

## It pays to be union, US figures show

*Unionized American workers earn much more than their non-union counterparts. Also, women and ethnic minorities face a smaller pay gap in union-organized workplaces. So why aren't more Americans in a union?*

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**I**t pays to be union. That's official – at least in the United States. Once again, government statistics show that unionized workers have much higher earnings.

Last year, American union members across all sectors earned on average about 25 per cent more than their non-union counterparts, the US federal Department of Labor found.<sup>1</sup> Union workers averaged US\$718 a week, while the unorganized had to make do with \$575.

In almost all occupational groups, union workers fared much better than others, as shown in table 1. For workers in the protective services industry, the union advantage was a staggering 56 per cent.

“A woman's place is in her union,” insists another old labour saw. Here too, the facts are firmly on the American unions' side. Women union members earn 30 per cent more than non-union women. In other words, the gender pay gap is narrower when unions are present (see figure 1), although differences certainly remain.

A similar effect can be seen for ethnic minorities. African-American union members earn 30 per cent more than their non-union counterparts and for Latino workers, the union advantage reaches 45 per cent (figure 1).

Americans generally like a bargain, so it might be expected that they would be queuing up to join the unions. But that is far from being the case. Union density – union membership as a proportion of the

organizable workers – has fallen dramatically over the past few decades.

US union density peaked in 1945-46 and in 1954, when 35 per cent of workers were union members. By 1983, this had declined to 20.1 per cent. After that, a steep drop brought it down to 13.5 per cent in 2001 (figure 2). Moreover, the latest figure is mitigated by a rise in organizing among government services, where union density is currently 37 per cent. In private non-agricultural industry, the American unions now organize less than 10 per cent of the workforce.

So why have the American unions' organizing rates failed to match their very clear achievements on the wages front? One reason often advanced by US trade unionists themselves is that they did not place a high enough priority on new organizing during the 1970s and 1980s. They changed that approach in the 1990s, when the “Union Yes” slogan heralded a new emphasis by sectoral unions and the national labour federation, the AFL-CIO. Big new funds went into organizing, and many more organizers were recruited. But, of course, the impact of this would take some time to be felt.

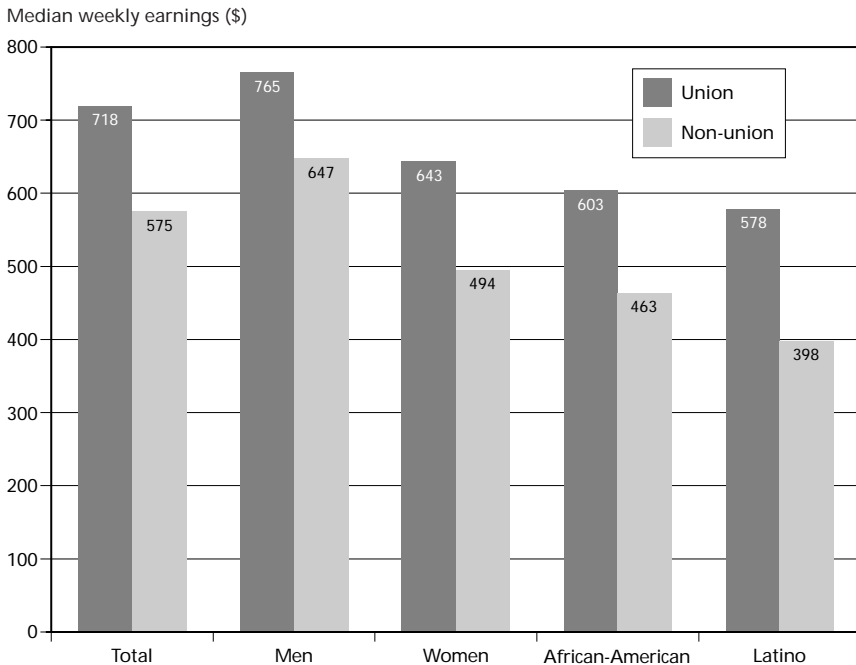
In any case, there is another, much bigger obstacle to union membership in America – anti-union employers, backed by legislation that frustrates organizing at every turn (see also the article by Louis Bredow on page 8).

**Table 1. US union and non-union earnings by occupation, 2001**  
**Full-time wage and salary workers' median weekly earnings**

| Occupation                         | Union (\$) | Non-union (\$) | Difference (%) |
|------------------------------------|------------|----------------|----------------|
| Total                              | 718        | 575            | 25             |
| Executive, administrative, manager | 869        | 865            | -0.4           |
| Professional                       | 864        | 853            | 0.1            |
| Technicians                        | 731        | 662            | 11             |
| Sales                              | 559        | 575            | -3             |
| Administrative-clerical            | 597        | 472            | 26             |
| Service, protective                | 809        | 518            | 56             |
| Service, other                     | 426        | 333            | 27             |
| Precision, craft, repair           | 822        | 590            | 39             |
| Machine operators                  | 587        | 421            | 39             |
| Transportation, moving             | 724        | 521            | 39             |
| Handlers, labourers                | 530        | 369            | 44             |
| Farm, forestry, fish               | 587        | 345            | 70             |

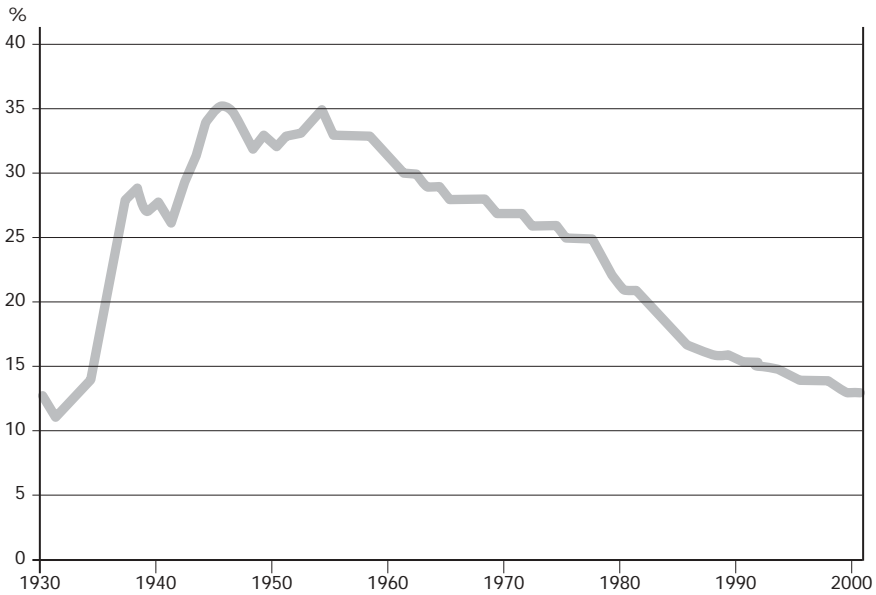
Source: US Department of Labor, *Employment and Earnings*, January 2002. Prepared by the AFL-CIO.

**Figure 1. Median weekly earnings of full-time US wage and salary workers, 2001**



Source: US Department of Labor, *Employment and Earnings*, January 2002. Prepared by the AFL-CIO.

Figure 2. US union density, 1930-2001



Note: Bureau of Labor Statistics information before 1981 was compiled on a different basis from the present series and it is not necessarily comparable.

Sources: Bureau of the Census, *Historical Statistics of the United States, Colonial Times to 1970*; Bureau of Labor Statistics, *Handbook of Labor Statistics Bulletin 2070*, December 1980; and Bureau of Labor Statistics, *Employment and Earnings*, January, various years, 1983-2002. Prepared by the AFL-CIO.

According to a major national survey from September 2001, 68 per cent of working Americans believe that workplace rights need more protection and 65 per cent also felt that corporations have too much power and new laws are needed to hold companies responsible for the way they treat employees. The poll was conducted for the AFL-CIO by Peter D. Hart Research Associates.<sup>2</sup> It noted a 10 percentage point increase over the past five years in workers' view that management has too much power and a 12-point increase in those saying new laws are needed.

Certainly, America's labour laws have often come in for strong criticism. "The right to organize and the right to strike are not adequately protected under US labour legislation," commented the International Confederation of Free Trade Unions (ICFTU) in a detailed submission to the ILO Governing Body in March 2002.<sup>3</sup> The AFL-CIO is an affiliate of the ICFTU,

which went on to state that American law is "unable to protect workers when the employer is determined to destroy or prevent union representation. Weak laws and enforcement also inhibit the practice of collective bargaining."

In the ICFTU's opinion, "a series of far-reaching measures needs to be taken in order to establish genuine respect for core labour standards in the US, particularly with regard to trade union rights".

But perhaps the highest-profile denunciation of US labour law came two years ago, from Human Rights Watch. In a special report, it noted that thousands of American workers are fired from their jobs each year or suffer other reprisals for trying to organize unions. Employers can resist union organizing by dragging out legal proceedings for years.<sup>4</sup> The penalties for violating labour laws are so slight that companies often treat them as a routine cost of doing business. In any case, as Human Rights

Watch pointed out, millions of workers – including farmworkers, domestic household workers, low-level supervisors and “independent” contractors who are really dependent on a single employer – are deliberately excluded from the coverage of laws on organizing and bargaining rights.

Human Rights Watch called on the US Congress to ensure, amongst other things:

- rapid reinstatement and full back pay for workers who are fired for organizing;
- faster election procedures for determining union representation in a workplace;
- expedited appeals to resolve unfair labour practices more quickly;
- proper union access rights to workplaces;
- stronger remedies against bad faith bargaining by employers;
- US ratification of ILO Conventions on freedom of association and collective bargaining.

Such measures would undoubtedly boost American labour’s organizing rates.

Meanwhile, the unions continue to improve their members’ pay and conditions.

Of course, pay is about more than wages alone. Pensions are an important part of any remuneration package. So is health coverage, particularly in the US where there is no generalized health insurance scheme.

On these points, too, union members win. Government figures in 1999 showed that 73 per cent of unionized workers in American private industry participated in medical care benefits, as against just 51 per cent of non-union workers. Similarly, 79 per cent of union workers were covered by pension plans, compared with 44 per cent of non-union workers.<sup>5</sup>

Retirement benefits are a sore point for American workers these days. The recent big corporate collapses suddenly threw long-serving employees on to the street but

also, in many cases, robbed them of their retirement savings. Not only had employer contributions to pension schemes been invested in the company’s own stock, but there had also been a growing tendency to press workers to put their own retirement savings back into the company.

Tough questions are now being asked about the wisdom and morality of ploughing employees’ pension funds back into their employers’ finances. One way of “Enron-proofing” retirement provisions is through defined-benefit pension plans. These carry insurance and are thus somewhat better protected against employer bankruptcies.

Significantly, the 1999 figures showed that 70 per cent of union members in American private industry had defined-benefit retirement coverage, but only 16 per cent of non-union workers...

## Notes

<sup>1</sup> The figures on earnings and union membership in this article, and the tables and graphics, are taken from *The union difference*, an online publication of the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO). In turn, the AFL-CIO drew its statistics from two main sources: US Department of Labor, *Employment and earnings*, January 2002, and Bureau of National Affairs, *Union members and earnings data book*, 2000. *The union difference* is online in English at <http://www.afcio.org/uniondifference/index.htm> and in Spanish (as a PDF) at [http://www.afcio.org/uniondifference/diferencia\\_sindical.pdf](http://www.afcio.org/uniondifference/diferencia_sindical.pdf)

<sup>2</sup> AFL-CIO, *Workers’ rights in America*, September 2001. Also downloadable as a PDF at <http://www.afcio.org/rightsinamerica/report.pdf>

<sup>3</sup> *Freedom of association and effective recognition of the right to collective bargaining*, document for the ILO Governing Body, 283rd Session, March 2002. This document reproduces information received and does not represent the opinion of the ILO. The section on the United States begins on page 179. A PDF version can be downloaded at <http://www.ilo.org/public/english/standards/relm/gb/docs/gb283/pdf/gb-3-2-coll.pdf>

<sup>4</sup> Human Rights Watch, *Unfair advantage*, August 2000. Also available online in English, French and Spanish at <http://www.hrw.org/reports/2000/uslabor>

<sup>5</sup> Bureau of Labor Statistics, *Employee benefits in private industry*, 1999.