**Racial Inequality in Wealth: Do Labor Unions Matter?**

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ABSTRACT

Using panel data from the National Longitudinal Survey of Youth (NLSY79), I test hypotheses about the impact of union employment on individually held wealth over the lifecourse. I posit that unions, as a labor market institution, increase the ability of workers to accumulate wealth by providing stable employment and increased access to non-wage packages. Second, I determine whether these benefits of labor union employment help mitigate the gross disparity in individually held wealth between black and Hispanic households vis-à-vis whites. Since blacks and Hispanics experience greater wage returns under labor union employment than do whites, which narrows racial wage gaps, it is likely that labor union employment may also help bridge the racial wealth gap. Evidence suggests that union employment limits wealth inequality for all groups in the U.S. as exposure to union employment increases over one's working life. Further, increased exposure to union employment is particularly important for blacks and Hispanics, as it increases their wealth in comparison to their non-union counterparts by increasing access to fringe benefits and contributing to increases in the rate of home ownership.

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**Introduction**

In *The Declining Significance of Race*, Wilson (1978) argues that race is no longer the defining characteristic in explaining educational and occupational inequality in late 20th century America. Rather, Wilson suggests that social class has taken the place of race as the most important factor in determining life trajectories. For many indicators of overall well-being, Wilson was and continues to be correct: race-based educational gaps in achievement and attainment have been closing since the mid-1960s (Kao and Thompson 2003) and wage disparities have followed (e.g., Huffman and Cohen 2004; McCall 2001; Morris and Western 1999). Yet, when examining individually held wealth, race could not be more significant—both statistically and substantively. Extant scholarship has found large median wealth differences between whites and minorities, with blacks having fifty to seventy thousand dollars less (Conley 1999; Keister 2005; Oliver and Shapiro 1995), and Hispanics twenty to thirty thousand dollars less (Hao 2004; Keister 2005). Prior scholarship has identified the factors contributing to racial wealth inequality to be due to discrimination in the housing market (Henretta 1979; Jackman and Jackman 1980; Krivo 1982; Krivo and Kaufman 2004; Massey and Denton 1993), differences in saving and investment behavior (Avery and Kennickell 1991; Conley 2001b; Gittleman and Wolff 2004), status attainment (e.g., Conley 1999; Conley 2001a), and life course processes (Keister 2005; Land and Russell 1996; Spilerman 2000). Yet prior research has failed to document the impact of labor unions on wealth, despite the importance of unions for securing wage gains and increasing access to non-wage packages that include health care and retirement savings. Accordingly, unions may limit wealth inequality among a select cross-section of the U.S. population by providing higher wages and a non-wage package that includes greater access to and accumulation of retirement assets, one of the primary features of most collective bargaining agreements. One mechanism of equalization that remains undertheorized, despite evidence of

the positive impact of union employment on wage inequality, is the role of labor unions in wealth accumulation and inequality.

A number of scholars have linked the increase in economic inequality—particularly income inequality—to the decline in union strength since the mid-1950s (Krugman 2007; Mosher 2007). For example, Freeman (2007: 50) estimates that the decline in unionization in the U.S. has contributed to 20 percent of the increase in wage inequality since the 1960s, and perhaps more when taking into account union threat effects on the wages of non-union firms. Whereas nearly one-third of the U.S. workforce was unionized in 1955, just one-in-eight workers are as of 2008. This same period has witnessed the growth of CEO pay from 24 times the average worker's wage in 1965 to 262 times in 2006 (Mishel, Bernstein, and Allegretto 2006). While union employment is advantageous to the economic well-being of all workers, it is even more beneficial for minorities. Unions' standardization of pay scales—accomplished by linking pay to positions and tenure on the job—is especially relevant for blacks and Hispanics. Without these standardized procedures, hiring and promotion decisions can be infused with stereotyping and in-group preferences that often lead to blocked opportunities for blacks and other minorities (Bertrand and Mullainathan 2004; Kennelly 1999; Kirschenman and Neckerman 1990; Neckerman and Kirschenman 1991; Pager 2003). The rigid standardization of union employment leads to wage gains that are 3 to 8 percentage points greater for non-white workers (Blanchflower and Bryson 2007; Freeman and Medoff 1984: Ch. 3). Again, in spite of suggestive evidence, prior research has been silent on the issue of the effect of union employment on the racial wealth gap.

This paper has two goals. First, I examine how union employment increases individually held wealth by increasing access to fringe benefits, most importantly retirement, and home

ownership. I posit that unions increase the ability of its workers to accumulate wealth by providing stable employment and increased access to non-wage packages. Second, I determine whether these benefits of labor union employment help mitigate the gross disparity in individually held wealth between black and Hispanic households vis-à-vis whites. Since blacks and Hispanics experience greater wage returns under labor union employment than do whites, narrowing the racial wage gap, it is likely that labor union employment may also help bridge the racial wealth gap. If so, then the benefits of union employment go beyond our current understanding by positively contributing to the life chances of working class minority families. Informed by prior independent scholarship on unions and wealth, I posit and test hypotheses that outline how labor unions, as a labor market institution, improve the lives of all working class Americans, but especially the lives of minorities.

**Race and Wealth**

Individually held wealth is an important element of the American stratification system. Recent stratification research has demonstrated the importance of wealth accumulation for various indicators of individual well-being. As a "surplus" resource (Oliver and Shapiro 2006: 32), the presence of wealth offers distinct advantages over earned income, such as improving life chances of current and future generations (Keister 2003; Keister and Moller 2000) by, for example, extending educational opportunities (Conley 1999; Conley 2001a; Henretta and Campbell 1978; Rumberger 1983). Sociological research on wealth, however, has been selective and infrequent, with research in the late 1970s and early 1980s focusing on disparities in home ownership (Henretta 1979; Jackman and Jackman 1980) or on wealth attainment (Campbell and Henretta 1980; Henretta and Campbell 1978; Rumberger 1983). Sociological examinations of the importance of wealth in processes of stratification were relatively scarce during the 1980s and

into the mid-90s, but have dramatically increased over the last decade (e.g., Conley 1999; Conley 2001a; Flippen 2001; Keister 2005; Keister 2008; Oliver and Shapiro 1995).

Wealth research has, at its current stage, has primarily focused on the disparities between blacks and whites, largely disregarding other minority groups such as Hispanics and Asians. Disparities in the wealth of blacks vis-à-vis whites, and its impact on life chances, has been a prominent theme of wealth research. In *Black Wealth/White Wealth*, Oliver and Shapiro (2006: 88) calculate the wealth of white Americans as nearly twelve times that of blacks. Conley (1999) confirms Oliver and Shapiro's earlier work while contextualizing the implications of the racial wealth gap for the well-being of black families. He finds the lack of wealth negatively impacts educational and occupational trajectories of black children. Both studies argue that historical legacies are to blame for the current discrepancy in wealth between blacks and whites.

What accounts for the racial wealth gap? The primary suspect for researchers had been income differentials. However, the gap in earned income between blacks and whites with similar levels of education has steadily decreased since the mid-1960s (e.g., Caldwell, Clarke, and Keister 1998; Huffman and Cohen 2004; McCall 2001; Morris and Western 1999; Thurow 1975). If wealth is accumulated over the lifecourse by putting away a portion of one's income, then blacks and whites with similar levels of income should have similar levels of wealth. This is not the case, however, given the moderate correlation between wealth and income, at .26, offers limited support for this argument (Keister and Moller 2000: 64). While earned income and pay differentials are a part of the wealth puzzle, other factors are at work.

Since housing equity is by far the largest source of wealth for most Americans, past policies that discriminated against blacks are extremely important for understanding present wealth disparities. Illegal but widely employed practices such as red-lining, denying mortgage

applications to well-qualified blacks, and giving higher interest rates to those that do qualify, effectively denied blacks from accumulating the most common form of wealth during the 1950s housing boom (Conley 1999; Oliver and Shapiro 1995). When able to purchase homes, the value of black homes have increased at lower rates than have comparable white homes, largely due to the racial segregation and concentration of poverty caused by discriminatory real estate and lending practices (Charles 2003; Flippen 2004; Krivo and Kaufman 2004; Massey and Denton 1993). Thus, whites who purchased homes under the low-rate FHA mortgages some fifty years ago have been able to accumulate housing equity, while many blacks have been denied this opportunity. This inequity is magnified by the fact that the children of white homeowners were able to take advantage of accumulated wealth through inheritance or by receiving aid over their lifetime, such as college tuition assistance (Avery and Rendall 2002).

Although much remains to be explored on the causes of the black/white wealth gap, wealth differentials between Hispanics and whites have been, for the most part, almost completely denied scholarly attention. Yet, Hispanic Americans are the fastest growing minority group in the U.S. and, accordingly, a prominent part of the American economic system. While wage gaps for Hispanics compared to whites have decreased similarly to that of blacks (e.g., McCall 2001), we know very little about the wealth holdings of Hispanics. The few studies that do explicitly examine Hispanics find a similar wealth disparity to that between blacks and whites (Campbell and Kaufman 2006; Hao 2004). Keister (2005: 134-135) does note, however, "that blacks and Hispanics accumulate much less wealth than whites, inherit less, and are less likely to own homes or stocks." Although not the central focus of her work to date, Keister (2005: 279) has also found substantial race gaps in individual wealth holdings, net of education and income, among other factors. In her full models, blacks and Hispanics both have 25 thousand dollars less

wealth than whites. In examining patterns of home ownership, Krivo (1986) finds Hispanics 10 percent less likely to own homes compared to whites—a rate comparable to that found between blacks and whites by Jackman and Jackman (1980). Conley (1999: 19-20) does not examine Hispanics, noting that, "blacks and whites demonstrate the greatest disparities of all racial groups in the United States." However, he does suggest that, at least for Hispanics in the U.S., intragroup phenotypes dictate the impact of economic outcomes—darker skin Hispanics mirroring black wealth profiles and lighter skin Hispanics that of whites. Oliver and Shapiro provide data from the Survey of Income and Program Participation, noting that while 25 percent of white households have zero or negative wealth, the numbers are substantially higher for minorities, at 54 percent of Hispanic and 61 percent of black households.

**Labor Unions**

*Racial Composition of U.S. Labor Unions*

Blacks, Hispanics and other minorities were historically denied access to labor unions, due to racism as well as long held animosity by white unionists from employers using southern blacks and recent immigrants as strike breakers during the early 20$^{th}$ century (Bonacich 1976; Piven and Cloward 1977). As a result, many unions did not allow black or Hispanic members until after the passage of Equal Employment Opportunity (EEO) legislation that was part of the 1964 Civil Rights Act (Burstein 1985: 23), and even then they did so begrudgingly (Goldfield 1997; Hill 1985; Hill 1993; Nelson 2001). But not all unions were antagonistic toward minorities. For example, many of the Congress of Industrial Organization's (CIO) industrial unions, due in part to their Communist and Wobblie ideologies, were inclusive of their fellow black and immigrant workers. This is in marked contrast to the more racist and exclusionary craft unions of the American Federation of Labor (AFL) (Zeitlin and Weyher 2001). Blacks did hold

union employment prior to the passage of the Civil Rights Act, with Communist oriented unions being the exception to the rule of racial intolerance (Zeitlin and Weyher 2001). Hispanics have been a major constituent within the U.S. labor movement since the days of the United Farm Workers struggles, lead by César Chavez (Jenkins and Perrow 1977). The increasing prominence of Hispanic Americans in the contemporary U.S. labor movement—particularly among the SEIU's growing contingency of service workers (Milkman 2006)—adds to the importance of analyzing the effect of union employment on Hispanic economic well-being. And while union jobs have decreased due to deindustrialization (Morris and Western 1999; Wilson 1987; Wilson 1996), the decentralization of labor markets (Western 1997: 180-81) and employer hostility (Freeman and Medoff 1984; Levi 2003: 49), they may still serve as an important labor market institution, particularly for minorities.

Figure 1 depicts Current Population Survey data on union employment by race from 1973 through 2007.[1] Data on union employment by race only goes back to 1973, but paints a clear picture: blacks and Hispanics have been disproportionately employed in union jobs. At the beginning of the data series, nearly 30 percent of blacks and nearly 34 percent of Hispanics were members of a labor union, compared to 25 percent of whites. Although the declines in union jobs have affected all groups, blacks and Hispanics have been hit harder, given higher minority representation overrepresented among union jobs. When looking at public and private sector unionization by race (not shown), greater parity exists. While blacks were more unionized in 1973 than both whites and Hispanics, they are now about equal, with nearly a third of all groups in the public sector unionized.

[Figure 1 about here]

[1] I thank Jake Rosenfeld for generously providing the CPS data on unionization across public and private sectors by race.

*Unions as a Labor Market Institution*

Labor unions represent an important labor market institution, even as their presence and power in the U.S. economy has lessened since the height of union density at 33.5 percent in 1954 (Farber and Western 2001: 461-62). As of 2008, union employment in the U.S. has declined to just over 12 percent of the workforce. Even so, U.S. unions still have over 16 million members and represent an additional 1.7 million non-members (Labor and Statistics 2009). Labor unions are interested in improving the wages and working conditions of their membership. Accordingly, prior research has highlighted the importance of collective bargaining agreements in raising wages, improving the work environment, and increasing access to pensions (e.g., Allen and Clark 1986; Freeman 1981; Freeman and Medoff 1984; Robinson 1989). To date, scholarly inquiry has not examined the effect of labor union employment on individually held wealth.

Nonetheless, it is unclear how labor unions influence stratification at the margins. On the one hand, labor unions decrease income disparities between minorities and whites, men and women, and, through union threat effects and market competition, also raise wages of similarly situated non-union workers. On the other hand, access to unionized employment is limited: craft unions often require lengthy apprenticeships; industrial unions are experiencing a decline in membership due to deindustrialization and increased globalization; and public sector union jobs are in high demand with few positions available. In this sense, unions exacerbate inequality by not allowing equal access to the institution. Accordingly, labor unions are similar to educational institutions such as colleges and universities in their ability to selectively filter individuals into higher wage occupations and improve individual life chances. Further, the labor union as an institution has similarly limited equal access to minorities prior to the 1964 Civil Rights Act (Burstein 1985; Lieberson 1980: 339-354; McAdam 1999; Piven and Cloward 1977: Ch. 3) as

have schools and universities prior to the 1954 Brown vs. Board of Education decision (Burstein 1985: 163-167; Karabel 2005; Lieberson 1980; McAdam 1999) and the military prior to President Truman issuing Executive Order 9981 in 1948 (Katznelson 2005).

Yet, there are good reasons to expect union employment to mitigate racial inequality in wealth. First, labor unions provide stable employment and blacks and, to a lesser extent recently, Hispanics are overrepresented in union jobs. Even today, when union density is at its historical nadir in the private sector, 14.5 percent of blacks and 10.6 percent of Hispanics are union members, compared to 12.2 percent of whites (Labor and Statistics 2009). Second, union employees earn, by many accounts, 13 to 20 percent more than similarly situated non-union workers, and union wage gains for minority workers are beyond those for whites, at between 3 and 8 percentage points greater (e.g., Blanchflower and Bryson 2007; Freeman and Medoff 1984; Western 2002: 543-44).

Hypothesis 1: *Working under a collective bargaining agreement will mitigate the wealth disadvantage of blacks and Hispanics vis-à-vis whites.*

Taken together, the benefits of union employment—job stability, higher wages and greater availability of fringe benefits that lessen out of pocket expenses—may increase the ability of individuals to purchase homes. Given that equity accumulated via home ownership is how most Americans gain individually held wealth (Conley 1999; Oliver and Shapiro 1995), this could be an extremely important and unexplored benefit of union employment.

Hypothesis 2: *An increase in collective bargaining agreement exposure over one's working life is positively associated with home ownership.*

*Pensions & Retirement Wealth*

Union jobs are more likely to offer non-wage packages that include, or have more extensive, healthcare and retirement packages than non-union employees, while union employees are more likely to be aware, and take advantage of, these benefits (Budd 2005; Budd 2007; Freeman 1981; Wunnava and Ewing 1999). On the other hand, if unions provide compensation through defined benefit plans they may actually restrict the wealth (in terms of transferable wealth) among members.[2] As Oliver and Shapiro (2006) and Spilerman (2000) point out, pension wealth is the second largest individual asset holding among Americans next to housing equity. While racial disparities in the access to and accumulation of housing wealth are well documented by Oliver and Shapiro, they fail to address pension and retirement wealth. Rather, Oliver and Shapiro (1995: 215, FN 56) acknowledge the financial security provided by pensions, but point to the debate among economists on the inclusion of pensions in wealth calculations due to the lack of intergenerational transferability. Levy and Michel (1991: 43) largely focus on defined benefit pensions when discussing pension values, claiming that their lack of intergenerational transferability and an inability to borrow against them make pensions a "restricted asset" that are "more like income entitlements than either liquid or illiquid assets and should be treated in a similar manner." Yet, Wolff (1989) finds the inclusion of pension, along with social security, value in his aggregate analysis of household net wealth turns a decline to an increase between 1969 and 1983—adding 13 percent in aggregate real net wealth from pensions. Defined-contribution pensions, individual retirement accounts (IRAs) and other retirement assets that are

[2] Additional analyses (not shown) find that, indeed, respondents working under a collective bargaining agreement are more likely to have defined benefit retirement plans.

fully under the control of the individual and, presumably, fully able to be liquidated and transferable to heirs, should be considered a part of individual wealth calculations.

Similarly, I argue that there are two important reasons to address the accumulation of pension and retirement wealth. First, blacks and Hispanics are more pro-union than are whites (Fiorito 1987; Fiorito, Gallagher, and Greer 1986; Freeman and Rogers 2006), and are more likely to be employed by labor unions than whites (Labor and Statistics 2009). Second, as Gustman and Steinmeier (2005: 375) point out, "pensions are one of the most tangible rewards to union membership." Further, what is not considered in this debate is that the availability of pension funds allows greater fiscal flexibility for investing in transferable assets. Including information on pension wealth may thus moderate the picture of wealth inequality.

According to Kotlikoff and Smith (1983), 76 percent of private sector union members have pensions compared to only 35 percent of nonunion workers, and Allen and Clark (1986: 516) find pension value accumulates more rapidly for union members than for nonunion workers, allowing a greater accumulation of individual wealth. Analyzing data from the Department of Labor's Pension Benefit Master File, Allen and Clark (1986: 513, 516) find union workers have between 10 and 50 percent greater pension wealth than do comparable nonunion workers, due to higher initial benefits, larger post-retirement benefit increases, and the receipt of early benefits. Freeman and Medoff (1984) find union firms provide a greater number and more expansive fringe benefits for their employers than do non-union firms, findings which were replicated with more recent data (Budd 2007; Budd and McCall 1997; Wunnava and Ewing 2000). Further, union employees are more likely to be aware and take advantage of their non-wage compensation, likely due to the information provided by the collective voice of union representation (Budd 2007). Thus, given the centrality of non-wage packages in union bargained

contracts, it is important to take pensions and retirement wealth into consideration when assessing the effect of labor union employment on individual wealth, and economic well-being in general.

Hypothesis 3: *Working under a collective bargaining agreement is positively associated with the availability of work-related fringe benefits.*

*Labor Unions & Wealth*

All told, the labor union as a labor market institution affects accumulation of individually held wealth through two distinct mechanisms: higher wages and more expansive non-wage benefits. Further, as I posit above, the standardization of wages, working conditions and promotion processes that labor unions provide benefit minority workers more, as they suffer the greatest discrimination in the labor market. Workers under a union contract make 13 to 21 percent more than similarly situated non-union workers (e.g., Blanchflower and Bryson 2007; Eren 2007; Freeman and Medoff 1984; Western 2002: 543-44). Even though wages are only moderately correlated with wealth (Keister and Moller 2000), they are still an important piece of the asset puzzle. Thus, union workers should receive some increase in their individually held wealth in part due to increased wages. However, it is in combination with the non-wage benefits of union employment whereby union workers are able to make their wages go further by freeing up out-of-pocket expenses.

Via the non-wage mechanism, unions increase the availability of fringe benefits that free up salary to be spent, among other things, on saving, investment and wealth accumulation. For example, the availability of paid sick time and health insurance allows an individual to take time off of work to attend to medical needs without losing wages through lost hours and, doubly, having to pay out-of-pocket to see a physician. Based on 1970s data, union firms spent upwards

25 to 35 percent more than non-union firms on on fringe benefits (Freeman and Medoff 1984: 61-63). Using the same data source from 2004, Budd (2007: 177) finds that benefits account for 27 percent of total compensation in union firms and 16 percent in non-union firms. Converted to dollar values, this means that union jobs include an additional non-wage benefit of $8.51 an hour compared to $3.52 an hour for non-union jobs.

In sum, in combination with the wage gains of union employment, steady employment and job security, these non-wage work-related benefits impact life beyond work, as union members are better able to afford homes, invest in stocks and mutual funds, and create a comfortable existence for themselves and their family.

Hypothesis 4: *An increase in collective bargaining agreement exposure over one's working life is positively associated with individually held wealth.*

**Data**

To examine the relationship between labor union employment and individually held wealth by race, I use panel data from the National Longitudinal Survey of Youth, 1979 (NLSY79) (Statistics and Labor 2006).[3] The NLSY79 is a nationally-representative longitudinal sample of 12,696 men and women born between 1957 and 1964. The survey includes detailed information on individual and family occupational, economic, residential, familial and demographic characteristics. The sample is comprised of individuals who were between the ages of 14 and 21 when first interviewed in 1979. Interviews were conducted annually through 1994, and biennially between 1994 and 2006, the last year for which public data are currently available. The original sample included 6,111 young adults, a supplemental sample of 5,295 poor white,

[3] The NLSY79 survey is sponsored and directed by the U.S. Bureau of Labor Statistics and conducted by the Center for Human Resource Research at The Ohio State University. Interviews are conducted by the National Opinion Research Center at the University of Chicago.

black and Hispanic respondents, and 1,280 military men and women. Funding cutbacks over the years have forced the elimination of a majority of the poor and military oversamples. However, the NLSY79 remains a large dataset representative of racial and economic variation (Labor and Statistics 2005; Labor and Statistics 2006).

Linking union employment and wealth is only possible with the NLSY79, as other commonly used datasets for the analysis of individually held wealth do not contain information on union employment, fringe benefits and home ownership. The NLSY79 is well suited for my purposes for several reasons. First, for each round of data collection the NLSY79 asks whether respondents are "covered by a collective bargaining agreement." Second, as of 1985, when every respondent was at least 18 years old, the NLSY79 asked a battery of questions related to the asset holdings of individuals. Third, detailed information on available fringe benefits have been collected since the survey inception. Fourth, the NLSY79 oversamples my populations of interest, with blacks comprising 30 percent of the panel and Hispanics 20 percent. Finally, the longitudinal nature of the data—each of the nearly 12,000 respondents have been surveyed as many as 22 times since 1979—allows for documenting work histories and tracking changes in wealth over time.

**Measures**

*Dependent Variables*

In order to test each hypothesis, several dependent variables were used in separate analyses. In the first set of models, four separate dummy variables measure the availability of different types of work-related *fringe benefits*. Medical coverage and vacation days are available from 1979-2006, whereas data on sick days (starting in 1985) and retirement (starting in 1988) are shorter in duration. I chose these four fringe benefits as they are the most commonly provided by

employers and extremely costly (Freeman and Medoff 1984: 63). The dependent variable in the second models is a dummy variable for *home ownership*, similar to extant scholarship (Birnbaum and Weston 1974; Conley 1999; Henretta 1984). This data is available from 1979-2006.

The final dependent variable is *wealth*, operationalized as total net assets, as measured using the NLSY79 summary wealth variable.[4] This summary wealth measure is constructed by the NLSY79 following Keister's (2007: 264-66) summary measure. Net assets is the sum of financial assets (i.e., stocks, bonds and mutual funds; checking/saving accounts; trusts; IRAs, CDs and 401ks) and real assets (i.e., market value of residence; business, farm and investment real estate; cars and other vehicles; other possessions) minus debts (i.e., mortgage on residence; debts on businesses, farms and investments; debt on vehicles; other debt).[5] Total net assets are adjusted to constant 2004 dollars using the Consumer Price Index. Figure 2 depicts median wealth by race. Immediately evident is that over the lifecourse white respondents' wealth grows at a much greater rate than does the wealth of black and Hispanic respondents.

[Figure 2 about here]

[4] Prior to the 2006 data release, the NLSY79 lacked a summary wealth measure. However, that year, a summary wealth measure was released that utilized the panel nature of the data to correct for missing data such as invalid skips (See Zagorsky 1997 and NLSY79 User's Guide for details).

[5] Starting in 1994 when pension and retirement data become available, I also add these data to my measure of net assets. Past studies of wealth using the NLSY79 have taken pension and retirement assets into account, but inconsistently. For example, the pension/retirement assets questions are in two separate areas of the questionnaire, with prior studies not including information from the employer supplement pension value series in their estimates. Given that pensions are a key part of the non-wage union package, taking these into account when modeling the effect of union employment on wealth accumulation is necessary. The NLSY79 pension data only includes the total dollar value of defined-contribution plans, whether they are work-linked retirement funds or individually held retirement accounts. Unfortunately, questions on pensions were not asked until 1994.

*Independent Variables*

Union Employment

Depending on the dependent variable, I measure the effect of union employment in several ways. First, in the analysis of fringe benefits, union employment is measured as a dummy variable for whether the respondent works under a collective bargaining agreement (CBA) at their current job. In addition, for the other sets of models on home ownership and total net assets, I measure the effect of union employment as the number of years from 1979 through 2006 in which the respondent was working under a collective bargaining agreement. A measure of exposure to union employment is more fitting in this analysis rather than annual dummy variables for union employment, as it is a cumulative gain over one's working life that will impact wealth attainment more so than an immediate payoff to union employment in a given year. The mean years of CBA exposure among NLSY79 respondents ever working a union job is just over 3 years, while the mean years of CBA exposure is 1.6 years for the entire sample.

Second, in the models of total net assets, I include a dummy variable for whether the respondent has any pension or retirement assets. This data does not exist for the entire data series, as the NLSY79 only began tracking pension assets in 1994. As such, the pension dummy is set to 0 prior to 1994 for all individuals. Third, to determine if differential effects exist across racial groups I also include an interaction term between race and collective bargaining agreement, as well as pension and retirement asset ownership.

Race, Sex and Age

I control for several characteristics found to be important predictors of individually held wealth. First, I include several demographic characteristics. Two dummy variables for race are included. Black and Hispanic are measured as separate dummy variables, with white as the referent. The

respondent's age is included as a continuous variable, age-squared is included in models on fringe benefits and home ownership (Krivo and Kaufman 2004), and sex is included as a dummy variable, with 1 equal to male.

Income & Employment Characteristics

I include individually earned income of the respondent and the respondent's spouse, both measured as continuous non-logged variables and adjusted to constant 2004 dollars (in thousands) using the Consumer Price Index. To take into account the overrepresentation of public sector employees within union employment in the U.S., I include dummy variables for whether the respondent works in the public sector, and whether the respondent is employed in the manufacturing sector. I also add a continuous variable for firm size (in thousands).

Asset Ownership

Real assets, such as home and business ownership are important for individual wealth portfolios, as is inheriting assets from family members (Keister 2005; Oliver and Shapiro 2006). Accordingly, I include a dummy variable for whether the respondent reports ownership of each, as well as interactions between race and home ownership and inheritance receipt.

Geographic Indicators

Several dummy variables are included to account for geographic differences (Flippen 2004; Henretta 1984; Krivo and Kaufman 2004). Urban and central city indicators are coded as a 1 based on Census SMSA boundaries in a given year. Dummy variables for region of residence are also included, with Midwest as the referent category.

Education, Marital Status, and Family Characteristics

Following prior work on wealth with the NLSY (Keister 2005; Keister 2008) and other data (Conley 1999; Conley 2001a; Flippen 2004), I include measures for education, marital status

and, in select models, family characteristics. Education is measured as a series of dummy variables marking highest level of education achieved: high school, some college, bachelor's degree and an advanced degree. I also include several dummy variables for marital status: married, separated, divorced and widowed. Finally, dummy variables for parental characteristics are measured for highest degree attained, whether each parent worked full-time in 1979, whether each parent was an immigrant, whether the respondent was raised in a stepparent or single parent household, and the religion they were raised.

Table 1 depicts means and medians for selected variables included in the analyses for the entire sample, then split by race. A few things are worth pointing out regarding the dependent variables. Looking at median wealth in the NLSY79 by race, whites have short of 40 thousands dollars, compared to blacks at just over 5 thousand and Hispanics at nearly 15 thousand. 25 percent of whites have pension wealth, compared to 20 percent of Hispanics and 17 percent of blacks. Greater parity exists in terms of fringe benefits by race, with about half of respondents having work-related retirement, medical, vacation and sick time.

[Table 1 about here]

**Methods**

To test hypotheses about the effect of union employment on individually held wealth, I conduct several analyses using two statistical techniques. Both techniques are variants of cross-sectional time series modeling, which is ideal for panel data in that it accounts for repeated observations in the dependent variable and adjusts for autocorrelation (i.e., the same respondent surveyed repeatedly over time).

The models of fringe benefits and home ownership are conducted using cross-sectional time series logistic regression with person-year as the unit of analysis. Data for fringe benefits

ranges from 1979-2006, with shorter analyses for two of the benefits. Home ownership data spans the entirety of the data series from 1979-2006.

Following prior work on the NLSY79 (Keister 2005; Western 2002), I use pooled cross-section random effects time series regression with person-year as the unit of analysis.[6] Data availability and practical considerations limit my analysis to 1988 through 2004. The dependent variable, total net assets, is adjusted to constant 2004 dollars using the Consumer Price Index. I follow prior studies on wealth by not logging the dependent variable due to the presence of negative values, which also eases interpretation of the regression results (e.g., Keister 2008). Similar results are found under different specifications, such as GEE in Stata and GLM in SAS (results available from author).

**Results**

*Fringe Benefits*

The results from cross-sectional logistic regression models of four types of fringe benefits are reported in Table 2. Collectively, these models provide a test of Hypothesis 3, which states that working under a collective bargaining agreement is positively associated with the availability of work-related fringe benefits.

The results are largely consistent across each of the four fringe benefits modeled, thus I will discuss the results across all models. Each coefficient is represented as an odds-ratio to ease interpretation, such that negative effects are below 1, and positive effects above 1.[7] The results from these models show support for Hypothesis 3, as indeed working under a CBA increases the

[6] I use random effects in order to account for non-random covariates such as race and sex within the same models. Similar results are elicited under fixed effects specifications when these non-random covariates are removed from the models (results available from author).

[7] For example, the coefficient for government employment in Model 1 (3.09) suggests that working for local, state or federal government employer, net of other variables in the model, increases the likelihood of having an employer sponsored retirement plan by 309%.

likelihood of having employer provided retirement, health insurance, and paid sick and vacation time. Interpreting the coefficient for CBA coverage is complicated by the interaction coefficients between CBA coverage and race. As such, the direct effect of CBA coverage represents the difference between whites working under a CBA compared to non-CBA whites, with those working under a union contract being 485% more likely to have an employer provided retirement plan, 343% more likely to have health insurance, 186% more likely to have paid sick days and 185% more likely to have vacation days.

The interaction effects between CBA coverage by race suggest similar results. However, the negative interaction terms for Models 1 and 2 contextualize the story, suggesting that while racial minorities working under a union contract are more likely than non-union minorities to have employer provided retirement plans and health coverage, they are less likely to have such fringe benefits when compared to whites. When looking at Models 3 and 4, the non-significant interaction coefficients hovering around 1 suggest that blacks and Hispanics with CBA coverage are just as likely as whites to have employer provided sick and vacation days. These results can be verified by running race-specific models, minus the interactions terms (not shown), which show that whites are 5 times, blacks 3 times, and Hispanics nearly 4 times, as likely to have employer provided retirement when working under a collective bargaining agreement.

Focusing on the covariates, the receipt of fringe benefits increases with age, income and employer size. Men are less likely to have work-related fringe benefits than women, and workers in the public or manufacturing sector are more likely to have such benefits. Education is positively correlated with fringe benefits, as individuals with collage degrees are more likely to have fringe benefits than those with only a high school degree. Finally, married individuals are more likely than any other group to have work-related fringe benefits.

[Table 2 about here]

*Home Ownership*

The results from cross-sectional logistic regression models of home ownership from 1979-2006 are reported in Table 3. These models provide a test of Hypothesis 2, which expects an increase in exposure to collective bargaining agreement employment over the lifecourse to be positively associated with the home ownership. I will again interpret the coefficients, also depicted as odds-ratios, across the two models, with Model 1 and Model 2 differing with the addition of parental characteristics in the latter.

The results from these models show support for Hypothesis 2, with each year of CBA exposure over the lifecourse increasing the chance of home ownership by 6 percent, net of the other variables in the models. Further, and particularly interesting, is that the effects of CBA exposure do not differ by race, as depicted by the non-significant interaction effects. At the mean level of CBA exposure across the lifecourse, workers under a union contract are about 18 percent more likely to be homeowners than non-union workers. Given that non-union blacks are 70 percent, and non-union Hispanics 36 percent, less likely to be home owners than non-union whites, the addition of CBA benefits to home ownership are extremely important in decreasing between race differentials in home ownership.

Other occupational and asset-based factors play an important role in predicting home ownership. Respondent and spouse income, as well as government employment, are positively associated with home ownership. Having non-home based assets and receiving an inheritance both increase the likelihood of home ownership. Beyond work and asset-based indicators, geography plays a role in home ownership, with individuals living in urban environments and central cities nearly 30 percent less likely to own a home. Likewise, living in the east or west

regions of the U.S. decreases the likelihood of home ownership by 47 and 35 percent, while living in the south increases the chance of home ownership by 36 percent.

Looking at the remaining covariates, home ownership increases with age, but decreases later in life, while men are less likely to own than women. Increased education is not as strongly associated with home ownership net of other factors, as individuals with college degrees are slightly less likely to own homes than those with only a high school degree. Married individuals are more likely than any other group to own homes. Finally, parental characteristics do not have a positive impact on the home ownership prospects of their children after controlling for inheritance, with the exception of the father working full-time in 1979 (the only year such information is available).

[Table 3 about here]

*Total Wealth*

The results from pooled cross-sectional time series regression models on the determinants of household wealth from 1988-2004 are presented in Table 4. These models offer a test of Hypothesis 4, the summary hypothesis, which expects an increase in CBA exposure over the lifecourse to be positively associated with individually held wealth. A lack of direct support is found for Hypothesis 4, as the coefficient for CBA exposure is negatively associated with individually held assets. And, as with home ownership, the effects of CBA exposure do not differ by race, as depicted by the non-significant interaction effects. Thus, at the mean level of union exposure over that time period, working under a union contract accounts for a 7 thousand dollars decrease in net assets.

However, the effects of pension wealth and home ownership offer some indication that when looking at less direct impacts of union employment on individually held wealth, union

employment may positively impact wealth. Recall that union employment increases the likelihood of having employer provided pension/retirement, as well as increasing the rates of home ownership (Tables 2 and 3). Accordingly, the presence of pension and retirement wealth increases the total wealth of whites by just over 60 thousand dollars, and home ownership by 58 thousand dollars. The effects are less for minorities: pension and retirement funds increase black wealth by 3 thousand and Hispanic wealth by 25 thousand; and black homes are worth nearly half of whites (29 thousand less) and Hispanic homes worth about 10 thousand dollars less.

Occupational factors play an important role in asset attainment. Respondent and spouse income are positively associated with home ownership, while working in the manufacturing or governmental sectors of the economy, or being employed at a large firm, negatively impact wealth. Owning a business is a large contributor to individually held wealth, as is receiving an inheritance, and having an advanced college degree. On the other hand, living in a central city or urban environment negatively impact wealth. Finally, parental educational attainment is positively associated with the wealth of their children.

[Table 4 about here]

*Labor Unions, Race and Wealth*

Spanning the results presented allows for assessing the validity of Hypothesis 1, which expects that working under a collective bargaining agreement will mitigate the wealth disadvantage of blacks and Hispanics vis-à-vis whites. All told, the empirical evidence suggests that union employment does limit the wealth disadvantage of minorities: fringe benefits are greater, home ownership rates are higher, and parity exists among union employees in terms of the impact of labor union employment on wealth. One striking example comes from the results of home ownership rates presented in Table 3. The coefficients for black and Hispanic represent the

effects of race absent union employment, whereby blacks are 71 percent less likely, and Hispanics 36 percent less likely, to own a home. Figure 2 provides a good depiction on the impact of union employment on home ownership, whereby blacks with three years of union exposure have the same rate of home ownership as whites never working under a union contract. In looking at Table 4, we see that the effect of union employment on wealth does not differ by race, and that CBA exposure is actually negatively associated with wealth. In short, union employment appears to constrain the wealth distribution, similar to the income distribution. Stated differently, for workers under a CBA, unions raise the floor and lower the ceiling of the wealth distribution.

[Figure 3 about here]

**Discussion and Conclusion**

A broader view of the impact of labor unions on the life chances of workers, as called for by Sorensen (1983), has for the most part "been neglected both theoretically and empirically" (Cornfield 1991: 38). In this paper, I move toward broadening the assessment of labor unions by positing and testing hypotheses examining whether labor union employment increases the availability of work-related fringe benefits, home ownership and individually held wealth, and whether union employment mitigates racial wealth gaps. In particular, I investigate whether blacks and Hispanics are able to close the well-documented racial wealth gap vis-à-vis whites under union employment. My findings suggest that union employment does, in fact, limit wealth inequality for all groups in the U.S. as exposure to union employment increases over one's working life. Further, increased exposure to union employment is particularly important for blacks and Hispanics, as it increases their wealth in comparison to their non-union counterparts

by increasing access to fringe benefits and contributing to increases in the rate of home ownership.

My findings also broaden the scope of wealth research by systematically confirming prior research on the real asset differentials of minorities in comparison to whites, as well as by placing greater emphasis on the understudied wealth position of Hispanics. Racial differences in the procurement of work-related fringe benefits are small, with big differences between CBA and non-CBA employees regardless of race. Blacks and Hispanics own homes at rates fare below whites and, as expected, those that do own these assets have substantially less to show for it. When looking at racial differences we see that, as Conley (1999) suggests, Hispanics are less disadvantaged in terms of wealth accumulation than black Americans—Hispanic home ownership penalties are nearly one-third those of blacks. Further, Hispanics appear to benefit greater from exposure to union employment than do black Americans.

While these findings focus on the relationship between union employment, race and wealth, they are more generally about the importance of institutions and institutional arrangements in shaping individual trajectories. Unions are, after all, an important labor market institution even though they currently represent only 13 percent of the workforce. Like other societal institutions, namely universities and the military, labor unions filter individuals into better paying and more stable employment arrangements, positively impacting overall economic security of the individual and their family members. Unions are primarily interested in "bread and butter issues," such as improving wages and working conditions (Freeman and Medoff 1984). Yet, institutions often exact unintended consequences on individuals exposed to them, both positive and negative. An unintended outgrowth of union employment is to increase the individually held wealth of its membership and, particularly, to improve the overall economic

well-being of minorities—not just in terms of wages. In this case, the labor union as an institution is improving the overall well-being of those exposed to it, disproportionately helping minorities. In marked contrast stands another institution: the prison, where individuals exposed to incarceration are disproportionately minorities (Pettit and Western 2004) and the effect of incarceration increases racial income inequality (Western 2002). Unfortunately, at the beginning of the 21st century the institution beneficial to minorities is declining in its labor market significance while the detrimental institution is rapidly expanding.

Lastly, my findings offer implications for understanding inequality in the U.S. in a comparative perspective. Union density in the U.S. is the lowest among OECD countries (Western 1997), inequality and the prison population are the highest (Jencks 2002; Pettit and Western 2004), and the U.S. is the only industrialized nation without nationalized health care. As such, labor unions are even more important in the U.S. for fighting for improved wage and non-wage packages for their employees and, unintentionally, for increasing the wealth holdings of union employees, especially that of blacks and Hispanics. Accordingly, future research should examine the impact of labor unions on wealth inequality across industrialized nations to determine whether the effect on wealth is another example of *American exceptionalism* or a positive externality of labor unions across institutional settings.

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Table 1. Descriptive Statistics of Dependent Variables and select Independent Variables, 1979-2006

| Variable | All | | White | | Black | | Hispanic | |
|---|---|---|---|---|---|---|---|---|
| | Mean | Median | Mean | Median | Mean | Median | Mean | Median |
| *Dependent Variables* | | | | | | | | |
| Wealth[a] | 88813 | 20120 | 121096 | 37322 | 35001 | 5492 | 68485 | 14809 |
| Pension Wealth (dummy)[b] | 0.22 | 0.00 | 0.25 | 0.00 | 0.17 | 0.00 | 0.20 | 0.00 |
| Own Home | 0.30 | 0.00 | 0.37 | 0.00 | 0.19 | 0.00 | 0.28 | 0.00 |
| π | | | | | | | | |
| Fringe Benefits | | | | | | | | |
| Retirement[a] | 0.47 | 0.00 | 0.49 | 0.00 | 0.46 | 0.00 | 0.45 | 0.00 |
| Medical | 0.48 | 0.00 | 0.49 | 0.00 | 0.45 | 0.00 | 0.47 | 0.00 |
| Vacation Time | 0.49 | 0.00 | 0.5 | 0.00 | 0.47 | 0.00 | 0.5 | 1.00 |
| Sick Time[c] | 0.49 | 0.00 | 0.45 | 0.00 | 0.43 | 0.00 | 0.45 | 0.00 |
| *Independent Variables* | | | | | | | | |
| Cumulative CBA Exposure | 1.62 | 1.00 | 1.39 | 0.00 | 2.00 | 1.00 | 1.77 | 1.00 |
| White | 0.55 | - | - | - | - | - | - | - |
| Black | 0.27 | - | - | - | - | - | - | - |
| Hispanic | 0.18 | - | - | - | - | - | - | - |
| Age | 28 | 27 | 28 | 27 | 29 | 28 | 29 | 28 |
| Male | 0.49 | - | 0.49 | - | 0.50 | - | 0.49 | - |
| Income (in thousands) | 19.92 | 14.06 | 22.2 | 15.87 | 15.75 | 10.31 | 19.25 | 14.45 |
| Public Sector Employment | 0.14 | 0.00 | 0.13 | 0.00 | 0.17 | 0.00 | 0.14 | 0.00 |
| Manufacturing Sector | 0.14 | 0.00 | 0.15 | 0.00 | 0.12 | 0.00 | 0.14 | 0.00 |
| Inheritance Ever Received[a] | 0.30 | 0.00 | 0.39 | 0.00 | 0.19 | 0.00 | 0.21 | 0.00 |
| Note: [a] 1988-2006; [b] 1979-2006; [c] 1985-2006 | N = | 208096 | N = | 114954 | N = | 57218 | N = | 35924 |

Table 2. Cross-Sectional Logistic Regression Estimates of Fringe Benefits, 1979-2006

| | Retirement[a] Model 1 | Medical[b] Model 2 | Sick[c] Model 3 | Vacation[b] Model 4 |
|---|---|---|---|---|
| Collective Bargaining | | | | |
| CBA Coverage | 4.850** | 3.433** | 1.860** | 1.851** |
| | (0.273) | (0.160) | (0.079) | (0.079) |
| Int: Black CBA Coverage | 0.621** | 0.712** | 1.045 | 1.090 |
| | (0.050) | (0.049) | (0.066) | (0.071) |
| Int: Hispanic CBA Coverage | 0.793* | 0.862+ | 1.106 | 0.941 |
| | (0.080) | (0.073) | (0.087) | (0.075) |
| Race, Sex and Age | | | | |
| Black | 1.285** | 1.170** | 1.403** | 1.347** |
| | (0.068) | (0.049) | (0.067) | (0.059) |
| Hispanic | 1.085 | 1.104* | 1.576** | 1.311** |
| | (0.066) | (0.052) | (0.087) | (0.066) |
| Male | 0.854** | 0.931* | 0.713** | 0.877** |
| | (0.038) | (0.032) | (0.028) | (0.032) |
| Age | 1.112** | 1.072** | 1.028+ | 1.017 |
| | (0.023) | (0.013) | (0.015) | (0.012) |
| $Age^2$ | 1.000 | 1.000+ | 1.000 | 1.000 |
| | (0.000) | (0.000) | (0.000) | (0.000) |
| Income, Employment Characteristics | | | | |
| Income (in thousands) | 1.034** | 1.049** | 1.021** | 1.041** |
| | (0.001) | (0.001) | (0.001) | (0.001) |
| Government Employment | 3.090** | 1.523** | 2.554** | 1.093** |
| | (0.124) | (0.045) | (0.085) | (0.032) |
| Manufacturing Sector | 2.622** | 3.371** | 1.125** | 3.442** |
| | (0.091) | (0.103) | (0.032) | (0.107) |
| Employer Size (in thousands) | 1.336** | 1.222** | 1.075** | 1.142** |
| | (0.020) | (0.016) | (0.007) | (0.012) |
| Education and Marital Status | | | | |
| High School | 2.410** | 1.920** | 2.266** | 1.910** |
| | (0.143) | (0.080) | (0.113) | (0.082) |
| Some College | 3.611** | 2.232** | 3.725** | 1.979** |
| | (0.243) | (0.107) | (0.212) | (0.098) |
| Bachelor's Degree | 4.991** | 3.373** | 7.731** | 2.677** |
| | (0.394) | (0.202) | (0.519) | (0.163) |
| Advanced Degree | 4.476** | 3.237** | 7.284** | 1.888** |
| | (0.409) | (0.237) | (0.572) | (0.136) |
| Married | 1.395** | 1.128** | 1.066* | 1.135** |
| | (0.055) | (0.033) | (0.033) | (0.034) |
| Separated | 1.210** | 1.097+ | 1.033 | 1.054 |
| | (0.076) | (0.057) | (0.055) | (0.055) |
| Divorced | 1.257** | 1.157** | 1.082+ | 1.149** |
| | (0.066) | (0.050) | (0.047) | (0.050) |
| Widowed | 0.836 | 0.927 | 0.987 | 0.935 |
| | (0.155) | (0.148) | (0.162) | (0.151) |
| Fit Statistics & Observations | | | | |
| Person-Year Observations | 86152 | 109024 | 103083 | 109024 |
| Number of Respondents | 10732 | 11293 | 10966 | 11293 |
| Log Likelihood | -39663.82 | -48822.40 | -53123.81 | -50145.64 |

Note: Standard errors in parentheses

[a] 1988-2006; [b] 1979-2006; [c] 1985-2006

+ significant at 10%; * significant at 5%; ** significant at 1%

Coefficients represented as odds ratios

Table 3. Cross-Sectional Logistic Regression Estimates of Home Ownership, 1979-2006

| | Model 1 | Model 2 |
|---|---|---|
| Collective Bargaining | | |
| CBA Exposure | 1.063** | 1.059** |
| | (0.013) | (0.013) |
| Int: Black CBA Exposure | 1.001 | 1.003 |
| | (0.019) | (0.019) |
| Int: Hispanic CBA Exposure | 0.982 | 0.986 |
| | (0.021) | (0.021) |
| Race, Sex and Age | | |
| Black | 0.290** | 0.294** |
| | (0.025) | (0.026) |
| Hispanic | 0.643** | 0.580** |
| | (0.063) | (0.061) |
| Male | 0.663** | 0.664** |
| | (0.038) | (0.038) |
| Age | 1.602** | 1.596** |
| | (0.052) | (0.051) |
| $Age^2$ | 0.995** | 0.995** |
| | (0.000) | (0.000) |
| Income, Employment Characteristics | | |
| Income (in thousands) | 1.011** | 1.011** |
| | (0.001) | (0.001) |
| Spouse Income (in thousands) | 1.017** | 1.017** |
| | (0.001) | (0.001) |
| Government Employment | 1.284** | 1.279** |
| | (0.069) | (0.069) |
| Geographic Indicators | | |
| Urban | 0.700** | 0.706** |
| | (0.031) | (0.032) |
| Central City | 0.648** | 0.654** |
| | (0.031) | (0.032) |
| East | 0.532** | 0.535** |
| | (0.043) | (0.043) |
| West | 0.642** | 0.654** |
| | (0.048) | (0.050) |
| South | 1.368** | 1.362** |
| | (0.085) | (0.085) |
| Asset Ownership | | |
| Non-Home Wealth (in thousands) | 1.101** | 1.100** |
| | (0.002) | (0.002) |
| Inheritance Ever Received | 1.261** | 1.302** |
| | (0.080) | (0.083) |
| Int: Black Inheritance | 1.196 | 1.178 |
| | (0.146) | (0.144) |
| Int: Hispanic Inheritance | 0.713* | 0.708* |
| | (0.097) | (0.097) |
| Own Business | 0.988 | 0.996 |
| | (0.081) | (0.082) |

| | | |
|---|---|---|
| Education, Marital Status and Family Size | | |
| High School | 1.484** | 1.494** |
| | (0.110) | (0.113) |
| Some College | 1.315** | 1.391** |
| | (0.111) | (0.123) |
| Bachelor's Degree | 1.306** | 1.455** |
| | (0.133) | (0.158) |
| Advanced Degree | 1.154 | 1.342* |
| | (0.139) | (0.173) |
| Married | 8.924** | 8.841** |
| | (0.570) | (0.565) |
| Separated | 1.460** | 1.456** |
| | (0.127) | (0.127) |
| Divorced | 1.621** | 1.613** |
| | (0.118) | (0.118) |
| Widowed | 3.587** | 3.523** |
| | (0.872) | (0.856) |
| Immigrant | 1.154 | 0.986 |
| | (0.130) | (0.150) |
| Family Size | 0.989 | 0.987 |
| | (0.013) | (0.013) |
| Father's Education, Work and Immigrant Status | | |
| High School | | 0.927 |
| | | (0.066) |
| Some College | | 0.691** |
| | | (0.078) |
| Bachelor's degree | | 0.662** |
| | | (0.085) |
| Advanced degree | | 0.603** |
| | | (0.093) |
| Worked Full-time | | 1.256** |
| | | (0.083) |
| Immigrant | | 1.105 |
| | | (0.159) |
| Mother's Education, Work and Immigrant Status | | |
| High School | | 0.967 |
| | | (0.067) |
| Some College | | 1.055 |
| | | (0.121) |
| Bachelor's degree | | 0.789 |
| | | (0.119) |
| Advanced degree | | 0.946 |
| | | (0.218) |
| Worked Full-time | | 0.993 |
| | | (0.057) |
| Immigrant | | 1.127 |
| | | (0.160) |
| Childhood Family | | |
| | | 0.863 |
| Stepparent Family | | (0.085) |
| | | 0.859* |
| Single-parent Family | | (0.066) |
| | | 1.004 |
| Number of Siblings | | (0.011) |
| Fit Statistics & Observations | | |
| Person-Year Observations | 87766 | 87628 |
| Number of Respondents | 11033 | 10996 |
| Log Likelihood | -26291.11 | -26235.37 |

Note: Standard errors in parentheses
+ significant at 10%; * significant at 5%; ** significant at 1%
Coefficients represented as odds ratios

Table 4. Cross-Sectional Time-Series Regression Estimates of Net Worth, 1988-2004

| | Model 1 | Model 2 |
|---|---|---|
| Collective Bargaining & Pensions | | |
| CBA Exposure | -2,540** | -2,248** |
| | (490) | (490) |
| Int: Black CBA Exposure | -291 | -520 |
| | (804) | (801) |
| Int: Hispanic CBA Exposure | 1,074 | 937 |
| | (923) | (920) |
| Pension Wealth | 60,595** | 60,496** |
| | (2,553) | (2,552) |
| Int: Black Pension Wealth | -57,151** | -56,770** |
| | (4,512) | (4,508) |
| Int: Hispanic Pension Wealth | -35,452** | -34,977** |
| | (4,954) | (4,950) |
| Race, Sex and Age | | |
| Black | 6,758+ | 14,724** |
| | (3,914) | (4,235) |
| Hispanic | 571 | 934 |
| | (4,505) | (5,152) |
| Male | 4,462+ | 3,032 |
| | (2,503) | (2,495) |
| Age | 3,569** | 3,643** |
| | (184) | (184) |
| Income, Employment Characteristics | | |
| Income (in thousands) | 1,865** | 1,847** |
| | (34) | (34) |
| Spouse Income (in thousands) | 1,557** | 1,545** |
| | (37) | (37) |
| Government Employment | -10,599** | -10,281** |
| | (2,558) | (2,554) |
| Manufacturing Sector | -3,390 | -2,880 |
| | (2,247) | (2,244) |
| Employer Size (in thousands) | -1,339** | -1,336** |
| | (332) | (332) |
| Asset Ownership | | |
| Own Home | 58,234** | 58,672** |
| | (2,487) | (2,485) |
| Int: Black Home Owners | -29,631** | -29,586** |
| | (4,369) | (4,363) |
| Int: Hispanic Home Owners | -9,672* | -10,569* |
| | (4,753) | (4,748) |
| Inheritance Ever Received | 34,905** | 32,006** |
| | (2,788) | (2,794) |
| Int: Black Inheritance | -20,764** | -19,971** |
| | (5,639) | (5,628) |
| Int: Hispanic Inheritance | -29,901** | -28,126** |
| | (6,390) | (6,378) |
| Own Business | 139,251** | 138,734** |
| | (3,626) | (3,623) |
| Education and Marital Status | | |
| High School | -2,519 | -4,235 |
| | (3,429) | (3,485) |
| Some College | 3,378 | -3,977 |
| | (3,878) | (4,038) |
| Bachelor's Degree | 17,926** | 3,009 |
| | (4,527) | (4,834) |
| Advanced Degree | 38,155** | 18,955** |
| | (5,238) | (5,593) |
| Married | -23,466** | -22,644** |
| | (2,602) | (2,599) |
| Separated | -7,032+ | -6,338 |
| | (4,000) | (3,992) |
| Divorced | -17,340** | -16,225** |
| | (3,239) | (3,234) |
| Widowed | 73,398** | 73,900** |
| | (12,439) | (12,413) |

| | | |
|---|---|---|
| Geographic Indicators | | |
| Urban | -13,497** | -14,833** |
| | (2,160) | (2,165) |
| Central City | -3,930+ | -4,725* |
| | (2,262) | (2,261) |
| East | 17,712** | 14,720** |
| | (3,585) | (3,620) |
| West | 19,356** | 16,680** |
| | (3,512) | (3,517) |
| South | -202 | -61 |
| | (2,931) | (2,981) |
| Father's Education, Work and Immigrant Status | | |
| Father High School | | 685 |
| | | (3,111) |
| Father Some College | | 1,970 |
| | | (4,928) |
| Father Bachelor's degree | | 21,584** |
| | | (5,432) |
| Father Advanced degree | | 17,332** |
| | | (6,566) |
| Father Worked Full-time | | 266 |
| | | (2,933) |
| Father Immigrant | | 13,617* |
| | | (5,969) |
| Mother's Education, Work and Immigrant Status | | |
| Mother High School | | 4,364 |
| | | (3,059) |
| Mother Some College | | 15,497** |
| | | (4,924) |
| Mother Bachelor's degree | | 25,135** |
| | | (6,379) |
| Mother Advanced degree | | 36,124** |
| | | (9,737) |
| Mother Worked Full-time | | -10,659** |
| | | (2,486) |
| Mother Immigrant | | 12,861* |
| | | (5,736) |
| Childhood Family | | |
| Stepparent Family | | 729 |
| | | (4,399) |
| Single-parent Family | | 2,071 |
| | | (3,374) |
| Number of Siblings | | -1,353** |
| | | (505) |
| Baptist | | -4,145 |
| | | (3,483) |
| Catholic | | -5,199 |
| | | (3,434) |
| Jewish | | 90,496** |
| | | (12,922) |
| Protestant | | -8,881 |
| | | (6,117) |
| No Religion | | 1,102 |
| | | (6,362) |
| Intercept | -134,269** | -129,317** |
| | (6,971) | (8,076) |
| Fit Statistics & Observations | | |
| R-Squared Within | 0.153 | 0.154 |
| R-Squared Between | 0.388 | 0.394 |
| R-Squared Overall | 0.278 | 0.283 |
| Person-Year Observations | 70264 | 70264 |
| Number of Respondents | 10559 | 10559 |

Note: Standard errors in parentheses
+ significant at 10%; * significant at 5%; ** significant at 1%

**Figure 1: CPS Union Membership by Race, 1973-2007**

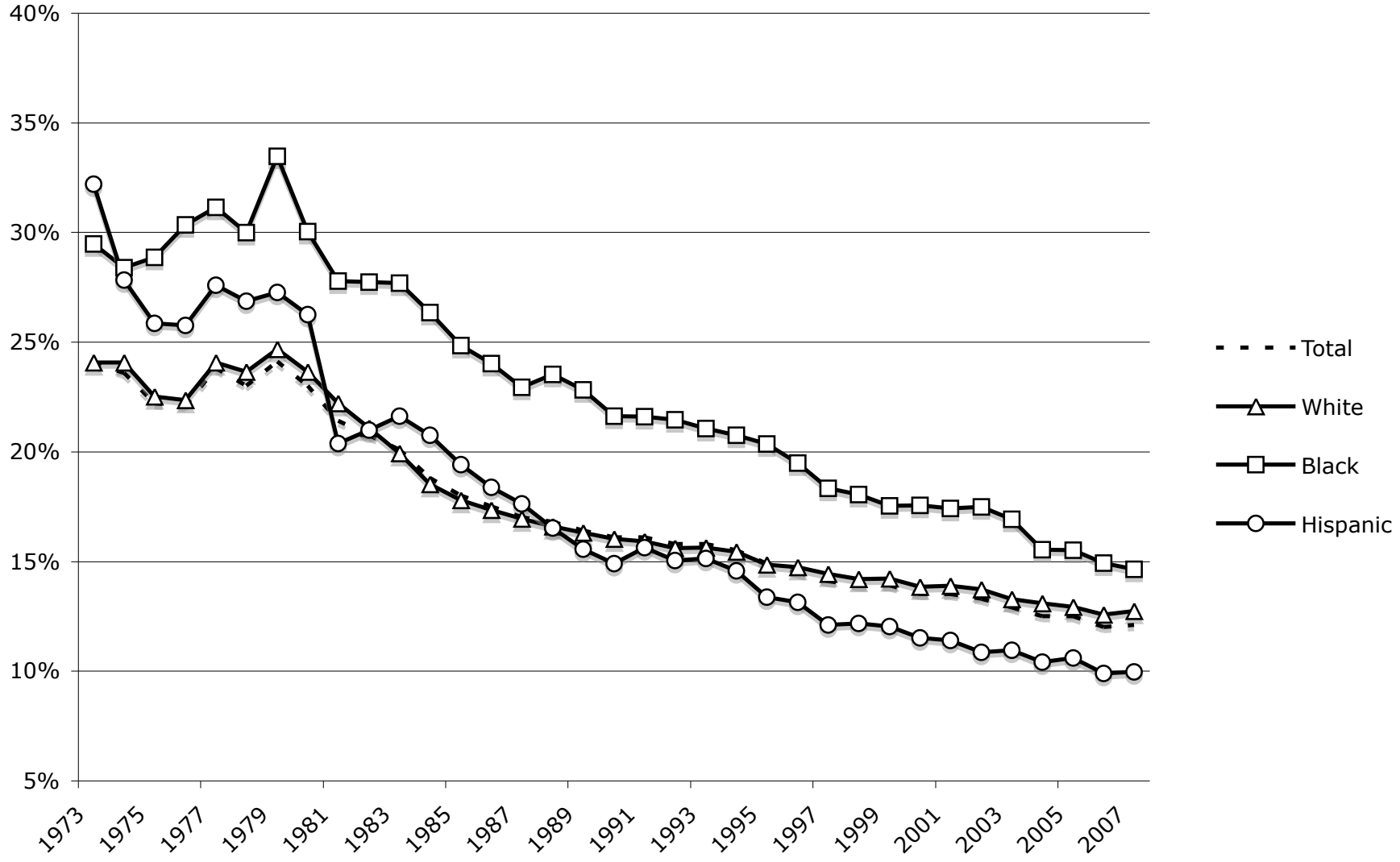

**Figure 2: NLSY79 Median Wealth by Race in Constant 2004 Dollars**

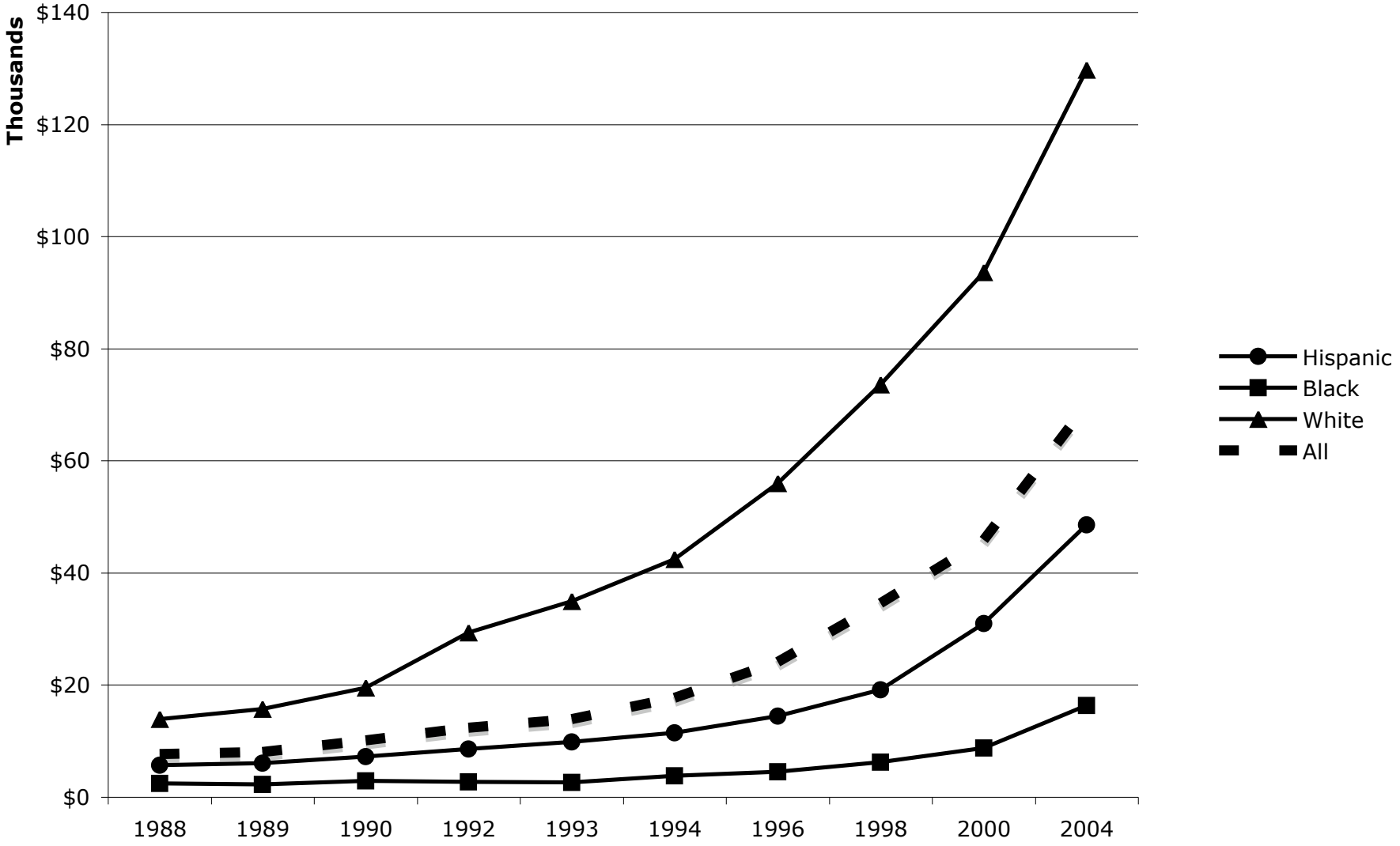

**Figure 3: Percent Home Ownership by CBA Exposure, 1979-2006**