



NEWS from the Fiscal Policy Institute

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Unions Lift Wages for New York's Hispanics *Unionization doubles health care and pension coverage*

How much do unions help Hispanic workers?

There are now exact numbers to answer that question, thanks to a study released at the beginning of Hispanic Heritage month (September 15 to October 15) by the Fiscal Policy Institute and the Center for Economic Policy Research.

Overall, unionized workers earn substantially more than non-union workers. The report, *Unions and Upward Mobility for Latino Workers*, shows that the median wage in New York State for unionized worker is \$16.46 per hour, compared to a median of \$12.00 per hour for nonunion.

Even after correcting for factors such as education, age, and gender, Hispanic workers in New York State who are covered by a union contract make 13 percent more than those without the benefit of a union contract. In New York State, union contracts cover about a quarter of both Hispanic workers (25.5 percent) and workers overall (26.4 percent). In all, there are 300,000 Hispanics who are unionized in New York State.

In today's workplace, benefits can be as important as wages. And, the analysis concludes, unions make an even bigger difference for two of the most important parts of a benefits package: health care and pensions. Hispanics in New York are twice as likely to have employer-provided health insurance if they are unionized, and twice as likely to have an employer-sponsored pension plan. In all, 68 percent of unionized Hispanic workers have employer-provided health insurance, and 55 percent have employer-sponsored pension plans.

For Hispanics in low-wage occupations, unionization plays an especially important role. A higher share of Hispanics in low-wage occupations are unionized, and the benefit of

union coverage for low-wage workers is greater. In New York State, 28 percent of Hispanics in low-wage jobs are covered by a union contract, and they earn 17 percent more than non-unionized Hispanics in the same occupations.

Nationally, Hispanics are the fastest-growing part of the workforce, and they are the fastest-growing part of the labor movement, according to the report.

“It’s easy to understand why Hispanic workers want to join unions,” said David Dyssegaard Kallick, senior fellow of the Fiscal Policy Institute. “The financial advantage is impressive, not to mention the gains in respect and dignity. But it’s important to understand that unions play a key role for the city as well, helping to reshape the New York economy so that overall there are more jobs that pay middle-class wages and provide good benefits.”

At the end of the 1970s, less than five percent of US workers were Hispanic, while by 2007 Hispanics made up 14 percent of the labor force. In New York State, Hispanics are currently 15 percent of the workforce. Somewhat more than half of Hispanic workers in New York are immigrants (57 percent); the balance (43 percent) come from Puerto Rico or were born in the mainland United States.

Sonia Ivany, president of the New York City Labor Council for Latin American Advancement, said: “These findings are good news for Latino workers. It’s clear that unionization is a way that Latino working families can raise their own economic standard of living and improve their overall quality of life. Unfortunately, employers rarely allow workers a choice to join a union, and in numerous cases intimidate workers who support unionization. That’s why the Employee Free Choice Act is a top priority for labor, the EFCA guarantees workers a fair process in their decision to union representation.”

Edgar DeJesus, interim organizing director for AFSCME District Council 37, brings the point home to New York City workers. Currently involved in a campaign to organize the non-union workers at the Central Park Conservancy, DeJesus notes, “Many of the workers are Latinos, and immigrants. And although Central Park is the property of New York City, the majority of employees are paid by a private institution. Upon learning of workers’ desire to have a union, the CEO of Central Park Conservancy embarked on a campaign that spread fear to those workers that desired a union. If the EFCA had existed, these workers would already have a union, given that majority had signed union cards this past January.”

“New York has become an hourglass economy,” added David Dyssegaard Kallick, senior fellow of the Fiscal Policy Institute. “Some people at the top are making very high wages, while a big group of people—a disproportionate number of them Hispanic—are not sharing equally in the city economy. This report shows that it doesn’t have to be that way. Labor unions can help change the shape of the hourglass by lifting workers up in to the middle of the New York economy.”

“The benefits of union membership for Latinos are clear from the data presented in this report,” said Angelo Falcón, president of the National Institute for Latino Policy. “As the Latino population continues to grow, in large part because of labor demand and an improving standard of living, unions will see a growing share of their membership coming from our community. The level of Latino union membership is amazing given their concentration in private sector jobs, where unionization has been weakest compared to the public sector, where Latinos are very underrepresented. In this regard, unions may be one of the most effective vehicles for promoting the social integration of Latinos into the American mainstream.”

The study released today is the latest in a series of studies looking at the effects of unionization on different parts of the workforce. Earlier studies by FPI and CEPR showed that unionization has substantial benefits for Black workers, and that low-wage workers (of all races and ethnicities) benefit particularly powerfully from unionization.

National Hispanic Heritage Month, first declared in 1988, runs from September 15 to October 15. In addition, September 15 marks the independence from Spain of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua; September 16 is Mexican independence day; and Chile celebrates its independence on September 18.

The Fiscal Policy Institute (FPI) is a nonpartisan research and education organization that focuses on the tax, budget, and economic public policy issues that affect the quality of life and the economic well being of New York State residents.

Data tables for the New York State report are below.

The Center for Economic and Policy Research is a nonprofit, nonpartisan Washington, D.C.-based organization conducting research on economic and social issues.

The CEPR report is available at <http://www.cepr.net>.

TABLE 1

Wages, Health and Pension Coverage, for Union and Non-Union Latino Workers in New York, 2004-2007

	Union share (percent)	Median hourly wage (2007 dollars)		Health-insurance (percent)		Pension (percent)	
		Union	Non-union	Union	Non-union	Union	Non-union
All	25.5	16.46	12.00	68.7	34.2	56.9	27.8
Men	25.4	18.51	12.85	69.3	37.3	57.7	26.7
Women	25.6	15.00	10.98	67.7	30.7	55.4	29.1
In low-wage occupations	28.0	12.35	9.49	n.a.	n.a.	n.a.	n.a.

Notes: CEPR analysis of CEPR extract of the Current Population Survey Outgoing Rotation Group and UNICON extract of March Current Population Survey data. Union refers to union membership or union coverage. Health insurance refers to participation in an employer- or union-sponsored plan where the employer pays some or all of the premium. Pension refers to participation in an employer-sponsored plan, with or without employer contribution. Health and pension coverage refer to 2004-2006; wages refer to 2004-2007.

TABLE 2

Regression-adjusted union wage, health, and pension premiums for Latino workers in New York, 2004-2007

	Share union (percent)	Union premium		
		Hourly wage (percent)	Health-insurance coverage (p.p.)	Pension coverage (p.p.)
All	25.5	13.2	32.8	25.9
Men	25.4	15.8	27.1	27.7
Women	25.6	9.8	38.0	28.5
In low-wage occupations	28.0	16.6	n.a.	n.a.

Notes: All regressions include controls for age, education, gender (where appropriate), state, and two-digit industry. Union wage premiums in percent are converted from log points; all are statistically significant at at least the one-percent level. Union-health insurance and pension coverage figures are the percentage-point (p.p.) increases associated with union coverage or membership; all estimates are significant at the one-percent level. Health and pension coverage refer to 2004-2006; wages refer to 2004-2007.