

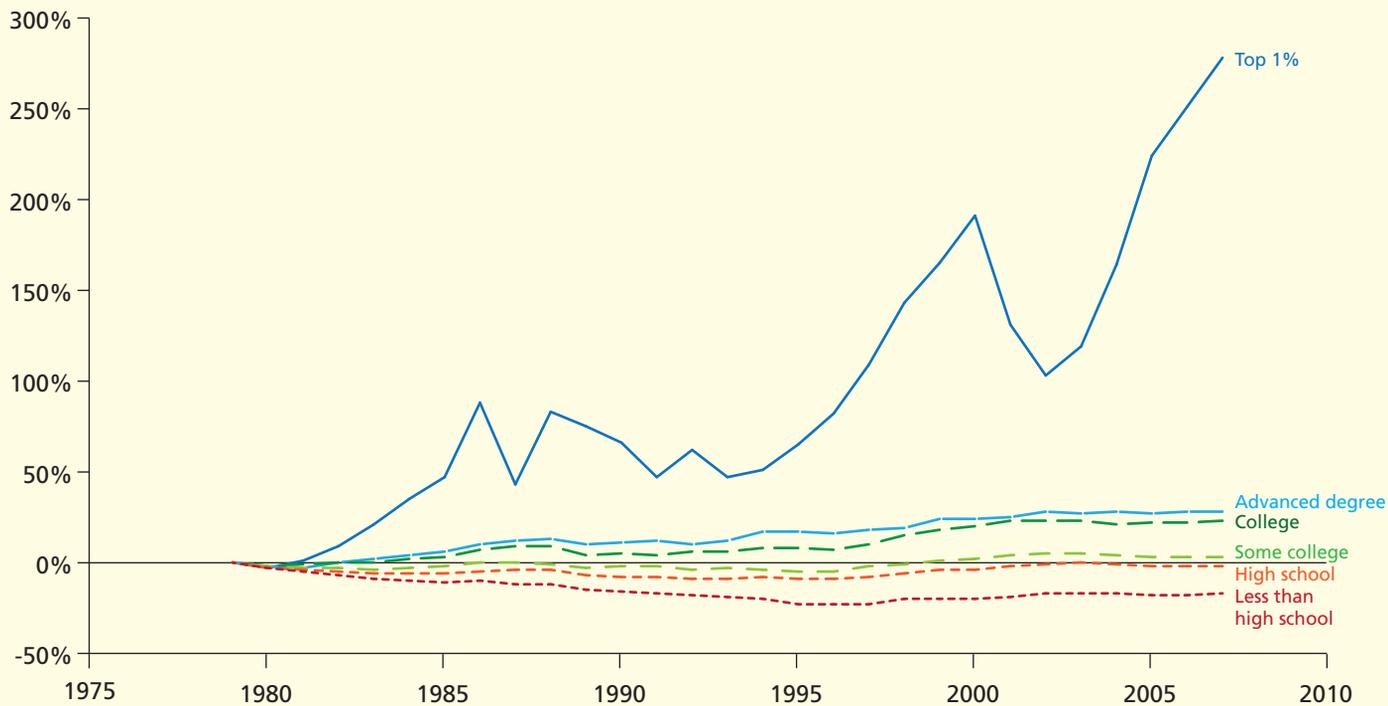
The Rich Get Richer

IT SEEMS WE'VE all been trying in recent months to better understand the causes of economic inequality in America. Some have argued that a big source of that

inequality is individuals' different levels of educational attainment—but the data just don't support that idea. As this chart from the Economic Policy Institute

shows, over the past 30 years, wage growth among those with college degrees has been minimal compared with income growth among the top 1 percent.

Cumulative growth in income for the top 1 percent compared with growth in wages, by education level, 1979–2007



SOURCE: EPI ANALYSIS OF CPS WAGE DATA, 2009, AND CONGRESSIONAL BUDGET OFFICE, 2011, TRENDS IN THE DISTRIBUTION OF HOUSEHOLD INCOME BETWEEN 1979 AND 2007. SEE: "THERE'S MORE TO INEQUALITY THAN EDUCATION" BY JOHN IRONS, NOVEMBER 3, 2011, WWW.EPI.ORG/BLOG/INEQUALITY-EDUCATION.

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Unions Make Democracy Work

BY DAVID MADLAND
AND NICK BUNKER

AT THE END of January, the Department of Labor released data showing, yet again, a slight decline in union membership. At 11.8 percent, the 2011 union membership rate is the lowest in more than 70 years. Unfortunately, the decline was expected because of the one-two punch of long-term trends—such as the escalation of aggressive employer campaigns against union representation—and political attacks such as Wisconsin's new law banning public-sector collective bargaining.

Even though less than 12 percent of all workers are currently union members, Americans—whether unionized or not—should care about this decline because unions give workers a bigger say in our economy and our political system.¹ That helps the middle class, and it's good for democracy.

As our research and a number of academic studies find,² unions strengthen the middle class and significantly reduce economic inequality. In fact, studies indicate that the decline in union density explains as much of today's record level of inequality as does the increasing economic return of a college education.³

Most research on the importance of unions to the middle class tends to focus on how unions improve market wages for both union and nonunion workers.⁴ This research is no doubt vital, but it gives short shrift to the critical role unions play in making democracy work for the middle class.

Unions help boost political participation among ordinary citizens—especially among members, but also among nonunion members—and convert this participation into an effective voice for

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pro-middle-class policies.

This explains why states with a greater percentage of union members have significantly higher voter turnout rates, as well as higher minimum wages, a greater percentage of residents covered by health insurance, stronger social safety nets, and more progressive tax codes.

That unions are important to the strength of the middle class is easy to see by looking at the close relationship between the two over time. In 1968, the share of income going to the nation's middle class was 53.2 percent, when 28 percent of all workers were members of unions. Since then, union membership steadily declined alongside the share of income going to the middle class. By 2010, the middle class only received 46.5 percent of income as union membership dropped to less than 12 percent of workers.

The middle class weakened over the past several decades because the rich secured the lion's share of the economy's gains. The share of pretax income earned by the richest 1 percent of Americans more than doubled between 1974 and 2007, climbing to 23.5 percent from 9 percent. And for the richest of the rich—the top 0.1 percent—the gains have been even more astronomical—quadrupling over this period,⁵ rising to 12.3 percent of all income from 2.7 percent.

Even though unions have weakened, they are still critically important to the middle class: The states with the lowest percentages of workers in unions—North Carolina, Georgia, Arkansas, Louisiana, Mississippi, South Carolina, Tennessee, Virginia, Oklahoma, and Texas—all have relatively weak middle classes. In each of these states, the share of income going to the middle class (the middle 60 percent of the population by income) is below the national average, according to Census Bureau figures.⁶

Unions make the political system work for the middle class in two key ways: increasing voter participation and advocating for policies that help the middle class. As an increasing number of citizens feel their democracy is no longer responsive to their needs, the role unions play is ever more important.



Unions help get ordinary citizens—union and nonunion alike—involved in politics by, for example, knocking on doors, educating workers on the issues, and helping them feel their efforts will make a difference.

Case in point: A 1 percentage point increase in union density in a state increases voter turnout rates by 0.2 to 0.25 percentage points.⁷ In other words, if unionization were 10 percentage points higher during the 2008 presidential election, 2.6 million to 3.2 million more Americans would have voted.

Similarly, research shows that self-described working-class citizens—whether unionized or not—are just as likely to vote as other citizens are when unions run campaigns in their congressional district.⁸ Yet when unions don't run campaigns, working-class citizens are 10.4 percent less likely to vote than other citizens. A similar pattern holds for communities of color. Voters of color are just as likely to vote as white voters in districts with union campaigns but are 9.3 percent less likely to vote in districts without campaigns.

The figure on the right shows that states with higher levels of unionization have higher levels of voter turnout by highlighting the relationship for all federal elections from 1980 to 2010. This relationship would also hold if we were to look at only presidential elections or only midterm elections. Other factors contribute to voter turnout, but unionization certainly plays an important role in getting the vote out.

Before people take political action, they

must think it is worthwhile—that the benefits are greater than the costs. But the costs of action—time, money, and energy—are sometimes higher than the benefits of action.⁹ This is especially true with actions such as writing a letter to a member of Congress or tracking the progress of a bill, but it can hold true even for an action as simple as voting.

Unions help decrease the costs and increase the benefits of participation so that more people get involved. They do this in a number of ways—from simply knocking on doors and letting people know about an election and providing information about an issue, to helping people get to the polls or write a letter and making people feel more powerful and thus likely to succeed. Relatively few people participate spontaneously in politics, but rather are likely to take action when groups such as unions mobilize them to do so.¹⁰

As a result, being a union member makes a person more likely to vote and participate in politics, but unions also increase participation among nonmembers. Nonunion members are often the recipients of union efforts to educate and mobilize. Getting middle- and working-class citizens to vote and otherwise get involved in democracy is especially important because higher-income people are much more likely to participate in politics than the middle class.¹¹

Making democracy work for the middle class involves more than getting citizens involved in the political process, however.

Ordinary citizens also need some level of influence over which policies are actually debated, their final structure, and whether they get passed or not.¹² This requires expertise and sustained attention as well as resources and the ability to mobilize them at the right time. The problem is that these tasks are nearly impossible for unorganized citizens to perform. As a result, as individuals, ordinary citizens have a very hard time actually influencing policy debates—even when their preferred candidate wins.

Unions play a critical role in translating workers' interests to elected officials and ensuring that government serves the economic needs of the middle class. They do this by encouraging their members and the general public to support certain policies as well as by directly advocating for specific reforms. Unions provide legal and regulatory expertise, create space for collaborative negotiations, ensure effective implementation of policies, mobilize members at key points in the legislative process, and act as a strong counterbalance to powerful interest groups that support policies that would harm the middle class.

Historically and today, unions are one of the few organized interests that have the capacity and the mission to launch sustained and successful policy campaigns during drawn-out political battles.

To be sure, not every policy that unions support clearly benefits all of the middle class—some favored policies have been more narrowly targeted to benefit their

membership—but as a general rule most of what unions support is about promoting a strong middle class. As Nobel-laureate economist Paul Krugman argues, during the middle part of the last century in the United States, “government policies and organized labor combined to create a broad and solid middle class.”¹³ Social scientists consistently show that strong labor unions are closely associated with low levels of inequality and more generous social programs that benefit the middle class.¹⁴

Naysayers argue that

unions are just another interest group, but the fact is that organized labor fights for the common interests of many Americans. Unions have in many ways helped workers who have never paid union dues.

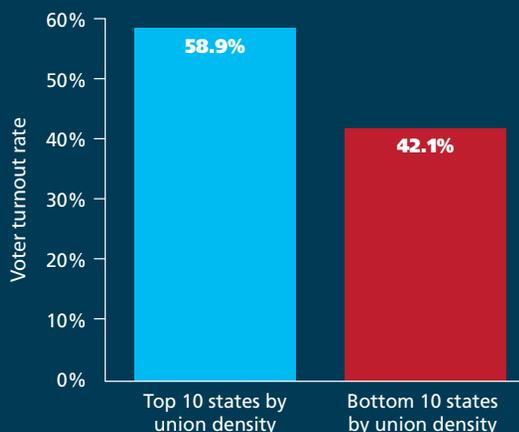
What's more, the role unions play in making our democracy work is critical at this juncture, when inequality is at record levels and an increasing number of citizens feel their democracy is no longer responsive to their needs.¹⁵ Indeed, in 2009, 59 percent said they don't think most elected officials care what people like them think, up 10 percentage points from 1987—a time when unions were stronger and inequality lower.¹⁶

In short, rebuilding the strength of organized labor is necessary if we intend to make democracy work for the middle class.

Endnotes

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Voter turnout is higher in states with greater levels of unionization



SOURCES: UNIONSTATS.COM, UNITED STATES ELECTIONS PROJECT (BOTH ARE AVERAGES OF 1980–2010. ELECTIONS ARE ALL FEDERAL ELECTIONS DURING THE PERIOD.)