



“I’m in a Union. You’re Welcome” — How having strong labor unions helps everyone who works earn more

Angelo Young

August 30, 2016

Millions of Americans today earn less than their predecessors did 40 years ago, adjusted for inflation, and a big reason for that is declining private-sector union membership — which has dropped from a third of all private-sector employees to just 6.7 percent today.

A new **study** released today by the Economic Policy Institute, a Washington D.C.-based nonprofit that advocates for people of low and middle income, has attempted to quantify how much today’s nonunion workers would have benefitted if union membership remained as at the levels of 1979. The main takeaway: The typical full-time private-sector worker — whether a union member or not — would be making thousands of dollars more a year now if unions had the power they once did to influence a state’s or region’s standard wages and benefits packages.

“There’s a stereotype that unions only help union workers, but we found that the decline of union membership has had a vast effect on nonunion workers,” one of the study’s co-authors Jake Rosenfeld told Salon. “We got as close as possible to isolating union activity from the other two effects of wage erosion: globalization and technological innovation.”

Rosenfeld, an associate professor of sociology at the University of Washington in St. Louis, along with his colleagues took a deep analytic approach to quantify the potential effect of eroded union clout. They looked at both urban and rural regions of the country as well as areas with strong and weak union representation to gain a better perspective on how declining union numbers affect nonunion working men and women as well as those workers with some higher education and those with just a high school diploma or less. The researchers adjusted the data to

account for fluctuations in employment demand as a result of technological innovation and globalization factors.

One of the the study's main findings is that working-age men without high school diplomas have been hurt the most in comparison with such workers nearly four decades ago: They are earning nearly \$3,200 less a year than their 1979 counterparts would be, if the levels of union membership then are taken into account. And the typical working male with a college degree today is earning \$2,700 less in annual pay contrasted with his peer of 1979 .

For women, Rosenfield's analysis was trickier. The 1970s saw a huge rise in the number of women graduating with college degrees and entering the workforce in droves. But even to this day women are prevalent in **lower-paying, nonunion jobs**, working as **wait staff, caretakers and cashiers**. So compared with men their hypothetical losses aren't as steep. They're earning \$728 less a year today than they would be if unions were as strong today as they were in 1979. Dan Ikenson, director of the libertarian Cato Institute's Herbert A. Stiefel Center for Trade Policy Studies and a frequent critic of organized labor, said the core of the problem is what society should do with workers who don't go to college.

"We have an economy that readily employs people with high skills, but the question is what to do with the people that have lower skills sets," Ikenson told Salon. He suggested that companies be given incentives to hire and train these workers, such as linking tax breaks to in-house apprenticeship programs that offer pathways to full-time work at these businesses.