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Social or Special Interests: How Unions Influence Spending

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Abstract: *Unions are in a decades long decline, heading for the point of non-relevance. To better understand what this change will entail, this paper asks: how does union strength affect state spending? Previous research on unions has exhausted the answers to national and congressional effects, so looking at spending on the state and local level will add more clarity to our understanding of union influence. Independent data were used to test several areas of spending with multivariate regressions. Additionally, pairwise comparisons tested whether union influence differs across areas. It was found that unions have a positive influence on spending independent of the Democratic Party, and do not have even effects across areas of spending.*

Keywords: unions, state spending, union influence

Unions have experienced a continuous decline in membership since their peak in the 1950s. With the well documented effects of right-to-work laws on union membership (i.e. Raymond, Shulman, & Weiler, 2004) in combination with historic trends, this suggests that they may disappear altogether. Despite this possibility, unions have thus far remained an influential political player, even increasing their political action committee (PAC) contributions over time (Masters & Atkin, 1996). In light of this decline, it is important to investigate how unions are influencing our society in order to better understand what their absence would entail. Congressional level and legislative effects (or lack thereof) have been heavily explored (Masters & Delaney, 2005), but substantially less analysis has been paid to how unions affect lower levels of government or what their presence means for public expenditures. As such, this paper will confront the following question: How does union strength affect state and local expenditures?

To answer this question, it must first be understood how unions are using their political influence. There are three primary explanations in the literature, each of which are explored in this paper. Of the three, the *social-interest* school is identified as both the most convincing theory of union political influence as well as the most promising for future research. Using this as a starting point, this study hypothesized that 1. increasing union strength will increase social expenditures, 2. that this effect will be independent of party control, and that 3. the effect will be even across types of expenditures. A series of regressions on different areas of public expenditures were then used to test these hypotheses. The first two hypotheses have nuanced support, with their basic assertions being true, but with certain exceptions being raised. The final hypothesis, on the other hand, came to a

puzzling conclusion which provides questions for future research. With these conclusions in mind, it is easy to see that the continued decline of unions will have a serious influence on the future of state public expenditures.

Literature Review

In response to the question of how unions are using their political influence, there are three main bodies of scholarship. The first perspective, and for a long time most popular, is that of the *pluralist* school, whose scholars present the conclusion that unions work like any other interest group and would only have incentive to influence public spending if that spending would directly benefit union members (Barash, 1947; Freeman & Murdoff, 1985; Masters, 1998). The second view is that of the *Democratic coalition* school, which argues that unions in the United States have become so engrained in the Democratic coalition that their political influence is exclusively expressed through the Democratic Party (Greenstone, 1969; Dark, 2001; Francia, 2010). The final current of thought is that of the *social-interest* school, a recent addition to the literature that argues that unions have started to direct their independent political influence toward broader, more socially-minded ends (Coleman, 1988; Ha, 2008).

Pluralist School

Scholars of the *pluralist* school begin from the straightforward assumption that unions work similar to other interest groups, competing with other interest groups to achieve narrow and specific political goals that secure special advantages for their members. In this view, unions will primarily support public expenditures only when their membership can derive a

direct benefit from said expenditures (Barash, 1947; Delaney, 1991). It is possible for unions to affect broader areas of public expenditures, but they will only do so when pursuing ties with other groups who will increase labor's ability to secure its special interests (Masters, 1998).

The early development of this school of thought can be seen through Barash (1947), who used historical examples to characterize unions as a group which only turns to politics when its familiar strategy of collective bargaining cannot secure its interests. Unions would therefore only attempt to influence social spending to raise their wages, and only when they could not achieve that by strike or boycott. The application of this early thought to the present day can be seen in the work of Bennett and Taylor (2001), who argued that unions exist exclusively to secure a series of benefits and protections for workers and that the continuous decline of union strength is indicative of unions having stabilized workers' interests and rights to the degree that they are no longer important for workers.

Scholarship in this school can trace its more modern roots back to the seminal work of Freeman and Murdoff (1984). When writing on the political power of unions, the authors characterized unions as a tragicomic special interest group that, while primarily looking to preserve its monopoly powers, has only seen legislation that it favors pass if it has been of a more "social" nature. Even the success of this social legislation is through "no virtue of their own", as the authors showed with specific legislative examples that such bills passed not by labor efforts, but rather by existing sentiments in the electorate or in Congress. The low success rate of unions is a recurring theme in this literature, although Delaney's exploration (1991) found that at times specific political efforts were able to secure legislation that advantaged unions. A case study of the Communication Workers of America (CWA) also reinforced the perspective of unions as a narrow interest group, as the application of organization theory showed that the CWA was simultaneously using collective bargaining, politics, and organization to secure a private advantage for its membership (Katz, Batt, & Keefe, 2003). Those who ascribe to the *pluralist* school have also been careful to make the distinction between labor using the Democratic Party and being a part of it, as can be seen in an exploration of the 1978 House elections that concluded that party was incidental to member's voting records when predicting union support (Gopoian, Smith, & Smith, 1984).

The most recent scholarship in this tradition has carefully incorporated literature showing unions' influence on areas that do not provide a union advantage. An example of this is present in Masters' (1998) examination of the AFSCME, where he presented the idea of unions engaging in interest group alliances to achieve their purposes. Nevertheless, he pointed out that both the contributions and official positions of the AFSCME support the fact that their reason for being is their members. Asher's (2001) extensive contribution took an overall similar approach, explaining that while unions are too complex to follow a single strategy, ultimately, they are primarily looking out for special interests. An example he cited of this being the strategy that the AFL-CIO's then recently elected president, Sweeney, adopted

when opposing permanent normal trade relations with China. Labor was willing to form coalitions to oppose the measure, but ultimately their opposition was rooted in their special interests. When later looking at labor's campaign efforts in 2000, Masters (2004) returned with the claim that the bottom line of union effectiveness is in how its actions affect membership, as that is its primary interest.

Critics of the *pluralist* school have claimed that its constituent scholars have too quickly concluded that there is no social orientation of unions from separate research where comparativists discredit class orientation (Coleman, 1988; Radcliff & Saiz, 1998). Their evidence of this rested in the success of unions in achieving broader social aims, both in the form of legislation and expenditures. *Pluralists* can reply with the theory of interest group coalitions, but it remains difficult to discredit findings of union influence on non-union interests. Another criticism is based on whether or not unions are really independent enough of the Democratic Party to act as a usual social group. While scholars of the *pluralist* school have made claims of independence, the overwhelming disparity in union support for Democrats compared to Republicans even following events like the passage of NAFTA has suggested that unions may not have much of a choice of who to support (Masters & Zardkoohi, 1986; Dark, 2003).

Democratic Coalition School

The body of scholarship following the *Democratic coalition* school focuses on the relationship between the Democratic Party and labor in order to explain what political influence unions may have. These scholars vary in the degree to which they can imagine unions affecting the policies of the Democratic Party either as a matter of desire or ability, but almost unanimously agree that if unions were to affect public expenditures, they would need to do it exclusively through the mechanisms of the party they have aligned with (Greenstone, 1969; Dark, 2001). As such, unions may affect public expenditures, but it is through the Democratic Party that they do so.

The origin of this perspective might be found in the influential work of Greenstone (1969), who is often cited for his contributions in understanding the relationship between the Democratic Party and organized labor. He presented unions as having assumed an integral part in the Democratic Party, aggregating political demands of other groups rather than acting primarily as an interest group seeking special advantages. The result of this was a dependence on the Democrats that made labor into a nationwide electoral organization for the Democratic Party. Evidence of this dependence can be seen in research showing that unions invariably prefer Democrats in their PAC allocations despite claims of nonpartisanship (Masters & Zardkoohi, 1986). Amenta and Poulsen (1996) explored state-level outcomes for New Deal social spending programs, and their findings were consistent with Greenstone's assertions. Labor was willing to help with New Deal programs, despite worries that some programs would undercut union members' wages, because of the strong Democrat-labor alliance.

More recent investigations from this school have shown that despite the challenges of general union decline and the Reagan presidency, the labor-Democratic party alliance continues to characterize the political influence of unions (Dark, 1996; Francia, 2010). Using the close relationship between the AFL-CIO and the Speaker Wright in the 1980s as an example, Dark claimed that the Democratic Party relies on unions and, in return, unions can only advance their own interests through the Democratic Party. Dark (2000) presented further proof of this reliance in the “energetic” efforts of unions to elect Democrats in the 1998 elections. This perspective is expanded in his book where Dark (2001) continued to engage with the seeming paradox of declining labor membership and intensifying political action. He resolved this paradox through examination of the symbiotic relationship between labor lobbyists and Congressional Democrats. Democrats, he explained, view unions as the lynchpin of social reconstruction, but unions only achieve success when it fits into wider political decision making. Dark (2003) also contributed an understanding of the nature of labor’s inclusion in the two-party system with an examination of their bargaining strategies. While unions can technically break party lines, and in about 4% of endorsements do so, actually defecting is not a serious strategy that unions can employ. As such, any influence that they have must be almost entirely expressed through the Democratic Party. This tradition of thinking is still strong, as can be seen in Francia’s (2010) interpretation of labor as a campaign and electoral arm of the Democratic Party when considering PAC contributions.

Critics of this school consider the labor-Democratic alliance to be overstated, citing research showing that unions are attentive almost exclusively to voting records rather than party affiliation (Gopoian, Smith, & Smith, 1984). *Democratic coalition* scholars can answer this by pointing out the disparity in endorsements, but the fact remains that unions have been willing to endorse Republicans when they can count on them to support union legislation. Additionally, researchers who have included both party and union strength into their models are quick to point out that unions have an independent effect, which is hard for this school to explain (Radcliff & Saiz, 1998). When unions affect policy liberalism in the absence of Democratic Party control, it is hard not to conclude that they must have some wider options for influencing politics.

Social-Interest School

Those who support the *social-interest* school argue that while unions undeniably are concerned with the interests of their membership, unions have adopted broader social goals that now characterize their political action (Coleman, 1988; Albert, 2014). From this assumption, these scholars concluded that unions will influence all areas of public expenditures, even those in which union members have no direct stake. They will do so because they are acting out of social-interests rather than the special-interests suggested by earlier scholars.

An early example of this literature (which seems to have evolved out of even earlier, now mostly abandoned, conceptions of American unions as vehicles of class struggle) can be seen in

the arguments of Coleman (1988). Using ALF-CIO policies as evidence, he made the case that unions have transitioned from their formative interest group years into a social movement. They have gained influence through cultivating an alliance with all disenfranchised low-wage workers, including those who are not unionized, and are now obligated to advocate for the broader interests of that group. This is a conclusion commonly echoed by scholars of this school, such as Radcliff and Saiz (1998), who found that unions seem to have an interest in all areas where lower-class citizens have a great public stake; furthermore, they used pooled time series data from 1964 - 1982 to show that unions had a systematic effect on policy liberalism divorced from effects of the Democratic Party. Looking at “veto actor” responses to globalization, Ha (2008) found a strong union effect on welfare spending, which further argues for the concept of unions as agents pushing for social interests. Another approach within this school was to look union actions through the perspective of public goods theory, suggesting that union members are both providers and consumers of public goods, which will result in unions positively affecting the provision of public goods even in areas where there are no special benefits for union members (Marlow & Orzechowski, 1996).

Scholars of this school have also contributed to the body of literature on union revitalization – the catch-all term for the efforts of unions to reverse the current trends of decline and stagnation. It is argued that revitalized unions are more likely to take part in broad social issues rather than pursuer narrow special interests. An example of this argument is found in Albert’s (2014) findings that revitalized unions actually take part in more hearings on broad social issues than they do hearings on core labor issues, in comparison to historic examples which showed inverse results.

A major critique of this school, however, can be found in the work of Burstein and Linton (2002), whose efforts in tabulating research showed that scholars tend only to prove the direct impact of organizations about 50% of the time. Some of their suggestions for why this could be the case include the systematic overestimation of organization effects and the use of organization resources rather than actions to measure influence. It is easy to see how these criticisms could be leveled at social interest research such as that of Radcliff and Saiz, whose measurements of union effects were focused on density. Nevertheless, scholars of this school would point to the consensus between qualitative analyses of political actions such as Albert’s tallies of union participation in hearings and quantitative analyses using union resources in defense of their methodologies. An additional criticism of this school lies in the contradiction between unions being a broad alliance of disenfranchised workers alongside the clear decline of union strength (Freeman & Murdoff, 1985). Scholars of the *social-interest* school would respond to this argument by pointing to the continued political influence of unions despite lower membership, especially in light of the revitalization strategies.

Despite these criticisms, the *social-interest* school remains the most promising current of thought for future research for a number of reasons, not the least because of the limited amount

of literature on it. Its ability to describe the recent revitalization actions of unions as well as demonstrated union influences on broad public policy matters are also strong points in its favor. In contrast the *pluralist* school is limited as a result of its conception of unions as serving the primary purpose of achieving special benefits, especially when considered alongside literature that suggests their inability to truly protect their monopoly powers. The *Democratic coalition* school is similarly limited in that it restricts the union world of political action within the party system, causing it to have inadequate responses to findings of independent union effects.

Theory

At its base, the *social-interest* school asserts that unions use their political influence to attain broad social goals. Unions that are acting in this way would therefore be expected to increase public spending in a variety of areas, including those where union members did not directly benefit. As actors pursuing these social goals, they would also be expected to have an independent effect when accounting for other institutions. Finally, unions from this perspective would be expected to their influence evenly to achieve desired amounts of public goods. These conclusions lead to the following three hypotheses:

H₁. If there is an increase in union strength in a state, then there will be an increase in the amount of social wealth that goes into various areas of public spending in that state.

The scholarship of the *social-interest school* places its foundation upon the assumption that unions will influence public policy towards the social interest. Previous researchers have supported this assumption with a mix of quantitative and qualitative findings which have tied union strength and involvement with public spending and policy liberalism. This hypothesis is meant to test this underlying assumption across a broader number of expenditures. It is expected that the greater strength that unions have in a state, the more that state will be influenced to allocate wealth to social expenditures. This result would be consistent with previous findings of the relationship between unions and spending, including those of the *pluralist* school, and would be the natural result of unions whose political influence is directed towards social rather than exclusive ends. While this model relies on the assumption that unions will use additional resources if available, previous findings of significance using similar conceptions of union strength suggest that this assumption is not unfounded.

H₂. If there is an increase in union strength in a state, then there will be an independent marginal effect on the amount of social wealth going into public spending even when accounting for the influence of the Democratic Party.

This second hypothesis is in response to the *Democratic coalition* school's suggestions that if unions are to affect public policy, they will have to do so through their symbiotic relationship with the Democratic Party. While scholarship in the *social-interest* school has yet to demonstrate a completely independent union effect across several types of public expenditures, there have been findings which distinguished between the two. With these findings in mind, it is expected that unions will have statistically significant effects even after the full

influence of the Democratic Party has been accounted for. This marginal effect would be the clear result of unions exerting independent political influence to expand public spending.

H₃. If there is an increase in union strength, then there will be a proportional increase in all areas of public expenditure.

Thus far scholars in the *pluralist* school have been able to explain possible union effects as a natural result of unions maintaining coalitions to secure their interests. Such a conclusion is in direct contention with the *social-interest* argument that unions have instead act on a broader social stance. The function of this hypothesis is to resolve this disagreement. The thought is that if unions are merely contributing to other social causes in return for future support, any influence that they have over less beneficial expenditures would be smaller than over areas from which unions directly benefit. Why, after all, would unions (when conceived of as special interest groups) bother expending their influence if they did not receive more in return than they could accomplish on their own? It is instead expected unions will have a relatively uniform effect on social expenditures; if unions are acting primarily on behalf of broad social objectives instead of narrow special interests, they have little reason to prioritize one area over another.

Method

The data in this study pertained to all fifty states and Washington D.C. and was taken from a variety of primary sources. Regarding the dependent variables, the US Census Bureau was used exclusively with the Public Education Finances Report being used to find per-pupil education expenditures and the State & Local Finances Report being used to extract spending on the following areas: public welfare, hospitals, highways, housing and community development, and unemployment compensation. These areas were selected to provide types of expenditures where union members could conceivably receive a direct and exclusive benefit in the form of wages or jobs (education, hospitals, health), a strategic benefit when bargaining with employers (unemployment compensation), or a social, non-exclusive benefit in the form of public goods (public welfare, highways, and housing and community development). Analyzing the effects of union strength across these different areas would provide a clear picture of what, if anything, unions prioritized when influencing social spending. Furthermore, it was decided to analyze the combination of state and local expenditures rather than just one or the other to capture the total possible influence of unions within a state.

After being collected, the different areas were then converted to 2009 dollars in order to match the gross state product (GSP) data taken from the Bureau of Economic Analysis (BEA). The areas of expenditure were then divided by the GSP of each state and multiplied by one-hundred, yielding a percentage which is hereafter referred to as the "amount of social wealth" allocated in a state. This transformation was necessary to present expenditures in terms of relative social spending. Previously chosen methods that examine proportions of public spending such as that used by Marlow and Orzechowski (1996) treat public spending as if 10% of the budget of a rich, fiscally

conservative state is equivalent to 10% of the budget of a poor state with expansive social programs. What is instructive when looking at relative social expenditures is therefore less the proportion of a state budget and more the average wealth per person which is going towards social expenditures.

In terms of the explanatory variables, the Bureau of Labor Statistics was used to derive data on union density (DENSITY) and unemployment (UNEM); furthermore, an indicator variable for the presence of right to work laws (RTW with 1 coded as the presence of such a law) was derived from the National Conference of State Legislatures website. Together union density and unemployment were conceived of as union strength. As discussed earlier, there has been some criticism of looking at the effects of social groups using only their available resources (Paul & Linton, 2002); however, union density remains a descriptive proxy variable for union strength in a given state as membership inevitably provides a limiting factor on the ability of unions to influence politics either through mobilization or spending. Similarly, right to work laws capture unions' ability to draw strength from non-members and as such provides a picture of the rest of unions' available resources in a state.² Unemployment was included to control for the impact of outside economic effects on expenditures.

As mentioned, GSP per capita data (GSP) was taken from the BEA. Its inclusion controlled for a natural increase or decline in proportional social spending as relative wealth increased. Control of state legislatures was derived from the Nation Conference of State Legislatures, which detailed which party controlled the upper house, lower house, and governorship of each state in each year. This data has been coded into an indicator variable (DEM) where 1 shows that the Democratic Party had control over both houses and the governorship and 0 shows that they had lost control of at least one house or the governorship. This method was decided upon from a small pool of alternatives³ through a series of preliminary regressions which showed the chosen coding to have the greatest explanatory power; it was selected in this way as its main purpose was to isolate the independent influence of unions, and the measurement with the highest explanatory power would do the best job of doing so. Additionally, an interaction between union density and this indicator variable was included in order to see whether union strength and Democratic control had complementary effects; it was necessary for the analysis of the second hypothesis that such codependent effects be separated from independent influence.

In order to avoid potential autocorrelation problems with the use of panel data, a time variable was also included. Finally, an indicator variable was included for before and after the 2008

recession (REC). It was included after some early graphical analyses showed that the influence of union strength may have changed whenever expenditures started to fall in real terms rather than increase as they had in the preceding period. An interaction effect between this variable and union density was also included in the event that the recession changed the slope as well as the intercept of the relationship.

To test for a relationship between unions and public expenditures, a series of OLS regressions were run on the mentioned areas of public spending. The explanatory variables of union density, right to work laws, the interaction between the two, unemployment, Democratic control, the time variable, the recession indicator, the two interaction terms, and GSP were used to explain the variability of state public expenditures. The estimated coefficients for the marginal effects of union strength and their significance were intended to make it clear how unions are using their influence and whether this influence is independent of the Democratic Party.

The final hypothesis was tested using a number of pairwise comparisons; these analyses were intended to compare the relative effect of unions across different types of expenditures. It was decided to use pairwise comparisons rather than a single group comparison in order to see where union influence was different if it existed. To accomplish this, the social wealth percentages created earlier were standardized in order to represent proportional effects of union strength. The data for one type of expenditure was then appended to the end of the data for spending of another type. Following this, the independent variables that were used in the main regressions were copied for both data series. An indicator variable was subsequently created, which served the purpose of denoting which data represented which expenditures. Finally, an interaction term between union density and this indicator was included. The significance and sign of this interaction would show whether there was a significant difference in the affect that unions had on each area.

Results

The results of the regressions on the seven different areas of public expenditures are shown in Table 1.⁴ All of the regressions themselves were statistically significant, although the model underperformed when explaining health expenditures. For every regression at least one and often two of the components of union strength were significant, and in all cases unions displayed a positive influence on public expenditures, confirming the predictions of the first hypothesis. Furthermore, they do so in the presence of Democratic control variables affirming the basic precept of the second hypothesis that union strength has an

their presence was not driving the relationships found. As such, they have remained in the model so that results apply to all states plus Washington D.C. Graphical examinations of assumed normality and equal variance otherwise showed no signs of major concern for most models. White's general test confirmed some heteroskedasticity in areas of expenditure such as highways. No transformation was undertaken so that coefficients could still be easily compared.

² While these two variables add some collinearity to the model (VIF = 1.9) and their interaction term even more so, they are descriptive enough that the inclusion of both is warranted.

³ These include coding 1 as the Democrats either holding both houses or holding the governorship, adding split legislatures to the coding of 1, and lagged values of each measurement.

⁴ There were a few states that exhibited consistently high studentized residuals, but auxiliary regressions showed that

independent influence. In the instances that the interaction between union density and right to works laws was significant, it can be seen that the presence of a right to work law at the very least nullifies union influence (as in the case of education) and in most cases reverses the influence of union density. One possible reason for this is that the multicollinearity between the RTW variable and its interaction variable resulted in the latter subsuming all of the influence of such a law beyond its direct impact on union strength. Another possible explanation is that in states without right to work laws unions have had a cumulative effect on public expenditures that dissipates in states that have such legislation.

Also, interesting are the cases in which the RTW variable displays an explanatory power either equally strong or stronger than union density. In the instance of unemployment, the variable has the predicted effect of reducing public spending as a result of decreasing union strength (that unions only appear to influence unemployment spending in interaction with

Democratic control here can be explained as there being a relatively inflexible floor on unemployment spending that only Democratic legislatures are willing to raise, and only when under pressure from unions to do so). The sign of the effects on housing and hospitals seems peculiar. However, why would union density and the presence of a right to work law increase public spending, but the interaction between the two result in union density having a net contractionary effect on public spending? A possible explanation that remedies this anomaly with the rest of the results is that in the absence of union effects there is a disproportionate amount of spending on hospital construction and development. As union density increases in a right to work state, public expenditures are spread more evenly resulting in a negative coefficient on the interaction variable. Such an explanation would be in line with the first hypothesis, with union strength having a positive although more even influence on expenditures.

Table 1. OLS estimations of state and local public expenditures.

	Per Pupil	Public Spending as a Percentage of GSP					
	Spending	Education	Public Welfare	Hospital	Health	Highways	Housing and Community
Constant	24.3505*	3.0992*	0.1236	0.4699*	1.5446*	0.0220	0.1394*
	24.36	14.51	0.76	8.47	11.74	0.48	3.34
DENSITY	0.2438*	0.0435*	0.0198**	0.0073**	0.0278*	0.0128*	0.0019
	4.28	3.58	2.14	2.30	3.71	4.94	0.81
RTW	-0.7722	0.06	0.8668*	0.0168	0.0453	0.1575*	-0.1106*
	-0.89	0.32	6.16	0.35	0.40	4.01	-3.07
DENSITY*	-0.2423*	-0.0775*	-0.0251***	-0.0101**	0.0026	-0.0217*	0.0045
RTW	-2.71	-4.06	-1.73	-2.04	0.22	-5.34	1.20
GSP	-0.00013*	-0.000017*	-0.000006*	-0.000001*	-0.000006*	0.000002*	-0.000003*
	-15.79	-10.07	-4.40	-3.01	-5.52	4.11	-7.67
DEM	3.1602*	1.2953*	0.3230**	-0.0035	0.3692*	0.1978*	-0.0389
	3.98	7.64	2.50	-0.08	3.53	5.48	-1.17
UNEM	0.0637	0.0381**	0.0747*	0.01101**	-0.0556	0.0059***	0.0800*
	0.83	2.31	5.94	2.57	-5.48	1.70	24.84
REC	-1.447***	0.1561	0.0015	-0.0182	0.0173	-0.0128	0.3192*
	-1.69	0.85	0.01	-0.38	0.15	-0.33	8.92
DENSITY*	-0.2185*	-0.0979*	-0.0239**	-0.0031	-0.0494*	-0.0129*	0.0047*
DEM	-3.64	-7.65	-2.44	-0.92	-6.25	-4.76	1.88
DENSITY*	0.0732	-0.0058	-0.0122	-0.0025	0.0048	0.0020	0.0094*
REC	1.33	-0.49	-1.36	-0.81	0.67	0.80	4.08
TIME	0.2827*	0.0465**	0.0213	0.0055	0.0125	0.0016	-0.0493*
	3.05	2.35	1.41	1.08	1.02	0.38	-12.75
R ²	0.403	0.308	0.31	0.064	0.196	0.182	0.751
SE	3.4567	0.7384	0.5632	0.1918	0.4551	0.1573	0.1443
F	38.82*	25.89*	26.15*	4.84*	14.64*	13.42*	169.83*
n	561	561	561	561	561	561	561

t-statistics below estimated coefficients

*, **, and *** show significant at the 1, 5, and 10% levels or greater.

Table 2. OLS estimations of differences between standardized union effects.

	Education	Public Welfare	Hospital	Health	Highways	Housing and Community
Public Welfare	0.0047 0.36	N/A				
Hospital	0.1811* 13.3	0.1765* 12.95	N/A			
Health	0.0307** 2.15	0.0261*** 1.778	-0.1503* -10.27	N/A		
Highways	0.1071* 7.69	0.1025* 7.19	-0.0739* -5.08	0.0764* 5.03	N/A	
Housing and Community	0.0051 0.36	0.0005 0.04	-0.1759* -12.2	-0.0256*** -1.68	-0.102 0.02	N/A
Unemployment	0.0299** 2.43	0.0252** 2.02	-0.1512* -11.9	-0.0009 -0.07	-0.0773* -5.42	0.0247** 1.84

Columns coded as 0, rows as 1.

t statistics below estimated coefficients

*, **, and *** show significant at the 1, 5, and 10% levels or greater.

A final interesting finding to note in Table 1 is that the interaction between Democratic control and union density (except in the area of unemployment) has a negative sign when it is significant. This provides a nuanced view of the second hypothesis, as it suggests that unions only have a separate, net additive effect on three areas. In the presence of a Democratic legislature the previous independent effects of unions become mired with the effects of the Democratic Party, in a way similar to that predicted by the *Democratic Coalition* school of thought.

The results of comparing different union effects can be seen in Table 2. That multiple differences between proportional union effects are statistically significant provides evidence against the final hypothesis that unions would spread their influence evenly across areas of expenditure. What is interesting is that the analyses show that unions are more efficient at affecting some areas conceived of as providing non-exclusive benefits such as highway construction than they are at influencing areas providing exclusive benefits like education or health. This result seems to rebuke both the *social-interest* view of broadly interested unions as well as the *pluralist* view of narrowly self-interested unions. A possible explanation for this is that the amount of influence necessary to change different areas of public spending varies, making the standardized effect of general union strength a poor measure of how much union influence is being applied. Future research along these lines will be needed to come to a conclusive answer.

Conclusions

Historic trends in union decline only seem to be continuing, making an understanding of what their absence will entail even more important. Thus, this paper asked the question of how union strength affected state and local public expenditures. A series of regressions were run to test whether unions had a positive impact, whether this impact was independent of Democratic Party control, and whether union influence was even across areas. The data lends nuanced support to the first two hypotheses. In general union strength increased public expenditures as *social-interest* scholars predicted, but in doing so evenly it results in situations such as that of hospital spending in a right to work state; in such a situation increased union density causes disproportionate hospital spending to fall to the level of other areas of spending rather than simply increasing it. Similarly, union strength demonstrated an expected independent effect on public spending in the absence of a fully Democratic state government, but in almost all cases the independent influence of unions gets mired into Democratic influence when that party controls state government. The third hypothesis lead to a peculiar conclusion when union effects were not equal across areas, but the hierarchy of efficacy in influencing expenditures placed non-exclusive areas as the most prioritized. The likely explanation for this result is that general union effects were a poor model for how unions were using their influence proportionately.

Future research on this subject may wish to take the analysis a step further and investigate where this spending was focused on in the studied areas. For example, goals of future analyses

should explore questions such as does increased expenditure on highways result in better wages and safety precautions, more and better maintained highways, or both, for example. It might also be helpful to take the advice of Burstein and Linton and more explicitly attempt to look at union actions and motivations to better understand their influence as well as how much is being placed towards certain ends.

In conclusion, it can be seen that union strength has a generally positive effect on public expenditures, this effect exists both independently of Democratic control and alongside it, and that unions do not seem to have a proportionate influence on all areas of expenditure. Thus, the historic trend of union decline that this paper opened with is likely to result in a lesser amount of the social wealth of states going into public expenditures. This effect is open to be valued subjectively, but it is an important factor to keep in mind when deciding the fate of unions.

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