



By David R. Jones December 27, 2012

Unionization Boosts Wages for Low-Income Workers

In 2006, the Community Service Society (CSS) released a report on security guards in New York City ("<u>Shortchanging Security</u>"). The overwhelming number of these 63,000 workers were non-union employees. What we found was a workforce that was poorly paid. Few received health insurance or paid sick leave. Their morale was low and turnover was high. Yet these were workers providing safety and security for tenants and visitors at many of the city's major commercial buildings.

Between 1978 and 2011, worker pay in the United States rose just 5.7 percent, according to a study by the Economic Policy Institute. Union membership in the U.S. fell from 20.1 percent of employed wage and salary workers in 1983 to 11.9 percent in 2010, the lowest rate in more than 70 years. These two statistics – worker pay and union membership - are closely connected. Recently, the state of Michigan approved legislation that will weaken unions and drive down wages.

In October, CSS published "<u>Upgrading Security</u>," an update on the working conditions of the city's security officers covering the years 2004 to 2011. CSS found that unionization of the industry has played a significant role in raising wage levels and benefits for security officers.

The overwhelming number of workers employed as security officers in New York City are men of color, half with a high school education or less, groups that experience high rates of joblessness. The ability of unionization to boost wages for these workers has positive implications for the well-being of the city's black and Latino communities.

Beginning in 2006, unionization of the security industry in the city increased dramatically. By 2011, Local 32BJ of the Service Employees International Union (SEIU) had organized close to 10,000 workers, a tenfold increase since 2006.

Median wages for security officers rose by 31.3 percent between 2004 and 2011, an increase of over \$3 an hour. During that time span, median wages for all workers in the city increased by 17.7 percent. A comparison of wage trends for security officers in New

York City, the wider metropolitan area, and the United States shows that wages rose most sharply where union activity was most concentrated.

A major change in the composition of the workforce from 2000 to 2010 has been a shift in the age distribution among security officers. The workforce is now older, with nearly a quarter of security officers ages 55 and over, compared to 16.9 percent ten years ago. Younger workers, ages 16 to 24, who made up 15 percent of workers in 2000, now account for less than 10 percent. These are not mostly young people just starting out but more likely to be experienced workers with families to support. Educational attainment has also increased among security officers. While 37.4 percent had at least some college a decade ago, that number rose to half by 2010.

The success of Local 32BJ in organizing security officers in New York City serves as an important reminder of the critical role unions play in raising wage levels and improving conditions for low-paid workers. It is also important to remember that, unlike many other low-wage jobs, the security industry cannot be outsourced.

Yet, even now, one in five security officers reports receiving food stamps and Medicaid. Unionization is just a first step. We must find a way to create a career path out of poverty for young people of color. There is still work to be done to bring these workers into the middle class.

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