



A PROJECT OF THE AFL-CIO AND THE ECONOMIC POLICY INSTITUTE

Workers, Communities and Our Democracy Need Unions

Unions improve wages and benefits for all workers, not just union members. They help reduce income inequality by making sure *all* Americans, and not just the wealthy elite, share in the benefits of their labor. Unions help win progressive policies at the federal, state and local levels that benefit all workers and communities. And where unions are weak, wealthy corporations and their allies are more successful at pushing through policies and legislation that hurt working people. A strong labor movement is essential to workers, communities and our democracy.

(This fact sheet is largely synthesized from Josh Bivens et al., "[*How today's unions help working people: Giving workers the power to improve their jobs and unrig the economy*](#)," Economic Policy Institute, August 2017. For more details, visit go.epi.org/unions.)

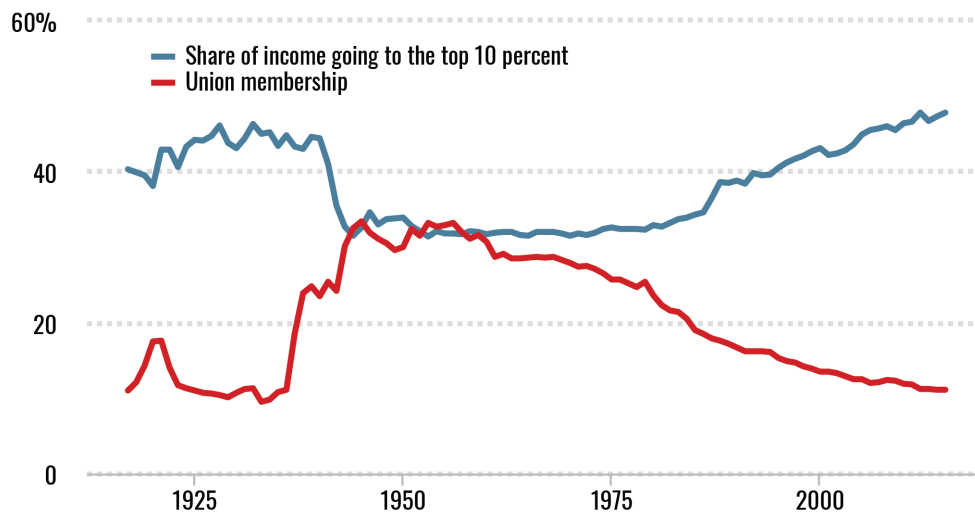
Unions Lower Inequality

By bringing workers' collective power to the bargaining table, unions are able to win better wages and benefits for working people—reducing income inequality as a result. When union strength started to decline, income inequality got worse, and it now is at its worst point since the Great Depression (Figure A).

Figure A

When Unions are Strong, There is Less Inequality

Union membership and share of income going to the top 10%, 1917–2015



Sources: Data on union density follows the composite series found in Historical Statistics of the United States; updated to 2015 from unionstats.com. Income inequality (share of income to top 10 percent) data are from Thomas Piketty and Emmanuel Saez, "Income Inequality in the United States, 1913–1998," *Quarterly Journal of Economics* vol. 118, no. 1 (2003) and updated data from the Top Income Database, updated June 2016.

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The reasons why unions are such a major force for equality are set out more fully below. When unions are strong, they set wage standards for entire industries and occupations, they make wages more equal within occupations, and they close pay gaps between white workers and workers of color. This impact is so critical that the decline of unions explains one-third of the rise in wage inequality among men and one-fifth of the rise in wage inequality among women from 1973 to 2007.¹

Unions Raise Wages for Both Union and Nonunion Workers

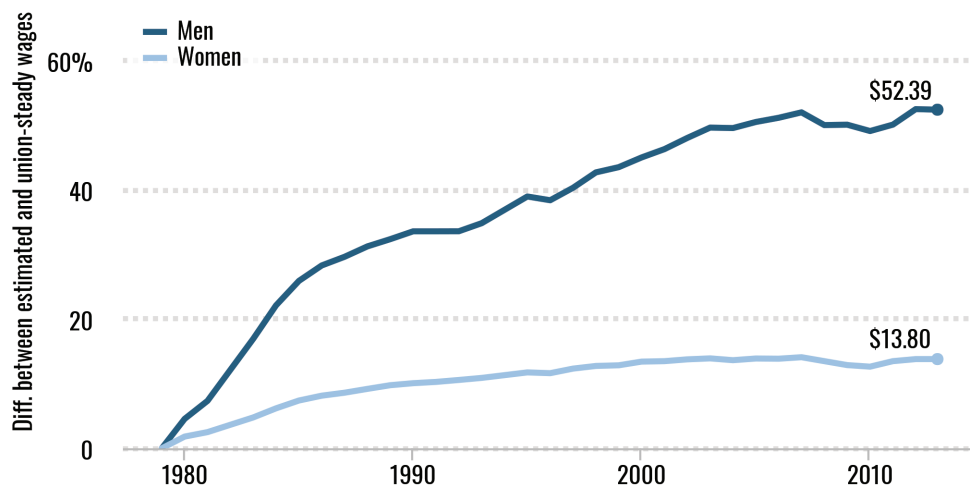
Union workers earn more than workers without a union. On average, a worker covered by a union contract earns 13.2% more in hourly wages than someone with similar education, occupation and experience in a nonunionized workplace in the same sector.²

When union density is high, *nonunion* workers benefit from higher wages. When the share of workers who are union members in an industry or occupation is relatively high, as it was in 1979, wages of nonunion workers are higher. For example, had union density remained at its 1979 level, weekly wages of nonunion men in the private sector would be 5% higher (that's an additional \$2,704 in earnings for year-round workers), while weekly wages for nonunion men in the private sector without a college education would be 8%, or \$3,016 per year, higher.³ Figures B and C show how much more nonunion workers and nonunion workers without a college degree would earn had union density remained the same.

Figure B

Drop in Union Membership has Taken \$14 to \$52 Out of Nonunion Workers' Weekly Wages

Additional weekly wages that nonunion private-sector workers would earn had the share of workers in a union (union density) remained the same as in 1979, 1979–2013 (2013 dollars)



Notes: Sample restricted to nonunion full-time workers in the private sector ages 16 to 64.

Source: Adapted from Figure C in Jake Rosenfeld, Patrick Denice and Jennifer Laird, *Union Decline Lowers Wages of Nonunion Workers*, Economic Policy Institute, August 2016. Data points are authors' compilations from the Current Population Survey (CPS) May Supplement microdata and CPS Outgoing Rotation Group microdata.

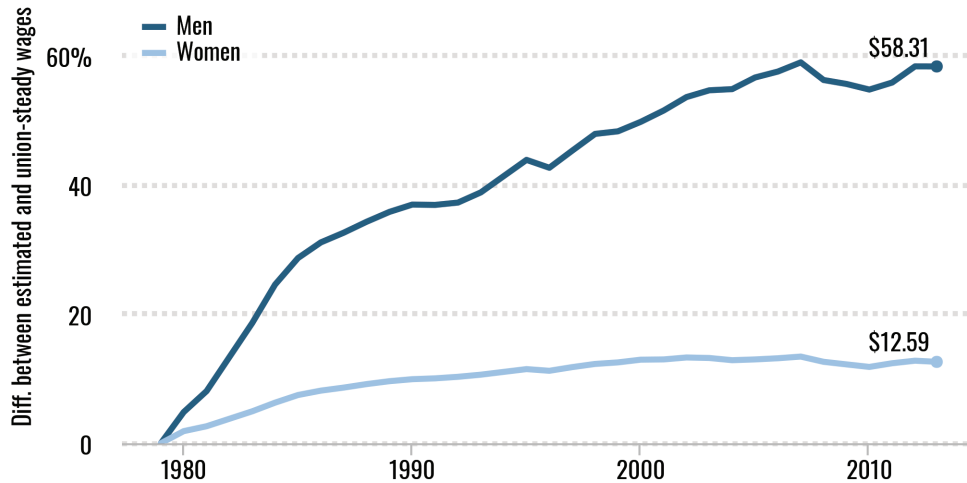
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Where unions are strong, wages are higher for workers—union and nonunion alike. Wages are lower in states with low union density, compared with states with high union density—\$939.08 a week vs. \$1,140.43 a week in 2016.

Figure C

Drop in Union Membership has Taken \$13 to \$58 Out of the Weekly Wages of Workers with Less Than a College Degree

Additional weekly wages that nonunion private-sector workers without a college degree would earn had the share of workers in a union (union density) remained the same as in 1979, 1979–2013 (2013 dollars)



Notes: Sample restricted to nonunion full-time workers in the private sector ages 16 to 64.

Source: Adapted from Figure D in Jake Rosenfeld, Patrick Denice and Jennifer Laird, *Union Decline Lowers Wages of Nonunion Workers*, Economic Policy Institute, August 2016. Data points are authors' compilations from the Current Population Survey (CPS) May Supplement microdata and CPS Outgoing Rotation Group microdata.

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Unions bring living wages to low-wage jobs. Unions have transformed once-low-wage jobs in hospitality, nursing and janitorial services into positions with living wages and opportunities for advancement. For example, after unionizing, dishwashers in Las Vegas hotels made \$4 per hour more than the national average for that job, and they were offered excellent benefits. In Houston, a 2006 first-ever union contract for 5,300 janitors resulted in a 47% pay increase and an increase in guaranteed weekly hours of work.⁴

Unions Help Raise Wages for Women and Lessen Racial Wage Gaps

Unions help raise women's pay. Hourly wages for women represented by unions are 9.2% higher on average than for nonunionized women with comparable characteristics.⁵

Unions raise wages in the female-dominated service occupations. Union-represented workers in service occupations (which include food service and janitorial services) make 87.0% more in total compensation and 56.1% more in wages than their nonunion counterparts.⁶

Unions help close wage gaps for African American and Hispanic workers. African American and Hispanic workers get a larger boost from unionization than their white counterparts. African American workers—both male and female—are more likely than white workers to be covered by collective bargaining, and the wage boost they get from being covered by collective bargaining is above average. The result is that collective bargaining lifts wages of black workers closer to those of their white counterparts. Hispanic workers have slightly lower union coverage than white workers but have much higher union wage advantages; thus, wage gaps between Hispanic workers and their white counterparts also are smaller because of collective bargaining.⁷

Unions Support Strong Families with Better Benefits and Due Process

Union workers are more likely to be covered by employer-provided health insurance. More than nine in 10—94%—of workers covered by a union contract have access to employer-sponsored health benefits, compared with just 67% of nonunion workers. When adjustments are made for other characteristics that may affect benefits coverage—such as sector (public or private), industry, region, employee status (full or part time) and establishment size—union workers are 18.3% more likely to be covered.

Union employers contribute more to workers' health care benefits. Union employers providing health insurance pay 77.4% more (per hour worked) toward their employees' health coverage (providing better benefits for a greater share of workers) than comparable nonunion employers. Occupations with higher-than-average union impact on employer-provided health care include transportation, services, construction, extraction and installation/maintenance/repair.

Union workers have greater access to paid sick days. Almost nine in 10—87%—of workers covered by a union contract have access to paid sick days, compared with 69% of nonunion workers. Almost all—97%—of union workers in state and local government have paid sick days, compared with 86% of their nonunion peers. In the private sector, 79% of union workers have paid sick days, compared with 67% of their nonunion peers.

Union workers are more likely to have paid vacation and holidays. In the private sector, 89% of workers covered by a union contract get paid vacation and paid holidays, whereas 75% of nonunion workers get paid vacation and 76% get paid holidays. For workers overall (private and public), 80% of union workers get paid holidays, while 75% of nonunion workers do. Equal shares of union and nonunion workers (74%) get paid vacation. When adjustments are made for other characteristics that may affect benefits coverage—such as sector (public or private), industry, region, employee status (full or part time) and establishment size—union workers are 3.2% more likely to have paid leave.

Employers contribute more to paid vacation and holidays for union workers than nonunion workers. Union employers contribute 11.4% more toward paid vacation and holidays for their workers than do comparable nonunion employers. Industries and occupations with higher-than-average employer contributions toward paid vacation and holidays include production, transportation, office and administrative support, service occupations and construction.

Unions provide due process. Private employment in every state except for Montana generally is at will (Puerto Rico is also an exception), with employers free to dismiss workers for almost any reason, except for reasons specified by law (e.g., on account of race, religion, disability or other identities that are protected classes). Union contracts typically have provisions that require employers to have a proper, documented, performance-related reason for disciplining or dismissing a worker (called “just cause”), and generally give workers a chance to improve performance before the employer moves to dismiss the worker. And collective bargaining agreements typically include a grievance and arbitration process to allow workers and the union to challenge unfair discipline or terminations.

Union workers have more input into the number of hours they work. Almost half (46%) of nonunion workers say they have little or no input into the number of hours they work each week, compared with less than a quarter (22%) of union workers.

Union workers get more advance notice of their work schedules. More than one in three workers (34.4%) who belong to a union get at least a week's advance notice of their work schedules, whereas less than one in four nonunion workers (23.2%) do. (These calculations exclude workers whose schedules never change.)⁸

Unions are Good for Workers' Retirement Security

Ninety percent of union workers participate in a retirement plan (of any kind), compared with 75% of nonunion workers.

Seventy-four percent of union workers who have pensions participate in a traditional defined-benefit pension, compared with 15% of nonunion workers.⁹

Traditional defined-benefit pensions are especially important to black workers, who derive more than a fifth of their household income from these pensions in retirement.¹⁰

Union employers (when adjustments are made for various employer characteristics) are 22.5% more likely to offer an employer-provided retirement plan and, on average, to spend 27.7% more on retirement plans than do comparable nonunion employers.¹¹

Unions Boost Civic Participation

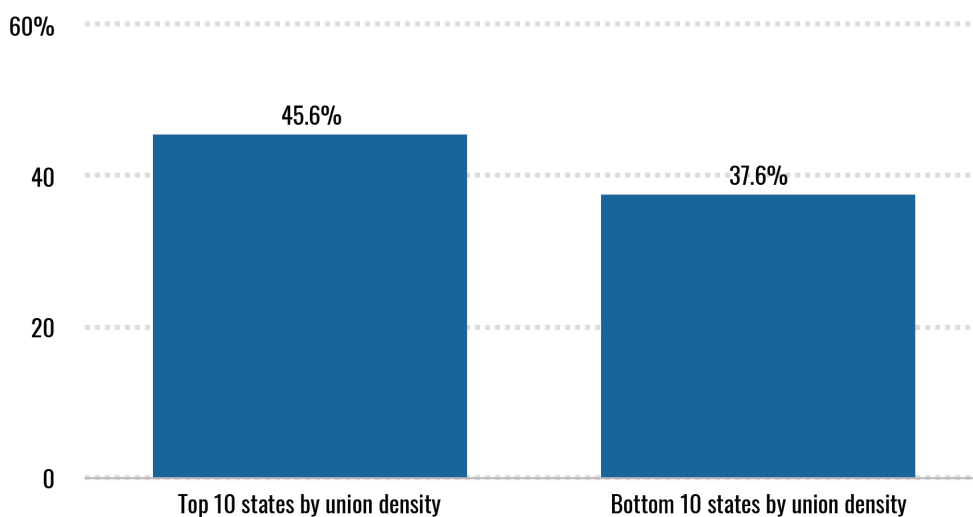
Unions communicate with their members about issues and candidates to make sure workers have information when they go to the polls on Election Day. Voter turnout by union members is significantly higher than the general public. A study of union members finds they are 12 percentage points more likely to vote than voters who are not in a union.¹² Other research shows that voter turnout is higher in states with greater levels of unionization (Figure D).

Conversely, turnout is lower in states that have adopted anti-worker "right to work" legislation. According to research by Columbia University Prof. Alex Hertel-Fernandez and his colleagues, the passage of right to work laws reduced voter turnout by 2% in presidential elections. This is not insignificant considering that in right to work states Michigan and Wisconsin, the losing candidate lost by less than 1 percentage point in the 2016 election.¹³

Moreover, according to these authors, the state policy agenda becomes more anti-

Figure D

Voter Turnout in Midterm Elections Higher in States with Greater Levels of Unionization



Source: David Madland and Karla Walter, Fact Sheet: American Workers Need Unions, (Washington: Center for American Progress Action Fund, Forthcoming); United States Elections Project, *State Turnout Rates*, (1982–2018); Unionstats.com, *State Union Membership*, 2018

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worker in states that adopt right to work laws. Right to work states are less likely to have minimum wages above the federal minimum wage, more likely to preempt city minimum wages and less likely to have prevailing wage laws.

Unions are Key Supporters of Progressive Policies That Help All Workers

Unions have been a key part of efforts to pass laws that provide economic security, strong communities and dignity on the job for all workers. The labor movement helped pass and defend the Occupational Safety and Health Act, the Civil Rights Act, the Social Security Act, Medicare and Medicaid, and numerous other laws benefiting all workers and their communities.

Consider the following:

- The state minimum wage is lower in states with low union density.
- The states that have raised their minimum wage to \$15 per hour (California, the District of Columbia, Massachusetts, New Jersey and New York) are among the states with the highest union density and the strongest labor movements.
- Cities and states that have adopted paid sick days laws, fair scheduling laws and other progressive legislation have strong labor movements.

Table 1 shows the progressive policies that exist in states with high union density.

Table 1

States with High Union Density Have Progressive Policies That Benefit All Workers

State	Union coverage in 2017	Policies adopted			
		\$15 minimum wage	Paid sick leave	Paid family leave	Fair workweek laws
<i>New York</i>	25.3%	X		X	
<i>Washington</i>	20.2%		X	X	
<i>Connecticut</i>	18.0%		X		
<i>Rhode Island</i>	17.2%		X		
<i>New Jersey</i>	17.0%	X	X	X	
<i>California</i>	16.8%	X	X	X	
<i>Michigan</i>	16.8%		X		
<i>Oregon</i>	15.7%		X		X
<i>Massachusetts</i>	13.3%	X	X	X	
<i>Vermont</i>	12.1%		X		
<i>Maryland</i>	11.7%		X		
<i>District of Columbia</i>	11.5%	X	X	X	
<i>Delaware</i>	11.3%		X		
<i>Arizona</i>	5.2%		X		

Note: States with a given policy are indicated by X

Sources: EPI analysis of 2017 Current Population Survey Outgoing Rotation Group (CPS ORG) data for all workers age 16 and older; Economic Analysis and Research Network (EARN) and the National Employment Law Project, *A State Agenda for America's Workers*, December 2018; Economic Policy Institute, "Minimum wage tracker," January 2018

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1 Josh Bivens et al., "How today's unions help working people: Giving workers the power to improve their jobs and unrig the economy," Economic Policy Institute, August 2017.

2 "Union Wage Premium by Demographic Group, 2011," Table 4.33 in Lawrence Mishel et al., The State of Working America 12th Edition, an Economic Policy Institute book, Ithaca, N.Y.: Cornell Univ. Press, 2012, updated with 2016 microdata from the Current Population Survey Outgoing Rotation Group.

3 Jake Rosenfeld, Patrick Denice and Jennifer Laird, "Union decline lowers wages of nonunion workers: The overlooked reason why wages are stuck and inequality is growing," Economic Policy Institute, Aug. 30, 2016.

4 Matt Vidal and David Kusnet, "Organizing Prosperity: Union Effects on Job Quality, Community Betterment, and Industry Standards," Economic Policy Institute and UCLA Institute for Research on Labor and Employment, 2009; C. Jeffrey Waddoups, "Wages in Las Vegas and Reno: How Much Difference Do Unions Make in the Hotel, Gaming, and Recreation Industry?" UNLV Gaming Research & Review Journal, Vol. 6, No. 1 (2001).

5 "Union Wage Premium by Demographic Group, 2011," Table 4.33 in Mishel et al., The State of Working America, 12th Edition, an Economic Policy Institute book, Ithaca, N.Y.: Cornell Univ. Press, 2012, updated with 2016 microdata from the Current Population Survey Outgoing Rotation Group microdata.

6 Data are unadjusted for factors such as demographics and employer size. Data are as of March 2017 and are drawn from EPI analysis of Bureau of Labor Statistics, "Employee Benefits in the United States—March 2017" [news release], U.S. Department of Labor. In 2016, women made up 56.6% of those employed in service occupations, but only 46.8% of all workers employed in 2016 (Bureau of Labor Statistics, "Household Data, Annual Averages" [data table], Current Population Survey, 1, 4). Service occupations include protective service, food preparation and serving, health care support, building and grounds cleaning and maintenance, and personal care and service.

7 EPI analysis of 2016 microdata from the Current Population Survey finds that hourly wages for African American workers represented by unions are 14.7% higher than wages paid to their nonunionized counterparts. Hispanic workers represented by unions are paid 21.8% more than their nonunionized counterparts. In contrast, non-Hispanic white union workers have a smaller—9.6%—wage advantage over nonunionized white workers. The regression analysis producing this estimate controlled for education, experience, gender, race, citizenship status, geographic division, industry and occupation.

8 EPI analysis of the 2016 General Social Survey Quality of Worklife and Work Orientations supplements. Respondents were asked whether they or their spouses belong to a union. The sample excludes all workers who say their schedules never change.

9 Data are from the Bureau of Labor Statistics, National Compensation Survey: Employee Benefits in the United States, March 2016, "Table 2. Retirement Benefits: Access, Participation, and Take-up Rates, Civilian Workers, March 2016."

10 Income estimate is for all seniors ages 65 and older, whether retired or not, and comes from Monique Morrissey, "The State of American Retirement: How 401(k)s have failed most American workers," Economic Policy Institute, March 3, 2016.

11 Adjusted data are based on analysis of fourth-quarter 1994 Employment Cost Index microdata as presented in Table 4.35 in Lawrence Mishel et al., The State of Working America, 12th Edition, an Economic Policy Institute book, Ithaca, N.Y.: Cornell Univ. Press, 2012, and drawn from Brooks Pierce, "Compensation Inequality," U.S. Department of Labor Statistics Working Paper No. 323, 1999.

12 Sean McElwee, "One Big Reason for Voter Turnout Decline and Income Inequality: Smaller Unions," American Prospect, Jan. 30, 2015.

13 James Feigenbaum, Alexander Hertel-Fernandez and Vanessa Williamson, "Right-to-Work Laws Have Devastated Unions — and Democrats," The New York Times, March 8, 2018.