davis and Godoff also came from immigrant backgrounds; they were both Russian immigrants. In addition, 1199SEIU president from 1989 to 2007, Dennis Rivera, migrated from Puerto Rico (SEIU 2008c).
The LCCU and 1199SEIU both serve a mutual constituency of low-income immigrants. The LCCU serves low-income immigrants in their communities and 1199SEIU serves low-income immigrants at their workplaces.

Mutual Goal

The LCCU goal is to improve the lives of its constituency. The LCCU improves the financial condition of its constituency by providing affordable financial services and financial education programs. However, the impact of the LCCU goes beyond providing these services. Its financial services build wealth in low-income communities by creating homeowners. In addition, LCCU’s financial education programs empower its constituency to harness the U.S. financial system in behalf of themselves and their families.

1199SEIU goal is to improve the lives of its constituency. 1199SEIU improves the working condition of its constituency by collective bargaining for living wages and several benefits, such as healthcare, childcare and retirement. However, the impact of 1199SEIU goes beyond providing these services and benefits. By providing services that complement work related needs, 1199SEIU enhances several aspects of the lives of its constituency. For instance, its “Family of Funds” fund childcare and summer camp programs to support low-income families with working parents (Joyner 2008).

The LCCU and 1199SEIU share the mutual goal of improving the lives of their constituencies. The LCCU improves the financial condition of its constituency and 1199SEIU improves the working condition of its constituency.
Unique Competences

The LCCU has developed strong mechanisms for community-based organization in low-income immigrant communities. Early LCCU organizers, Herrera and Parra, started organizing low-income Latino immigrants in their communities through community-based organizations. By providing services and listening to their needs Herrera and Parra developed strong relationships with these Latino immigrants and started to gain their trust. In response to a wave of crimes that targeted these Latino immigrants, Herrera and Parra effectively mobilized a loyal low-income immigrant constituency to create the LCCU.

1199SEIU has developed strong mechanisms of worker representation. Through a rich collective bargaining experience, 1199SEIU have represented its worker to win union recognition in non-unionized workplaces and union contracts that provide living wages, benefits and services. 1199SEIU has also created a “Family of Funds” as a mechanism to fund a comprehensive set of benefits and services in behalf of its workers’ needs. Currently 1199SEIU represents more than 300,000 workers and is under the umbrella of SEIU, which represents 1.9 million workers across North America.

The creation of the LCCU has developed political empowerment among its leadership and constituency. This empowerment triggered the creation of a coalition of Latino community-based organizations: NCLC, which has continued the early organizing efforts that created the LCCU. The NCLC currently conducts civic campaigns to address the issues that affect Latino communities in North Carolina. Among these issues, the NCLC focuses on comprehensive immigration reform, protection of civil rights, decent housing and access to education (NCLC 2008c).
1199SEIU has developed strong mechanisms of political action. In order to successfully use their collective bargaining power, 1199SEIU has not only organized workers at their workplace but has also implemented political action strategies to influence legislation in behalf of its workers’ interests. In New York City, 1199SEIU has negotiated with politicians in behalf of pro-union laws. Under the umbrella of SEIU, 1199SEIU has also organized its worker constituency to elect public officials that support the labor agenda.
Chapter 5: Framework of Collaboration

Joined by a mutual constituency, which they serve towards a mutual goal, the LCCU and 1199SEIU can generate synergistic possibilities of collaboration by combining their unique competences to pursue mutual interests.

Mutual Interests

Constituency Growth

The LCCU has an interest in reaching out to more low-income immigrant communities. As the Latino population in North Carolina grows steadily\(^5\), the LCCU wants to reach out to more Latino immigrant communities. In order to achieve this growth, the LCCU has emphasized on providing exceptional personal services at their branches to generate referrals (Pastor 2007). Through these branches, the LCCU currently serves more than 50,000 members. However, intense competition from other financial institutions and lack of progress on immigration reform has stalled the growth of its immigrant membership.

1199SEIU has an interest in expanding its reach to U.S. regions with growing numbers of low-income workers (Thompson 2008). Since its affiliation with SEIU in 1998, 1199SEIU has increased its membership and expanded its reach across three U.S. states, including the District of Columbia. 1199SEIU now represents more than 300,000 workers. This strategic affiliation has been part of SEIU’s expansion across several U.S. states, including states in the South. For instance, SEIU has locals in Virginia, Georgia and Florida, but does not have a presence in North

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\(^5\) According to the American Community Survey Data Base, the Latino population grew from 506,206 in 2004 to 597,382 in 2006.
Carolina, which has the lowest union density in the U.S. and a fast growing number of low-skill jobs (CLEAR 2007) (NCCWD 2007, pp. 21).

The LCCU and 1199SEIU share a mutual interest in expanding their constituency. The LCCU wants to reach out to Latino immigrant communities in North Carolina. Under the umbrella of SEIU, 1199SEIU wants to reach out to low-income workers in low union density U.S. regions.

**Comprehensive Immigration Reform**

The lack of progress on comprehensive immigration reform is a constant challenge to the LCCU and 1199SEIU constituencies and these organizations’ ability to serve them. The Center for Immigration Studies estimates that of the 37.3 million immigrants in the U.S., 11.3 million are undocumented (Camarota 2007, pp. 31) Undocumented immigration is currently a very contentious issue and the lack of progress on comprehensive immigration reform has created detrimental socioeconomic conditions: an affront to the rule of U.S. laws as well as a precarious state for undocumented immigrants (NCLC 2008c).

In response to these conditions, organizations, political action committees and public officials advocate for either the reduction of undocumented immigration or the legalization of undocumented immigrants. On one hand, immigration raids and deportations have been measures of reduction of undocumented immigration. (Collins 2007) On the other hand, organizations such as the LCCU\(^6\), NCLC\(^7\) and SEIU\(^8\) advocate for measures that protect the civil rights of all immigrants and allow them to have prosperous lives and build prosperous communities in the U.S.

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\(^6\) (Pastor 2007)  
\(^7\) (Parra 2008)  
\(^8\) (SEIU 2007)
Possibilities of Collaboration

Organize Low-Income Immigrants Workers in North Carolina

One possibility of collaboration could be framed around pursuing the expansion of their constituency. The LCCU has an interest in reaching out to more low-income immigrant communities in North Carolina. 1199SEIU has an interest in expanding its reach to U.S. regions with growing numbers of low-income workers, such as North Carolina. Independently, the LCCU could use strong mechanisms for community-based organization to expand its constituency. However, LCCU resources are currently allocated exclusively to the provision of affordable financial services; leaving limited capacity for community-based organizing. In the same fashion, 1199SEIU could use strong mechanisms of worker representation to organize low-income workers in North Carolina. However, without the knowledge and loyalty of the local population, 1199SEIU would have to deploy large amounts of resources to establish a strong presence.

On the other hand, by combining their unique competences and resources they could reach out to a greater number of low-income immigrants. The LCCU could strengthen its organizational capacity by working with NCLC leaders to consolidate their constituencies into a larger constituency. To complement these efforts, 1199SEIU could work with LCCU and NCLC leaders to provide worker representation to their combined constituency. In other words, the LCCU, NCLC and 1199SEIU could collaborate to organize low-income immigrants workers in North Carolina.

In order to implement this collaboration the LCCU and NCLC would have to build a combined constituency and allow 1199SEIU to access and unionize such constituency. Prior to
the interaction with 1199SEIU, LCCU and NCLC leaders would have to allow themselves mutual access to their constituencies. LCCU leaders could advertise NCLC information within their branches and in their website and NCLC leaders could reciprocate this action. Once the LCCU and NCLC have the knowledge and trust of each other’s constituencies, then they would have to allow 1199SEIU organizers to access such constituency in order to implement a unionization strategy. NCLC leaders have already started working on a strategy to unionize low-income immigrant workers in North Carolina (See Diagram 1). Therefore, it would be important for LCCU, NCLC and 1199SEIU leaders to build upon this strategy.

The NCLC strategy supports the creation of a “Community Center Module” at each one of the NCLC organizations with the purpose of reaching out to these organizations’ constituencies. This module would provide the physical infrastructure and the organizational platform to establish a “Worker Center,” a “Worker Rights Program” and a “Membership Development Center.” The function of the Worker Center would be to provide workers training and career development services. Since the majority of these workers would be immigrants, the Worker Rights Program would emphasize in providing information on immigrant worker rights. In addition to providing basic information about U.S. labor unions, the Membership Development Center would allow workers to gain workplace representation by becoming labor union members. A team of an NCLC leader working with an 1199SEIU organizer would compose the module staff. While the NCLC leader provides the knowledge and trust of the local constituency the union leader brings the political strength, training experience and financial support to represent this constituency.
Diagram 1
NCLC Strategy to Organize Latino Workers in North Carolina

Labor Union Leader

Political Strength, Training Experience & Financial Support

Community Center Module
- Worker Center
- Worker Rights Program
- Membership Development Center

Knowledge & Trust of the Local Constituency

NCLC Leader

NCLC (Network of Latino Organizations)

Source: NCLC (Parra 2008), Author.
Conduct Effective Public Actions in North Carolina

Another possibility of collaboration could be framed around promoting comprehensive immigration reform. The lack of progress on this issue presents a constant challenge to the LCCU and 1199SEIU constituencies and to these organizations’ ability to serve them. Independently, the LCCU could harness the political empowerment of its leadership and constituency to conduct civic campaigns that address the measures that challenge the civil rights of its immigrant constituency. However, LCCU resources are currently allocated exclusively to the provision of affordable financial services; leaving limited capacity for civic advocacy. In the same fashion, under the umbrella of SEIU, 1199SEIU could use strong mechanisms of political action to push comprehensive immigration reform to the top of the national political agenda. However, the contentiousness of the undocumented immigration issue would slow down the impact of these efforts at the state and local levels.

On the other hand, by combining their unique competences and resources they could have a greater impact addressing the measures that challenge the civil rights of their immigrant constituency at the state and local levels. The LCCU could strengthen its civic advocacy capacity by working with NCLC leaders to consolidate their constituencies and reach out to a network of supporters to create a larger constituency in North Carolina. To complement these efforts, 1199SEIU could provide LCCU and NCLC leaders with assistance on political action strategies to reach out to state officials that support their civic advocacy goals. In other words, the LCCU, NCLC and 1199SEIU could collaborate to conduct effective public actions in North Carolina. It is noteworthy to state that, due to their 501c3 status, neither the LCCU (through the LCDC\(^9\)) nor the NCLC can participate or intervene in any political campaign on behalf of, or in opposition to,

\(^9\) The LCDC provides the field of membership to the LCCU and is a 501c3 organization.
any candidate for public office (IRS 2004). However, these organizations can reach out to elected officials and demand commitments in behalf of their constituencies.

In order to implement this collaboration the LCCU and NCLC would have to build a combined constituency and work with 1199SEIU political action strategists to effectively mobilize them for public action. Prior to the interaction with 1199SEIU, LCCU and NCLC leaders would have to allow themselves mutual access to their constituencies. LCCU leaders could advertise NCLC information within their branches and in their website and NCLC leaders could reciprocate this action. In addition, LCCU leaders could encourage its constituency to support NCLC civic campaigns. Once the LCCU and NCLC have the knowledge and trust of each other’s constituencies, then they would start working with 1199SEIU political strategists to develop an agenda of winnable issues and identify elected officials to target for commitments to move their agenda forward. NCLC leaders have already developed an agenda to address issues affecting its immigrant constituency. In addition, they have started organizing multi-racial grassroots coalitions to reach out to public officials and have gained commitment to address some of these issues (NCLC 2008b). It would be important for LCCU, NCLC and 1199SEIU leaders to build upon these organizing efforts and accomplishments. After conducting successful public actions, 1199SEIU strategists would advise LCCU and NCLC leaders on tactics to follow-up on negotiations with targeted elected officials to hold them accountable to their commitments.

**Challenges to Collaboration**

The synergy generated by these possibilities of collaboration exposes challenges to their implementation that the LCCU and 1199SEIU would have to overcome in order to achieve a
successful collaboration. These challenges emanate from the interactions among leaders and between leaders and their constituencies.

There are ideological differences between LCCU and NCLC leaders. On one hand, LCCU board chair John Herrera believes that a sound way to enhance the lives of Latino immigrants is to harness economic models, such as credit unions, to diligently and patiently generate economic power; and by developing key alliances to turn this economic power into political power. On the other hand, NCLC organizer Ivan Parra believes that to enhance the lives of Latino immigrants one must empower them to make claims on their rights by exerting public pressure on key decision makers who have the power to address their interests. (Herrera 2008) (Parra 2008)

The ideological differences between LCCU and NCLC leaders could divide them and their constituencies. For instance, LCCU leaders could choose not to encourage its constituency to support NCLC civic campaigns on the basis that it brings unnecessary attention to their undocumented immigrant membership and exposes them to adverse political advocacy. If LCCU and NCLC leaders chose not to collaborate, the LCCU would not be able to strengthen its organizational and civic advocacy capacity. This lack of collaboration would also divide the LCCU and NCLC constituencies and hinder the success of further collaboration with 1199SEIU.

Treating 1199SEIU only as an institutional investor could base the partnership between the LCCU and 1199SEIU on vague terms. 1199SEIU has expressed an interest in supporting the LCCU by making a certificate of deposit (Gaspard 2008). Because the LCCU has various institutional investors that provide economic support, LCCU leaders might complete this transaction considering 1199SEIU as one more institutional investor. This limited consideration could generate vague partnership terms between LCCU and 1199SEIU. On one hand, 1199SEIU
leaders might expect the LCCU leaders to allocate some of the 1199SEIU investment to fund organizing efforts. On the other hand, LCCU leaders might consider this expectation a complete deviation of the LCCU mission.

Immigrant background differences between 1199SEIU organizers and LCCU and NCLC constituencies could challenge organizing efforts. On one hand, 1199SEIU organizers have worked with Latinos from the Caribbean Islands (Puerto Rico, Dominican Republic, etc) and these organizers come from this constituency (Thompson 2008). On the other hand, LCCU and NCLC Latino constituencies are predominantly Mexican. The cultural idiosyncrasy of this constituency could present a barrier for its effective communication with 1199SEIU organizers. In addition, immigrant background differences could also reflect immigrant status differences; and the latter could challenge the effective organization and mobilization efforts.
Chapter 6: Conclusion & Next Steps

This thesis has sought to answer the following question: can the LCCU and 1199SEIU be partners? The existence of common ground supports a framework of collaboration between these organizations. In turn, this framework explores possibilities of collaboration, which provide evidence to conclude that the LCCU and 1199SEIU can be partners.

Independently, the LCCU and 1199SEIU have been able to harness the collective power of low-income immigrants in order to fulfill their needs. They provide dissimilar services that enhance the lives of low-income immigrants in their communities and at their workplaces. Each one of them have developed unique competences, while the LCCU strengths emanates from community-based organization, 1199SEIU’s emanate from worker representation.

Joined by their mutual constituency, which they serve towards a mutual goal, the LCCU and 1199SEIU could combine their unique competences to pursue their mutual interests in constituency growth and promoting comprehensive immigration reform. For instance the LCCU and 1199SEIU could partner to organize low-income immigrant workers and conduct effective public actions in North Carolina.

However, the ideological differences between LCCU and NCLC leaders could divide them and their constituencies and hinder the success of further collaboration with 1199SEIU. Treating 1199SEIU only as an institutional investor could base the partnership between the LCCU and 1199SEIU on vague terms. Furthermore, immigrant background differences between 1199SEIU organizers and LCCU and NCLC constituencies could challenge organizing efforts.

In order to overcome these challenges and make their potential partnership a reality the LCCU and 1199SEIU should consider taking the following steps:
• The success of a potential partnership between the LCCU and 1199SEIU depends on the collaboration between the LCCU and the NCLC. In order to harness their ideological differences to support their collaboration, LCCU and NCLC leaders need to determine the extent of their commitments. For instance, LCCU leaders might not agree to become a member of the NCLC but might allow NCLC information booths to be set at each one of their branches to support NCLC civic campaigns and promote NCLC constituency growth. To reciprocate NCLC leaders might promote the image of the LCCU through its network.

• The success of a potential partnership between the LCCU and 1199SEIU depends on a mutual understanding of partnership terms. 1199SEIU and LCCU leaders could use 1199SEIU’s interest in making a financial investment in the LCCU as an opportunity to meet and discuss the terms of this transaction and its meaning to the partnership. For instance, LCCU leaders might not agree to allocate some of the 1199SEIU investment to fund organizing efforts unless these efforts allow the LCCU to reach out to a broader constituency of organized low-income immigrant workers.

• The success of a potential partnership between the LCCU and 1199SEIU depends on the efficient galvanizing between 1199SEIU organizers and LCCU and NCLC constituencies. In order to address the cultural idiosyncrasies that might stall these galvanizing efforts, the LCCU and NCLC leaders need to work side by side with 1199SEIU organizers to provide valuable insight on their constituencies. Building upon current NCLC organizing strategies would be crucial to build knowledge and trust between the local constituency and 1199SEIU organizers.
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