



'I joined as soon as I was hired': Black, Hispanic workers benefit from unions, study shows

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When Tarsha Laster started working at Jackson Memorial Hospital in Miami, Florida, her mother gave her a piece of advice. Join the union.

"I joined as soon as I was hired," says Laster, 49, who has worked at the hospital for 15 years. "She said this is a resource and there's always somebody who has your back if needed."

As a member of the American Federation of State, County and Municipal Employees, (AFSCME) Laster says the benefits she has gained range from higher wages to good health care. "It is a safety net," she says.

Union membership increases the household wealth for workers overall, according to a report by the Center for American Progress, a progressive think tank, which analyzed data from the Federal Reserve's Survey of Consumer Finances from 2010–2019. But for Laster, who is Black, and many other workers of color, it gives a particular boost, increasing earnings, offering access to retirement savings and bolstering other benefits essential for financial security, according to the report.

The report's findings come in the wake of the COVID-19 pandemic which disproportionately affected Black and Latino workers, who lost their jobs at higher rates than white Americans and who generally experience higher unemployment rates than whites.

White union households had almost twice the median wealth of white households that did not include a union member, according to the report, which analyzed the survey data gathered from

thousands of U.S. families who answer questions about their earnings, balance sheets, benefits and demographics.

But the difference in wealth was most striking among some workers of color, the report concluded, with Black union households having three times the median wealth of Black families without a union member, and Hispanic union households having five times the median wealth of their non-union counterparts.

The report attributes the difference in resources between those in a union and those who are not with potentially playing a crucial role in bridging a financial gulf in which white families have roughly ten times the wealth of their Black peers, and over eight times the wealth of the median Hispanic family.

"Wealth is ... your ability to continue consuming, and having a reserve if anything goes wrong," says David Madland, senior fellow with the Center for American Progress and co-author of the analysis.

"Unions boost wealth for everyone .. but they provide even more of a boost for Black and Hispanic households, and because of this greater boost they help close the racial wealth gaps in a significant way."

But a strong economy may ultimately do more to narrow the racial wealth gap than union membership, says Scott Lincicome, senior fellow in economic studies, at the Cato Institute, a conservative think tank.

"There's no silver bullet that's going to handle long-term systemic issues, but there does seem to be a slow steady solution to these issues ... a really healthy, vibrant economy," he says, adding that the wealth gap "isn't going to be solved by flipping a switch and making everybody a union member."

Lincicome said that before the COVID-19 crisis, unemployment among people of color declined and wages rose, despite a drop in union membership.

"If you look at the U.S. economy pre-pandemic, you saw minority employment ... and wage growth that was pretty darn substantial as union membership continued to decline," Lincicome says. "And even in the pandemic ... you've seen significant gains, particularly at the low end of the wage spectrum."

Black Americans and Latinos had record low unemployment in 2019, according to BLS data.

And the median income in Black households rose to \$41,511 in 2018, slightly above the peak income of \$41,134 reached in 2007, according to the Brookings Institute, a left-leaning think tank.

The analysis from the Center for American Progress is also in line with data from the U.S. Bureau of Labor Statistics and other studies that found union members make more than those not in unions and have more access to employer provided health insurance.

Full-time workers who were represented by a union in 2020 had typical median weekly earnings of \$1,138 compared with non-union workers who had median weekly pay of \$958, according to the BLS.

And an August 2016 review of the Current Population Survey by the Center for Economic and Policy Research (CEPR), a progressive think tank, found Black workers who belonged to unions earned wages that were 16.4% higher on average than their Black peers who were not in unions.

A September 2008 CEPR survey of the data, which is compiled by the Census Bureau and Bureau of Labor Statistics U.S. Bureau, found union membership increased Latino workers' wages on average by 17.6% as compared to their peers. And Latino union members were 26% more likely to have employer-provided health care than their Latino counterparts who were not in unions.

“The differences in household wealth for Black and Hispanic households are largely due to the retirement benefits and job stability afforded by a union contract,” says Misael Galdámez, research analyst for social mobility and economic opportunity at UCLA’s Latino Policy and Politics Initiative.

'More dollars in people's pockets'

The typical Black union household has more than \$100,000 in wealth while the typical non-union Black household has less than \$30,000 in wealth, Madland says. Among Hispanic households, the difference is \$124,000 as compared to \$24,000.

"This is a lot more dollars in people's pockets and bank accounts that we're talking about," he says, adding that those additional resources can fund a child's college tuition or seed a rainy day fund.

Union members are also more likely to have a pension or other high quality retirement benefit, as well as employer provided health insurance, both pillars of financial security, Madland says.

"Retirement is a key way people accumulate wealth over their lifetime and health insurance is a way to protect the wealth they accumulate so if they go into the hospital they don't eat into their nest egg as much," he says.

Unions can also safeguard jobs and provide protections that make workplaces more palatable, Madland says.

Black and Latino workers typically have higher unemployment rates than whites, according to data from the Bureau of Labor Statistics, and joblessness fuels the need to tap savings. Retirement accounts also have less time to grow if a worker frequently switches jobs since new employees often have an initial period where they aren't able to accrue such benefits.

"What unions do for job stability is they provide an avenue for workers to have a discussion about workplace conditions which tends to mean that the environment is better and workers want to stay longer," Madland says. "And they have protections. The employer can't just fire them for no reason."

Lincicome of the Cato Institute says that unions can negotiate higher pay.

"I don't think there's a lot of doubt, even among free market guys like me, that union membership can raise the wages of union members," he says.

But in addition to higher wages that leave out non-union members and can lead to higher prices for union made products and services, "unions end up doing other things that can actually be harmful to even union members and then the economy more broadly."

Generous pensions and other benefits negotiated for auto workers in the 1980's, for instance, ultimately made the auto industry less competitive with overseas companies, and even some southern states in the U.S, Lincicome says. "That's why you've got a lot of automakers moving south and providing great paying jobs in places like Tennessee and South Carolina, (where they're) simply not subjected to a lot of the onerous union provisions."

'If I get sick, I can get paid'

Before getting a job at Jackson Memorial Hospital 28 years ago, William Orange worked in warehouses where there was no union representation.

“Working conditions were not the best, the hours of work weren’t the best,” says Orange, 54, who works in Jackson Memorial's nutrition department.

Now, as a union member, Orange has a guaranteed forty-hour work week and can take days off with pay if he isn't feeling well. “Being in the union gives you a sense of security,” he says. “It allows me to make a decent salary, and ... if I get sick I can get paid and it doesn't impact my financial situation with my family.”

Last year, 10.8% or 14.3 million workers, belonged to unions according to the Bureau of Labor Statistics. Another 1.7 million workers were covered by a union contract though they did not say they were union members.

Union membership was down in 2020 from 20.1% or 17.7 million in 1983, the first year with comparable data.

Charlotte Neal, 53, who owns a child care center in Sacramento, California that offers services around the clock, was able to join AFSCME two years ago. Through the union, she and other child care providers secured a contract with the state that will give them a 15% raise as of January 10.

“It takes away a lot of that stress of having to scrape... to juggle to try to balance everything,” says Neal, who sometimes had to limit what she and her husband ate to make sure she had enough food for the fourteen children in her care.

The union is continuing to fight to get child care workers benefits like health insurance and retirement savings, she says.

“I’ve given many years of service to the state of California .. so it’s something that I’ve earned,” she said. “With the union, we’re organizing and we’re fighting for providers.”

Unions may be just one solution

While unions can play a significant role in narrowing the racial wealth gap, there is a need for additional solutions, Madland says. A universal retirement plan for instance, would enable every worker to put money away, a particularly helpful benefit to Black and Hispanic workers who tend to have less access to retirement vehicles on the job.

Galdámez also says that strengthening the right to organize, increasing access to apprenticeships, and incorporating diverse worker voices among corporate leaders and board members can help bring about more parity.

Policies that are more specifically targeted at tackling inequity would also be helpful, Madland says, such as addressing discrimination in the housing market. Home ownership is one of the main ways Americans build and pass on wealth.

But Laster says membership in a union has made a dramatic difference in her life.

A new contract requires that workers who are on call get an 11.5 hour break between those calls and their regular shifts.

"That really was a big deal," says Laster, who assists with colonoscopies and other procedures. Before the new rule, she and other on-call workers would have to use personal time if they wanted to go home and get rest between those impromptu shifts and their regular workday. "I can get called three times or even more. I've had times when I went home, I could just be walking in the door, and I'm getting called back"

The union also gave a scholarship to her 17-year-old daughter and enabled Laster to earn the higher wages that paid for her older daughter's college tuition.

"She's a teacher now," says Laster, adding that she gave her oldest child some familiar advice. "The first thing I told her was to join a union."