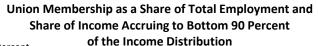
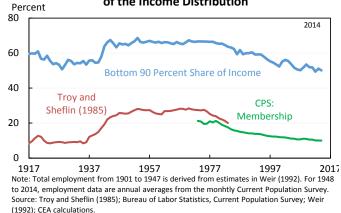
## WORKER VOICE IN A TIME OF RISING INEQUALITY

#### Introduction

The rise of wage and income inequality in the United States over the last 40 years has been well-established. However, the factors that may have contributed to the fall of earnings at the bottom of the wage distribution relative to the top continue to be the subject of research and debate.

Research suggests that one important factor may be institutional changes in labor markets, perhaps the most notable being declining union density. Unions traditionally helped bolster the wages of lower- and middle-wage workers, thereby reducing inequality. The correlation between unionization and inequality is clear in the last century of data: in the middle of the 20<sup>th</sup> century, as union membership rose and remained high, lower-wage workers earned a larger share of total income. However, in recent years this trend has reversed, with union membership falling and the share of income going to the top 10 percent increasing at the expense of lower- and middle-income groups. In the 21st century, the decline in the number of unionized workers has coincided with overall rising inequality. The correlation between unionization and inequality likely reflects the causal impact of unionization on wages for workers at the bottom of the income distribution





<sup>1</sup> Between 1951 and 1978, the Bureau of Labor Statistics published estimates of total U.S. union membership in its

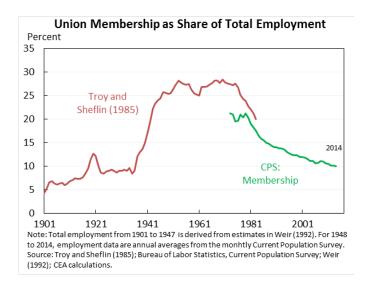
The overall effect of unions on the wage distribution depends on both the union wage premium and the types of workers who are unionized. Unionized workers still command a sizable wage premium of up to 25 percent relative to similar nonunionized workers, but that premium has fallen slightly over the past couple of decades. Union membership has also become more representative of the population, with the share of members who are female or college-educated rising quickly. Studies have shown that union wage effects are largest for workers with low levels of observed skills and that unionization can reduce wage inequality among workers partially by increasing wages at the bottom of the distribution and by reducing pay dispersion within unionized firms and industries. Since both the union wage premium and the coverage of low-skilled workers, who receive the highest wage premium, have fallen, unionization's ability to reduce inequality has very likely been limited in recent years.

#### **Unionization Rates: Then and Now**

While no consistent data series for union membership over the entirety of the last century exists, multiple data sources<sup>1</sup> point to a relatively consistent story: union membership as a share of total employment expanded rapidly in the years following the Great Depression and World War II, plateaued between 1955 and 1975, and has declined consistently since then. In 1955, approximately one-quarter of all U.S. workers belonged to a union; by 2014, the share had dropped to just below 10 percent, around the same level as the mid-1930s. In addition to the nearly <u>14.6 million</u> wage and salary workers who are members of unions, there are an additional 1.6 million workers who are covered by a collective bargaining agreement, but who are not

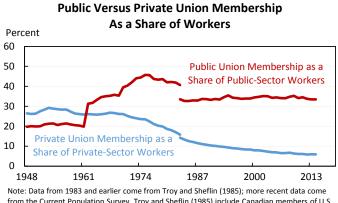
Directory of National and International Labor Unions in the United States. For data prior to 1951, these data were

themselves members of a union.<sup>2</sup> It should be noted that unionization and collective bargaining are not always synonymous: due to the parameters governing union operations, union members may not be able to bargain collectively<sup>3</sup> and those who have access to collective bargaining may not always be members of unions.



At the same time as union membership has declined, the composition of union membership by industry has shifted dramatically. In 1960, 88 percent of U.S. union members worked in the private sector. By 2014, that figure had fallen to 50 percent. Public-sector unions have become increasingly important in the economy: in 2014, 36 percent of public-sector workers were union members and 39 percent were covered by a union contract. These rates have held relatively constant in recent decades. In contrast, just 6.6 percent of private-sector workers were union members were union members were union members in 2014, and 7.4 percent were covered by a union-negotiated contract. However, these trends vary on a state-by-state basis, with union membership climbing over the last 5 years in

some states, such as Colorado and Kentucky, while falling in others, like Wisconsin and Michigan.



from the Current Population Survey. Troy and Sheflin (1985) include Canadian members of U.S. unions in their figures. Due to unavailability of data prior to 2000, public-sector workers exclude those in agriculture.

Source: Troy and Sheflin (1985); Bureau of Labor Statistics, Current Population Survey; CEA calculations.

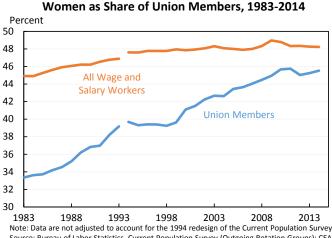
As unionization rates have declined and public-sector union membership has grown as a share of total membership, the demographic characteristics of the unionized workforce have also shifted. Women now make up an appreciably larger share of union members: in 2014, women made up 46 percent of unionized wage and salary workers, up from one-third in 1983. In addition, union members now have greater educational attainment: in 1983, 19 percent of U.S. union members were college graduates, while in 2014, more than twice as many (40 percent) had a bachelor's degree or higher. (By comparison, the corresponding figures for all wage and salary workers are 22 percent in 1983 and 35 percent in 2014.)

Current Population Survey (CPS) for wage and salary workers (i.e. those who are not self-employed). In this section, we use data from Troy and Sheflin (1985) for years prior to the introduction of the union membership question in the CPS, both because they do not rely on selfreported membership data and because they include a number of unions (especially public-sector unions) and professional organizations that BLS did not include in its survey in some years.

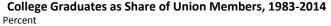
<sup>2</sup> Due to data constraints, this brief looks at union membership.

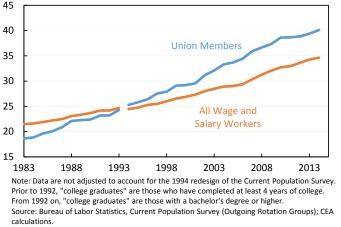
<sup>3</sup> For instance public sector workers often join unions, but <u>cannot always</u> collectively bargain.

assembled by aggregating AFL and CIO reports on membership and estimates of independent union membership derived from a number of sources, including union publications and Statements by union leaders. Beginning in 1951, BLS estimates of union membership in the United States were derived from a biennial survey of unions affiliated with the AFL-CIO and those unaffiliated unions with CBAs with different employers in more than one State. Troy and Sheflin (1985) use annual financial disclosure forms filed by national unions to derive estimates of annual average dues-paying members. Between 1973 and 1981, and from 1983 to the present, a question on union membership has been included in BLS's



Source: Bureau of Labor Statistics, Current Population Survey (Outgoing Rotation Groups); CEA calculations.





These demographic shifts have been driven in part by the rise of public-sector unions, since public-sector union members are more likely to be female and college-educated than their private-sector counterparts.

Among private-sector workers, unionization rates <u>vary</u> substantially by industry: in 2014, only 2 percent of workers in financial activities were members of unions versus 10 percent of manufacturing and 14 percent of construction employees. Paralleling union membership overall, unionization rates for the manufacturing and construction workers have declined dramatically over the last six decades. In 1953, 42 percent of manufacturing workers and 84 percent of construction workers were members of a union.<sup>4</sup>

Union membership also varies greatly by State, in part because of State-level policies such as "right-to-work" laws. Right-to work (RTW) laws prohibit requirements of union membership or payment of union membership dues as a condition of employment. In 2014, union membership <u>ranged</u> from a maximum of 25 percent of workers in New York to a minimum of 2 percent in North Carolina.

Public-sector unions are strongest in the Northeast, with public-sector union membership of over 60 percent in New York, Massachusetts, Rhode Island, Connecticut, and New Jersey and weakest in the South, with less than 6 percent of public-sector workers unionized in Mississippi, North Carolina, and South Carolina. Private-sector unions have membership rates of over 12 percent in New York, Alaska, and Nevada, and rates under 2 percent in North Carolina.<sup>5</sup>

Union membership in construction and manufacturing also varies widely by State, from around one-half of workers in Alaska to less than 2 percent of workers in North Carolina and Arizona. In the service sector, union membership ranges from 23 percent in New York to just under 2 percent in Mississippi and North Carolina.<sup>6</sup>

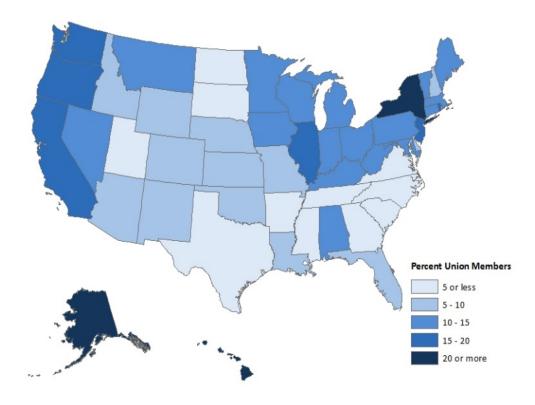
The decline in overall unionization rates—particularly, in traditional stalwart industries such as manufacturing and construction—and the growth of public-sector unions have changed the union landscape. Unions today represent a very different workforce—one less male, more concentrated in the Northeast, and more educated—than they did at their peak in the 1950s. For these workers, unions provide an important channel for worker voice and have historically afforded benefits for both union members and other workers.

<sup>&</sup>lt;sup>4</sup> Troy and Sheflin (1985), Table 3.63.

<sup>&</sup>lt;sup>5</sup> Bureau of Labor Statistics, Current Population Survey; CEA calculations.

<sup>&</sup>lt;sup>6</sup> Bureau of Labor Statistics, Current Population Survey; CEA calculations.

#### Union Membership Rates by State



Source: Bureau of Labor Statistics.

#### **Union Impact on Compensation**

There are a number of reasons why unions may be able to negotiate higher wages and benefits for their workers without adversely affecting businesses. One reason is the potential for rent-sharing. Opportunities for rent-sharing can occur if firms are earning high profits or if there are frictions in the labor market, such as search costs, that create a disconnect between what firms are willing to pay and what workers would accept. In these cases, unions may be able to negotiate higher compensation without sacrificing employment. Unions may also be able to negotiate higher wages and benefits if these increases in turn raise worker productivity, creating benefits for businesses from higher worker wages. Efficiency wage theory suggests that wage increases can increase productivity as turnover decreases and workers are more motivated.

# <sup>7</sup> A large literature on the union wage premium suggests that the premium is overall highly positive. See, for example, Lewis (1986); Budd and Na (2000); Hirsch (2004);

#### Wages

One of the primary goals of collective bargaining is to raise the compensation of a union's members. Economic research shows that union workers do have higher wages relative to their nonunion counterparts and that unionization can reduce wage inequality. Union workers are also more likely to have benefits such as paid leave, health care coverage, and pension coverage.

Estimates generally find that between the <u>late 1960s</u> and <u>late 1990s</u>, union members earned up to 25 percent higher wages than their comparable nonunion counterparts, though this wage premium differed by occupation and region.<sup>7</sup> Professional and technical occupations and laborers saw the highest wage premia (19 and 25 percent, respectively), along with workers in the rural South (18 percent).

Hirsch and Schumacher (2001); Vella and Verbeek (1998); Pierce (1999).

Other research corroborates this variation in wage effects among workers. One study <u>finds</u> that unions raise wages more for workers with lower levels of observed skills. Average union wage gains are <u>higher</u> than median union wage gains, due to the fact that a majority of large wage gains are found among this relatively small share of lower-skilled workers.

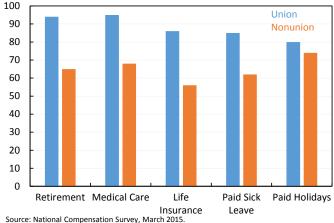
More recent studies show that the overall union membership wage premium may have peaked in the mid-1990s in the United States for private-sector workers, in tandem with the overall decline of unionization.<sup>8</sup> This premium decline has occurred in many but not all industries. A 2015 study finds that while the median union wage premium across public and private-sector unions is about 9 percent, it ranges from zero to over 30 percent. It should be noted that the research on union wage premiums does not identify what drives these wage premiums. The union wage premium may reflect unions providing workers with bargaining power to better negotiate for a larger share of firm profits. However, selection may also play some role: more productive workers may be more likely to join unions, and they would receive commensurately higher wages due to their additional productivity.

There is also evidence that declining unionization has contributed to increases in inequality, since unions tend to raise the wages of lower-wage workers, pulling up the bottom of the wage distribution and reducing inequality. Estimates suggest that unionization declines account for 15 to 20 percent of the increase in inequality among male wages between 1973 and 1993. Sector comparisons suggest that unionization substantially slowed wage inequality growth in the public sector. More recent research shows that this has persisted through at least 2001. A recent paper finds that declines in unionization explain one-fifth of the increase in wage inequality between 1973 and 2007 for women and onethird of the increase for men. For men, the effect is comparable to the effect of the increasing stratification of wages by education (for women, the effect of deunionization is about half that of education).

<sup>8</sup> A number of papers support this finding. See, for example, Hirsch, Macpherson, and Schumacher (2002); Bratsberg and Ragan (2002).

#### Non-Wage Benefits

While representation by a union tends to substantially raise worker earnings, it also has a dramatic impact on access to benefits through an employer. According to March 2015 data, the Bureau of Labor Statistics <u>finds</u> that union workers are far more likely than nonunion workers to have access to health insurance to retirement benefits, to life insurance, and to paid sick leave and paid holidays.



Access to Benefits by Union Membership Status Percent with Access

After controlling for observable differences between union and nonunion workers, research <u>finds</u> that workers who are represented by a union are about 30 percent more likely to be covered by health insurance at their job than similar nonunion workers. In addition, union workers are about 25 percent more likely to have retiree health benefits than similar nonunion workers, and of workers who are covered by such plans, unionized employers contribute more toward those plans.

The decline in unionization has been linked to the decline in the provision of <u>health benefits</u> from employers and the fall in <u>pension coverage</u>. Though expanded options for health insurance coverage are now available through the Affordable Care Act (ACA), many employees continue to value <u>coverage through their workplace</u>.

Frequently, when union workers bargain for benefits, these benefits <u>spill over</u> to nonunion workers in the same workplaces. When union density is high, unions create

norms for fair pay, benefits, and working conditions, norms that become established more broadly and improve compensation and working conditions for union and nonunion workers alike. One <u>study</u> using data from 1973 to 1989 finds evidence of crowding effects, where nonunion employers raise wages to retain talent and attract workers.

Helping to communicate and amplify the perspective of workers allows unions to negotiate significant non-wage benefits, like sick leave, health insurance, and retirement pensions, which can in turn improve the <u>productivity and</u> <u>retention</u> of all workers.

## **Workplace Conditions**

Unions can also affect workplaces in other ways, including safety and training.

#### Safety

Organized labor has also contributed to broad improvements in workplace safety through both the legislative process and health advocacy. Unions were <u>critical</u> in the establishment of the Occupational Safety and Health Act in 1970. Unions have also played a fundamental role in <u>linking</u> occupational hazards such as coal dust,<sup>9</sup> cotton dust,<sup>10</sup> asbestos,<sup>11</sup> radium,<sup>12</sup> and dibromochloropropane<sup>13</sup> to life-threatening diseases. Through advocacy and persistence, unions have increased awareness of occupational disease and altered the treatment of these occupational hazards as a result, improving working conditions in both unionized and nonunionized workplaces.

Organized labor also contributes to the safety of workplace environments through advocating for workers in contracts and ensuring employer compliance with regulations. Unions affect safety improvements, for example, through providing <u>information and training</u> about occupational hazards. Furthermore, unionized workplaces are more likely to be <u>inspected for safety</u> and comply with safety and health regulations. In addition to direct training and regulatory compliance, many union contracts <u>include</u> explicit safety protections for workers. Unions often negotiate for the use of protective equipment and protect the right of workers to refuse to work under hazardous conditions.

Because of their record of promoting safety, it seems likely that unions would improve safety outcomes in the workplace. However, past economic research on the relationship between unions and safety has often found a negative relationship, a finding in contrast to a history of union advocacy for safety. In part, this may stem from workers in jobs with high injury risk having a greater desire to unionize in order to better protect themselves. Additionally, union safety efforts may effectively shift the injury composition from more serious to less serious incidents, increasing total safety in a way that requires detailed data to measure. A 2014 study investigates the union safety relationship using individual data and finds that accounting for some of these explanations reduces observed safety differences between union and nonunion jobs to zero. Given the measurement challenges in this area of research, more studies are needed to estimate the magnitude of the impact that unions have had on the safety of unionized professions.

A difference in injury reporting between union and nonunion workplaces may also account for some of the mismatch. According to a 2013 study, workers may be <u>more likely</u> to report injuries in unionized positions because they are more likely to be aware of their right to a safe workplace and have a protected channel for their collective voice. They may therefore be less afraid of management retaliation, and nonunionized firms may have an incentive to underreport injuries to lower legal and compliance costs. Using detailed injury data in the coal mining industry, the study also found that while unionization was associated with higher levels of total injuries, unions reduced traumatic injuries by 14 to 32 percent and fatalities by 29 to 83 percent.

#### Training

Unions play an active role in training workers, equipping union employees with the skills necessary to succeed in their jobs. Given that unions have historically provided training, the decline of unionization and the general <u>decline</u> in workplace training may be related. A recent <u>review</u> of the training literature shows that employer-

<sup>&</sup>lt;sup>9</sup> Smith (1987).

<sup>&</sup>lt;sup>10</sup> Botsch (1993).

<sup>&</sup>lt;sup>11</sup> Rosner and Markowitz (1991).

<sup>&</sup>lt;sup>12</sup> Clark (1997).

<sup>&</sup>lt;sup>13</sup> Robinson (1991).

provided training has been declining since the 1990s, as have other sources like registered apprenticeships, technical education, and union training.

Evidence from other countries shows that unions ensure that workers are trained and gain the skills they need for work. Studies in the <u>United Kingdom</u> and <u>Germany</u> have found that unions increase the probability of workers receiving any training and the amount of training received. Further research in the United Kingdom <u>finds</u> that union workers also enjoy greater returns to training and higher wage growth.

Australian data <u>suggest</u> that workplaces with more active unions have greater access to employer-provided training, and research has also shown that unionization affects the type of training workers receive. A study in Canada <u>finds</u> that unions tend to invest in firm-specific training, both to arm union workers with skills they need to succeed with specific employers and to reduce staff turnover. Other work examining unionized workers in the United States and Canada also <u>finds</u> that unionized workers tend to develop skills that are relatively jobspecific. However, some work <u>suggests</u> little to no difference in training between union and nonunion firms, while other research <u>suggests</u> that employers in unionized workplaces offer less training than those in nonunionized workplaces.

Evidence from the United States and abroad shows that union efforts have provided safety and training benefits in addition to compensation gains. These workplace benefits also have the potential to increase worker productivity, affecting both workers and firms.

#### **Union Impact on Firm Performance**

While unions provide substantial benefits to workers, evidence demonstrates that firms benefit as well, for example through higher retention and productivity. One study <u>finds</u> that unionization led to higher worker productivity, which is associated with lower turnover and potentially higher profits and better firm performance. Additional studies corroborate these findings; despite common claims about unions' negative impact on businesses, studies <u>find</u> no negative effect on short- and long-run employer survival rates or the solvency of firms. Finally, evidence <u>shows</u> that unionized firms with workplace practices that give workers input into the production process have the highest productivity, above that of both nonunionized firms and unionized firms without these workplace practices.

#### **Spillover Effects of Unions**

Research has shown that the benefits of unionization tend to spill over to other industries and firms. For instance, virtually all coal mines (and steel plants) were unionized in the 1950s. A study <u>finds</u> higher rates of unionization among healthcare workers today in the areas surrounding those past mines and plants, indicating historical spillovers from unionized industries to nonunionized industries in particular geographic locations. In addition, there are spillovers across firms within industries. Another study <u>finds</u> that nonunionized firms within an industry raise wages in response to increased unionization at the city-level, indicating that compensation increases in unionized firms may spill over to geographically proximate nonunionized firms.

Unionization is even associated with intergenerational spillover effects. Recent research <u>examining</u> the impact of union membership on the income mobility of the children found striking results. Among teenagers whose parents' incomes were typical of the bottom half of the income distribution, a 10 percentage-point increase in the union membership rate in the area they grew up in was associated with a 1.3 percentile increase in their income when they were 29 to 32 years old. Union density is a significant predictor of mobility, even after controlling for race, industry, inequality, and more.

Low-income children were not alone in benefiting from higher unionization; the study found that a 10 percentage point increase in union membership was associated with a 3 to 4.5 percent increase in average incomes overall. Using panel data that links parents and children over decades, the researchers also found that the children of union members have higher wages than the children of nonunion members who grew up in similar households. Children of fathers with less than a college education, for example, earn 28 percent more if their father was in a union, after controlling for father's age, race, marital status, industry occupation, and urban status, though not the union status of the children themselves when they are adults. Overall, the study suggests that parental union membership can be an important factor in upward mobility for children, especially for children of less-skilled parents.

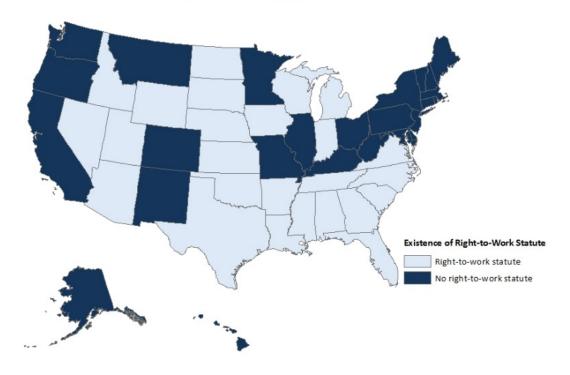
#### **Effect of Right-to-Work Laws**

Since unions can bolster compensation and reduce wage inequality, weakening unions may have the opposite effect. A long history of legislative and judicial decisions have <u>weakened</u> unionization by restricting the right to unionize, reducing the workplace decisions in which unions have a say, and allowing employers to openly <u>combat</u> unionization. Right-to-work statutes, one such method of reducing union power by limiting the ability of unions to collect dues, have <u>been shown</u> to depress the rate of unionization.

Research suggests that right-to-work laws may lower wages. Historically most common in the South, right-to-work laws have spread in recent years to rust-belt states such as Michigan and Indiana in 2012 and Wisconsin in 2015. Research has <u>shown</u> that statutes with the opposite effect of right-to-work laws, such as allowing fair share agreements that require employees to become dues-paying members of the union (to cover the cost of the services that the union provides) within a fixed period of time after hiring, are associated with higher union density and higher earnings. Because states with right-to-work laws tend to have lower wages than the nation as a whole, identifying the impact of right-to-work

statutes on wages is challenging. After controlling for state-specific factors, the same study found that in areas with prohibitions on the ability to negotiate fair share agreements, state and local government workers have earnings about 4 percent lower.

A new paper that <u>examines</u> the effect of right-to-work laws created by the passage of the Taft-Hartley Act in 1947 suggests that, overall, the average effects of rightto-work laws on wages are slightly negative, ranging from zero to around 2 percent. Sectors with higher union density experience larger drops in wages relative to lower-density sectors, suggesting that union density and power are important factors in determining the union wage premium.



Right-to-Work Statutes by State

Source: National Conference of State Legislatures.

#### **Alternative Forms of Worker Bargaining**

While unionization rates have declined over the past decades, alternative forms of worker bargaining and negotiation have emerged. Although unions play an important role in representing many workers, these alternative models can also help ensure that workers who are not or who cannot be represented by unions will have their voices heard. However, there is little research on the effectiveness of such models in advancing workers' causes, and thus the evidence contained in this section is based primarily on theory and case studies, rather than empirics. Further research is needed to better understand the implications of this relatively recent phenomenon-and in particular whether, in the absence collective alternative of bargaining, arrangements can lead to increases in wages.

#### Works Councils

Works councils, groups of workers that represent all employees in discussions with their employer but are not part of a formal trade union, are a common form of worker voice outside of trade unions in Germany and, under the authority of the German Works Constitution Act of 1952, can be set up in any private workplace with at least five employees. Works councils ensure that workplace decisions, such as those about pay, hiring, and hours, involve workers - they have both participation rights (where works councils must be informed and consulted about certain issues) and co-determination rights (where the works council must be involved in the decision). Works councils are separate from trade unions: trade unions exist to protect their members, while works councils exist to integrate workers with management into the decision making process.

While research into works councils is limited, research on the German model has <u>shown</u> that they positively impact productivity in covered firms and that those firms are less likely to be engaged in rent-seeking activities. Similarly, German works councils are also <u>associated</u> with reduced turnover and higher wages, and, in larger companies, with higher productivity. Another study of Germany also <u>showed</u> that firms with works councils made significantly higher investments in workplace training and retained a higher percentage of former trainees over a five-year period; the effects of works councils were especially pronounced in firms also covered by collective bargaining agreements. While advocates have expressed interest in bringing the works council model, or aspects of it, to the United States, questions remain about how the model would fit into existing systems and statutes governing collective bargaining.

#### Alternative Labor Organizations

Alternative labor organizations, a growing phenomenon, allow groups of nonunion workers with a common interest, such as increasing the minimum wage or exposing labor violations, to advocate for workplace change. These associations are generally a form of worker voice for workers <u>not eligible</u> to collectively bargain under the National Labor Relations Act, such as independent contractors, supervisors, domestic workers, or government employees (government workers can in some cases join a union, but collective bargaining may be restricted).

In many cases, these alternative labor organizations comprise workers advocating for a single cause, but often cut across employer and industry boundaries, such as the Service Employees International Union (SEIU) backed Fight for \$15. These types of organizations became more visible during and after the Great Recession, likely due in part to the potential growth in the <u>'on-demand economy'</u> in which workers are often treated by their employers as independent contractors rather than employees.

A similar organization for workers not covered by the National Labor Relations Act, and that operates closely with the organized labor community, is the New York Taxi Workers' Alliance. Formed in 1998, the New York Taxi Workers' Alliance helps advocate for taxi drivers, who are primarily independent contractors rather than employees. The organization expanded nationally in 2011 as the National Taxi Workers' Alliance, and became the first charter for non-traditional workers since the farm workers in the 1960s, and the first one ever of independent contractors; they are recognized by the AFL-CIO as an affiliate organization. The group advocates for its members in much the same way as a traditional union, but their right to collectively bargain is not protected under the National Labor Relations Act due to their non-employee status.

Paralleling the efforts of organized labor, workers themselves have come together to express their collective voice, utilizing resources such as online platforms to amplify their message. For example, groups like the <u>Freelancers' Union</u> provide a forum for workers who work in the gig economy to organize and collectively negotiate certain group benefits (such as retirement accounts or health care) with third-party providers. Such groups can be an important resource for workers who are not officially associated with a particular company and are thus constantly renegotiating their place in the workforce.

Another grassroots effort, the National Domestic Workers Alliance (NDWA) was founded in 2007 to represent another group of nonunion workers: the domestic workforce. Although the group is not affiliated with a union, NDWA has worked to strengthen the rights of domestic workers through government advocacy and by raising public awareness via a network of affiliated organizations around the United States. NDWA's efforts have resulted in legislative victories, including Domestic Workers Bill of Rights laws in five states. In addition, NDWA has partnered with Care.com to encourage higher standards among employers of domestic workers through the Fair Care Pledge. Signatory employers agree to establish clear expectations, provide fair pay, and allow for paid time off, and domestic workers searching for employer matches can see which potential employers have sign on to the pledge.

Large advocacy campaigns that have been driven by both workers and consumers have had success in improving the workplace policies of large <u>companies</u>, by enlisting consumers as allies, who may not have a direct stake in the desired outcome, but whose voices can be even more effective in encouraging an employer to change. One example is <u>Coworker.org</u>, which connects workers across the world to one another through online campaigns and petitions, but also to community stakeholders such as consumers. These kinds of groups raise awareness in the larger community and encourage employers to make changes in response to worker and consumer advocacy.

#### Conclusion

Over the past forty years, unionization rates and the role that worker voice plays in the labor market have changed significantly. Since peak membership in the 1950s, unionization rates have fallen, most notably in traditional sectors like manufacturing and construction, and the demographics of union members have changed, with unionization becoming more concentrated in the public sector and incorporating more female workers and college-educated workers. As recently as the mid-1970s, U.S. union membership was concentrated among men with average or slightly-below average education levels working in the private sector. But by the early 1990s, alongside many other concurrent changes in the structure of the labor market, highly educated women in the public sector had the highest union membership rates.

Along with these changes in union membership have come changes in unions' impact on the workplace. While unionization has historically had an equalizing effect on the U.S. wage distribution by boosting wages for lowerskilled workers, unions' ability to lower wage inequality has become more limited as membership has shifted to cover fewer low-skilled workers.

The decline of unionization rates in recent decades has prompted important questions regarding the role of worker voice in quelling growing inequality going forward. Unions have also served as a key channel for communicating worker views in decisions regarding wages, benefits, and workplace conditions, and unionization has been associated with higher wages, expanded benefits, and safety protections for both union members and nonunion workers. In recent years, traditional organizing efforts have faced new challenges with the rise of the "fissured" economy where workers who share a common workplace are less likely to share a common employer as different functions within a workplace are subcontracted or where workers are less likely to share a common workplace with others in their industry and instead work in separate locations. The changing organization of work has in turn given rise to new forms of union organizing as well as new forms of worker alliance and new ways to advocate for worker rights. Workers not eligible for collective bargaining have developed alternative ways to organize, including movements that combine workers from across an industry rather than a particular employer. Over time, unions and other worker associations have adapted to changes in the structure of the labor market and worker demographics, and they will continue to play a pivotal role going forward in ensuring fair and safe workplace practices that benefit workers across the country.

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