



Contrary to Conventional Wisdom, Collective Bargaining for Teachers Rarely Increases Salaries or Spending

Agustina Paglayan, University of California San Diego

For decades, politicians and the media have perpetuated the idea that collective bargaining with public employees leads to higher public-sector spending. Conservatives attack collective bargaining claiming that it is responsible for government deficits and budget shortfalls. Liberals defend it, arguing that paying public employees well is necessary to deliver high-quality public services. But it turns out that both sides have the facts wrong – at least for teachers, the largest group of unionized public employees.

My research shows that collective bargaining rarely leads to higher teacher salaries or increased public spending on education. Such increases happen only when teachers can strike – but, paradoxically, most states with collective bargaining severely curtail teachers and unions' ability to strike. This finding means that arguments about collective bargaining rights for public employees cannot presume that granting such rights leads to higher public-sector salaries or spending.

What the Data Show

A fundamental fallacy – conflating correlation and causation – lies behind the conventional wisdom that teacher collective bargaining increases salaries and spending. It is true that states that have collective bargaining rights for teachers also spend more on teacher salaries and education. But this correlation is not causal. Drawing on newly-assembled data for all 50 states, my research shows that the disparities we see today were already present in 1919 – *well before* teachers were given collective bargaining rights in the 1960s and 1970s. States that have granted collective bargaining rights to teachers were historically wealthier and more liberal – and these states have long spent more on education, even in periods when teachers could not engage in collective bargaining.

I also investigated whether the introduction of collective bargaining rights for teachers widened historical disparities in state spending – and found that it did not. After thirty-three states granted collective bargaining rights to teachers in the 1960s and 1970s, teacher salaries and public spending on education in these states increased *at the same rate*, not faster, than in states that did never granted collective bargaining rights to teachers. This kind of analysis provides compelling evidence against the claim that collective bargaining causes increases in teacher salaries or in various kinds of spending on education.

Bargaining Rights Came With Restrictions on Teacher Strikes

Why didn't the introduction of collective bargaining rights for teachers lead to increases in teacher salaries or education spending? The answer is ironic: Laws that instituted collective bargaining included rules limiting the power of unionized teachers to go on strike.

Here is what happened. Before the 1960s, strikes by public employees were extremely rare, but between 1966 and 1968, they reached a peak of 250 strikes per year. Democrats and Republicans alike had a shared interest in ending this wave of strikes, because the interruption in public service provision made politicians look incompetent. But politicians faced a dilemma, because the existing legal penalties for striking – dismissal or jail time – could in practice not be implemented by officials who wanted to restore service provision. Public employees knew this, which is why they could go on strike without fear of being jailed or dismissed.

Consequently, when state legislatures acted to reduce strikes by passing new public-sector labor laws, the enactments were not as favorable to labor as people tend to think. The laws passed in the 1960s and 1970s gave teachers collective bargaining rights, but they also included new strike penalties that, unlike dismissal or

jail time, could actually be implemented. Teacher unions gained important new clout – but were also put on notice that if their members went on strike they would be heavily fined or decertified. Strikes could also trigger the suspension of collective bargaining agreements – or reduce the salaries of striking teachers by two days of pay for every day on strike.

From these public-sector labor laws, teachers and their unions basically got the right to engage in collective bargaining, but without retaining the capacity to back up their bargaining efforts with effective strike threats. The result was the pattern seen in my data. Overall, collective bargaining for teachers did not regularly lead the states that instituted such rights to compensate teachers any more generously than they had before.

How These Findings Matter

Because conventional wisdom about teachers' collective bargaining rights is mistaken, all groups involved in ongoing battles about public-sector labor rights, teacher pay, and investments in education need to think anew.

- **Conservatives** should realize that, if they limit or repeal the collective bargaining rights of public employees, they are likely to see increased grassroots activism and public-sector strikes – like the wildcat 2018 teachers strikes that have spread from West Virginia to other states. Avoiding the costs of strikes was a core goal for business groups and Republicans who supported collective bargaining rights for public employees in the first place.
- **Public-sector unions and public employees** should know that collective bargaining is more likely to lead to increases in salaries when teachers retain the ability to go on strike. The power to make credible threats of striking is crucial to the leverage unions can wield in collective bargaining. The details of laws establishing collective bargaining rights are therefore crucial; it matters how much the right to bargain is traded off against possibilities to go on strike.
- **Journalists, political commentators, and the media** have an important role to play in informing society and advancing public debates. They have long perpetuated myths about teacher collective bargaining rights, and it is time to set the record straight by featuring factual research findings like those presented here.

Overall, Americans need to know the truth about collective bargaining rights for public employees. Such rights do not automatically increase public costs, and can contribute to preserve order in public-sector labor relations.

Read more in Agustina Paglayan, “Public-Sector Unions and the Size of Government” *American Journal of Political Science* (forthcoming).