

Effect of declining union power on male wage differentials, 1978-2005

A. Effect of union decline on wages

	Percent union				Union effect*			
	1978	1989	2000	2005	1978	1989	2000	2005
By occupation								
<i>White collar</i>	14.7%	12.1%	11.2%	10.7%	0.2%	0.0%	-0.2%	-0.2%
<i>Blue collar</i>	43.1	28.9	23.1	19.2	11.5	6.7	4.3	3.8
<i>Difference</i>	-28.4	-16.7	-11.9	-8.5	-11.3	-6.8	-4.5	-4.1
By education								
<i>College</i>	14.3%	11.9%	13.1%	11.0%	0.9%	0.5%	0.9%	0.4%
<i>High school</i>	37.9	25.5	20.4	19.0	8.2	5.5	3.1	3.3
<i>Difference</i>	-23.6	-13.6	-7.4	-8.0	-7.3	-5.0	-2.3	-2.8

B. Contribution of union decline on wage differentials

	Change in wage differential**				Change in union effect				Deunionization contribution			
	1978-89	1989-2000	2000-05	1978-2005	1978-89	1989-2000	2000-05	1978-2005	1978-89	1989-2000	2000-05	1978-2005
<i>White collar/blue collar</i>	5.0%	4.2%	1.9%	11.1%	-4.6%	-2.3%	-0.5%	-7.3%	-90.5%	-54.3%	-23.5%	-65.3%
<i>College/high school</i>	13.0	8.1	1.1	22.1	-2.3	-2.7	0.6	-4.4	-17.8	-33.5	53.6	-20.1

* Premium estimated with simple human capital model plus industry and occupational controls. Union effect is premium times union coverage.

** Estimated with a simple human capital model.

Source: Freeman (1991) and authors' analysis of CPS ORG data.

Table 3.35 from: Mishel, Lawrence, Jared Bernstein, and Heidi Shierholz, *The State of Working America* 2008/2009. An Economic Policy Institute Book. Ithaca, N.Y.: ILR Press, an imprint of Cornell University Press, 2009.

