

Union-boss compensation

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There are hundreds and hundreds of academic articles in law, finance, economics, business, and other social sciences discussing the issue of executive compensation broadly and down to the smallest detail. There are none — actually, one working paper in draft form on one issue — that I can find on the issue of how much and how union bosses are paid. There are scattered news reports here and there, but nothing systematic. This is shocking. The problems are the same — agency costs and the potential for self-serving behavior — as in the corporate context. Although the amounts are likely lower than for CEOs, the agency costs may be higher. I'm working on trying to make some progress on these issues, but the lack of data may make them tough to get at.

Part of the problem may be a lack of disclosure. Although CEOs (and the other top corporate managers) must disclose every penny of pay, the same is generally not true for union chiefs. The Department of Labor collects some data — although a recent Obama Administration order reduces the amount unions must disclose — but it pales in comparison with what we know about CEO pay. There are occasionally news stories describing allegedly exorbitant union pay, but it is hard to know whether these are outliers or part of a troubling pattern. In addition, if we don't know how much leaders are paid, how are union members supposed to know or get answers to these questions?

Are union bosses paid for performance? How much do they make compared with the average union worker? How much do they make compared with foreign equivalents? (I had two librarians in law and business scour libraries and online sources for two days, and they couldn't find any data on foreign union pay. If anyone knows any sources, please let me know.) Is the way union leaders are paid efficient or better explained by agency costs?

Stay tuned for some preliminary answers. For now, if anyone has recommendations on where I can find good data for foreign union leaders or has ideas on how to approach these issues, let me know. I'm eager to hear what you have to say.

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