

**THE STATE OF THE UNIONS IN 2009:
A PROFILE OF UNION MEMBERSHIP IN LOS ANGELES,
CALIFORNIA AND THE NATION¹**

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¹ This report is based on an analysis of the CEPR Uniform Extracts of the U.S. Current Population Survey (CPS) Outgoing Rotation Group. All analyses are conducted for the 12 month period from July of one year through June of the following year. This is a change from previous versions of this publication, which included calendar year data. We feel that using the current, 12 month system, provides better information as we are able to look at the entire 12 month period from July 2008 through June 2009, rather than only the six months from January 2009 through June 2009. All results are calculated using the CPS sampling weights. The sample includes all employed (but not self employed) civilian wage and salary workers age 16 and over.

For several decades, the nation's unionization rate – the percentage of all employed wage and salary workers who are union members – had suffered serious decline. There has been a slight uptick over the past two years, however, countering the long-term downward trend. The unionization rate has risen almost one half of a percentage point in the two years since 2006-2007, from 12.0% to the current rate of 12.4% (see Figure 1).²

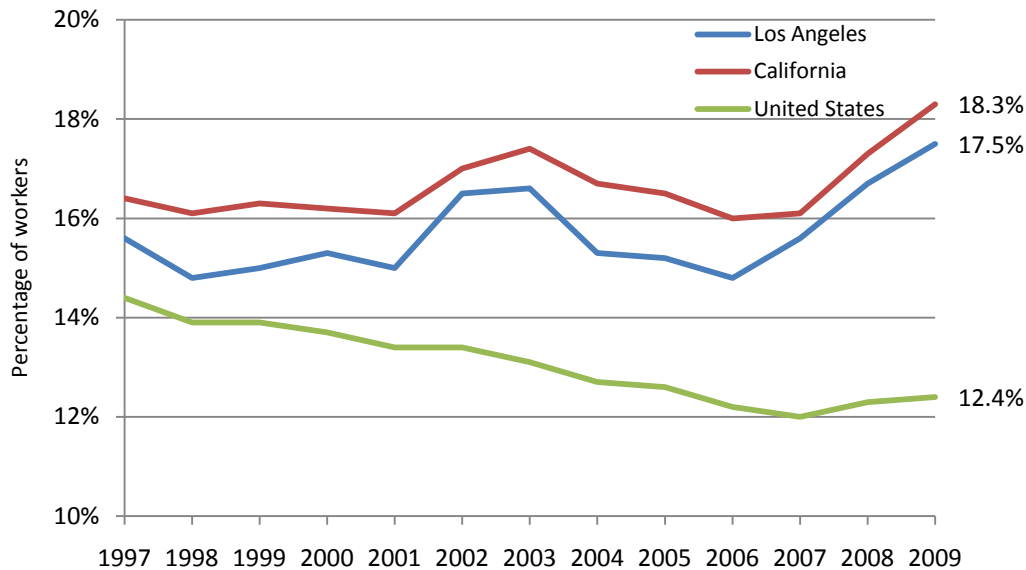
In California, as well as in its largest metropolis (Los Angeles), the recent upward trend in unionization is more pronounced. The past two years have shown an increase in unionization rates in California from 16.1 percent in 2006-2007 to 18.3 percent during 2008-2009. Similarly, unionization in the L.A. metropolitan area has increased from 15.6 percent to 17.5 percent in those same years. As Figure 1 shows, both in the state as a whole and in the L.A. metropolitan area, the overall level of unionization rates has remained relatively stable for the 10 years leading up to the recent increase, whereas, unionization rates in the country as a whole have declined steadily over the same ten year period. The unionization rate remained around 16 percent in California during the period from 1997-1998 to 2006-2007. It rose a bit in the L.A. metropolitan area from 14.8 percent during 1997-1998 to 15.6 percent in 2006-2007. The unionization rate for the United States, on the other hand, dropped from 13.9 percent to 12.0 percent during the same period. Indeed, Los Angeles currently has an estimated 1.2 million union members, or nearly half of the 2.7 million union members in the state of California.³ California in turn accounts for about 17 percent of all the nation's union members, more than any other state.⁴

² "2006-2007" means July 2006 through June 2007, as explained in footnote 1. In this context, the "current" unionization rate refers to the period from July 2008 through June 2009.

³ The Los Angeles metropolitan area (including Los Angeles, Riverside, Orange, Ventura, and San Bernardino counties) also has 48% of California's population.

⁴ California also has a greater population than any other state (36.8 million people or 12% of the total U.S. population in 2008, according to the U.S. Census Bureau's most recent population estimates), so this is not so surprising. In calendar year 2008, only Alaska, Hawaii, Washington, Michigan, and New York had higher unionization rates than California did (see the BLS "Union Members in 2008" news release at <http://www.bls.gov/news.release/union2.htm>).

Figure 1. Union Density in Los Angeles, California, and the United States, 1997-2009

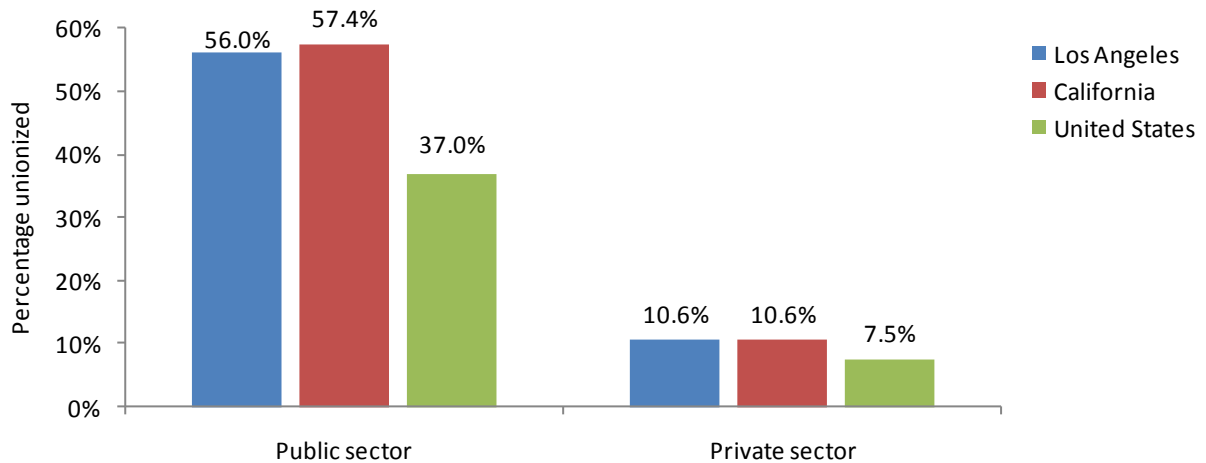


Note: Percentages are based on the 12 months from July of the previous year through June of the following year. For example, the percentage of workers who are union members in 1997 includes data from July 1996 through June 1997.

Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

Unionization rates were consistently higher in the public sector than in the private sector in 2008-2009. As Figure 2 shows, public-sector unionism was especially strong in Los Angeles as well as in California: during 2008-2009, well over half of all workers in the California and Los Angeles public sectors were union members. In the nation as a whole, the unionization rate for public-sector workers was 37.0 percent; much higher than the 7.5 percent rate found in the private sector, but well below the rates for public-sector workers in California (57.4%) or Los Angeles (56%). Private sector unionization in all three geographical units was much lower than in the public sector, but private sector unionization was substantially greater in both California and Los Angeles than nationwide.

Figure 2. Unionization Rates by Sector, Los Angeles, California, and the United States, 2009

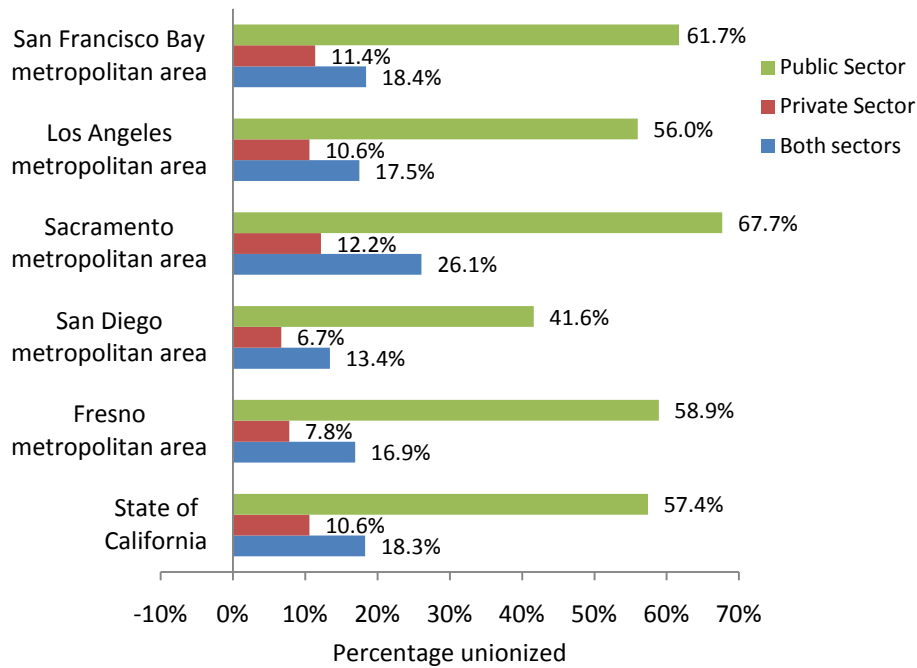


Note: Percentages for 2009 include data for the 12 months from July 2008 through June 2009.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

As Figure 3 shows, during 2008-2009, unionization rates in both the public and private sectors varied among California’s major metropolitan areas. Sacramento had a relatively high rate of unionization in both sectors; while in San Diego the opposite was true. Although historically the San Francisco Bay Area was the most highly unionized part of the state, in the past year, Sacramento has taken over the lead as the metropolitan area with the largest percentage of unionized workers in the state, both within the private sector and the public sector. In 2008-2009, unionization in Los Angeles continued to track California unionization rather well, both the public and private sectors.⁵

⁵ The L.A. metropolitan area (as shown in Figure 3) includes Los Angeles, Riverside, Orange, Ventura, and San Bernardino counties; the San Francisco Bay Area includes San Francisco, Alameda, Santa Clara, Marin, San Mateo, Sonoma, Napa, Contra Costa, Solano and Santa Cruz counties; the San Diego metropolitan area includes San Diego county only; the Sacramento metropolitan area includes El Dorado, Placer, Sacramento and Yolo counties; and the Fresno metropolitan area includes Fresno and Madera counties.

Figure 3. Unionization Rates in Selected Metropolitan Areas, California, 2009



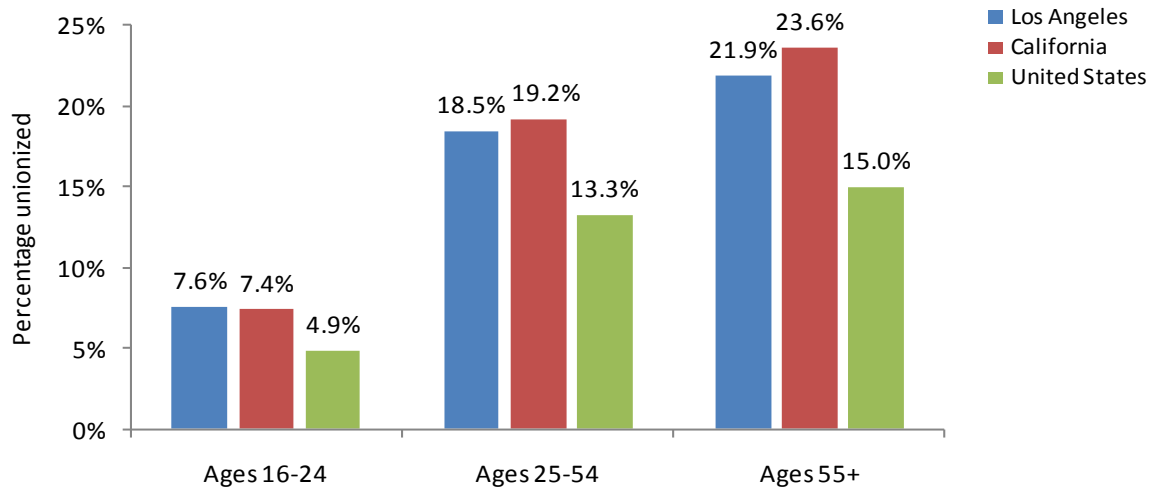
Note: Percentages for 2009 include data for the 12 months from July 2008 through June 2009.

Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

Unionization rates were highest for workers over 55 years old, as Figure 4 shows. They were extremely low among the youngest workers, those aged 16-24, a pattern that was consistent across the Los Angeles metropolitan area, the state of California, and the nation. This age variation reflects the fact that unionized jobs, on the average, provide workers with substantially higher wages than do nonunion jobs, as Figure 5 shows.⁶ Higher wages are typically associated with lower employee turnover, which generates an older workforce over time. In addition, unionized jobs generally offer more job security than nonunion jobs, which further reduces turnover and similarly contributes to an increase in the average age of unionized workers.

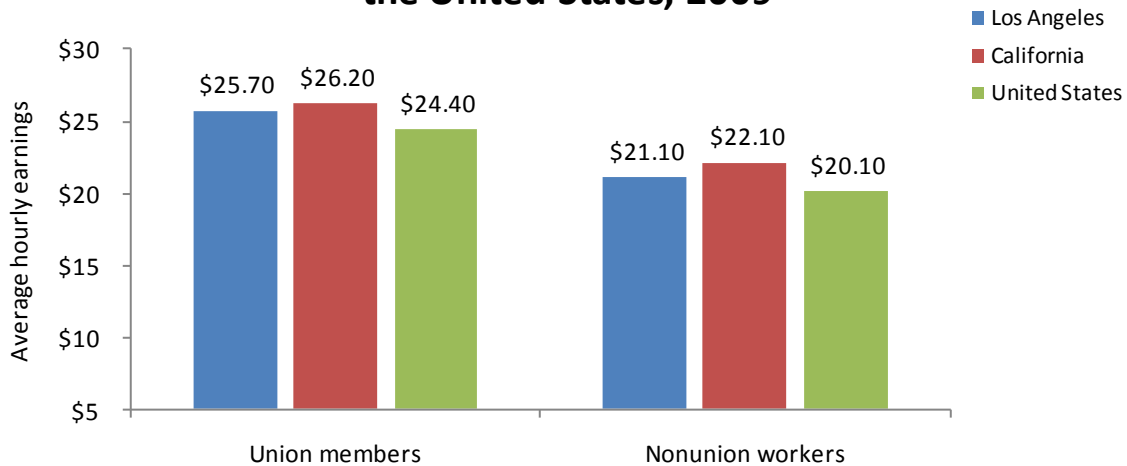
⁶ The earnings figures shown in Figure 5 are computed in 2008/2009 dollars, corresponding to nominal wages reported from July 2008 through June 2009.

Figure 4. Unionization Rates by Age, Los Angeles, California, and the United States, 2009



Note: Percentages for 2009 include data for the 12 months from July 2008 through June 2009.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

Figure 5. Earnings Differentials for Union Members and Nonunion Workers, Los Angeles, California, and the United States, 2009



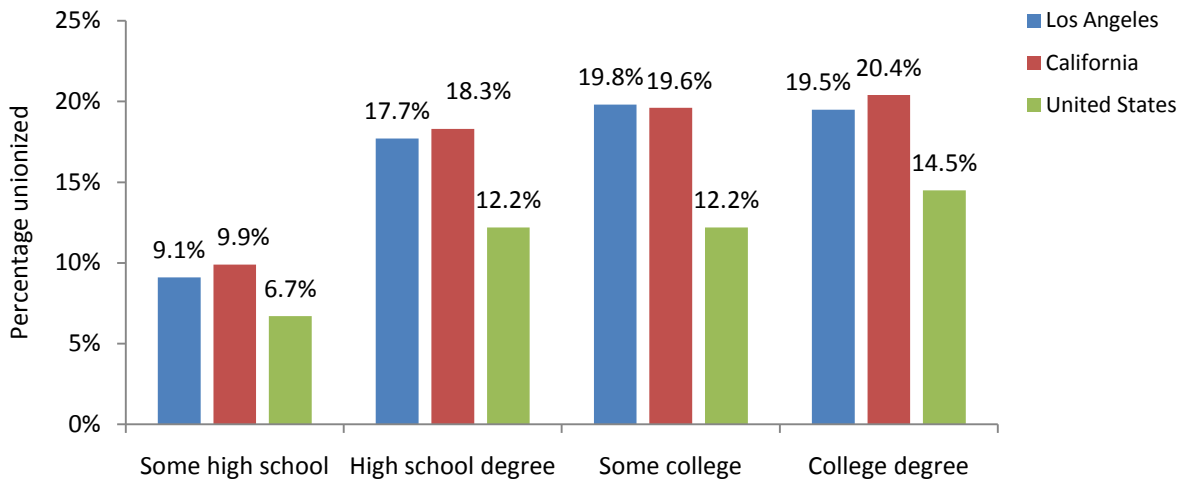
Note: The figures shown are mean wages and are for the 12 months from July 2008 through June 2009. Mean wages include overtime and are adjusted for top-coding by using the log-normal approach recommended in Schmitt (2003).⁷
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

⁷ Schmitt, J. (2003). *Creating a consistent hourly wage series from the Current Population Survey's Outgoing Rotation Group, 1979-2002*. Center for Economic and Policy Research.
http://www.ceprdata.org/cps/CEPR_ORG_Wages.pdf.

As noted above, Figure 5 shows that average earnings were substantially higher for union members than for nonunion workers. Union members in Los Angeles, California, and the United States got paid about 20 percent more than nonunion workers in 2008-2009. In addition, union members also were far more likely to have access to benefits like retirement plans, medical insurance coverage, and paid sick leave than their nonunion counterparts. Although state and metropolitan area data are not available on benefits, in the United States as a whole in March 2009, 92 percent of union members had access to retirement benefits, compared to only 67 percent of nonunion workers; 92 percent of union members had access to medical coverage, compared to 70 percent of nonunion workers; and 82 percent of union members had employer-provided paid sick leave benefits, compared to only 63 percent of nonunion workers.⁸

Figure 6 shows that in Los Angeles, California and the United States alike, the more education workers had, the higher their unionization rate tended to be. Whereas decades ago the archetypal union member was a blue collar worker with limited education, today mid-level professionals are much more likely to be unionized than anyone else, especially in sectors like educational services and public administration. As Table 1 shows, workers in the educational services industry group alone made up over one-fourth of all unionized workers in the L.A. metropolitan area, the state of California, and the nation; similarly, public administration accounted for over one-eighth of union members in all three jurisdictions. Both these industry groups included relatively large numbers of college-educated workers, and as Figure 7 shows, they had the highest unionization rates of all industry groups.

Figure 6. Unionization Rates by Education, Los Angeles, California, and the United States, 2009



Note: Percentages for 2009 include data for the 12 months from July 2008 through June 2009.

Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

⁸ These data are from the U.S. Bureau of Labor Statistics' March 2009 *National Compensation Survey*, available at <http://www.bls.gov/news.release/pdf/ebs2.pdf>

Table 1. Number and Percentage of Union Members by Selected Industry Groups, for the Los Angeles Metropolitan Area, California, and the United States, 2009

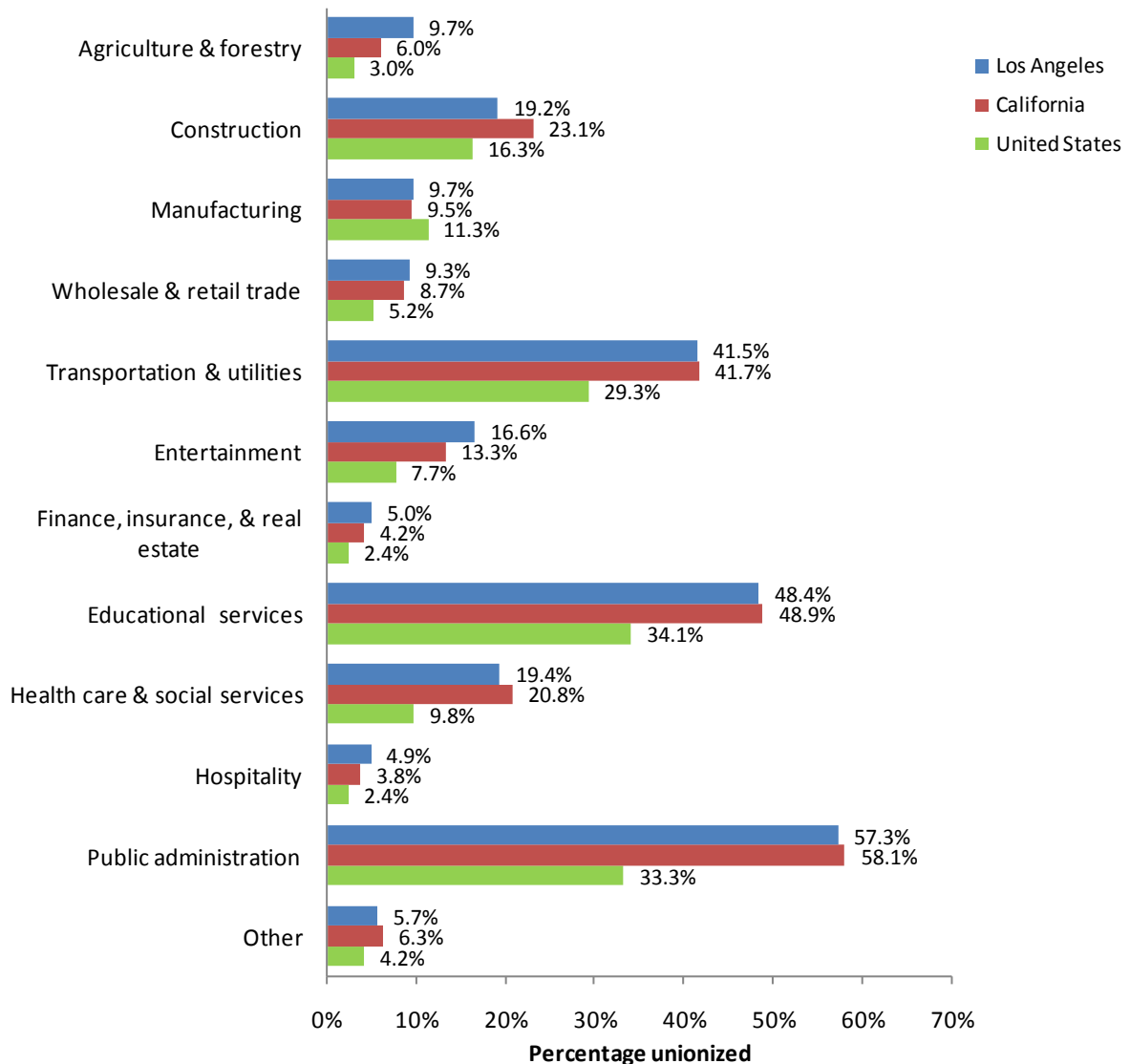
	Los Angeles metropolitan area		State of California		United States	
Industry group	Number of union members	% of total	Number of union members	% of total	Number of union members	% of total
<i>Agriculture & forestry</i>	2493	0.2%	15,415	0.6%	33,342	0.2%
<i>Construction</i>	84,807	6.9%	205,180	7.6%	1,247,893	7.9%
<i>Manufacturing</i>	90,832	7.3%	160,474	6.0%	1,624,719	10.3%
<i>Wholesale & retail trade</i>	94,861	7.7%	179,271	6.7%	939,784	6.0%
<i>Transportation & utilities</i>	145,828	11.8%	305,993	11.4%	2,020,491	12.8%
<i>Entertainment</i>	55,009	4.4%	72,775	2.7%	256,471	1.6%
<i>Finance, insurance, & real estate</i>	23,238	1.9%	38,422	1.4%	205,468	1.3%
<i>Educational services</i>	322,145	26.0%	710,585	26.4%	4,418,300	28.0%
<i>Health care & social services</i>	154,979	12.5%	380,939	14.1%	1,681,620	10.7%
<i>Hospitality</i>	24,403	2.0%	40,117	1.5%	223,948	1.4%
<i>Public administration</i>	168,445	13.6%	425,324	15.8%	2,257,185	14.3%
<i>Other</i>	70,354	5.7%	160,567	6.0%	862,718	5.5%
Total	1,237,393	100.0%	2,695,062	100.0%	15,771,938	100.0%

Note: Percentages for 2009 include data for the 12 months from July 2008 through June 2009.

Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

As Table 1 shows, the composition of union membership in the L.A. metropolitan area was somewhat different from that in the state and the nation. The entertainment industry accounted for 4.4 percent of union members in the metropolitan area, more than one-and-a half times its share of California union membership, and nearly triple its national share. By contrast, manufacturing accounted for a much smaller share of union membership, both in Los Angeles and in the state, than was the case nationally.

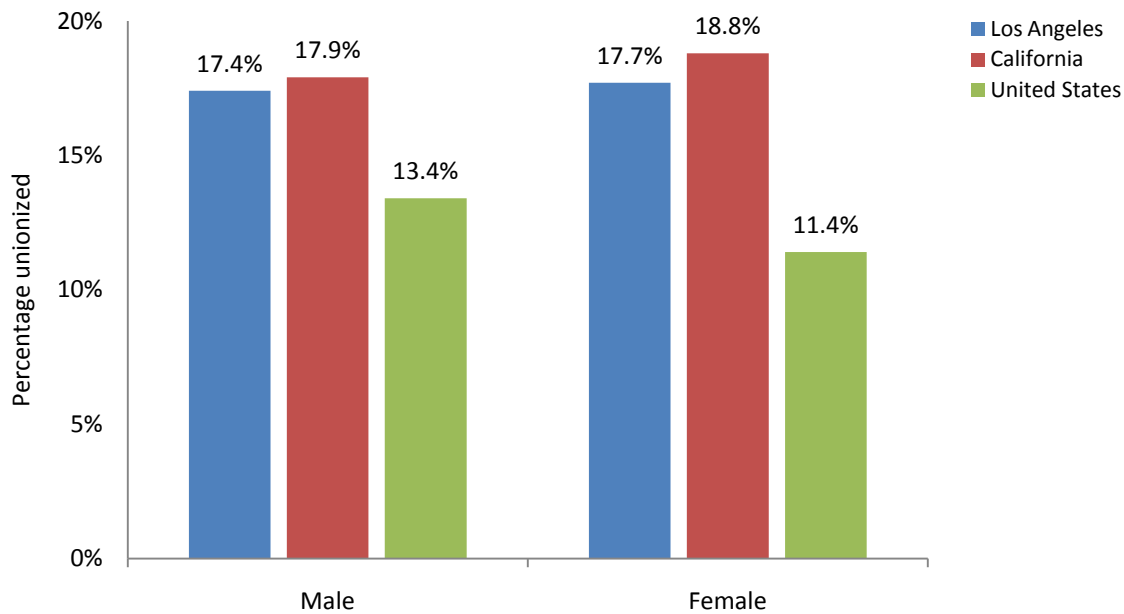
Figure 7. Unionization Rates by Industry Group, Los Angeles, California, and the United States, 2009



Note: Percentages for 2009 include data for the 12 months from July 2008 through June 2009.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

The high level of unionization in educational services and public administration (shown in Figure 7) also affects the gender-specific unionization rates shown in Figure 8, since both industries rely heavily on female workers. As Figure 8 shows, contrary to the still conventional wisdom, men’s unionization rate was not higher than that of women in either Los Angeles or in California. In California, the unionization rate for women was actually slightly higher than the unionization rate for men.⁹ For the United States as a whole, on the other hand, the male unionization rate was two percentage points higher than the female rate. This may reflect the fact that the public sector is much more highly unionized in California and in Los Angeles than it is in the nation as a whole (see Figures 2 and 7 above).

Figure 8. Unionization Rates by Gender, Los Angeles, California, and the United States, 2009

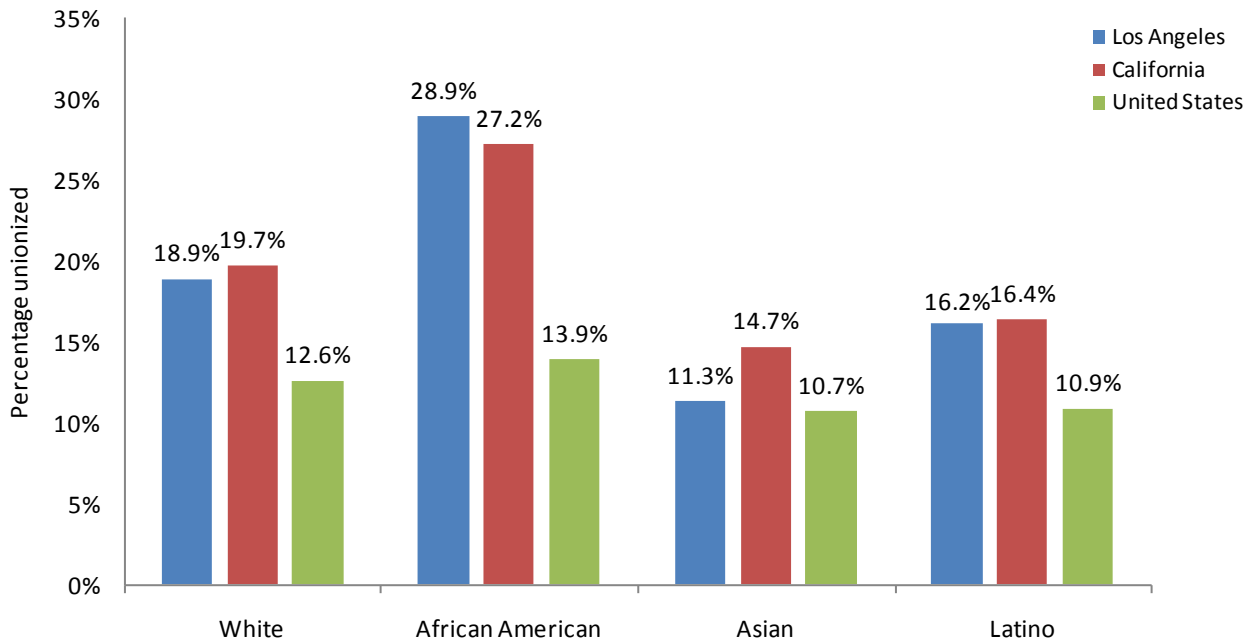


Note: Percentages for 2009 include data for the 12 months from July 2008 through June 2009.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

Figure 9 shows that unionization rates also vary by race and ethnicity. Indeed, African Americans had the highest unionization rate of any group shown, in part because of their higher propensity to be employed by the public sector. Whites had the second highest unionization rate of the categories shown. Both African-Americans and whites are far more likely to be U.S.-born than Asians and Latinos; and the unionization rates for the latter two groups were affected by the fact that for the most part, U.S.-born workers are more likely to be union members than are immigrants, as discussed below and shown in Figure 10.

⁹ While the female unionization rate in California was almost a whole percentage point higher than the male unionization rate in the state, this difference was only marginally significant (statistically significant only at the 20% level).

Figure 9. Unionization Rates by Race/Ethnicity, Los Angeles, California, and the United States, 2009

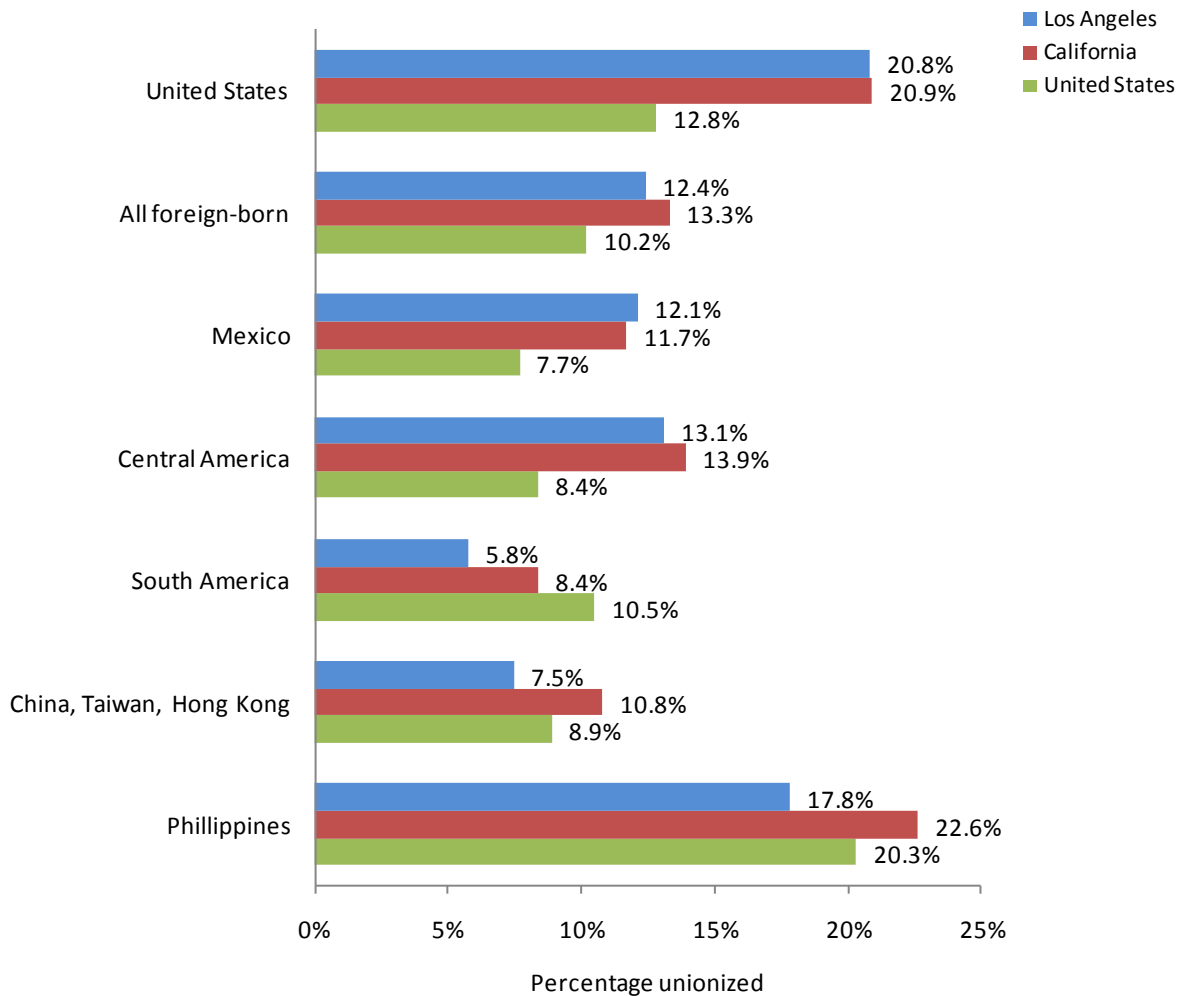


Note: Percentages for 2009 include data for the 12 months from July 2008 through June 2009.

Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

Unionization rates varied not only between U.S.-born and foreign-born workers, but also by nativity, or place of birth, as Figure 10 shows. One reason why U.S.-born workers were more highly unionized than foreign-born workers as a whole, was because there were relatively few foreign born workers employed in the highly unionized public sector. The only exception here were workers born in the Philippines, 20.2 percent of whom were employed in the public sector in California, 14.7 of whom were employed in the public sector in Los Angeles, and 15.6 percent of whom were employed in the public sector in the United States as a whole in 2008-2009. By contrast, only 5.8 percent of Mexican-born workers in California, 4.9 percent of Mexican-born workers in Los Angeles, and 4.6 percent of Mexican-born workers nationwide were employed in the public sector in 2008-2009. Again it is the high public sector unionization rates that underlie and explain what at first appears as a difference in nationality or nativity.

Figure 10. Unionization Rates by Place of Birth, Los Angeles, California, and the United States, 2009



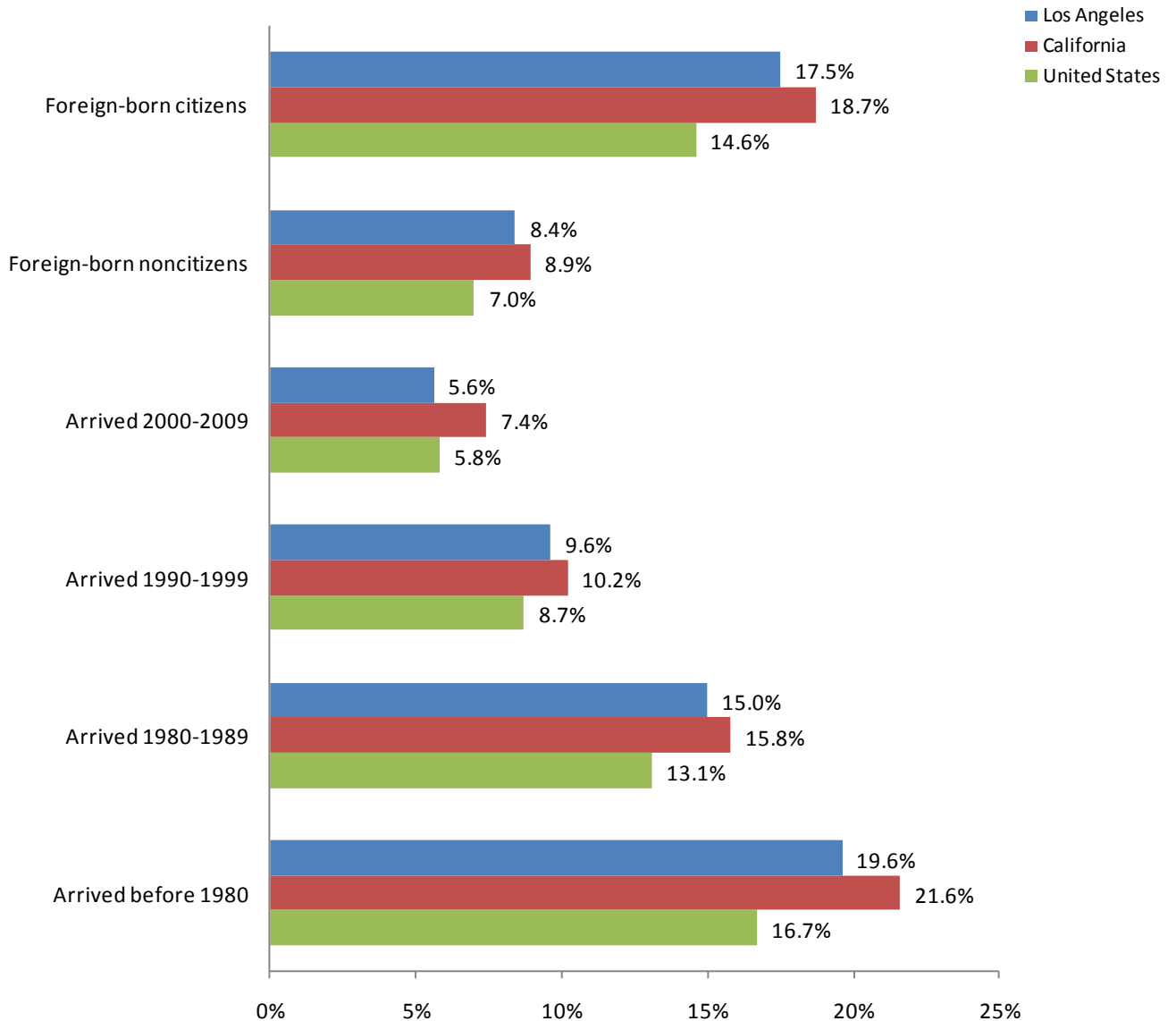
Note: Percentages for 2009 include data for the 12 months from July 2008 through June 2009.

Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

However, as Figure 11 shows, in 2008-2009, foreign-born workers who have become U.S. citizens and those who arrived in the United States before 1980¹⁰ had unionization rates higher than or comparable to those of U.S.-born workers (shown in Figure 10). More recent arrivals, by contrast, had far lower rates of unionization.

¹⁰ In the U.S. as a whole, workers who arrived between 1980 and 1989 also had higher unionization rates than U.S.-born workers.

Figure 11. Unionization Rates by Citizenship and Date of Arrival, Los Angeles, California, and the United States, 2009

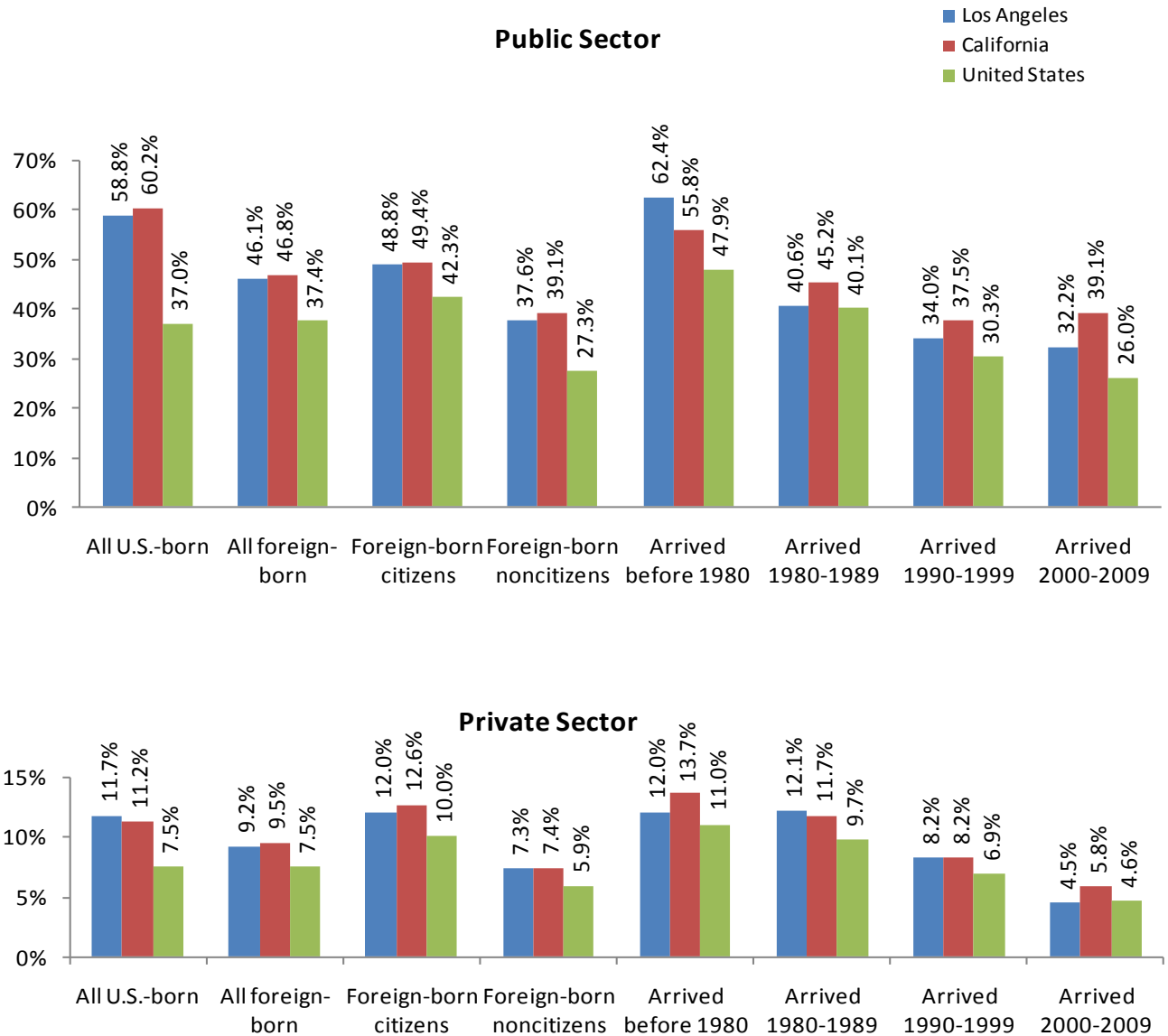


Note: Percentages for 2009 include data for the 12 months from July 2008 through June 2009.

Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

Figure 12 disaggregates the data for foreign-born workers between the public and private sectors. It reveals that unionization rates varied much less *within* each of these sectors than between them. Even foreign-born noncitizens and recently arrived immigrants, whose overall unionization rates were very low (see Figure 11), had relatively high public-sector unionization rates, for all three geographical entities shown.

Figure 12. Unionization Rates in Public and Private Sectors for Selected Demographic Groups, Los Angeles, California, and the United States, 2009



Note: Percentages for 2009 include data for the 12 months from July 2008 through June 2009.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

Relatively few noncitizens and recently arrived immigrants worked in the public sector. Only 4.6 percent of all foreign-born noncitizens in the United States and only 6.9 percent of all foreign-born workers who arrived after 1980, were employed in this sector, compared to 16.1 percent of all U.S.-born workers. As a result, the high level of public-sector unionization for these immigrant groups did little to boost their overall unionization rate. By contrast, in the private sector, unionization rates were consistently low for all groups, barely reaching into the double digits. Indeed, the main reason for the

relatively low unionization rates among recently arrived immigrants and noncitizens is the fact that they are frequently employed in industries and occupations that rely on highly informal and precarious forms of employment, either marginal to or entirely outside of the formal economy.

Unionization patterns in the Los Angeles metropolitan area and in California are similar in many respects to those in the United States as whole. At the same time, however, the labor movement in the nation's most populous state and in that state's largest metropolis has some distinctive features. Most important among these differences is the trend in overall levels of unionization since the mid-1990s. The unionization rate in the United States declined steadily for several decades and is now only showing slight increases. However, it has been relatively stable or even increasing in Los Angeles and California. The last three years have seen significant increases in unionization rates in both California and Los Angeles. This reflects the region's unusual labor history and its relatively high public-sector unionization rate, as well as the fact that manufacturing (the sector in which unionization has declined most sharply nationally) has historically been less important in the region's economy than was the case in other parts of the nation.¹¹ Finally, government, health and education are the only industries in which there have been increases in jobs during the economic downturn of the last 20 months. The loss of so many private sector jobs may have contributed to the relative increase in unionized workers, since public sector jobs have higher rates of unionization than does private sector employment.

¹¹ For detailed analysis of the distinctive features of L.A. and California labor, see Ruth Milkman and Daisy Rooks, "California Union Membership: A Turn-of-the-Century Portrait," *The State of California Labor 2003*, available at <http://www.irle.ucla.edu/research/scl/pdf03/scl2003ch1.pdf> and Ruth Milkman, *L.A. Story: Immigrant Workers and the Future of the U.S. Labor Movement* (New York: Russell Sage Foundation, 2006).