

Unions provide major economic benefits for workers and families

Workers get significant economic benefits from labor unions, even if they are not members of a union themselves. While union membership rates among workers remained at [historic lows](#) in 2021, the year also witnessed increased union activity and favorable public opinion towards them. The last year has seen historic success of unionization efforts. Unionization took place at the JFK8 [Amazon](#) warehouse in Staten Island, New York, at [over 110 Starbucks](#) stores across the country and among [graduate students](#) at universities. New union organizing reflects a growing awareness of the economic benefits that unions have to offer all workers, including those who are not union members.

- Unionization boosts wages for workers industry-wide, even if their workplaces are not unionized. Unionized workers earn 10.2% more than their non-union peers, while also raising wages and benefits for all workers in their industry.
- Unions can play a critical role in narrowing racial and gender economic disparities. Unionization increases wages by 17.3% for Black workers and 23.1% for Latino workers.
- Significant [union activity](#) took place in 2021, including a string of high-profile [strikes](#), and unions' popularity reached a level not seen since 1965.

Supporting workers' right to organize is a key way to help boost wages and support quality jobs. Actions by Congress and the Biden administration will help protect the right to organize and increase the number of union jobs, ultimately creating significant economic benefits for workers and the broader economy.

Unionization boosts wages for workers industry-wide, even if their workplaces are not unionized

Unionized workers get higher pay, better benefits and more say over their work schedule compared to workers who are not in a union. For example, union workers [earn](#) an average of 10.2% more than their non-unionized peers even when comparing workers with similar education, occupation and experience levels.

Unionized workers are more likely to have health insurance and their employers pick up more of the costs. Workers who belong to a union are 18.3% more likely to have employer-sponsored [health insurance](#) compared with their non-union peers. Moreover, unionized workers' employers pay 77.4% more per hour worked towards the cost of health insurance.

Workers in unions have more control over their schedule. More than three-quarters of non-unionized workers do not get their [work schedules](#) more than a week in advance, while more than one-third of unionized workers get it with a least a week's notice. Getting work schedules earlier allows workers to make arrangements, such as for child care, sufficiently far in advance to balance both work and care responsibilities.

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There are broader spillover economic benefits for all workers in industries with high rates of unionization—even if individual workers are not themselves in a union. Unions [set a standard](#) for working conditions in industries in which they are prevalent. If employers have to compete for workers who have a good chance of getting a union job, non-union employers have to pay higher wages and offer better benefits to attract and retain workers. As a result, average wages are higher in highly unionized industries even if a worker is not themselves in a union.

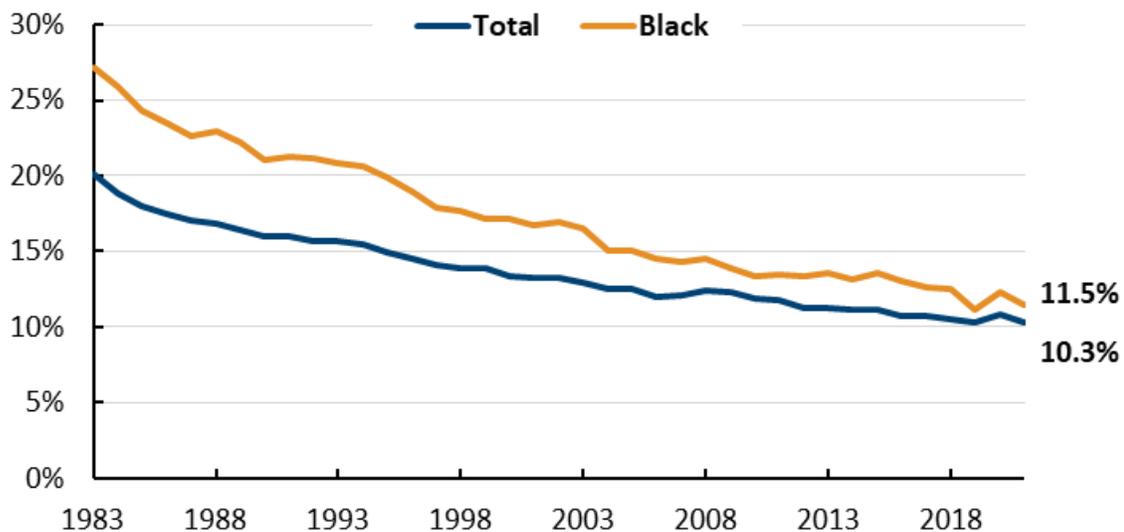
The pay standards set by unions have weakened and wage inequality has worsened as union membership has declined. According to [research](#), the decline of organized labor explains 20% to one-third of the rise in wage inequality from 1973 to 2007.

Unions play a critical role in narrowing racial and gender economic disparities

Today, unions play a critical role in narrowing racial economic disparities. For example, [Black](#), [Chinese](#) and [Latino](#) workers have a long history of organizing for better wages and working conditions, even when they were excluded from established unions and lacked labor protections. Many unions [excluded](#) Black workers and [other workers of color](#)—either explicitly or by creating unreasonably high barriers. With the formation of the explicitly multiracial Congress of Industrial Organizations in 1935 and the passage of the Civil Rights Act in 1964, unions have increasingly become more inclusive. Today, 11.5% of Black workers are members of a union, the highest rate of any major racial group.

Black Workers Are More Likely to be Union Members

Share of workers with union membership, 1983-2021



Source: Bureau of Labor Statistics



Union representation narrows racial pay gaps. Collective bargaining [increases](#) the power of marginalized workers by standardizing pay grades based on skill level and strengthening protections against workplace discrimination. Unionization [increases pay](#) by 17.3% for Black

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workers, 23.1% for Latino workers and 14.7% for Asian workers, compared to 10.1% for white workers.

Increased income thanks to unionization also narrows [racial wealth gaps](#). For example, unionization increases the median Black household's wealth by more than three times, compared to less than two times for white households.

In addition, union representation is important for women's economic security. In select industries such as teaching, unions have been shown to narrow gender pay gaps. Overall, hourly wages for female union workers are [4.7% higher](#) than for their non-union counterparts. In the female-dominated service industries, union workers make [52.1% more](#) than their non-union counterparts.

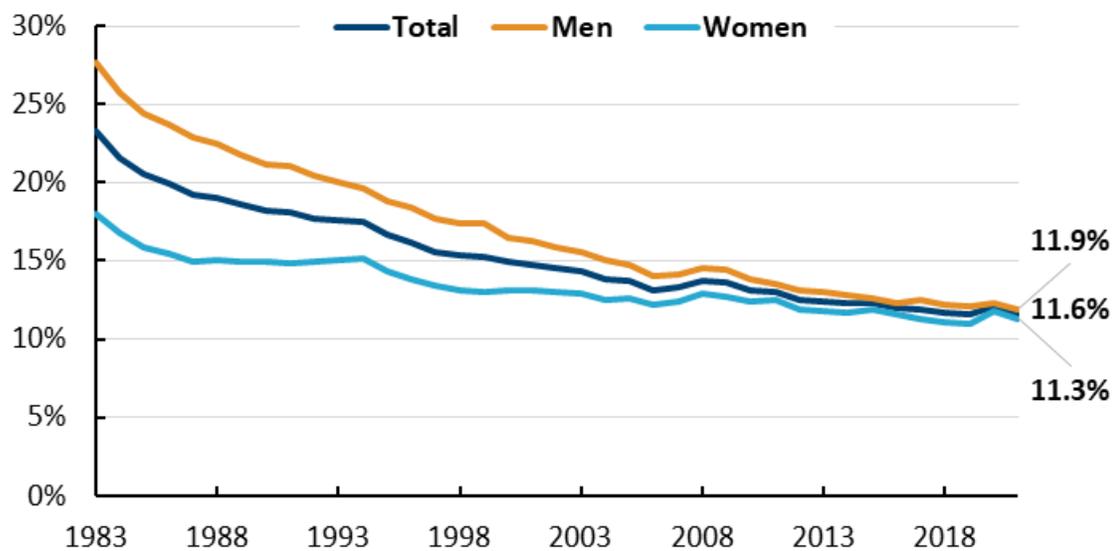
Unions saw a string of high-profile wins in 2021 as unions' popularity reached a level not seen in over 50 years

Union activity and popularity reached high levels in 2021, even as the share of workers represented by a union has declined over the last 40 years. Only 12% of workers were represented by a union in 2021, down from 23% in 1983. Most of the decline has come from male-dominated private-sector unions, while female-dominated public sector unions have remained more stable.

While the share of unionized employees continues to fall, it is declining at a slower rate than in the past.

Gender Gap in Union Representation Rates Has Shrunk

Share of workers represented by a union, 1983-2021



Source: U.S Bureau of Labor Statistics



Unions have grown more popular over the past decade, reaching approval levels not seen in over 50 years. Over two-thirds of Americans said they [approved](#) of unions in 2021, the highest level

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of support since 1965. Black workers, Latino workers, young workers and low-income workers are the most likely to say that unions have a [positive effect](#) on the country's direction. As of 2017, nearly half of workers not in a union say they [would join](#) one if they had the chance, up from 32% in 1995 and 33% in 1977.

The past year was a [major year](#) of activity for unions. In total, there were 951 unionization elections held in 2021, 70% of which were successful. This figure does not include new unions that were voluntarily recognized by employers after a majority of eligible staff expressed support for unionizing. Established unions also showed their power, with eight new strikes of at least 1,000 workers each called in 2021 in addition to one major on-going strike. This represented the most recorded new strikes since 2004, with an average of 4,883 workers on strike each month of 2021.

Strikes directly benefited workers in 2021. For example, a five-week strike by over 10,000 United Auto Workers members employed by [Deere & Co.](#) resulted in a new contract that raised hourly wages by 10%, increased retirement benefits and maintained full employer-covered health insurance premiums. Similarly, thousands of Bakery, Confectionery, Tobacco Workers and Grain Millers' International Union members [organized](#) successful strikes at Frito-Lay, Nabisco and Kellogg in order to end forced overtime, increase job security, boost benefits and reject two-tier contracts that disadvantage new workers.

The recent surge in interest in unions is good news for workers, who benefit economically not just from being in a union themselves, but also from positive spillover effects if they work in an industry with high unionization rates.

[Supporting workers' right to organize is a key way to help boost wages and support quality jobs](#)

Protecting and supporting workers' right to organize is critical to boost wages and improve job quality because unionization has such a positive impact on workers' wages. To bolster workers' ability to organize themselves, Congress and the Biden administration are taking a number of actions, including through the bipartisan Infrastructure Investment and Jobs Act and administrative actions.

For example, many of the jobs created by the bipartisan Infrastructure Investment and Jobs Act will be [subject](#) to the Davis-Bacon Act. The [Davis-Bacon Act](#) sets wage and benefit rates for construction workers supported through federal contracts at existing market levels and ensures that they are not paid poverty wages. In addition, President Biden issued an executive order requiring that all large federal construction projects include a [project labor agreement](#), a collective bargaining agreement for contractors and labor groups on a certain project. The Protecting the Right to Organize (PRO) Act, which has passed the House, would further [strengthen](#) workers' ability to organize.

President Biden's appointees to the National Labor Relations Board have taken actions to support unionization efforts by [college athletes](#) and Amazon and Starbucks' [employees](#), as well as showing support for [strengthening union neutrality rules](#) for employers and protecting the labor rights of workers regardless of their [immigration status](#). They are also considering

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overruling a Trump administration policy that allowed employers to impose some policies that could be reasonably interpreted as interfering with employees' right to organize and changing the rules [governing independent contractors](#), which could allow more workers in gig economy jobs, such as Uber, to organize.

These actions by Congress and the Biden administration to further support workers' ability to organize will build on the momentum of recent, historic union activity. These changes will improve wages and working conditions for workers across the country, including those who are not unionized but will benefit from positive spillover effects.