

Project 2025's attacks on public-sector unions would cost workers billions per year

Donald Trump's Project 2025 contains a long list of proposals that would make it harder for workers to win unions and the benefits of collective bargaining. The plan directly attacks public-sector unions, suggesting that they are "not compatible with constitutional government" and calls on Congress to consider banning them (p. 82). If such attacks led to even a 50% reduction in the share of public-sector workers covered by a union contract, it would cost U.S. workers roughly \$77 billion annually in lost wages and benefits—and the harm would not just be confined to the workers losing union coverage. The calculation of this estimate is described briefly below, but the methodology section provides a full accounting.

The wage and benefit loss can be broken down into two parts—a direct effect and a "spillover" effect. The direct effect of an attack on unionization rights that led to a 50% reduction in public-sector collective bargaining coverage would be more than 3.9 million public-sector workers who no longer had the significant union premium for wage and benefits—a premium that boosts their pay by roughly 11% overall. This would constitute roughly \$37.9 billion in lost wage and benefit income.

But recent research has highlighted that "spillover" effects of workers losing unionization status are often at least as large as direct effects. These spillover effects include a reduced union wage premium for workers who remain unionized, as unions' ability to demand higher wages for members is undercut by a growing non-union workforce who are potential substitutes for employers. These spillover effects also include a reduction in the union "threat" effect that keeps even the wages of non-union workers higher when unionization rates are high. This threat effect can be seen clearly in the actions of non-unionized auto companies raising pay on the heels of a large union victory by the United Auto Workers (UAW) that boosted pay in unionized firms. The spillover effects of 2.7% of the U.S. workforce losing union coverage would be a \$7.2 billion reduction in unionized wages as the union wage premium shrank in response to declining union coverage, as well as a \$31.8 billion loss in the wages of non-union workers stemming from a reduced union "threat" effect.

Adding these up yields a total effect of \$76.9 billion in lost wages and benefits stemming from this attack on public-sector collective bargaining rights, with more than half of this falling on workers outside of those public-sector workers losing unionization rights. Project 2025 could have even more costly implications for workers if its call to consider an outright ban on public-sector unions were put into action. If Donald Trump is elected, he and his allies will pursue this agenda that decimates public-sector unions and costs workers billions of dollars in lost wages and benefits.



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October 9, 2024



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