

# RISEP

Research Institute for Social and Economic Policy

By Bruce Nissen  
Center for Labor  
Research and Studies,  
Florida International  
University  
305-348-2616  
nissenb@fiu.edu  
<http://www.risep-fiu.org>

## Benefits of Unionization in Florida: Facts and Figures

The Employee Free Choice Act, if passed, is expected to make it easier for workers to form unions. Unionization is at a very low level, with only 12.4% of workers nationally belonging to unions in 2008 (unionstats.com). But unions improve wages and benefits of workers, especially low-income and minority workers. Increased unionization would be a step towards rebuilding the middle class and in this country, particularly in Florida which must find new ways to increase the number of middle class jobs in order to recover from the current recession.

In Florida, 6.4% of workers belonged to a union in 2008, but the public sector is unionized at a much greater rate than the private sector. Twenty-eight percent of public sector (government) workers were union members in 2008, compared with only 2.3% of private sector workers. Because Florida is a so-called “Right to Work” state, workers can be covered by a union contract even if they are not official dues-paying union members. Almost 8% of the Florida workforce is covered by a union contract even though only 6.4% are dues-paying members.

### Union Membership and Covered by Union Contract, Florida Wage Earners, 2008

Sector	Employment	Union members	Covered by union contract	Percent Union Members	Percent Covered by Union Contract
<b>Total</b>	7,572,946	482,329	600,511	6.4%	7.9%
<b>Private</b>	6,370,895	146,346	192,747	2.3%	3%
<b>Public</b>	1,202,051	335,983	407,764	28%	33.9%

Source: Current Population Survey, unionstats.gsu.edu

One of the key advantages of union membership is the ability to negotiate a contract with an employer for fair wages and benefits. Because of this, union members and those covered by union contracts typically earn more than those not covered by union contracts. **In Florida, the union hourly wage premium** (the percent that union members earn above what non-members earn) **is an average of 8.3%, meaning that the average union member earns 8.3% more than the average non member.**

## Greater Benefits for Lower Wage Workers

However the premium varies according to one's wage rate. Generally those who earn less benefit more than higher wage workers. In Florida workers who earn in the 40<sup>th</sup> percentile of wages (meaning 60% earn more; 40% earn less) get the most benefit from union membership, earning 12.1% more than non-members. Workers in the 30<sup>th</sup> percentile earn 11.8% more, followed by the lowest wage workers in the 10<sup>th</sup> percentile. The median wage premium (at the 50<sup>th</sup> percentile) is 10.7%.

**Union Hourly Wage Premium by Wage Decile, 2003-2007 (percent)**

	Mean	10th	20th	30 <sup>th</sup>	40th	50th	60th	70th	80th	90th
Florida	8.3	11.2	10.7	11.8	12.1	10.7	10.6	8.0	6.2	3.7

Source: Center for Economic and Policy Research

Just as low-wage workers benefit more from union membership, certain other groups of workers benefit more, including women, minorities, and service sector workers. The following tables show the benefits for these groups of workers, the result of data analyses that hold constant factors which could impact one's earnings such as age, education, and industry. This means the results which follow are truly describing the average benefit for union members over non-members and are not explainable by other factors.

## Greater Benefits for Women Workers

Women in Florida have a unionization rate slightly lower than that for all workers. In Florida 6.8% of women workers are covered by a union contract, and they represent almost half of the unionized workforce. **The benefits of unionization for women are a 10.2% wage premium over non-unionized women workers**, more than the wage premium for all workers of 8.3% (see table above). (Again, the union wage premium for women is calculated after controlling for other factors that may influence their wage.) Unions make a greater difference for female workers than for male workers probably because women tend to earn less and lower wage earners in general benefit more from unionization than higher wage workers. Also, unions lessen differential pay in the workplace where women tend to face discrimination.

**Unionization data for Women in Florida, 2004-2007**

	Unionization Rate	Share of Labor Force	Share of Unionized Labor Force	Union Wage Premium
Florida	6.8	48.5	46.3	10.2

Source: Center for Economic and Policy Research

## Greater Benefits for Hispanic Workers

As with women workers, Hispanic workers also benefit from unionization more than other workers. Again, this is probably because union contracts decrease pay differentials and decrease the potential for discrimination. **Hispanic workers in unions in Florida have an overall wage premium of 17.8% over non-union Hispanic workers, even after differences in age, gender, education level, and industry are accounted for.** Among Hispanic workers women benefit more than men (25% vs. 13% wage premium) and low-wage workers benefit more than the Hispanic workforce overall (19.2% vs. 17.8%).

### Union wage, health, and pension premiums for Hispanic Workers in Florida, 2004-2007

	Share union (percent)	Union premium		
		Hourly wage (percent)	Health-insurance coverage (percentage point)	Pension coverage (percentage point)
All	4.3	17.8	33.9	28.7
Men	4.5	13.0	31.0	35.0
Women	3.9	25.1	44.5	n.s.
In low-wage occupations	1.8	19.2	n.a.	n.a.

Source: Center for Economic and Policy Research

What is especially interesting is the greater advantage Hispanic union members have in benefits such as health insurance coverage and pension coverage over the wage premium. While the “wage premium” for Hispanic union members is 17.8% higher than for all Hispanic workers, **a unionized Hispanic worker is 33.9% more likely to have health insurance and 28.7% more likely to have a pension than is a non-union Hispanic worker.** As with wages, **Hispanic women have an even greater benefit, 44.5 percentage points for health insurance coverage.** Due to small sample size data for Hispanic workers in low-wage occupations is not available for health insurance and pension coverage.

## Greater Benefits for African-American Workers

As with other groups that have historically faced discrimination, African-American workers also experience a great benefit from unionization than do workers as a whole. **After adjusting for age, education, and industry of employment, unionized African-American workers on average earn 13.4% more than their non-union counterparts.** The union wage premium is greater for African-American women (14.8%) than their male counterparts (12.1%)

### Regression-adjusted union wage, health, and pension premiums for African-American workers in Florida, 2004-2007

	Union Wage Premium
All	13.4%
Men	12.1%
Women	14.8%

Source: Center for Economic and Policy Research

## Greater Benefits for Service Sector Workers

Service sector workers are 82.7% of the Florida workforce, and they are unionized at a rate of 7.6%, compared with 4.6% for non-service workers. The median hourly wage for unionized service sector workers is \$20.20, compared with \$14.36 for non-union workers. **After controlling for other factors that may influence wages, the wage premium for union membership is 9.5% for service sector workers in the state.**

**Unionization data for Service Sector Workers in Florida, 2004-2007**

	Number	Share of workforce	Unionization rate		Median wage		Union Wage Premium
			Service	Non-service	Union	Non-union	
Florida	7,552	82.7	7.6	4.6	20.2	14.36	9.5

Source: Center for Economic and Policy Research

Even though unions are commonly associated with manufacturing, with the decline of that industry and the rise of service sector work unions have become an important way for service sector workers to maintain a standard level of wages and benefits. Unlike many manufacturing jobs, service jobs are harder to offshore and so will continue to be an important source of employment in places like Florida which depends on low-wage service jobs for a significant portion of its economy.

## References:

The data in this brief came from a series of reports by John Schmitt of the Center for Economic and Policy Research released in 2008 and 2009. The reports looked at unionization for a variety of demographic groups including low-wage workers, women workers, Latino workers, and service sector workers. All data come from the Current Population survey and all findings are statistically significant at least at the one-percent level. More discussion about the methodology is available in each report which is linked below.

John Schmitt, [The Union Wage Advantage for Low-Wage Workers](#), May 2008

John Schmitt, [Unions and Upward Mobility for Women Workers](#), December 2008

John Schmitt, [Unions and Upward Mobility for Latino Workers](#), September 2008

John Schmitt, [Unions and Upward Mobility for African American Workers](#), April 2008

John Schmitt, [Unions and Upward Mobility for Service-Sector Workers](#), April 2009