

The public-sector pay gap is widening. Unions help shrink it.

Summary: Public-sector employees earn less than their private-sector counterparts, and that pay gap has widened in recent years. The pay gap is narrower in states where public employees have stronger collective bargaining rights.



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Key findings

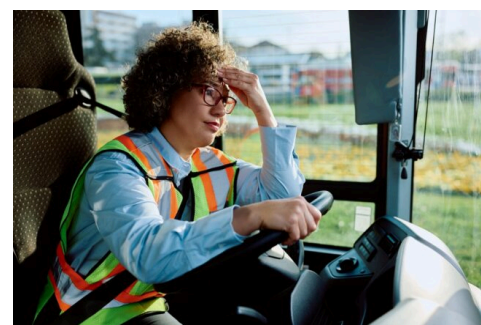
- Nationally, the public-sector pay gap has widened in the last four years.
- State and local government employees earned, on average, 17.6% less than similarly educated private-sector employees, compared with a pre-pandemic pay gap of 13.9%.
- Even when factoring in more robust public-sector benefits packages, total compensation is approximately 14.5% lower for public-sector workers than for private-sector workers.
- Collective bargaining rights for public employees vary widely across states, and this has an effect on pay gaps between public- and private-sector workers. When compared with private-sector workers, public-sector workers with strong bargaining rights (-14.9%) have a narrower pay gap than those with weak (-20.1%) or no bargaining rights (-22.9%).

Why this matters

State and local governments are facing acute and growing staffing shortages as public-sector pay lags farther behind the pay of private-sector workers. Moreover, the public-sector pay gap disproportionately affects women and Black workers, who are more likely to be employed in public-sector jobs and who are disadvantaged in the broader labor market. Strengthening collective bargaining rights for government workers would narrow the pay gap and reduce racial and gender inequality.

How to fix it

At the national level, Congress should pass the Public Service Freedom to Negotiate Act to ensure that state and local government workers across the country have the right to bargain collectively over pay and working conditions. This is particularly important since public employees have been excluded from federal labor law, leaving little consistency in their rights across states. At the state level, policymakers should ensure that all state and local government workers have collective bargaining rights at least equivalent to those guaranteed to private-sector workers under federal law.



Unions help narrow the public-sector pay gap—benefiting not only workers but also the public through the quality of public services.