

Decline of unions has hurt all workers, new study says

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USA TODAY

The steep decline in union membership in recent decades has had an outsize effect on the American workforce, tamping down wage increases for nonunion workers, a new study says.

Average weekly earnings for nonunion private-sector male workers would have been 5 percent, or \$52, higher in 2013 if the share of union workers had remained at 1979 levels, according to the study out Tuesday from the liberal-leaning Economic Policy Institute ahead of Labor Day. That's tantamount to a loss of \$2,704 annually for the average nonunion worker.

The paper was authored by Washington University sociologists Jake Rosenfeld and Patrick Denice, and Jennifer Laird, a research scientist at Columbia University's Center on Poverty and Social Policy.

The earnings loss is smaller for women because they were not as unionized as men in 1979. Weekly wages would be about 2 percent to 3 percent higher for women if union membership had stayed at 1979 levels, the report says.

About 10 percent of male private-sector workers were union members in 2013, down from 34 percent in 1979. In that period, the share of women who belong to unions fell to 6 percent from 16 percent.

The report argues the dwindling influence of unions is a significant but often ignored reason for wage stagnation, along with globalization, technological change and the slowdown in educational achievement gains.

The prevalence of unions affects the pay of nonunion workers in various ways, the study says. Nonunion employers often raise their workers' pay to foster loyalty and head off an organizing drive. Kodak deployed that strategy in highly unionized New York state, the study says.

The fatter paychecks of union workers also create a more competitive labor market that forces nonunion companies to lift wages to prevent employees from jumping ship. And unions often establish labor-friendly policies that generally promote fairness in pay, benefits and worker treatment, according to the report.

The gains of yesteryear were not limited to nonunion workers at risk of joining unions, the study says. When those workers received raises, their higher-level supervisors who couldn't join unions also saw sharper pay increases to maintain salary hierarchies, the paper says.

But the losses engendered by shrinking union participation are most pronounced for nonunion private-sector male workers who lack a bachelor's degree. Wages for that group would be 8 percent higher in 2013 if union membership had stayed at 1979 levels, translating into an annual wage loss of \$3,016.