

The LOCAL 1245 Union Primer

Part 2

Do Unions Make A Difference?

You hear it all the time: unions give employees the leverage to gain better wages, benefits and working conditions. But have you ever found yourself wondering if this is really true?

Wonder no more. Researchers for the Economic Policy Institute have compiled an enormous amount of data proving the union difference. After reading these numbers you might feel like heading out to the next union meeting to make sure your union has the support it needs to keep doing its job.

Here are some of the major conclusions published by researchers Lawrence Mishel and Matthew Walters in 2003:

Unions raise wages of unionized workers by roughly 20% and raise total compensation, including both wages and benefits, by about 28%.



- Data from the Current Population Survey of the Bureau of Labor Statistics show a union wage premium of 17.8%, according to an analysis published in 2003 in the Bureau of National Affairs.
- Data from the Census Bureau's Survey of Income and Program Participation show a union premium of 24.5%, according to a 2003 research paper by Bethney Gundersen.
- Data from the Bureau of Labor Statistics survey of employers, the National Compensation Survey, found a union wage premium of 17.4%, according to a study published in Compensation and Working Conditions in 1999.

Unions have a huge impact on the availability and quality of health insurance, according to Mishel and Walters' analysis.

- 83.5% of unionized workers have employer provided health insurance; only 62% of nonunionized workers have such a benefit.
- Unionized workers enjoy health benefits that are 77.4% more generous than nonunionized workers.
- Employers with unionized workforces provide better health insurance, paying an 11.1% larger share of single worker coverage and a 15.6% greater share of family coverage.
- Unionized workers also pay 18% lower health care deductibles and a smaller share of the costs for family coverage.
- In retirement, unionized workers are 24% more likely to be covered by health insurance paid for by their employer.

Unionized workers receive better pensions.

- The value of a pension enjoyed by unionized workers is 56% greater than pensions for nonunionized workers.
- 71.9% of unionized workers have pensions provided by their employers,

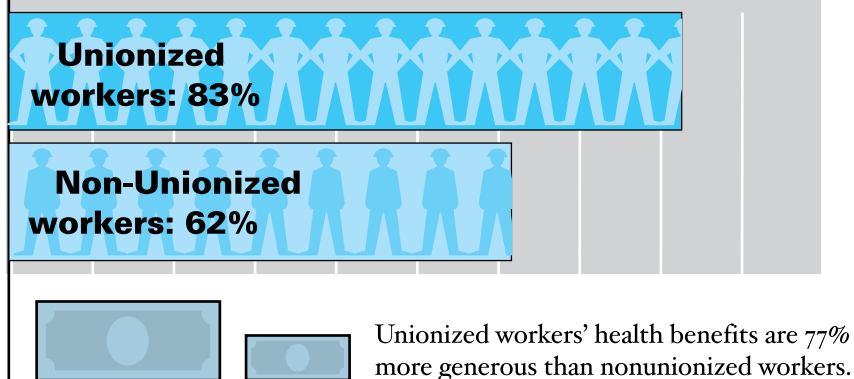
- while only 43.8% of nonunion workers do.
- Not only are unionized employees more likely to have a guaranteed benefit in retirement, their employers contribute 28% more toward pensions.



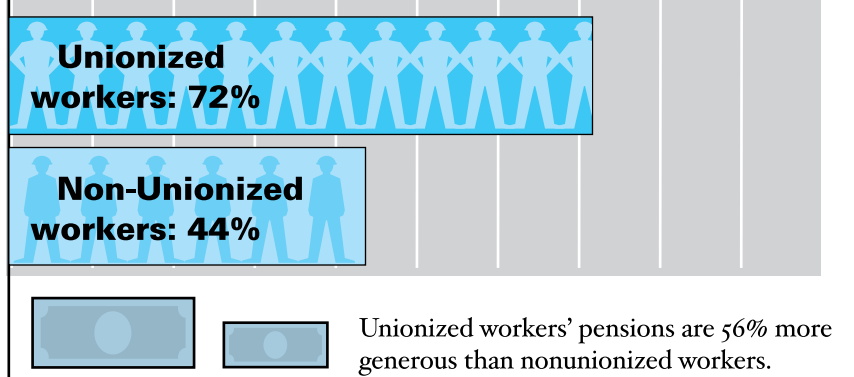
Unions improve compensation for all workers, even those without a union.

- A high school graduate whose workplace is not unionized, but whose industry is 25% unionized, is paid 5% more than similar workers in less unionized industries.
- Benefits such as pensions and health care came into existence because unions bargained for them, but then gained wide acceptance in the US economy: in effect, the benefits "rubbed off" on nonunion workers.
- Union grievance procedures, which provide "due process" in the workplace, have been mimicked in many nonunion workplaces.

EMPLOYER-PROVIDED HEALTH INSURANCE



EMPLOYER-PROVIDED PENSIONS



Source: Mishel & Walters, Economic Policy Institute, 2003

Unions reduce wage inequality because they raise wages more for blue-collar than for white-collar workers, and more for workers who do not have a college degree.

- The union wage premium for blue collar workers in 1997 was 23.3%, far higher than the 2.2% union wage premium for white collar workers.
- The union wage premium for high school graduates was 20.8%, much higher than the 5.1% premium for college graduates.
- While Gundersen estimated the union wage premium for all workers at 24.5%, for those with a high school degree or less the premium was 35.5%.

Do unions make a difference? The proof is in the numbers!

Source: http://www.epinet.org/content.cfm/briefingpapers_bp143