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Union Membership Boosts Pay for Workers in West Virginia

Belonging to a Union Raises Wages for Workers by 11 Percent and
Low-Wage Workers by 16 percent, *Study Finds*

CHARLESTON: Union membership raises the wages of West Virginia workers by 11.1 percent on average. For low-wage workers union membership increases earnings even higher, an estimated 15.8 percent more than non-union workers, according to a new study released jointly by the [Center for Economic and Policy Research](#) (CEPR) in Washington, DC, and the [West Virginia Center on Budget and Policy](#) in Charleston.

“While West Virginia has seen modest wage growth over the last several years, a typical worker in West Virginia still makes almost a dollar less per hour today (after adjusting for inflation) than in 1979,” said Ted Boettner, director of the WV Center on Budget and Policy. Real hourly wages for the typical worker in West Virginia dropped from \$14.87 per hour in 1979 to \$14.06 in 2007. The typical male worker has seen his wage drop from \$18.91 in 1979 to \$16.35 in 2007. (These figures are in constant 2007 dollars). “The data in the report makes clear that belonging to a union can help reduce the wage gap in the mountain state.”

The study, [“The Union Advantage for Low-Wage Workers.”](#) also concluded that belonging to a union increases the earnings of the typical West Virginia worker – the earner right in the middle of the pay scale – by 11.5 percent. The table below shows hourly wages for union and non-union workers separately at each wage percentile. As the table indicates, the union wage effect is positive for wage earners at each decile.

Non-Union and Union Hourly Wages, 2007 (West Virginia)

Percentile	10th	20th	30th	40th	50th (Median)	60th	70th	80th	90th
Non-Union Worker	\$6.86	\$8.29	\$9.86	\$11.34	\$13.13	\$15.52	\$18.81	\$22.63	\$29.07
Union Worker	\$7.94	\$9.57	\$11.22	\$12.67	\$14.64	\$17.06	\$20.16	\$24.28	\$29.97
Union Premium	\$1.08	\$1.28	\$1.36	\$1.33	\$1.51	\$1.54	\$1.35	\$1.65	\$0.90

In 2007, a typical low-wage worker in West Virginia earned \$6.86 an hour. This study shows that joining a union would raise that figure to \$7.94 an hour. “Unions give the biggest boost to low-wage workers because these are the workers that have the least bargaining power in the labor market,” said John Schmitt the author of the study and a senior economist at CEPR. “Unionization has a large and measurable impact on the bargaining power, and therefore the wages, of low-wage workers.”

Unionized workers are also more likely to receive paid leave, health insurance, or an employer-provided pension plan. Studies have also shown that the “spillover effect,” the affected gains made by unions that increase nonunion wages, is an important benefit that unionization has on wage growth across the country.

“Joining a union is one of the best ways workers, especially low-wage workers, in West Virginia can improve their paycheck and provide the needed economic security that their families need to weather rising food and energy costs,” said Boettner. Unions can help shrink growing income inequality in West Virginia.

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“At a time when the income gap between the rich and poor is increasing in West Virginia, this research provides compelling evidence that unionization can reduce inequality and improve the position of low and moderate income families.”

“One way that we can begin moving toward a more shared prosperity is to remove obstacles that make it difficult for workers to organize,” said Boettner. “Workers are often intimidated or even fired when they try to unionize. Proposed legislation such as the federal Employee Free Choice Act or the Worker Freedom proposed in West Virginia would reduce the intimidation factor and meaningfully restore the right to organize that is enshrined in federal and state law.”

Over the period covered in the report, 15.4 percent of West Virginia workers were either members of a union or covered by a union contract at their workplace.

The report is the second in a series of related reports by CEPR. The first, released in March, found that unionized African-American workers earn 12 percent more and have better benefits than their non-union counterparts.

The Center for Economic and Policy Research is an independent, nonpartisan think tank that was established to promote democratic debate on the most important economic and social issues that affect people's lives. CEPR's Advisory Board of Economists includes Nobel Laureate economists Robert Solow and Joseph Stiglitz; Richard Freeman, Professor of Economics at Harvard University; and Eileen Appelbaum, Professor and Director of the Center for Women and Work at Rutgers University.

The West Virginia Center on Budget and Policy is a policy research organization that is nonpartisan, nonprofit, and statewide. It focuses on how policy decisions affect all West Virginians, especially low- and moderate-income families. This new release and report is available on the web: www.wvpolicy.org

The Full Report can be found at: http://www.cepr.net/documents/publications/quantile_2008_05.pdf

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