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The Union Effect in California #2: Gains for Women, Workers of Color, and Immigrants

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[This brief is the second in a three-part series on The Union Effect in California.](#)

Unions raise wages and increase access to workplace benefits for their members, and this is especially true for workers who have historically been shut out of access to good jobs in the U.S. Today, women, workers of color, and immigrants see significant gains from joining a union on a wide range of measures of job quality (see Bucknor 2016; Jones, Schmitt and Wu 2014; Bivens et al. 2017; McCall 2001; Shaw and Anderson 2018; Bound and Dresser 1999; McNicholas 2018).

There are multiple reasons for this union effect. Collective bargaining agreements often standardize wage rates across similar occupations doing similar tasks, and establish objective procedures for hiring and awarding raises and promotions. Unions can narrow the wage gap between workers with different skills; they can also increase skill levels by providing high-quality apprenticeships and other training programs for workers without college degrees. Unions also often bargain for pay transparency and grievance procedures for discrimination cases. All of these measures can reduce wage differentials and occupational segregation in the workplace itself, as well as help offset the negative career effects of unequal access to good schools and job-hiring networks. As is the case in other U.S. institutions, there is a long history of racism, sexism, and nativism in the U.S. labor movement, which unions continue to work to address. But over time, women, workers of color, and immigrants have seen gains in union leadership and Black workers in particular have above-average rates of unionization (Jacobs and Thomason 2018).

In this report, we present data for the state of California on the union advantage in wages and employer-sponsored health and retirement benefits for women, workers of color, and immigrants.

Wages

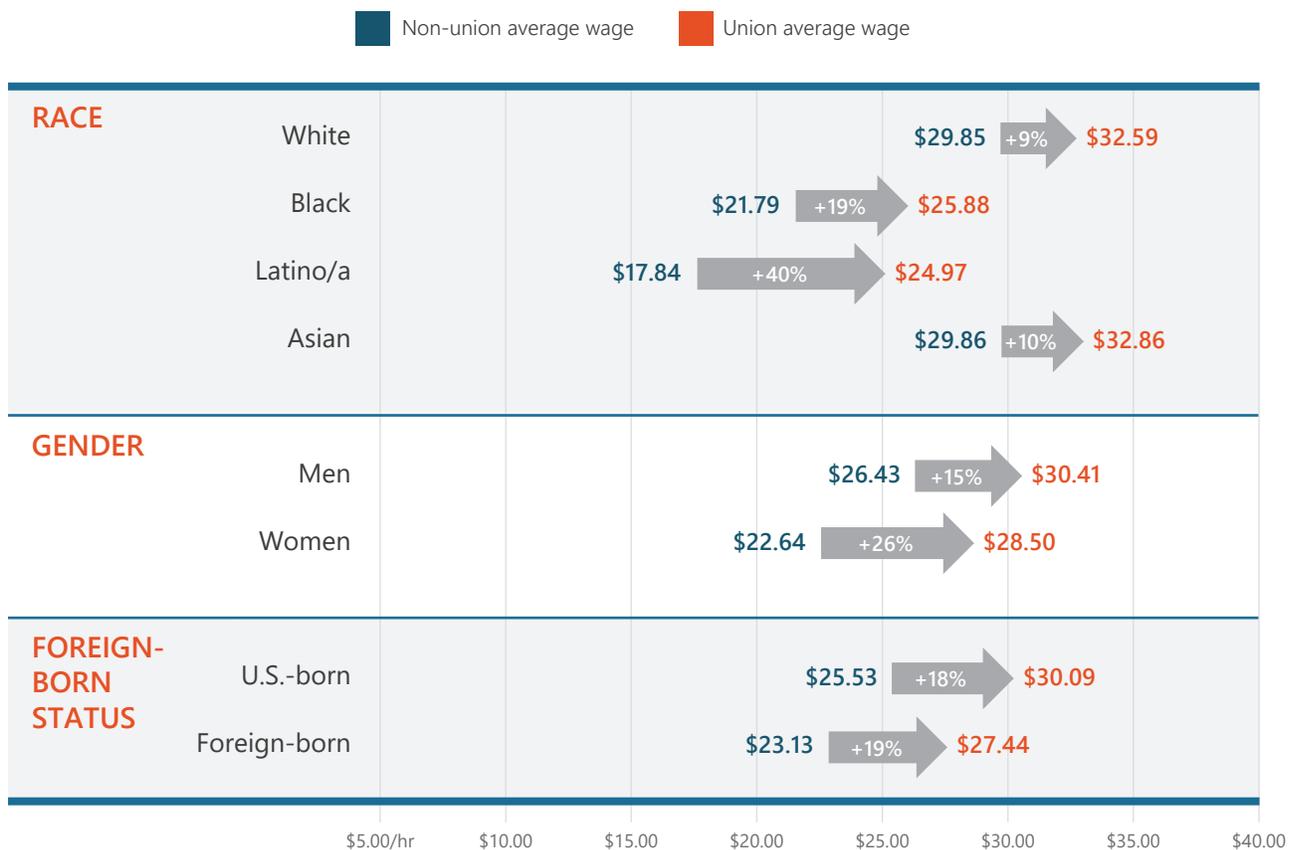
We first analyze average hourly wages by race, gender, and foreign-born status in California, for union and non-union workers (see Appendix for details on data and methods). We define union workers as those who are either members of a union or covered by a union contract. Throughout this report, Latino/as of all races are included in the Latino/a category and are excluded from the White, Black, and Asian categories.

As shown in Figure 1, workers in California overall have higher wages when covered by a union contract, and those workers who earn the least in non-union workplaces gain the most. Specifically:

- Union coverage increases wages by 26 percent for women, compared to 15 percent for men.
- Black and Latino/a workers see a bigger increase in their average wages from union coverage (19 percent for Black workers and 40 percent for Latino/a workers) compared to White workers (9 percent).
- Immigrant workers also see slightly larger wage gains from union coverage (19 percent) compared to U.S.-born workers (18 percent).

While union coverage does not eliminate race, gender, and immigrant gaps in wages, it does reduce them.

Figure 1: Average hourly wages by race, gender, foreign-born status, and union coverage, California (in 2017 dollars)



Source: Authors' analysis of 2013–2017 Current Population Survey Outgoing Rotation Groups. Wages adjusted for inflation to 2017 dollars using the California CPI-W.

Health and Retirement Benefits

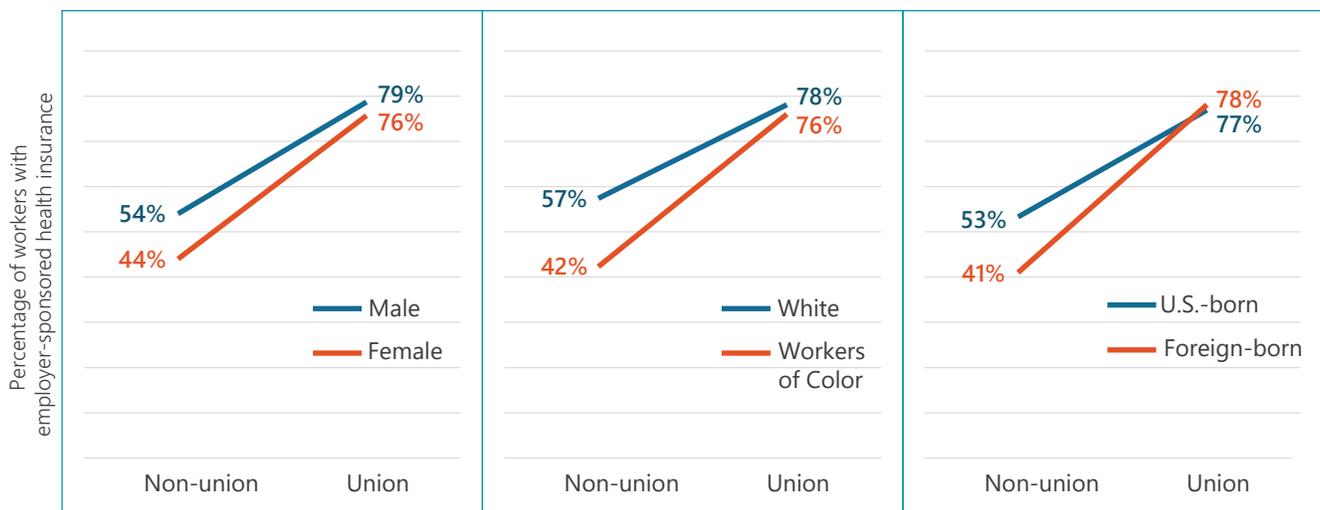
We next analyze the proportion of workers who have access to health insurance and retirement benefits at their job, by race, gender, and foreign-born status in California, for union and non-union workers (see Appendix for details on data and methods). In this section, small sample sizes mean that we can only compare all workers of color as a group to White workers.

As shown in Figure 2, workers in California are more likely to have employer-sponsored health insurance through their employer if they are covered by a union contract, with women, workers of color, and immigrants seeing the largest gains. Specifically:

- For women, the likelihood of having employer-sponsored health insurance is 32 percentage points higher for union workers compared to non-union workers (76% versus 44%). For male workers, the gain from union coverage is 25 percentage points.
- For workers of color, the likelihood of having employer-sponsored health insurance is 34 percentage points higher for union workers compared to non-union workers. For White workers, the gain from union coverage is 21 percentage points.
- For foreign-born workers, the likelihood of having employer-sponsored health insurance is 37 percentage points higher for union workers compared to non-union workers. For U.S.-born workers, the gain from union coverage is 24 percentage points.

While union coverage does not entirely eliminate race, gender, and immigrant gaps in access to employer-sponsored health insurance, it does significantly reduce them.

Figure 2: Percentage of workers with employer-sponsored health insurance by race, gender, foreign-born status, and union coverage, California



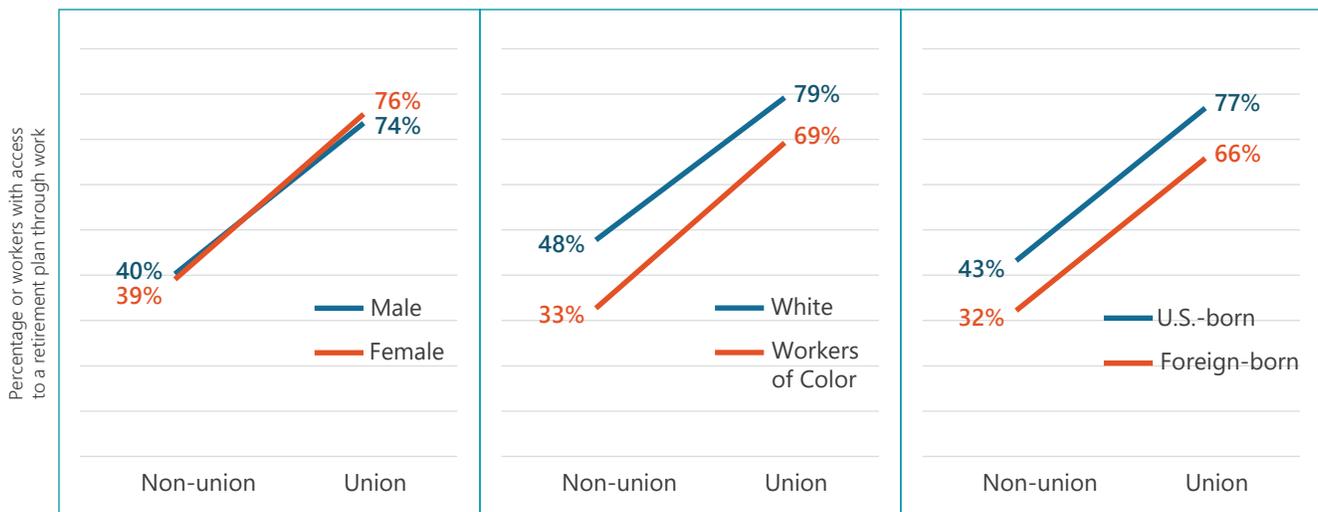
Source: Authors' analysis of 2013–2017 Current Population Survey Annual Social and Economic Supplement.

Note: Workers of color includes workers who reported their race as Black, Asian, Other, or reported more than one race, and Latino/a workers of all races.

As shown in Figure 3, California workers are more likely to be offered a retirement or pension plan by their employer if they are covered by a union, with women and workers of color seeing larger gains. Specifically:

- Access to a retirement plan at work is 37 percentage points greater for women in unions, compared to 33 percentage points for men in unions.
- Access to a retirement plan at work is 37 percentage points greater for people of color covered by a union contract, compared to 32 percentage points for White workers covered by a union contract.
- Access to a retirement plan at work is 34 percentage points greater for both foreign-born and U.S.-born workers covered by a union.

Figure 3: Percentage of workers with access to a retirement plan through work by race, gender, foreign-born status, and union coverage, California



Source: Authors' analysis of 2013-2017 Current Population Survey Annual Social and Economic Supplement.

Note: Workers of color includes workers who reported their race as Black, Asian, Other, or reported more than one race, and Latino/a workers of all races.

Regression-Adjusted Estimates

The above estimates of union premiums for wages and benefits do not adjust for any differences between union and non-union workers. However, we know that union workers differ both in terms of their demographic characteristics (e.g., age, experience, education) and in terms of the industries that they work in. We therefore use a regression model that enables us to compare workers that are similar on a range of characteristics and estimate adjusted union premiums for wages and benefits (see Appendix for a detailed description of the regression models).

As shown in Tables 1 and 2, even after accounting for differences in worker and industry characteristics, all workers continue to see higher wages and increased access to employer-provided benefits as a result of collective bargaining. In addition, our analysis that there is a stronger union effect for women, workers of color, and immigrants compared to White and male workers is generally confirmed. The main exception is that the regression-adjusted union wage premium for women is somewhat lower than the adjusted premium for men. This is due to the fact that the female unionized workforce includes significant numbers of highly educated teachers and nurses whose earnings place them higher up in the wage distribution; this compositional effect largely explains the bigger unadjusted union wage advantage for women relative to men in Figure 1.

Table 1. Regression-adjusted union wage premiums, California

	Percent increase in average hourly wages from union coverage, regression-adjusted
Men	12.9
Women	10.8
White	8.5
Black	12.2
Latino/a	17.0
Asian	14.8
U.S.-born	10.7
Foreign-born	16.2

Source: Authors' analysis of 2013-2017 Current Population Survey Outgoing Rotation Groups.

Note: Latino/as of all races are included in the Latino/a category and are excluded from the White, Black, and Asian categories.

Table 2. Regression-adjusted union benefit premiums, California

	Enrolled in employer-sponsored health insurance (percent increase in likelihood of enrollment from union coverage, regression-adjusted)	Retirement plan offered at work (percent increase in likelihood of offer from union coverage, regression-adjusted)
Men	26.3	52.4
Women	51.4	42.6
White	31.9	39.4
Workers of color	45.6	58.7
U.S.-born	30.6	42.4
Foreign-born	73.6	63.3

Source: Authors' analysis of 2013-2017 Current Population Survey Annual Social and Economic Supplement.

Note: Workers of color includes workers who reported their race as Black, Asian, Other, or reported more than one race, and Latino/a workers of all races.

Appendix: Data and Methods

Data

This report uses the Current Population Survey (CPS) for California. Specifically, we use the Economic Policy Institute CPS Outgoing Rotation Group (ORG) files (2013-2017) for our hourly wage estimates and the IPUMS CPS Annual Social and Economic Supplement (ASEC) (2013-2017) for estimates of health and retirement benefits. In all of our analyses, the sample is restricted to employed wage and salary workers age 18 to 64 who live in California. For wage estimates, we further restrict our sample to exclude observations with imputed wages. We define union workers as those who are either members of a union or covered by a union contract. Latino/as of all races are included in the Latino/a category and are excluded from the White, Black, and Asian categories. A small number of workers (two percent) in our sample identify as “Other” or select more than one category when answering questions about their race; small sample sizes do not permit separate analyses of this group.

Regression-adjusted wage estimates

We estimate the adjusted union wage premium using ordinary least squares regression of log wages on union status and include controls for age, age squared, two-digit industry, education, marital status, year, and where appropriate, race/ethnicity, gender, and foreign-born status. We then exponentiate the coefficient on union status and subtract one to convert from log points to a percentage estimate. All regression-adjusted estimates of the union wage premium are significant at the 0.01 level.

Regression-adjusted benefit estimates

Adjusted estimates for health and retirement union premiums were estimated using logit regressions and include controls for age, age squared, two-digit industry, education, marital status, year, and where appropriate, race/ethnicity, gender, and foreign-born status. We report the percentage difference in the marginal effects for union workers, estimated with and without the estimated union effect. All regression estimates for adjusted union benefit premiums are significant at the 0.01 level.

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