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Find the report at: <http://www.policymattersohio.org/TheUnionAdvantage2008.htm>

Unionization Increases Wages of Low-, and Middle-Wage Ohio Workers

While all benefit, low-wage workers see largest gains

After decades of disappointing wage growth and startling inequality increases, a new report from the Center for Economic and Policy Research (CEPR), released locally by Policy Matters Ohio, shows that unionization reduces inequality and significantly boosts the wages of low-wage workers in Ohio and the United States.

The Union Advantage for Low-Wage Workers finds that unionization raises the wages of the typical low-wage worker by 20.6 percent nationwide and by 14.7 percent in Ohio. The report defines a typical low-wage worker as one who earns more than what 10 percent of workers earn and less than what 90 percent of workers earn. Unions also raise wages at the middle and top of the wage distribution, but the report found that effects for low-wage workers were larger.

For the typical or median worker (in the middle of the pay scale), unionization raises wages about 13.7 percent nationally and 12.6 percent in Ohio. For a high-wage worker – earning more than 90 percent of what other workers earn – unionization adds 6.1 percent nationally and 4.5 percent in Ohio to the hourly wage. Retirement, insurance and other benefits are also usually much better in unionized positions but were not studied here.

“Unionization raises wages for all workers, but unions have the biggest impact on the wages of the lowest-paid workers,” said the report author John Schmitt, a Senior Economist at CEPR.

The report analyzed five years of data on 16-to-64 year old workers from the Census Bureau's Current Population Survey (CPS) for the years 2003 through 2007, the most recent years available. Over the period covered in the report, 13.8 percent of American workers and 16.7 percent of Ohio workers were either members of a union or covered by a union contract at their workplace.

“At a time when inequality has been increasing and low- and middle-wage workers have been falling behind, this research shows that promoting unions can reduce inequality and improve the position of low- and middle-income families,” said Amy Hanauer, Executive Director of Policy Matters Ohio.

