



FACTS & FIGURES

From the Economic Policy Institute

Unions

A union contract helps close racial and ethnic wage gaps, while increasing job quality, like health and pension benefits. However, union representation has fallen dramatically since the 1980s. This deunionization has affected wages and compensation across all groups, but particularly among blue-collar and high-school-educated male workers.

Union wages

- ❖ The union premium is presented as the extra dollars per hour and the percentage higher wage earned by those covered by a collective bargaining contract. This methodology yields a sizable union premium of 14.7% overall—18.4% for men and 10.5% for women.

*Union wage premium—
the degree to which
union wages exceed
non-union wages,
controlling for industry,
occupation, education,
experience and other
factors.*

Union Wage Premium by Demographic Group, 2005

Demographic group	Percent union*	Union premium**	
		Dollars	Percent
Total	14.3%	\$1.52	14.7%
Men	15.6%	\$2.32	18.4%
Women	12.9%	\$0.97	10.5%
Whites	14.2%	\$1.27	13.1%
Men	15.9%	\$2.14	17.0%
Women	12.4%	\$0.61	8.2%
Blacks	18.2%	\$2.31	20.3%
Men	19.9%	\$2.46	22.0%
Women	16.8%	\$2.24	18.6%
Hispanics	11.9%	\$3.02	21.9%
Men	12.1%	\$4.16	26.8%
Women	11.6%	\$1.75	15.9%
Asians	12.8%	\$2.02	16.7%
Men	12.6%	\$1.72	16.0%
Women	13.1%	\$2.53	17.5%
New Immigrants(Less than 10yrs)			
Men		\$1.28	14.6%
Women		\$1.74	14.6%
Other Immigrants (more than 10 yrs)			
Men		\$2.25	17.8%
Women		\$0.91	10.2%

* Union member or covered by a collective bargaining agreement.

** Regression-adjusted union premium advantage controlling for experience, education, region, industry, occupation, and marital status.

Source: Authors' analysis of CPS ORG.

Union wages

- ❖ Unionized immigrant workers obtain a premium comparable to other workers, whether they have immigrated relatively recently (within 10 years) or further back in time.
- ❖ The union wage premium was far greater among low-wage workers (27.9%) than among middle-wage (18.0%) or the highest-wage (10.5%) workers. Consequently, unions lower wage inequality.
- ❖ Unions, through a threat effect, raise the wages of non-union workers in industries and markets in which unions have a strong presence

Union benefits

- ❖ Unionized workers are 28.2% more likely to be covered by employer-provided health insurance, 28.4% more likely to have employer-provided pensions and are 24.4% more likely to receive health insurance coverage in their retirement.
- ❖ Unionized workers also have better benefits, with their health insurance and pensions plans funded at respectively, 52.7% and 27.7% higher levels than comparable nonunion workers.
- ❖ 71.9% of union workers have employer-provided pensions, compared to only 43.8% of non-union workers.
- ❖ Union workers get more paid time off. Their three weeks of vacation amount to about three days (0.63 weeks) more than non-union workers receive. Including both vacations and holidays, union workers enjoy 14.3% more paid time off.

Deunionization

- ❖ Workers covered by collective bargaining agreements fell from about 26% in 1978 to about 14% in 2005.
- ❖ The erosion of unionization can account for 65% of the 11.1 percentage-point growth of the blue-collar/white-collar wage gap among men over the 1978-2005 period.
- ❖ Among the high-school-graduate male workforce, unionization fell from 43.1% in 1978 to 19.0% in 2005, or by about half. The decline in union representation over that period reduced the union effect for high school male workers to just 3.3% in 2005.

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