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**Contact: Ted Boettner, (304) 720.8682 tboettner@wvpolicy.org
Alan Barber, Center for Economic & Policy Research, (202) 293-5380, ext. 115**

Unions Boost Pay for Service Workers in West Virginia

While the majority of West Virginia workers have seen their wages decline or stagnate over the last couple of decades, a new study released today shows that belonging to a union can boost pay for service-sector employees in West Virginia.

The study, “**Unions and Upward Mobility for Service-Sector Workers**,” released jointly by the Center for Economic and Policy Research (CEPR) in Washington, D.C., and the **West Virginia Center on Budget and Policy**, found that the average West Virginia service worker earns 8.4 percent more than a non-union one.

“The typical (median) unionized service worker in West Virginia earns \$18.44 per hour while the typical non-unionized service worker earns \$12.47,” says Ted Boettner, executive director of the West Virginia Center on Budget and Policy. “Unionization also increases the likelihood that service workers, especially those in low-wage occupations, will have health insurance and retirement benefits.”

Over the 30 years, the economy has shifted dramatically from producing goods (manufacturing, mining, construction, etc.) to an economy that is more reliant on the service sector (retail, health care services, clerks, child-care, etc.) for employment. In West Virginia, according to the study, about 77 percent (650,000) of the workforce is in service-sector jobs, and of those 13.1 percent are unionized.

“The vast majority of jobs in this country are now in the service sector,” said John Schmitt, a Senior Economist at CEPR and the author of the study. “The data shows that workers in service jobs benefit as much from unionization as workers in manufacturing do.”

The impact of unions on service-sector employees in low-wage occupations was even more substantial. For workers in the 15 lowest-paying occupations, unionization raised wages by 15.5 percent. The likelihood of having health insurance increased by about 26 percentage points and the likelihood of having an employer-sponsored pension increased by about 23 percentage points.

The Full Report is Available Online at: <http://www.cepr.net>

The Center for Economic and Policy Research is an independent, nonpartisan think tank that was established to promote democratic debate on the most important economic and social issues that affect people's lives. CEPR's Advisory Board of Economists includes Nobel Laureate economists Robert Solow and Joseph Stiglitz; Richard Freeman, Professor of Economics at Harvard University; and Eileen Appelbaum, Professor and Director of the Center for Women and Work at Rutgers University.

The West Virginia Center on Budget and Policy is a policy research organization that is nonpartisan, nonprofit, and statewide. It focuses on how policy decisions affect all West Virginians, especially low- and moderate-income families.

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