

The Siren of the Labor Movement: Spillover Effects from Starbucks Organizing

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Abstract

Since the first Starbucks store unionized in Buffalo in 2021, over 700 locations have filed for elections, and broader organizing has surged. We examine whether this campaign sparked wider labor activism. Using an event study, we find that counties with a Starbucks election saw nearly five additional non-Starbucks elections on average—accounting for nearly 20% of the post-2021 surge. However, a staggered difference-in-differences design reveals no wage gains for restaurant workers, suggesting that union momentum has not yet shifted bargaining power. Employers may be waiting on the outcome of first contract negotiations before adjusting pay structures.

Keywords: Labor, Starbucks, Union Organizing, NLRB Elections

JEL Classifications: J50, J52, J53, J83, L83

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1 Introduction

In December 2021, a Starbucks store in Buffalo, New York became the first retail location in the United States to successfully unionize. While isolated organizing efforts had surfaced in the past, the Buffalo victory marked a pivotal moment—one that galvanized a surge of union activity across the country. What followed was a dramatic increase in union petitions: within three years, more than 700 Starbucks locations had filed for representation elections, and over 500 had won. This rapid escalation drew national attention and appeared to mark a shift in the labor climate among front-line service workers.

At the same time, the United States experienced a broader uptick in union organizing activity, spanning a variety of industries. This raises a central question: was the Starbucks campaign merely riding the wave of a revived labor movement, or did it help to generate that wave—amplifying and diffusing organizing behavior across sectors and geographies?

This letter presents evidence that the Starbucks campaign served as more than a symbolic moment; it had real causal force in spurring additional organizing. Using a staggered difference-in-differences method and event study plots, we find that counties experiencing a Starbucks election subsequently see a rise in non-Starbucks elections, suggesting spillover effects induced by local visibility, salience, and organizing effort.

However, these organizing successes have yet to translate into changes in labor market outcomes. Despite the breadth of the campaign, no collective bargaining agreement has yet been reached at any unionized Starbucks location, and the company remains embroiled in litigation over unfair labor practices. We test for wage threat effects—the idea that union activity can exert upward pressure on wages even absent a contract—by examining trends in industry earnings in counties where Starbucks elections occurred. We find no evidence of wage gains for limited-service restaurant workers in these areas.

Taken together, our findings suggest that while the Starbucks campaign helped

accelerate a new wave of organizing, it has not yet altered the wage-setting equilibrium in the fast food sector. Whether this changes with the eventual negotiation of a contract remains an open and important question.

2 Election Event Study

In the U.S., most unionization occurs through National Labor Relations Board (NLRB) elections. Workers show sufficient interest—typically via “card checks” from at least 30%—and file a petition. The Board defines the bargaining unit with both parties and conducts an election. If a majority votes in favor, the union is certified and the employer is legally required to bargain.

One caveat is that employers will sometimes recognize a union voluntarily, in which case we do not usually observe the event, but such unionization is still thought to be relatively uncommon (see [Schaller, 2023](#) for a thorough discussion). Thus, NLRB elections generate high quality records and accurate indicators of unionization activity. Our data come directly from election reports on [nlrb.gov](#) and [union-electionstats.com](#). We analyze the universe of representation (RC and RM) elections held between January 2017 and December 2024.¹ County location was translated from city using a combination of crosswalks from the Missouri Census Data Center and SimpleMaps. Industry status as a restaurant was determined manually based on employer name and location. [Figure 1](#) illustrates important election trends.

Three things jump out. First, the sheer size of the Starbucks spike is remarkable. In Q2 of 2022, just six months after the Buffalo victory, there were more Starbucks elections than there were in the whole economy during the prior quarter. At its peak, Starbucks alone doubled US unionization efforts. Second, the timing of the broader wave is very coincidental with the seminal Starbucks event. Prior to 2022, elections were trending downward slightly, and mostly flat through the hardest COVID years.

¹RM petitions are filed by employers and have ambiguous intent. They are often equivalent to new certification elections, but can sometimes be used to decide whether an existing union still has worker support, and thus feel more like decertification attempts. We include RM elections in our analyses to ensure we are capturing the full extent of unionization, but the results are not sensitive at all to their exclusion.

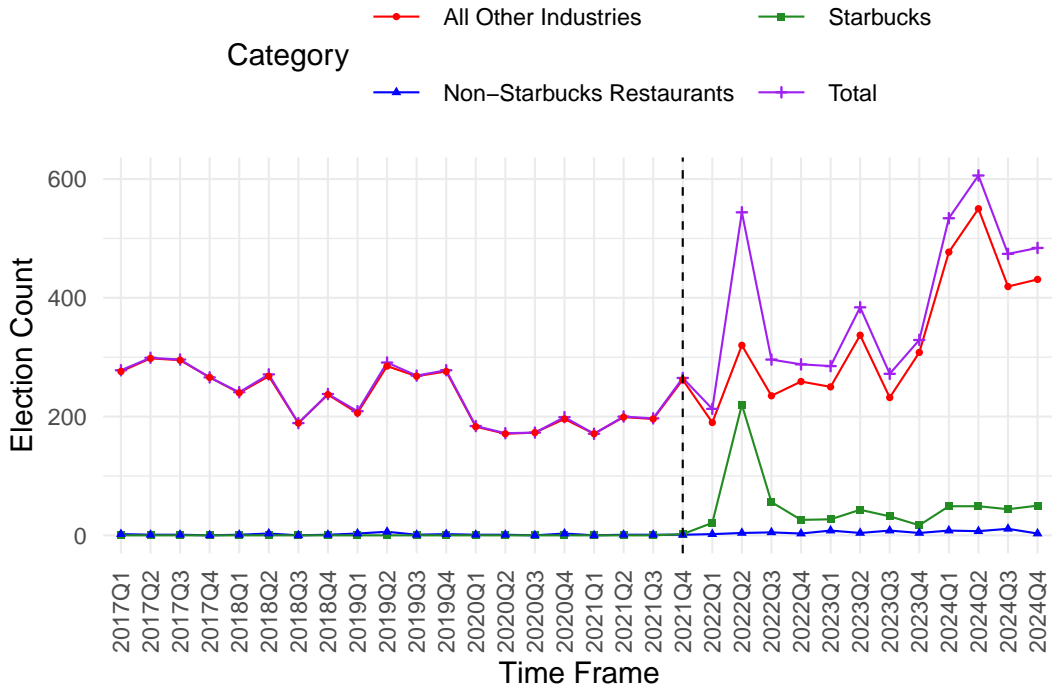


Figure 1: Election Trends by Category

After Q1 2022, the trend becomes steeply positive. This could be due to any number of things, of course, including union victories during Striketober 2021, yet it begs the question whether Starbucks is responsible, at least in part. Finally, it is important to notice the very flat line at the bottom of the graph, representing non-Starbucks restaurants. If Starbucks is part of a causal story, it does not appear to be operating through industry contagion. Restaurants, including cafes and other limited service establishments, barely show any change in trend. If you zoom in closely enough, you can find some increased union activity: elections in the industry went from 1.5 per quarter to 5.6, but the real wave of unionization is driven by other industries.²

To investigate the causality question, we perform a staggered DiD over six-month periods where the outcome is number of non-Starbucks elections and treatment turns on once counties have their first Starbucks election. Figure 2 shows event study estimates using the Callaway and Sant’Anna (2021) doubly robust estimator with never and not yet treated counties as controls. The only covariate is logged

²Unfortunately we are not able to say more about the industry composition of the election wave. The NLRB quit recording industry codes in 2011. We only have restaurants because we manually parsed through employer names.

population.

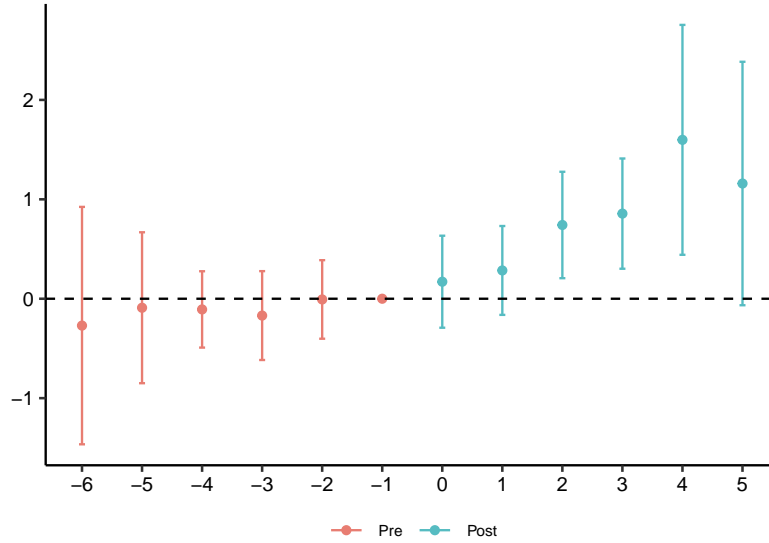


Figure 2: Event Study Estimates: Election Spillover

None of the pre-period estimates are significantly different from zero, and there is no clear pattern that violates the parallel trends assumption. Immediately after treatment, estimates trend upward, becoming statistically significant after period 1 (error bars are simultaneous confidence bands, not pointwise confidence intervals). The event study pattern is thus consistent with Starbucks having a causal effect. This result is robust to making the control group never treated only, or restricting the sample to just counties that are not yet treated. We also saw similar patterns when we remove the thirty most populous counties or when we use only counties where a union won a Starbucks election. Point estimates are reported in column 2 of Table 1. If we sum post-treatment estimates by each length of exposure and multiply those cumulative effects by respective cohort size, we estimate that 773 elections were inspired by Starbucks organizing, which is 19% of all non-Starbucks elections since the Buffalo event.

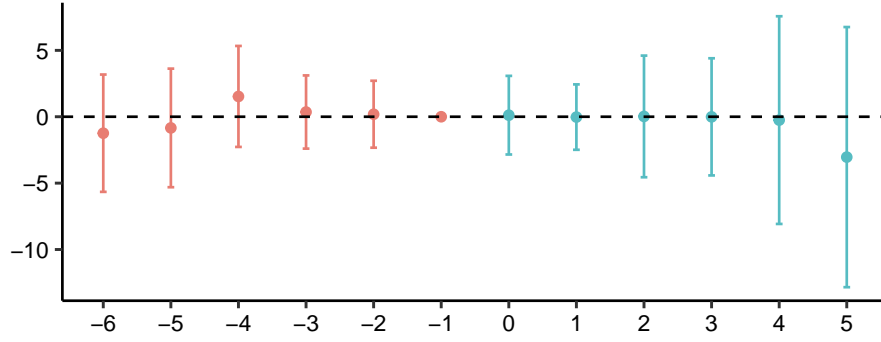
Table 1: Event Study Estimates

Period	Elections	Weekly Wages	Quarterly Wages	Employment
-5	-0.091	-0.843	944,459	51.286
-4	-0.108	1.529	2,103,170	158.180
-3	-0.170	0.356	1,571,897	135.172
-2	-0.007	0.189	1,577,612	53.308
-1	0	0	0	0
0	0.171	0.117	588,086	-61.426
1	0.285	-0.026	-548,621	-53.178
2	0.742*	0.025	-731,065	53.429
3	0.856*	-0.009	-367,546	56.122
4	1.598*	-0.253	-43,689	60.471
5	1.159*	-3.041	733,691	235.942

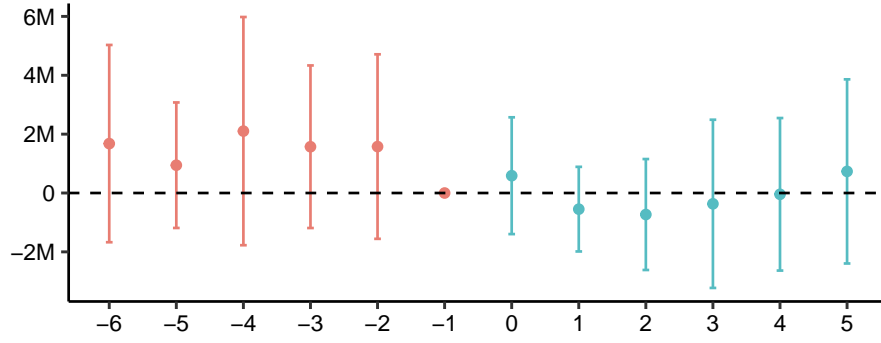
QCEW data for balanced panel of counties reporting NAICS industry 722513 for all periods. * indicates that zero is outside the 95% pointwise confidence interval. Note that figures use 95% simultaneous confidence bands rather than pointwise CIs.

3 Wage and Emp Threat Effects

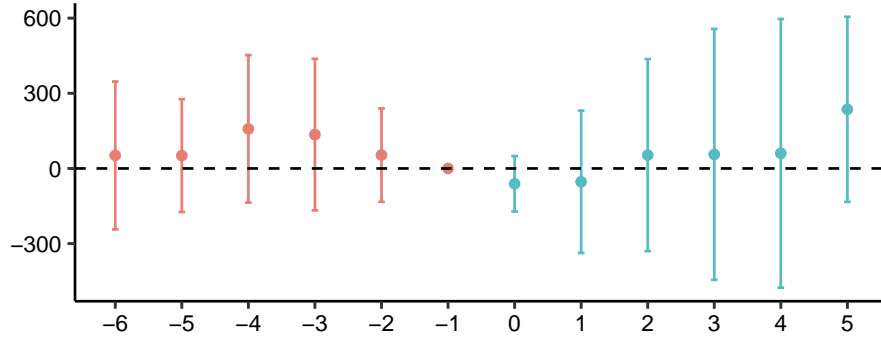
The event study plots in Figure 3 present the estimated average treatment effects on wages and employment in the limited-service restaurant industry (NAICS 722513) for counties that experienced at least one Starbucks election. We aggregate Quarterly Census of Employment and Wages (QCEW) data into six-month periods spanning from 2017 through 2024 ([U.S. Bureau of Labor Statistics](#)). We focus our analysis on the limited-service restaurant industry to determine whether union elections at Starbucks create wage or employment spillovers within its own industry. Treatment is assigned at the county level in the first six-month period when a Starbucks election occurs. Counties that are never treated or have not yet been treated serve as the control group. Logged population included as a covariate.



(a) Average Weekly Wages



(b) Average Quarterly Wages



(c) Average Quarterly Employment

Figure 3: Event Study Estimates: Wages and Employment

Figure 3 shows the dynamic treatment effects using the [Callaway and Sant’Anna \(2021\)](#) doubly robust estimator for our three primary outcomes of interest. Panel 3a presents the estimated effects on average weekly wages, Panel 3b presents average quarterly wages, and Panel 3c presents average quarterly employment. The corresponding estimates are reported in Table 1. Across all three outcomes, we find no statistically significant pre-treatment differences between treated and control counties, and no clear evidence of treatment effects. Importantly, satisfying the parallel pre-trends assumption requires inclusion of the population covariate; without it,

pre-treatment differences do emerge. Nevertheless, correcting for target richness is appropriate in this context and further strengthens identification.

Since neither wages nor employment appear to be affected by Starbucks events, our results indicate that the labor market equilibrium has not been disturbed, and we find no evidence of a wage threat effect. This finding is likely because negotiations have stalled and parties have not yet agreed on a first contract. Industry participants might not react to unionization until a collective bargaining agreement resets wage expectations in the labor market. And since first contracts are notoriously hard to win, market participants are likely waiting for the uncertainty to clear.

One caveat to note is that our approach uses county wage and employment aggregates that can be a bit blunt for detecting small effects. County level changes in urbanicity, cost of living, and economic growth can wash out treatment effects among the noise of broader labor market forces.

4 Discussion and Conclusion

Our analysis provides new evidence on the spillover effects of Starbucks' unionization efforts on broader labor organizing across industries. Using a staggered difference-in-differences framework, we find that counties with at least one Starbucks union election subsequently experience an increase in non-Starbucks union elections. This pattern holds across several robustness checks, including variations in control group definitions, exclusion of highly populous counties, and continuous treatments through the [de Chaisemartin and D'Haultfoeuille \(2020\)](#) estimator. Our cumulative estimates suggest that approximately 19% of the observed surge in union elections since the initial Starbucks victory can be attributed to this spillover effect.

Despite this significant increase in union activity, we find no evidence of wage threat effects or any changes to employment and wages in the restaurant industry. The lack of wage gains may reflect the current state of collective bargaining at Starbucks, where contracts have not yet been secured. Employers may be holding off on wage adjustments, awaiting the outcomes of ongoing negotiations.

Future work beyond the scope of this letter will explore the mechanisms underlying these spillover effects. Possible channels include social media, traditional media coverage, union networks, or worker mobility across sectors.

Declaration of Funding

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Disclosure of Interests

None of the authors have competing interests to disclose.

Data Availability Statement

Replication data and code can be found on OpenICPSR: <https://doi.org/10.3886/E237853V1>

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