



# The Suffering South

## Anti-Union and Poorer for It

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As we look forward to Labor Day, we should note the role of organized labor and the impact of unions on economic well-being, especially in the Gulf South. The Bureau of Labor Statistics (BLS) of the U.S. Department of Labor gives the overall picture of union membership as of 2014: The number of wage and salary workers belonging to unions is 14.6 million, which is 11.1 percent of all such workers. This number is down from 17.7 million union workers, 20.1 percent of the total, in 1983, the first year for which comparable union data was available.<sup>1</sup>

BLS also reported:

- Union membership is more than five times higher (35.7 percent) among public-sector workers than private-sector workers (6.6 percent).
- Union membership is higher among men (11.7 percent) than women (10.5 percent).
- Union membership is higher among black workers (13.2 percent) than whites (10.8 percent), Asians (10.4 percent), or Hispanics (9.2 percent).
- Unions represent 16.2 million wage and salary workers, including 14.6 million union members and 1.6 million workers who report no union affiliation but whose jobs are covered by a union contract.
- Median weekly earnings of union members are \$970, while nonunion workers earn only 79 percent of union earnings (\$763).<sup>2</sup>

Except in Alabama,<sup>3</sup> the five Gulf South states lag far behind the national rates for union representation and membership, as indicated in the table below:

Mississippi has the lowest rates in the region and the third-lowest in the country.

### “Right to Work” States

It is well-known that the Southern states are more hostile to unions. After Congress adopted the Taft-Hartley Act in 1947, many Southern states quickly used the authority in that law to pass so-called “right-to-work” (RTW) laws, including all five Gulf South states. These prohibited unions from making membership or payment of dues a condition of employment, either before or after a worker was hired.<sup>4</sup> These RTW laws go one step further and entitle employees to all the benefits of the union contract—including union representation for worker grievances against employers—but without paying the costs.<sup>5</sup> Wages in the 25 RTW states are 3.1 percent lower than those in non-RTW states, after controlling for a full range of individual demographic and socioeconomic factors as well as state macroeconomic indicators. In dollar terms, this means \$1,558 in lower annual wages for a typical full-time, full-year worker in RTW states.<sup>6</sup>

### Union Wage Premium

In general, union membership is recognized as responsible for raising both wages and total compensation (wages and benefits). The percentage of higher wages earned by those covered by a collective bargaining agreement (union members and others) as compared with those not covered is called the “union wage

Union Affiliation of Employed Wage and Salary Workers, 2013–14 Averages

Region	Total Employed	Union Members	Percent of Employed	Represented by Unions	Percent of Employed
United States	131,431,000	14,600,000	11.1%	16,200,000	12.3%
Alabama	1,887,000	204,000	10.8%	228,000	12.1%
Florida	8,042,000	455,000	5.7%	561,000	7.0%
Louisiana	1,834,000	96,000	5.2%	118,000	6.4%
Mississippi	1,028,000	38,000	3.7%	46,000	4.5%
Texas	11,205,000	543,000	4.8%	700,000	6.2%



premium,” and the percentage difference in benefits is the “union benefit premium.” The union wage premium is 13.6 percent overall—17.3 percent for men and 9.1 percent for women. Black workers have a union wage premium of 17.3 percent, Hispanics 23.1 percent, and whites 10.9 percent. By raising wages for lower-paid minorities more than for whites, the union wage premium actually helps to close the racial/ethnic wage gaps.<sup>7</sup>

In general, unionization raises wages more for low- and middle-wage workers than for higher-wage workers, more for blue-collar than for white-collar workers, and more for those without a college degree.<sup>8</sup> Across the nation, however, union representation fell dramatically among blue-collar and high school-educated male workers from 37.9 percent in 1978 to 14.9 percent in 2011. This weakened the positive effect of unions on the wages of high school-educated workers and widened the college/high school wage gap and contributed to growing inequality.<sup>9</sup>

## Union Benefit Premium

The union benefit premium is most evident in health insurance, pensions, and paid time off. When adjusted for establishment size, occupation, industry, full-time, part-time, and other factors, union workers are 28.2 percent more likely to have employer-provided health insurance while working and 24.4 percent more likely to have retiree health coverage; they are 53.9 percent more likely to have pension coverage, and they enjoy about three days more paid vacation and 14.3 percent more paid vacations and holidays.<sup>10</sup>

## Workplace Protections

Unions have been at the forefront (along with many others, including the U.S. Catholic Church) in advocating for workplace protections and key benefits such as the National Labor Relations Act and Social Security Act of 1935, the Fair Labor Standards Act of 1938, the Occupational Safety and Health Act of 1970, the Family Medical Leave Act of 1993, and increases in minimum wage at the federal level and in some states. With very weak Gulf South unions, these states lag behind in worker protection and social benefits. Consider two examples: minimum wage legislation and Medicaid expansion.

Regarding minimum wage, Alabama, Mississippi, and Louisiana have no such laws; Texas adopts the federal minimum (now \$7.25 hour) but does not apply it to any employment subject to the federal Fair Labor Standards Act (which would assure additional time-and-a-half and other wage and hour requirements); and Florida has set its minimum wage just above the federal level at \$8.05, and it increases annually based on a cost-of-living formula.<sup>11</sup>

These five states also are refusing to implement the Medicaid expansion provisions of the Affordable Care Act (ACA). This provision would provide health care coverage under the federal Medicaid program to those who are not currently qualified for Medicaid and not making sufficient income to qualify for health care insurance subsidies under the ACA. Most of these are non-unionized working poor Americans without employer-sponsored health coverage. Of the 5.7 million people

deprived of this ACA health insurance option, almost half—2,721,000—reside in the five Gulf South states: Alabama (235,000), Florida (848,000), Louisiana (265,000), Mississippi (165,000), and Texas (1,208,000). These are among the states with the highest levels of poverty and the greatest health needs. The weakness of organized labor, as well as regional conservatism, contribute to the intransigence of elected leaders in the face of such glaring needs.<sup>12</sup>

These examples and others explain the consistent support of the Catholic Church for unions—not just because of the direct effect on workers but because of their important contributions to the common good. See *Catholic Social Thought and Unions* on page 3.

## ENDNOTES

- 1 Bureau of Labor Statistics, U.S. Department of Labor, *Union Members—2014*, News Release and Tables, January 23, 2015.
- 2 Ibid. BLS notes: “The comparisons of earnings in this release are on a broad level and do not control for many factors that can be important in explaining earnings differences.”
- 3 Brian Kelly, “Organized Labor in Alabama,” *Encyclopedia of Alabama*, November 11, 2008, updated April 24, 2015 at <http://www.encyclopediaofalabama.org/article/h-1835> (accessed May 21, 2015), traces the roots of organized labor to the textile industries of North Alabama, the steel industry of Birmingham (including coal and iron mining), and the influence of civil rights advocacy. He notes that, nevertheless, in Alabama, as elsewhere, organized labor has been in decline.
- 4 Chris Kromm, “Special Report: Labor Day: Honoring Labor in the South,” *Facing South*, September 2, 2010, at <http://www.southernstudies.org/2010/09/labor-day-honoring-labor-in-the-south.html> (accessed May 21, 2015).
- 5 Elise Gould and Will Kimball, “Right to Work” States Still Have Lower Wages, Economic Policy Institute, Briefing Paper #395, April 22, 2015, at <http://www.epi.org/publication/right-to-work-states-have-lower-wages/> (accessed May 20, 2015).
- 6 Ibid.
- 7 Lawrence Mishel, *Unions, Inequality, and Faltering Middle-Class Wages*, Economic Policy Institute, Issue Brief #342, August 29, 2012, p. 3 at [www.epi.org/publication/ib342-unions-inequality-faltering-middle-class/](http://www.epi.org/publication/ib342-unions-inequality-faltering-middle-class/)
- 8 Lawrence Mishel and Matthew Walters, *How Unions Help All Workers*, Economic Policy Institute, Briefing paper, August 26, 2003, p. 1 at [http://www.epi.org/publication/briefingpapers\\_bp143/](http://www.epi.org/publication/briefingpapers_bp143/) (accessed May 27, 2015).
- 9 Ibid., p. 6.
- 10 Ibid., pp. 1, 3, and 5.
- 11 Wage and Hour Division, U.S. Department of Labor, *Minimum Wage Laws in the States—January 1, 2015*, at <http://www.dol.gov/whd/minwage/america.htm> (accessed May 22, 2015).
- 12 Fred Kammer, S.J., “Refusing to Expand Medicaid: Political Decisions with Deadly Consequences,” *JustSouth Monthly*, No. 39, September 2014, at <https://t.e2ma.net/webview/r0wktf/6f57e7798f5f657d8b14ce8b8b28b0b7> (accessed May 22, 2015).