

Unions: Supporting the U.S. economy and strengthening the middle class

Unions play a critical role in the vitality of the U.S. economy and the strength of the middle class.

They do this by crusading for livable wages and fighting for better benefits in the workplace.

“The fact is that when unions are stronger, the economy as a whole does better,” writes author Eric Lui in an editorial that appeared Jan. 29, 2013, on *Time* magazine’s online Ideas section. “Unions restore demand to an economy by raising wages for their members and putting more purchasing power to work, enabling more hiring.”

It’s simple economics. If families get paid livable wages, they have money to spend. They can buy homes and cars. They can afford to go out to eat and take vacations. They can invest in their futures. That spending leads to increased demand for products and services provided by businesses, which, in turn, can hire employees to meet their customer needs.

Lui also notes in his January editorial that unions create a higher prevailing wage for non-union workers. “The presence of unions sets off a wage race to the top. Their absence sets off a race to the bottom,” he writes. This is important to keeping a strong middle class.

The influence of unions is apparent when looking at regional compensation rates. In areas with a high number of right-to-work states and low unionization rates, wages are significantly lower.

In the South, where a majority of states have right-to-work laws, the U.S. Bureau of Labor Statistics reports employer costs for employee compensation at \$26.37 an hour in December 2012 – the latest report. That compares to \$33.10 an hour in the Northeast, where there aren’t any right-to-work laws and unionization is generally higher.



States with high unionization rates have a stronger middle class than those with low rates, too, according to research published by the Center for American Progress Action Fund. The report, "Unions Make the Middle Class," states that the 10 states with the lowest unionizations had below average incomes among their middle 60 percent of income earners.



The research authors also suggest that if unionization rates increased by 10 percentage points, returning to the level in 1980, then the typical middle class household would pull in \$1,532 more annually. That's whether workers are in a union or not. That's a huge boost for the economy and for building the middle class.

"To put these results in context, our analysis indicates that increasing union membership is

as important to rebuilding the middle class as boosting college graduation rates," according to the report.

Strong unionization also influences nonunion employers, helping the middle class as a whole, according to a report from the Economic Policy Institute published August 29, 2012. In these areas, "nonunion employers will frequently meet union standards or at least improve their compensation and labor practices beyond what they would have provided in the absence of union presence."

Local 378 represents more than 2,000 members who have a reputation for high-quality work on high-profile jobs in their communities. The men and women Ironworkers in the Oakland area are proud that unions indeed influence and enrich the lives of all Americans.

Growing membership numbers is critical to strengthening the U.S. economy and the middle class. Be sure to share those benefits when people ask you about being in a union.

