



Strong Public Employees' Unions in New York: Better Pay, Benefits, and Working Conditions for All

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The Supreme Court's ruling about public sector unions put a significant new barrier in front of unions around the country. Traditionally, in New York—as in many other states—everyone covered by a union contract was required to pay either dues or an “agency fee” to support the union's work on behalf of all employees. In the *Janus* decision, the Supreme Court ruled that public-sector employees can't be compelled to pay for the union's work, even though they benefit from it. Unions will still be expected to defend and represent them. However, if public sector workers discontinue their membership, it will damage their unions' ability to work against the erosion of job security and deterioration of working conditions. Despite what may seem like an attractive short-term gain from “free-riding,” it makes good long-term economic sense for public employees to stay in their union and pay the dues that support its work.

Unions in New York make a real difference: union-represented workers earn 13 percent more than those not represented by unions if median wages are compared (see Figure 1).¹ There is an even bigger advantage for lower-wage workers. At the 20th percentile, the “union advantage” is 19 percent; unionization places an effective price floor on workers' wages above the legal minimum wage. It is important to note, too, that in New York even among non-union members (the lower in each set of bars) earnings are higher than they would be in states with weaker unions. One of the reasons New York's minimum wage was substantially raised recently is that unions were a force in supporting the increase. New York has long had the highest union membership rate among the states, at 24 percent in 2017, while the national average is 11 percent.²

Weekly Earnings Are Higher for Workers Represented by Unions

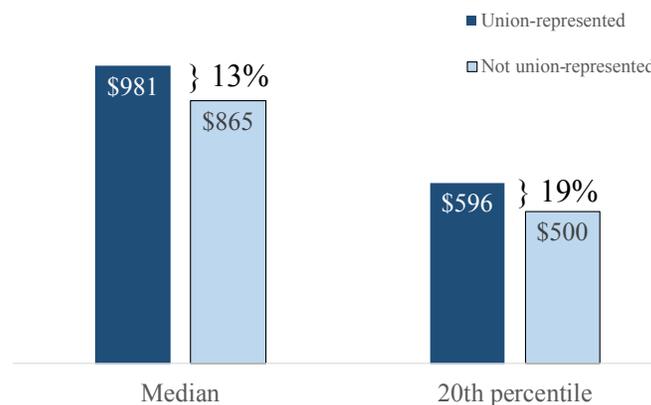


Figure 1. Median and 20th percentile weekly earnings, union-represented and not represented, New York State residents for full-time workers. Source: Fiscal Policy Institute analysis of Current Population Survey Outgoing Rotation Group microdata from Economic Policy Institute.

Wages are just one part of the total compensation package that unions negotiate for workers. In many cases health insurance and pension benefits are just as important. Figure 2 shows the health and pension advantage: union-represented workers are substantially more likely to have health coverage or pension coverage at work. Among employees represented by a union, 81 percent are offered a health insurance plan, compared to only 60 percent of non-union workers. Similarly, 76 percent of workers represented by a union have a pension plan offered, compared to 50 percent of workers not represented by a union. The quality of both health insurance and pension plans is often far better for people represented by a union; indeed, defined-benefit pension plans—ones that send a predictable monthly check for the remainder of a retiree’s life—have become a rarity outside of union-represented workplaces.

Health and Pension Benefits: The Union Advantage

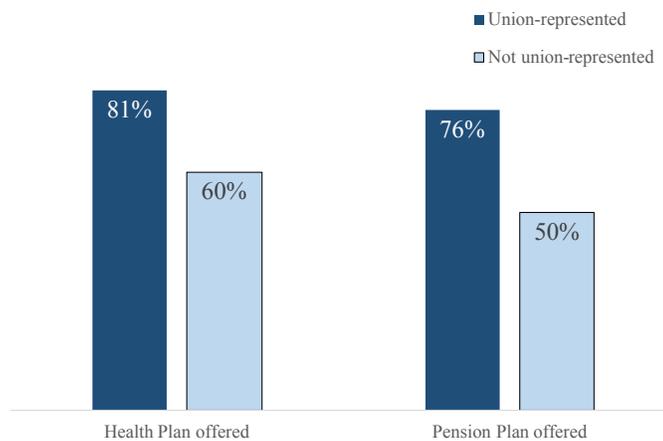


Figure 2. Employer health coverage and pension coverage, union-represented and not represented, New York State residents. New York workers in unions have substantially better chances of having health and pension coverage at their jobs. Five-year averages (2012 - 2016) for those employed for 35 hours a week or more. Source: Fiscal Policy Institute analysis of Annual Social and Economic (March) Supplement microdata (2013-17 releases).

Unions play a vital role in protecting and improving the conditions of work, including pay, safety, health, and—most importantly—fair and respectful treatment. Members pay dues to support their union, and in turn they see real benefits. They gain a voice in their workplace, and have a recourse if they are treated unjustly by their employers. That voice has also been broadly relevant in other spheres concerning policy. Unions that represent public employees—teachers, public-safety workers, municipal administrative workers, and others—have come to represent a much larger percentage of such workers (34 percent) than private-sector unions’ membership among private-business employees (7 percent), and thus have a substantial influence on public policy in many states, including defending vital public services against budget cuts. For example, New York’s unions were an important force in the effort to get the recent increases in the state’s minimum wage.

The conclusion is clear. It is in *all* working people’s interest in our state to continue to actively support the work that unions do on behalf of their members—and on behalf of all New Yorkers.

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The Fiscal Policy Institute (www.fiscalpolicy.org) is an independent, nonpartisan, nonprofit research and education organization committed to improving public policies and private practices to better the economic and social conditions of all New Yorkers.

¹ Median weekly earnings for 2013-2017 for those employed for 35 hours a week or more. Those who report less than \$100 are excluded. The "median" means half of these workers earn more, and half earn less. The "20th percentile" means one-fifth earn less. Both Figure 1 and Figure 2 include union members as well as those represented by, but not members of, unions—in other words, agency-fee employees.

² U.S. Bureau of Labor Statistics, “Union Members—2017.” <https://www.bls.gov/news.release/pdf/union2.pdf>