

THE STATE OF THE UNIONS IN 2011:
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. Data were analyzed using this 12 month system beginning with the 2009 State of the Unions publication. This 12 month system provides an analysis of the entire 12 month period from July 2010 through June 2011, rather than only the six months from January 2011 through June 2011. 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.

² This report is modified from the original IRLE report created in 2005 by Ruth Milkman and Bongoh Kye.

While the recession officially ended over two years ago, the jobs crisis that began with the recession and has yet to be resolved, continues to take a toll on unionization rates. Despite a stemming of the tide of job losses in the private sector, decreases in the unionization rate nationally and in California continue, while the unionization rate for the Los Angeles region remained essentially flat over the past year. While at 16.9%, the unionization rate in California remains around its average for the past decade, at 11.8%, the unionization rate in the U.S. is at an historic low (see figure 1). The recent drop in unionization may be due to continued job losses in 2010 in non-residential construction, which is typically more unionized than residential construction. These decreases in the unionized construction workforce can have a real impact on overall unionization since workers in construction account for over 10% of the unionized private sector workforce.³

Following a decrease in the California unionization rate from 18.3% in fiscal year 2008-2009 to 17.6% in fiscal year 2009-2010, during the past year unionization rates in California decreased further to 16.9%.⁴ Unionization rates in the country as a whole had decreased steadily until the uptick that began in 2007-2008. As Figure 1 shows, in contrast to the country, unionization rates in California and in the Los Angeles metropolitan area had remained relatively stable for a decade before increasing during the two years including 2007-2008 and 2008-2009. It is likely that unionization in California and Los Angeles would have continued to increase if not for the recession. However, job losses in California and Los Angeles, like in the rest of the country have been felt the most in industries with a unionized workforce, with a corresponding decrease or leveling off of the unionization rate. The approximately 220,000 jobs recovered in California over the past nine months are simply not enough to overcome the effects of the 1.3 million jobs that were lost in the state from the start of the recession in December 2007 through September 2010 when California reported its lowest number of jobs following the economic downturn. Furthermore, even now, as new jobs begin to be created, they may be filled by non-union workers.⁵

Despite recent losses, California accounts for about 16% of the nation's nearly 14.7 million union members, more than any other state.⁶ In calendar year 2010, only four states (New York, Alaska, Hawaii, and Washington) had higher unionization rates than California. For fiscal year 2010-2011, the Los Angeles region⁷ had an estimated 1.1 million union members. The Los Angeles region accounts for over 47% of the 2.3 million union members in the state of California and has more union members than any other *state* in the country except for New York.⁸

³ Zipperer, B. (2011, January 21). Downturn continues to lower union membership. Unions Byte, Center for Economic and Policy Research. <http://www.cepr.net/index.php/data-bytes/union-membership-bytes/downturn-continues-to-lower-union-membership>.

⁴ Fiscal year in this report refers to the period from July of one year through June of the following year. Thus, unionization rates during the past year or for fiscal year 2010-2011 are calculated using data from July 2010 through June 2011, as explained in footnote 1.

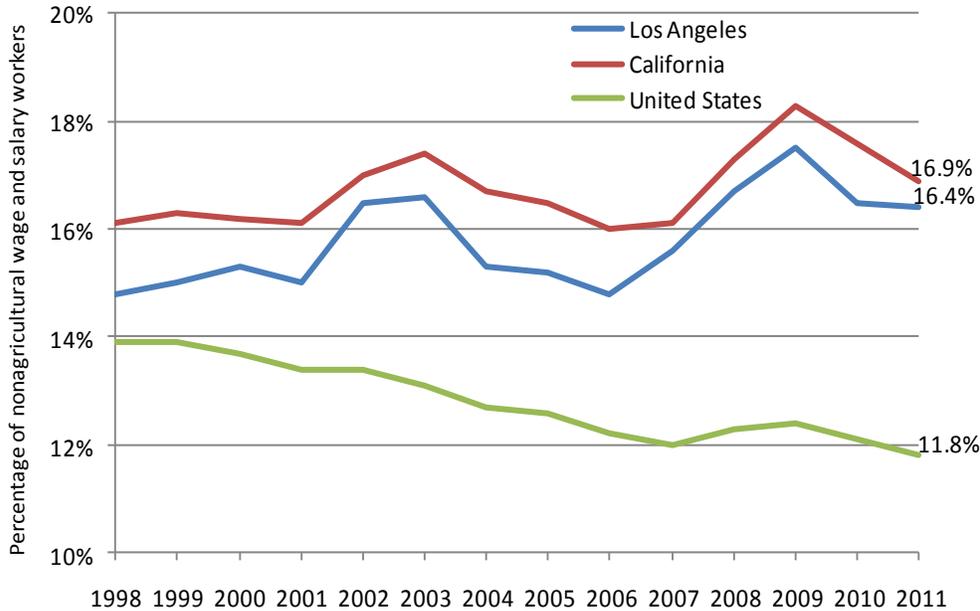
⁵ See Bureau of Labor Statistics at www.bls.gov.

⁶ California also has a greater population than any other state (37 million people or 12% of the total U.S. population in 2010, according to the U.S. Census Bureau's most recent population estimates), so this is not so surprising.

⁷ The L.A. metropolitan area (throughout the document) includes Los Angeles, Long Beach, Santa Ana, Oxnard, Thousand Oaks, Ventura, Riverside, San Bernardino, and Ontario.

⁸ Bureau of Labor Statistics (2011, January 21). Union Members – 2010. News Release, <http://www.bls.gov/news.release/pdf/union2.pdf>.

Figure 1. Union Density in Los Angeles, California, and the United States, 1997-2011

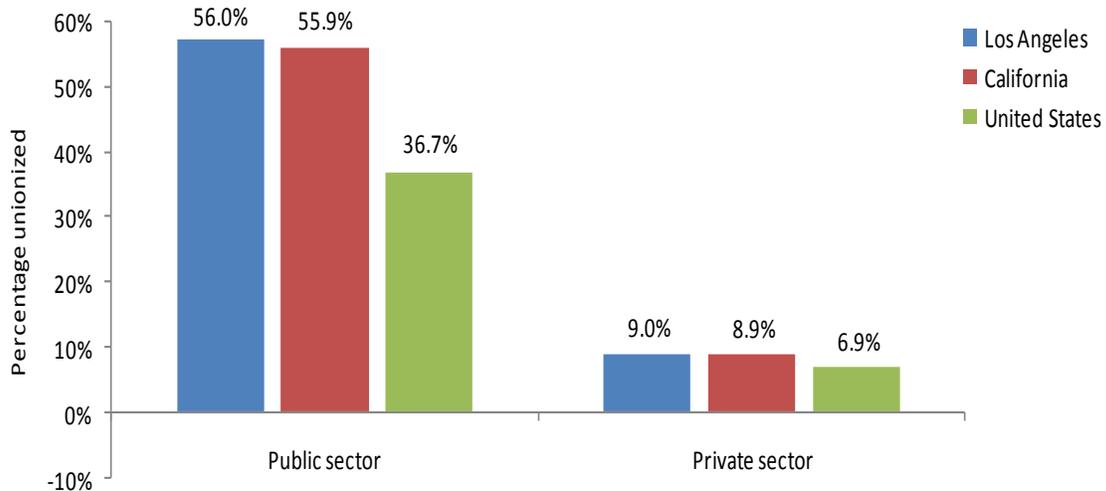


Note: Percentages are based on the 12 months from July of the previous year through June of the following year. For example, the percentage of workers who are union members in 1997 includes data from July 1996 through June 1997.

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

Unionization rates were consistently higher in the public sector than in the private sector in 2010-2011. As Figure 2 shows, public-sector unionism was especially strong in Los Angeles as well as in California: during 2010-2011, 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 36.7%; much higher than the 6.9 percent rate found in the private sector, but well below the rates for public-sector workers in California (55.9%) or Los Angeles (57.4%). The losses in unionization came primarily from the private sector. In fact, in the U.S. and in Los Angeles, public sector unionization showed a slight uptick. Furthermore, as noted above, decreases in the private sector unionization rates were most likely from reductions in non-residential construction jobs. Among the three geographic levels, the only significant decrease in private sector unionization rates from 2009-2010 to 2010-2011 was in California as a whole, where declines in non-residential construction continued for most of the past year. Private construction unionization fell from 18.3 to 14.2 percent in California, while in the rest of the country it remained about the same, at 13.4 percent in 2009-2010 and 13.3 percent in 2010-2011. Nonetheless, while private sector unionization was much lower than public sector unionization in the U.S., California, and Los Angeles, private sector unionization was significantly greater in both California and Los Angeles than nationwide.

**Figure 2. Unionization Rates by Sector,
Los Angeles, California, and the United States, 2011**

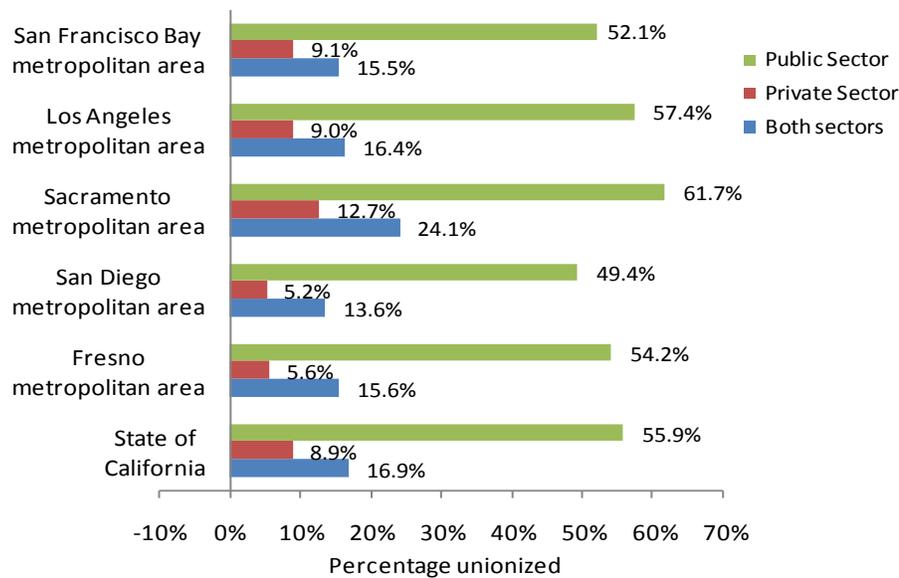


Note: Percentages for 2011 include data for the 12 months from July 2010 through June 2011.
Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the U.S. Current Population Survey.

As Figure 3 shows, during 2010-2011, overall unionization rates were varied among California’s major metropolitan areas. The overall unionization rate for workers in Sacramento, however, was higher than in other regions in the state. Private sector unionization in Sacramento was significantly higher than all of the California metropolitan areas examined here and public sector unionization in Sacramento was significantly higher than all metropolitan areas except for Los Angeles and Fresno. The San Francisco Bay Area, which had been a traditional union stronghold in California, now falls in the middle to bottom range among the metropolitan areas examined. It should be noted though, that for the most part, unionization rates did not differ significantly across the different metropolitan areas. Two notable exceptions were private sector unionization in Fresno and in San Diego. Private sector unionization in both regions was significantly lower than in the other major metropolitan areas. Furthermore, while private sector unionization trended downward across the state, the only significant change from the previous year was in Fresno, which went from a private sector unionization rate of 11.1% in 2009-2010 to 5.6% in 2010-2011. In 2010-2011, unionization in Los Angeles continued to track California unionization fairly well, both in the public and private sectors.⁹

⁹ As noted earlier, the L.A. metropolitan area includes Los Angeles, Long Beach, Santa Ana, Oxnard, Thousand Oaks, Ventura, Riverside, San Bernardino, and Ontario. As shown in Figure 3, the San Francisco Bay Area includes San Francisco, Oakland, Fremont, Napa, San Jose, Sunnyvale, Santa Clara, Santa Cruz, Watsonville, Santa Rosa, Petaluma, Vallejo, and Fairfield; the San Diego metropolitan area includes San Diego, Carlsbad, and San Marcos; the Sacramento metropolitan area includes Sacramento, Arden, Arcade, and Roseville; and the Fresno metropolitan area includes Fresno and Madera.

Figure 3. Unionization Rates in Selected Metropolitan Areas, California, 2011



Note: Percentages for 2011 include data for the 12 months from July 2010 through June 2011.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the U.S. Current Population Survey.

Figure 4 shows that average earnings were substantially higher for union members than for nonunion workers.¹⁰ Union members in Los Angeles, California, and the United States got paid about 20 percent more than nonunion workers in 2010-2011. Higher wages for union workers are due to the increased bargaining power of unionized workers as well as to the fact that unionized workers tend to be older and more highly educated than nonunionized workers.¹¹ As Figure 5 shows, unionization rates were highest for workers over 55 years old. Consistent with previous years, unionization rates were substantially lower among the youngest workers, those aged 16-24. This pattern was consistent across the Los Angeles metropolitan area, the state of California, and the nation.

The unionized workforce tends to be older than the nonunionized workforce for several reasons. First, as Figure 4 shows, unionized jobs, on average, provide workers with substantially higher wages than do nonunion jobs and higher wages are typically associated with lower employee turnover. Second, 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. Third, seniority rules in union contracts maintain employment for workers with longer tenure.

However, while the unionization rate for older workers was higher than that for younger workers, two significant drops in unionization were found in 2010-2011. Continuing a trend found in 2009-2010, in both the U.S. and California, workers between 25 and 54 years old experienced notable decreases in their rates of unionization over the year. Workers across the U.S. aged 25-54 faced a significant decrease in unionization from 12.9% in 2009-2010 to 12.5% in 2010-2011. Similarly, while

¹⁰ The earnings figures shown in Figure 4 are computed in 2010/2011 dollars, corresponding to nominal wages reported from July 2010 through June 2011.

¹¹ Schmitt, J. (May, 2010). The wage penalty for state and local government employees. Center for Economic and Policy Research. <http://www.cepr.net/documents/publications/wage-penalty-2010-05.pdf>.

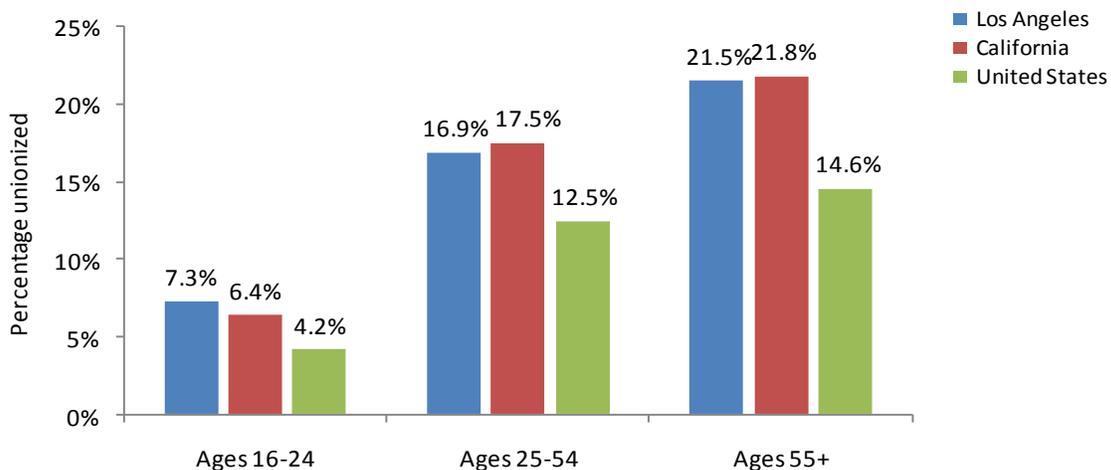
not statistically significant, workers aged 55 and older in California lost a substantial proportion of union membership over the past year, going from a unionization rate of 23.6% in 2009-2010 to 21.8% in 2010-2011. These changes no doubt reflect the types of jobs continuing to be lost in the U.S and in California since the end of the recession.

Figure 4. Earnings Differentials for Union Members and Nonunion Workers, Los Angeles, California, and the United States, 2011



Note: The figures shown are mean wages and are for the 12 months from July 2010 through June 2011. Mean wages include overtime and are adjusted for top-coding by using the log-normal approach recommended in Schmitt (2003).¹²
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the U.S. Current Population Survey.

Figure 5. Unionization Rates by Age, Los Angeles, California, and the United States, 2011



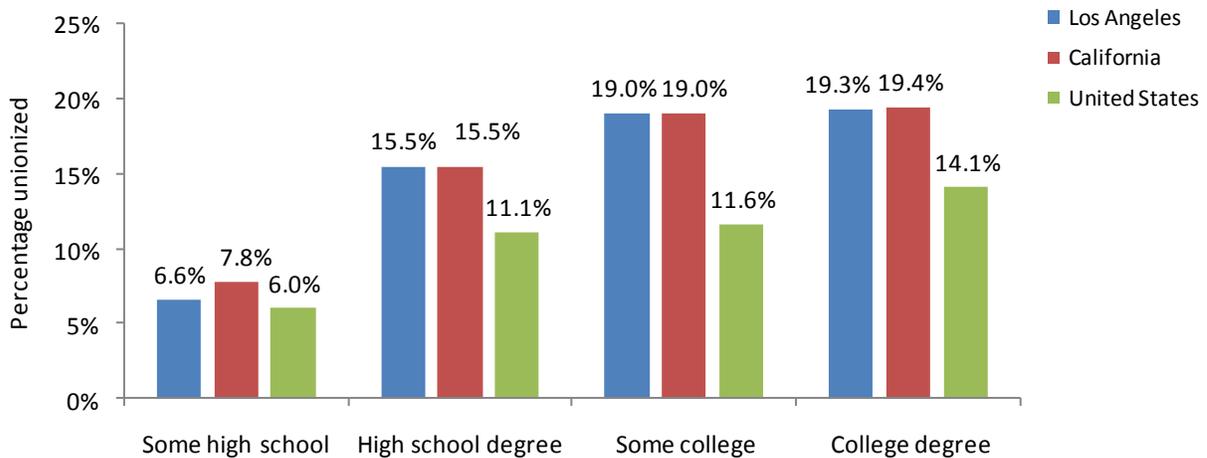
Note: Percentages for 2011 include data for the 12 months from July 2010 through June 2011.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the U.S. Current Population Survey.

¹² 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.

For the U.S., California, and Los Angeles, unionization rates go up with the amount of formal education, as shown in Figure 6. The highest unionization rates are found among workers with a college degree. In all three geographical areas unionization trended down in 2011 for all workers except those with a college degree. Close to one-fifth of workers with some college or a college degree are unionized in both California and Los Angeles. 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-seventh of union members in all three geographic jurisdictions. Both of these industry groups include 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, 2011



Note: Percentages for 2011 include data for the 12 months from July 2010 through June 2011.

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

Table 1. Number and Percentage of Union Members by Selected Industry Groups, for the Los Angeles Metropolitan Area, California, and the United States, 2011

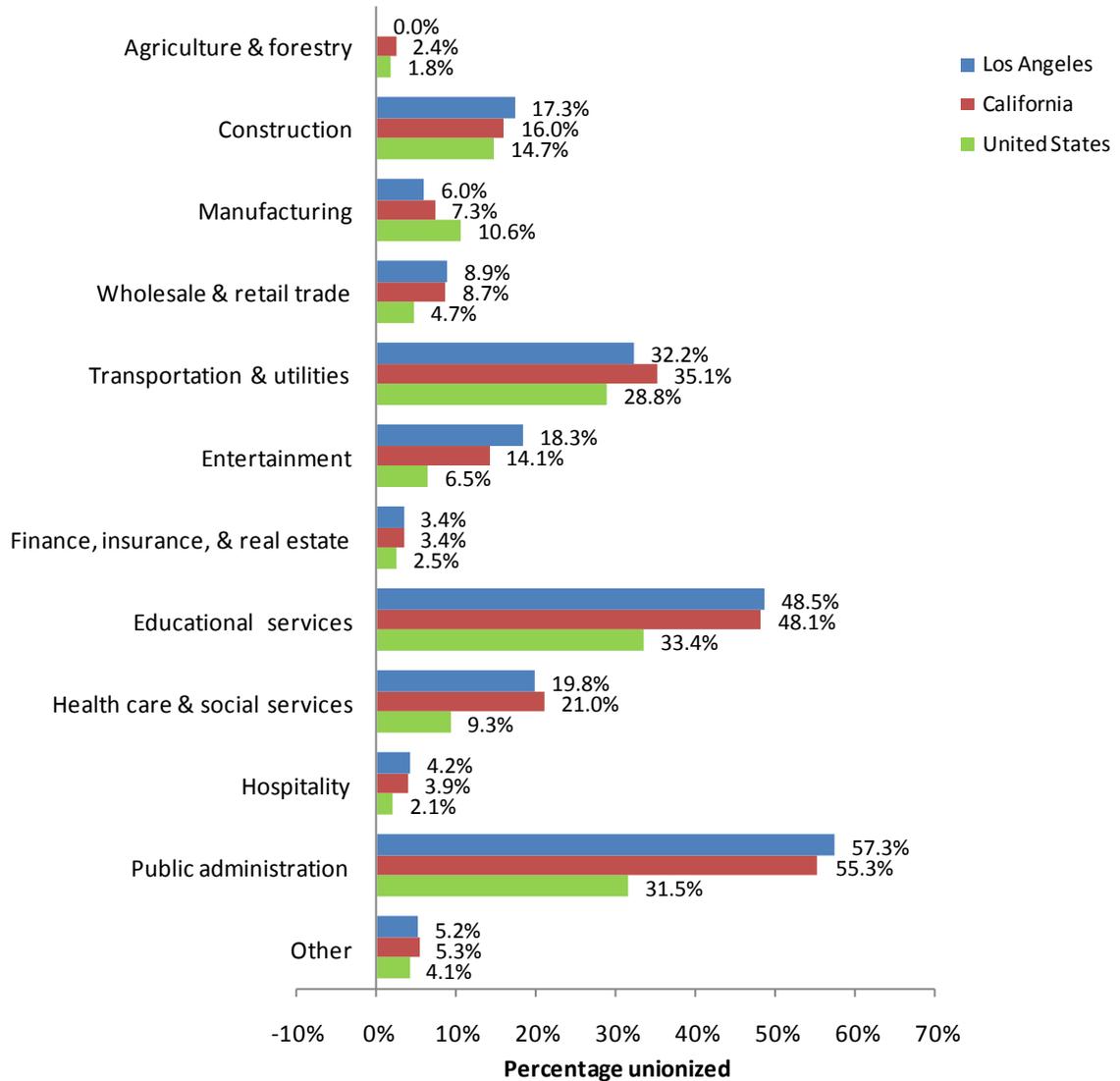
Industry group	Los Angeles metropolitan area		State of California		United States	
	Number of union members	% of total	Number of union members	% of total	Number of union members	% of total
<i>Agriculture & forestry</i>	0	0.0%	6,636	0.3%	21,561	0.1%
<i>Construction</i>	65,564	6.1%	116,119	5.0%	968,094	6.6%
<i>Manufacturing</i>	49,812	4.6%	108,366	4.7%	1,448,113	9.9%
<i>Wholesale & retail trade</i>	85,461	7.9%	172,185	7.4%	847,281	5.8%
<i>Transportation & utilities</i>	116,483	10.8%	246,455	10.6%	1,905,710	13.0%
<i>Entertainment</i>	61,542	5.7%	78,788	3.4%	221,541	1.5%
<i>Finance, insurance, & real estate</i>	14,231	1.3%	29,087	1.2%	205,350	1.4%
<i>Educational services</i>	292,815	27.0%	636,482	27.4%	4,230,332	28.8%
<i>Health care & social services</i>	154,210	14.2%	363,923	15.6%	1,635,961	11.1%
<i>Hospitality</i>	20,706	1.9%	39,190	1.7%	196,548	1.3%
<i>Public administration</i>	163,988	15.1%	401,157	17.2%	2,169,172	14.8%
<i>Other</i>	57,834	5.3%	128,686	5.5%	848,837	5.8%
Total	1,082,646	100.0%	2,327,074	100.0%	14,698,501	100.0%

Note: Percentages for 2011 include data for the 12 months from July 2010 through June 2011.

Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the U.S. 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 5.7% of the total union membership in the L.A. metropolitan area – almost twice its share of California union membership, and more than 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, 2011



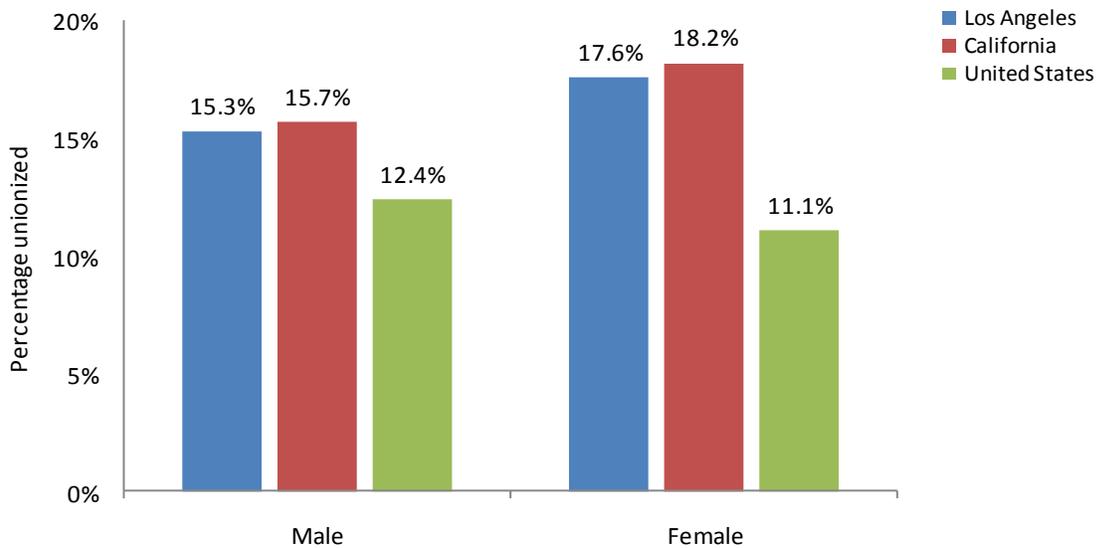
Note: Percentages for 2011 include data for the 12 months from July 2010 through June 2011.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the U.S. Current Population Survey.

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 conventional wisdom, men’s unionization rate

was not higher than that of women in either Los Angeles or in California. In both of these regions, the unionization rate for women was actually significantly higher than the unionization rate for men. For the United States as a whole, on the other hand, the male unionization rate was more than one percentage point higher than the female rate. The higher unionization rate for women in California and Los Angeles may reflect the fact that the public sector is much more highly unionized in both of these regions than it is in the nation as a whole (see Figures 2 and 7 above).

The union membership rate for men decreased between 2010 and 2011 in all three geographical areas – Los Angeles, California, and the United States,¹³ while it rose for women in Los Angeles and California. While women remain more unionized and the gap between male and female unionization continued to increase in Los Angeles and California, the gap between male and female unionization continued to decrease in the U.S. as a whole. That is, although men are still more unionized than women nationwide, the differences between these two groups are decreasing. All of these trends are expected given the higher male unemployment rate and particularly, the loss of jobs in traditionally male, unionized occupations, such as construction and manufacturing.

Figure 8. Unionization Rates by Gender, Los Angeles, California, and the United States, 2011



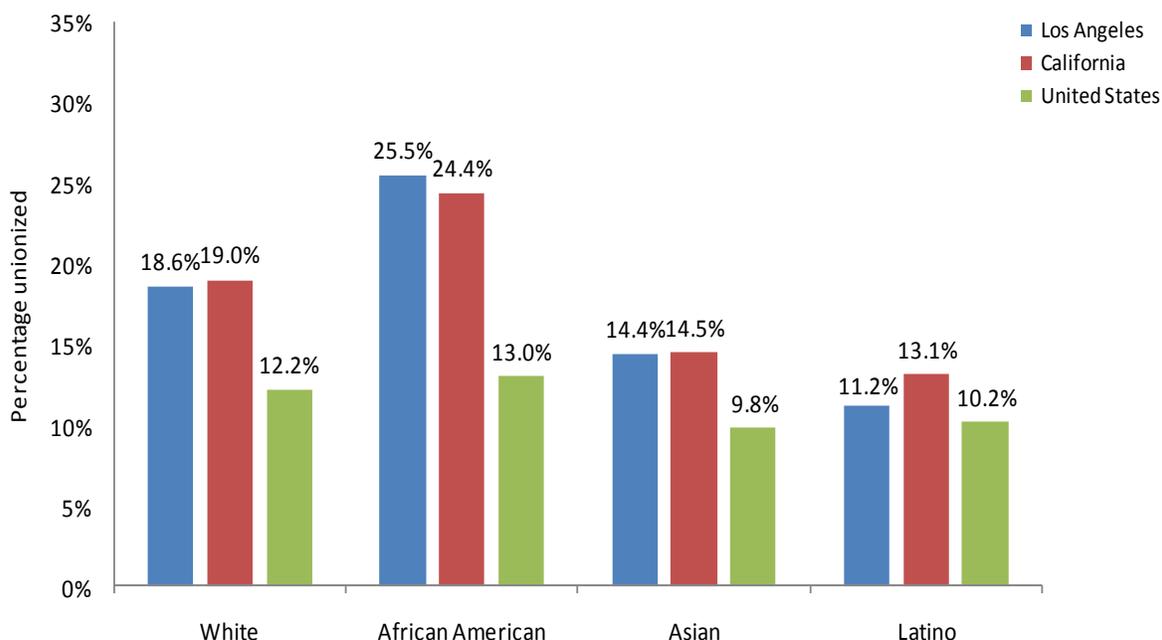
Note: Percentages for 2011 include data for the 12 months from July 2010 through June 2011.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the U.S. Current Population Survey.

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. As discussed below, U.S.-born workers are more likely to be unionized than are immigrants. Since African-Americans and whites are far more likely to be U.S.-born than Asians and

¹³ However, the decrease in the male unionization rate was statistically significant in California and the U.S., but not in Los Angeles.

Latinos, overall African-American and white union membership rates exceed those of Asians and Latinos.

Figure 9. Unionization Rates by Race/Ethnicity, Los Angeles, California, and the United States, 2011



Note: Percentages for 2011 include data for the 12 months from July 2010 through June 2011.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the U.S. Current Population Survey.

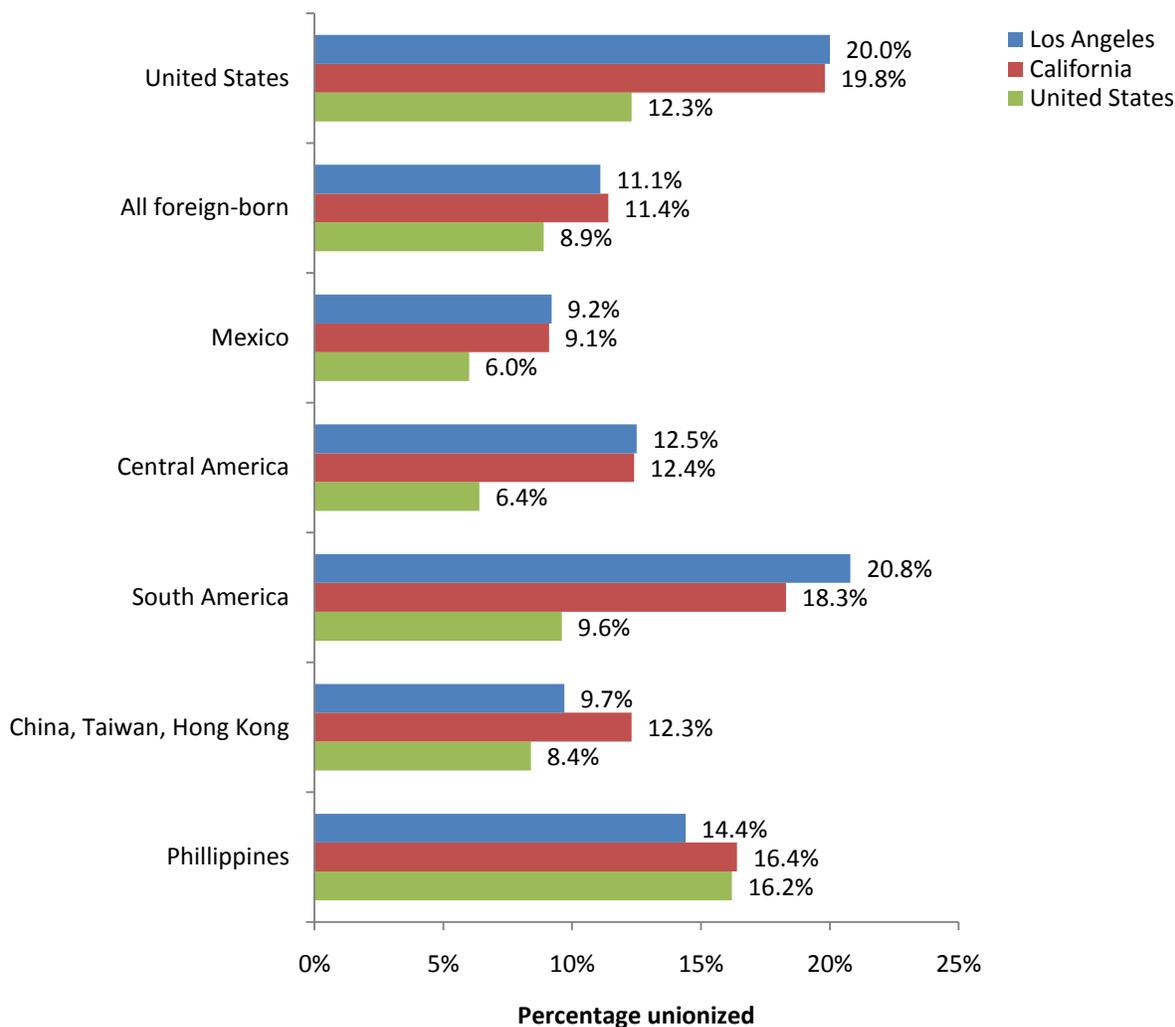
Foreign-born workers make up a much larger share of the California workforce than is true for the country in general.¹⁴ The next figures examine the implications of this for unionization in Los Angeles, California, and the nation. Unionization rates varied not only between U.S.-born and foreign-born 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. However, workers born in the Philippines are an exception here and they have relatively high unionization rates, particularly in the nation as a whole.

While generally speaking, more Philippine natives than workers born in other countries were employed in the public sector, their numbers decreased in 2011. Among workers born in the Philippines, 13.4% worked in the public sector U.S.-wide in 2010-2011 as compared to 15.3% in 2009-2010. Similarly, In Los Angeles and California, 10.2% and 13.6%, respectively, worked in the public sector in 2010-2011, down from 15.2% and 17.8%, respectively in 2009-2010. This decrease in public sector employment among workers born in the Philippines has likely played a role in the decrease in unionization for this group in 2010-2011, as seen in Figure 10. Similarly, recent increases in public sector unionization among workers from South America may be playing a role in the increase in unionization

¹⁴ Congressional Budget Office. (2010, July). The role of immigrants in the U.S. labor market: An update. http://cbo.gov/ftpdocs/116xx/doc11691/07-23-Immigrants_in_Labor_Force.pdf.

rates for California and Los Angeles workers originating from South America. Despite these declines in public sector employment, it is likely comparatively 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, 2011



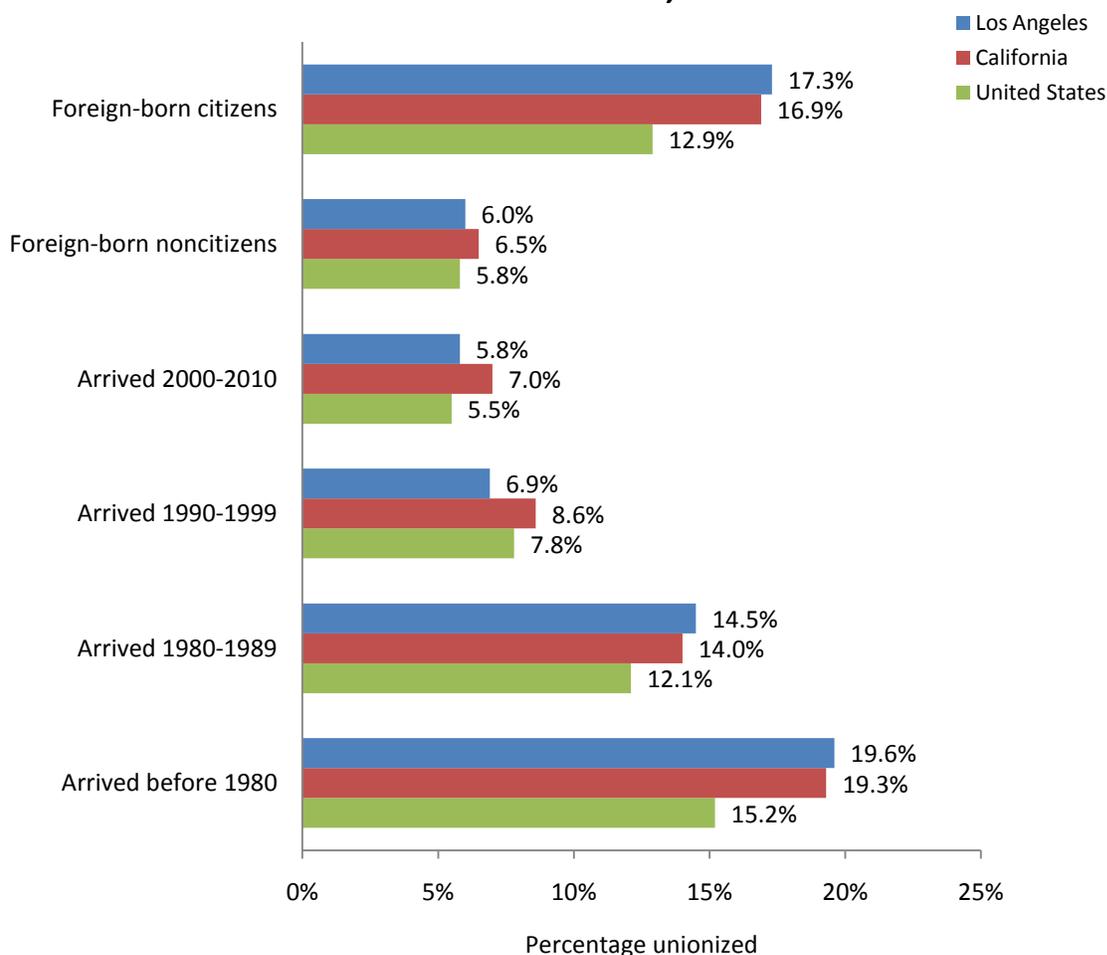
Note: Percentages for 2011 include data for the 12 months from July 2010 through June 2011.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the U.S. Current Population Survey.

However, as Figure 11 shows, in 2010-2011, for the country as a whole, foreign-born workers who have become U.S. citizens and those who arrived in the United States before 1980 had unionization rates significantly higher than that of U.S.-born workers (shown in Figure 10). Foreign-born citizens in the U.S. had a unionization rate of 12.9% in 2011 and non-U.S.-born workers who arrived before 1980 had a unionization rate of 15.2%, compared to the unionization rate of 12.3% for workers born in the U.S. At 12.1%, even non-citizens who arrived in the U.S. between 1980 and 1989 had comparable

unionization rates to native-born Americans. More recent arrivals, by contrast, had far lower rates of unionization.

A similar pattern emerged for non-native residents living in Los Angeles and California. In both regions, foreign-born workers who arrived in the U.S. before 1980 and foreign-born citizens had unionization rates approximating that of workers born in the U.S. Workers who entered the U.S. between 1980 and 1989 were found to have lower unionization rates relative to native born workers, but the unionization rates for this group of workers in Los Angeles and California were quite a bit higher than were the rates for more recent immigrants.

Figure 11. Unionization Rates by Citizenship and Date of Arrival, Los Angeles, California, and the United States, 2011

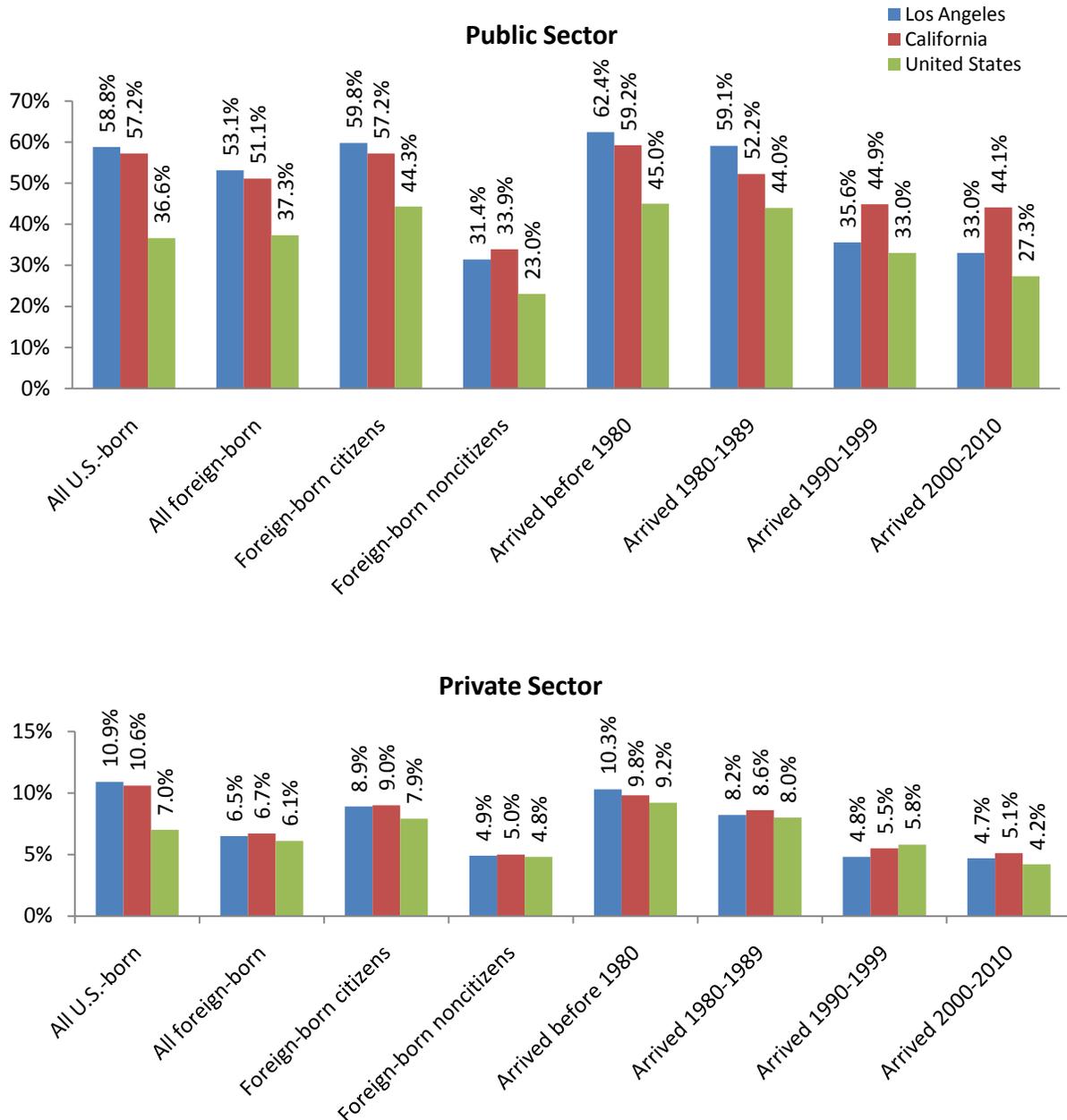


Note: Percentages for 2011 include data for the 12 months from July 2010 through June 2011.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the U.S. Current Population Survey.

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, 2011



Note: Percentages for 2011 include data for the 12 months from July 2010 through June 2011.

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

Relatively few noncitizens and recently arrived immigrants worked in the public sector. Only 4.8% of all foreign-born noncitizens in the United States and only 6.9% of all foreign-born workers who

arrived in the U.S. after 1980, were employed in this sector, compared to 16.1% 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, not even 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.

Conclusion

The Great Recession and the ensuing jobs crisis continue to take a toll on union membership. California and the country both suffered notable losses over the past year, while Los Angeles' union membership remained essentially flat. In fact, the unionization rate in the U.S. is at an historic low. In no time since the Great Depression has the country experienced such a low level of union participation by its workers.¹⁵ This is no doubt due to the loss of jobs in highly unionized industries such as manufacturing and construction following the recession. Furthermore, newly created jobs are not likely to be unionized ones. Despite the fact that unionized jobs tend to be better quality jobs, with higher wages, given that there are still more than four unemployed workers for each available job, workers are probably more concerned with finding work than with the quality of that work.

Real GDP rose just 0.4% at an annual rate in the first quarter of 2011 and only 1.3% in the second quarter. While the country may still be in recovery, this slow rate of growth is not the 2.5% that would be need to reduce unemployment in the country.¹⁶ If the economy does not enter a period of greater expansion more jobs will be lost rather than created, potentially leading to even lower unionization rates in 2011-2012. In addition, if recent losses in public sector jobs continue, more women are likely to lose unionized jobs. The result would be a decrease in female unionization that would shrink the gap between male and female unionization rates in California and Los Angeles and widen the national gender gap. If recently suggested federal spending cuts are put into place, the likely result will be a slowdown of the economy, which could lead to a decline in unionization rates for both men and women that will continue beyond what has already occurred this year.

¹⁵ Mayer, G. (2004). Union membership trends in the United States. Federal Publications, Paper 174. http://digitalcommons.ilr.cornell.edu/key_workplace/174.

¹⁶ Bureau of Economic Analysis (2011, July 29). National Income and Product Accounts Gross Domestic Product: Second Quarter 2011 (Advance Estimate) Revised Estimates: 2003 through First Quarter 2011. News Release. <http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm> and Baker, D. (2011, July 29). Weak Consumption and Shrinking Government Slow GDP in Second Quarter. GDP Byte, Center for Economic and Policy Research. <http://www.cepr.net/index.php/data-bytes/gdp-bytes/weak-consumption-and-shrinking-government-slow-gdp-in-second-quarter>.