



PUBLIC-SECTOR UNIONS AND GOVERNMENT POLICY Reexamining the Effects of Political Contributions and Collective Bargaining Rights

The role public-sector unions may play in the growth of government is a heated topic, as evidenced by the failed recall effort against Wisconsin Governor Scott Walker in 2011 and the Chicago teachers' strike in 2012. Government growth has many causes, but to date there have been few empirical studies demonstrating that the interaction of public-sector unions and politics leads to government growth. What is the effect of union political activity on government spending, and how does union political activity influence its own members' salaries and employment opportunities?

In a new study for the Mercatus Center at George Mason University, scholars [George R. Crowley](#) and [Scott A. Beaulier](#) answer these questions. While they find little to no evidence that public-sector union activity affects total spending by the government, the data show that union political activity may have an impact on the salaries and jobs of union members. Specifically, growth in public-sector union political activity—measured as the amount of political contributions by the union, the level of collective bargaining, and support for the political party of the governor—is associated with an increase in public-sector union employee income and employment. Ultimately, the study raises an important question for further research, which is whether union political activity can lead to cuts in services for the public in order to compensate for increases in union wages and employment.

For the full study, see [“Public-Sector Unions and Government Policy: Reexamining the Effects of Political Contributions and Collective Bargaining Rights.”](#)

KEY FINDINGS

Several variables may play a role in the interaction between unions and politics. The following findings used publicly available data on income, employment, government expenditures, union membership, and campaign contributions.

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Amount of Political Contributions Correlates with Higher Incomes for Public-Sector Union Employees

- There is a statistically significant relationship between per capita total contributions made by public-sector unions and growth in income per state and local employee.

Level of Collective Bargaining Correlates with Increased Employment for Public-Sector Union Employees

- There is a statistically significant relationship between the level of collective bargaining and the growth of state and local employment.
- When taken together, the amount of political contributions and level of collective bargaining have a stronger effect on incomes and employment than they do when observed by themselves.
- Moreover, the effect union political activity has on income and employment is associated with support for the governor's political party: the more the unions have supported the governor's party in the past, the more of an effect political activity has on income and employment.

Evidence of a Relationship between Total Growth in Government Spending and Public-Sector Union Activity Is Inconclusive

- Evidence is inconclusive for a relationship between either collective bargaining levels or per capita total political contributions and the total growth in government spending.
- This lack of a statistically significant finding, along with increases in income and employment for public-sector employees, may indicate the presence of cuts to government services in order to compensate for union income and employment increases. This hypothesis is speculative and further research is necessary to test it.

Political Activity by Teachers Unions May Not Affect Overall Education Spending but Does Affect Teacher Salaries and Employment

- There is little evidence of a relationship between the level of collective bargaining or political contribution by teachers unions and overall education spending in state and local governments.
- However, there is a statistically significant relationship between teacher salaries and employment and the three variables (political contributions, level of collective bargaining, and support for the governor's party).
- While pairs of these three variables have a positive relationship with salaries, when combined the results indicate a negative relationship with salaries, suggesting diminishing returns at high levels for all the variables if they are used at the same time.

CONCLUSION

Public-sector unions have real effects on policy outcomes. These unions reward their members' support through higher incomes and greater employment opportunities. This effect is magnified in states where the governor has enjoyed union support in the past. While there is little evidence that union activity actually affects total state and local expenditure growth, union activity aimed at protecting the interests of the unions' own members may ultimately have an impact on the services state and local governments offer to the public.