

**THE STATE OF THE UNIONS IN 2010:
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 2009 through June 2010, rather than only the six months from January 2010 through June 2010. 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.

The recession that began two and a half years ago is the worst recession since the Great Depression and has taken a toll on unionization rates. Job losses in unionized industries such as nonresidential construction and manufacturing have led to decreases in the unionization rate nationally, in California and in Los Angeles. Despite consistently lower unionization rates in the private sector than in the public sector, the much larger size of the private sector workforce has meant that there have traditionally been a larger number of union workers in the private sector. This has now changed. For the first time ever, the number of union members in the public sector is greater than the number of private sector union members.³ The loss of unionized positions mainly in the private sector has wiped out two years of gains, putting unionization rates in the U.S., California, and Los Angeles back to around 2007-2008 levels. The unionization rate in the U.S. fell three-tenths of a percentage point in 2009-2010, from 12.4% to the current rate of 12.1% (see Figure 1).⁴

In California, as well as in its largest metropolis (Los Angeles), the recent decrease in unionization is more pronounced than in the U.S. as a whole. During the past year unionization rates in California decreased from 18.3% to 17.6%. Similarly, unionization in the L.A. metropolitan area has decreased from 17.5% to 16.5%. 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 L.A. metropolitan area had remained relatively stable for a decade before increasing for the two years including 2007-2008 and 2008-2009. 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. It is likely that without the nearly 1.4 million jobs lost in California during the recession thus far, unionization rates in California and Los Angeles in 2009-2010 would have matched or exceeded their 2008-2009 levels.

Despite recent losses, Los Angeles currently has an estimated 1.1 million union members,⁵ accounting for over 45% of the 2.5 million union members in the state of California. California in turn accounts for about 16% of the nation's nearly 15 million union members, more than any other state.⁶ However, in calendar year 2009, nine states (New York, Hawaii, Alaska, Washington, New Jersey, Michigan, Rhode Island, Illinois, and Connecticut) had higher unionization rates than California did, reflecting the decrease in unionization in California over the past year.⁷

³ Zipperer, B. (2010, January 22). Unions lost members in 2009, as overall employment fell. Unions Byte, Center for Economic and Policy Research. www.cepr.net/index.php/data-bytes/union-membership-bytes/2010.

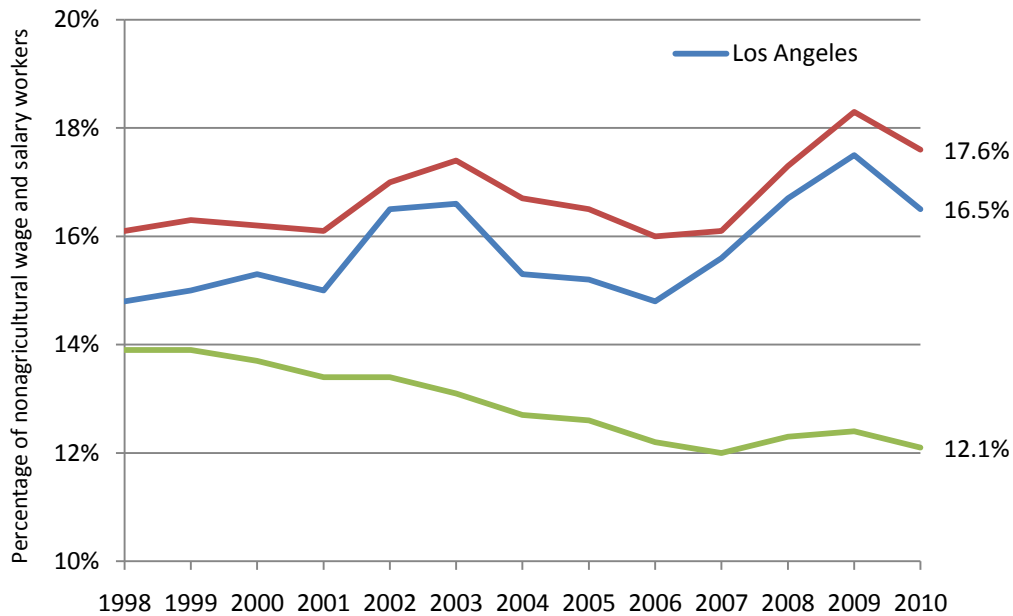
⁴ The current unionization rate refers to the period from July 2009 through June 2010, as explained in footnote 1.

⁵ According to the Census Bureau, in 2009, the Los Angeles metropolitan area (including Los Angeles, Riverside, Orange, Ventura, and San Bernardino counties) also has 48% of California's population.

⁶ California also has a greater population than any other state (37 million people or 12% of the total U.S. population in 2009, according to the U.S. Census Bureau's most recent population estimates), so this is not so surprising.

⁷ See the BLS "Union Members – 2009" news release at <http://www.bls.gov/news.release/union2.htm>.

Figure 1. Union Density in Los Angeles, California, and the United States, 1997-2010

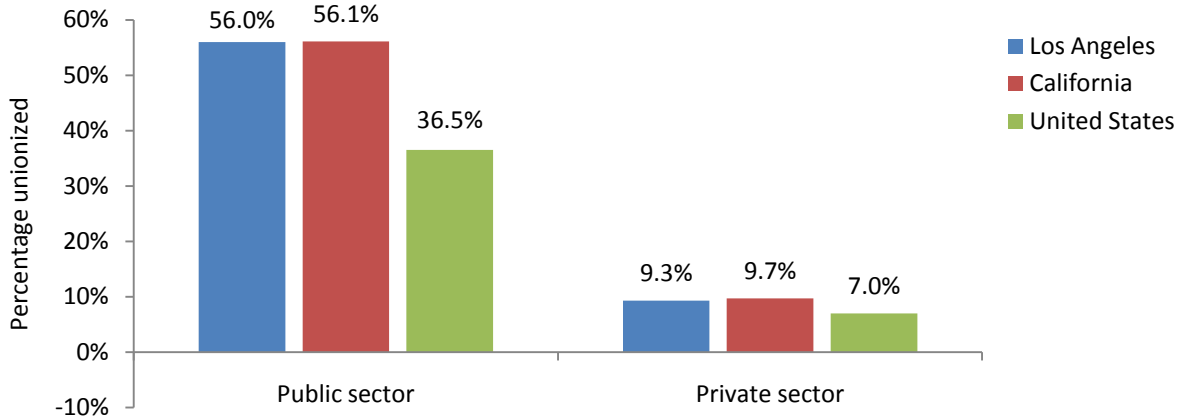


Note: Percentages are based on the 12 months from July of the previous year through June of the following year. For example, the percentage of workers who are union members in 1997 includes data from July 1996 through June 1997.

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 2009-2010. As Figure 2 shows, public-sector unionism was especially strong in Los Angeles as well as in California: during 2009-2010, 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 36.5%; much higher than the 7 percent rate found in the private sector, but well below the rates for public-sector workers in California (56.1%) or Los Angeles (56%). Interestingly, the losses in unionization come primarily from the private sector. In Los Angeles, there was no change at all in public sector unionization from 2008-2009 to 2009-2010 and in California and the U.S., the decreases in unionization rates were not significant. Private sector unionization, on the other hand, decreased significantly in all three geographical units. As noted earlier, for the first time, public sector union members outnumber private sector union members in the U.S. Furthermore, while private sector unionization was much lower than public sector unionization in the U.S., California, and Los Angeles, 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, 2010



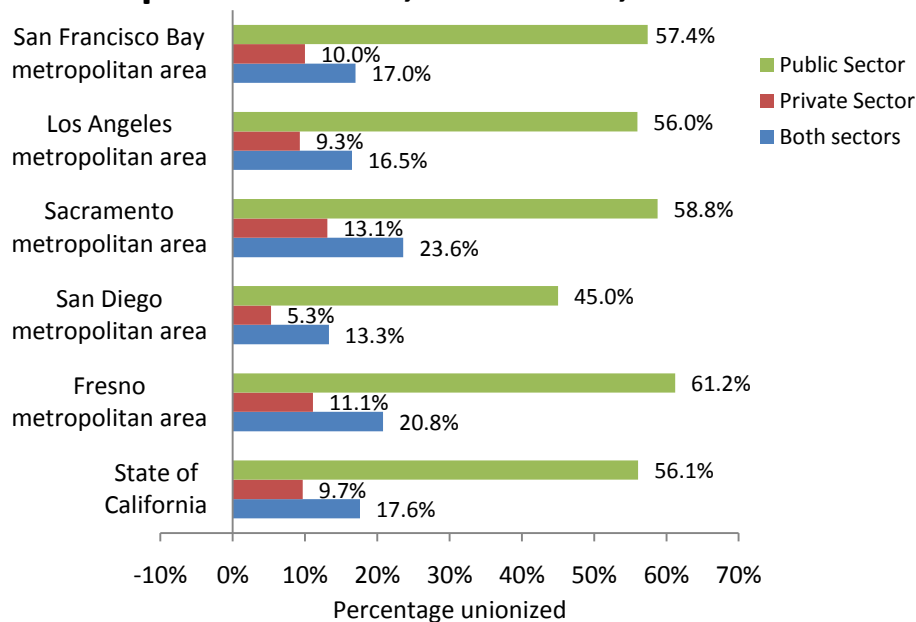
Note: Percentages for 2010 include data for the 12 months from July 2009 through June 2010.

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

As Figure 3 shows, during 2009-2010, overall unionization rates are varied among California's major metropolitan areas. Sacramento had a relatively high rate of unionization in both the public and private sectors; while in San Diego the opposite was true. Sacramento has maintained its lead as the metropolitan area with the largest percentage of unionized workers in the state. It should be noted though, that except for San Diego, which has private and public sector unionization rates significantly lower than the rest of the state, there were no statistically significant differences between the different metropolitan areas for public sector unionization. The San Francisco Bay Area, which had been a traditional union stronghold in California, now falls in the middle range among the metropolitan areas examined. In 2009-2010, unionization in Los Angeles continued to track California unionization fairly well, both the public and private sectors.⁸

⁸ 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, 2010



Note: Percentages for 2010 include data for the 12 months from July 2009 through June 2008.
 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.⁹ Union members in Los Angeles, California, and the United States got paid about 20 percent more than nonunion workers in 2009-2010. 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.¹⁰ 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.

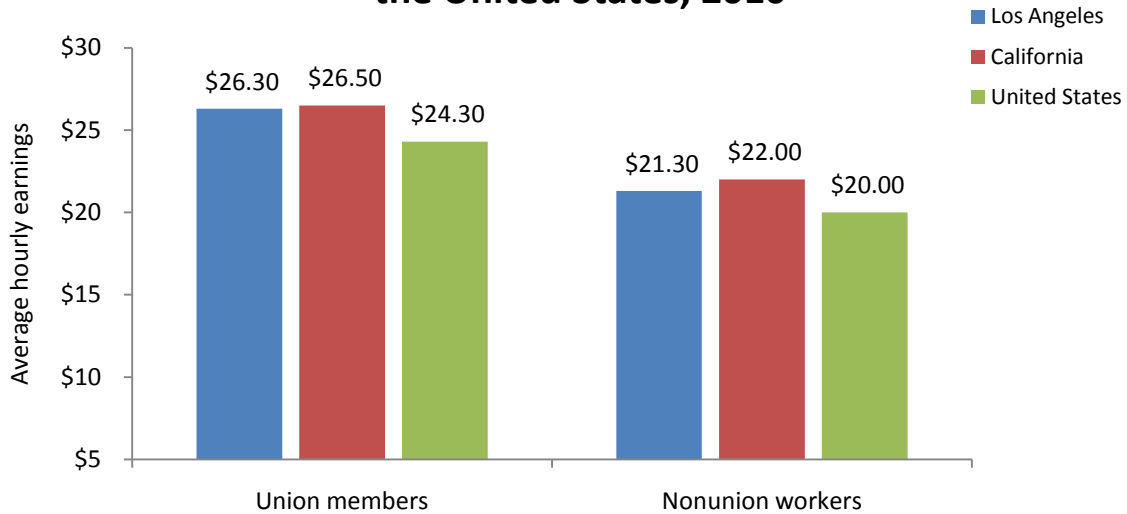
The unionized workforce tends to be older than the nonunionized workforce for several reasons. First, as Figure 4 shows, unionized jobs, on the average, provide workers with substantially higher wages than do nonunion jobs and higher wages are typically associated with lower employee turnover. Second, 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 workers between 25 and 54 years old was higher than that for younger workers, this group of workers experienced the largest decrease in the rate of unionization over the year. The unionization rate for 24 to 54 year olds was significantly lower in 2009-2010 than in 2008-2009 for Los Angeles, California, and the country. This no doubt reflects both the number and type of jobs lost during the recession.

⁹ The earnings figures shown in Figure 4 are computed in 2009/2010 dollars, corresponding to nominal wages reported from July 2009 through June 2010.

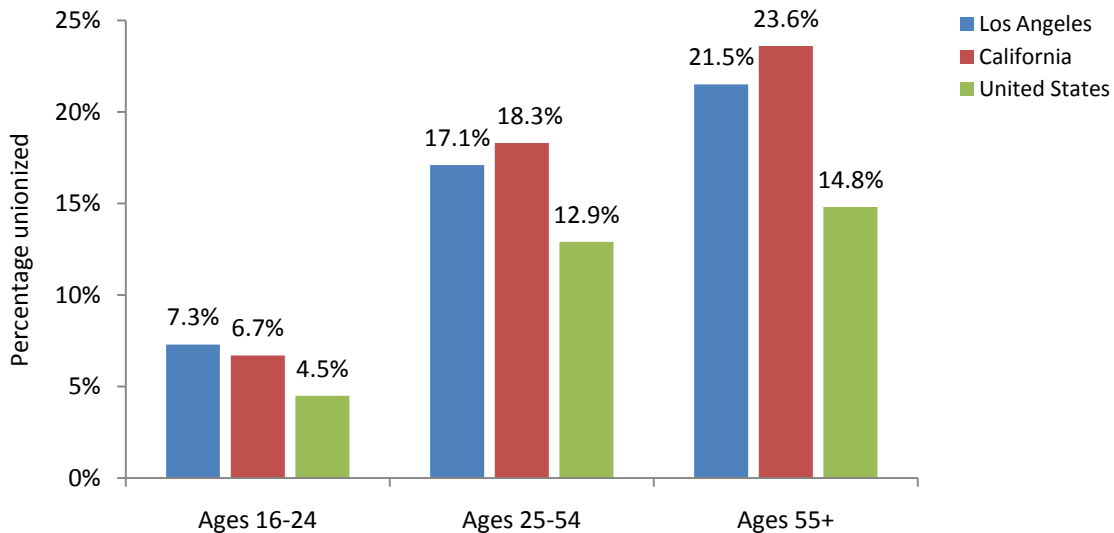
¹⁰ Schmitt, J. (May, 2010). The wage penalty for state and local government employees. Center for Economic and Policy Research. <http://www.cepr.net/documents/publications/wage-penalty-2010-05.pdf>.

Figure 4. Earnings Differentials for Union Members and Nonunion Workers, Los Angeles, California, and the United States, 2010



Note: The figures shown are mean wages and are for the 12 months from July 2009 through June 2010. Mean wages include overtime and are adjusted for top-coding by using the log-normal approach recommended in Schmitt (2003).¹¹
 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, 2010



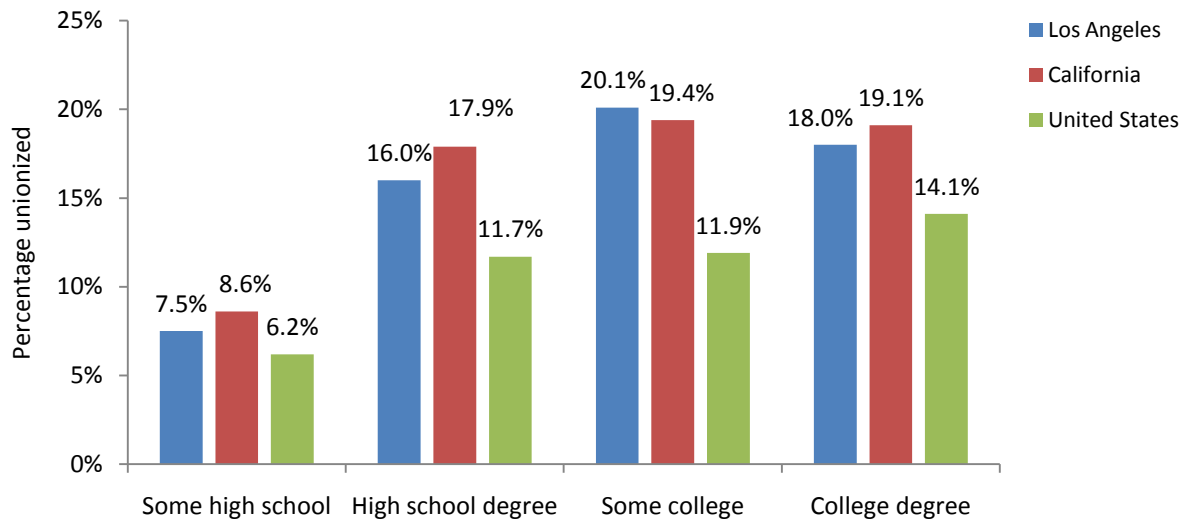
Note: Percentages for 2010 include data for the 12 months from July 2009 through June 2010.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the U.S. Current Population Survey.

¹¹ 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 country as a whole, unionization rates go up with the amount of formal education and at 14.1%, the unionization rate is highest for workers with a college degree. In California and Los Angeles, workers with some college as well as those with a college degree have higher unionization rates than those with less education. About 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. However, even highly educated workers have been affected by the recession and unionization rates for college educated workers have decreased compared to last year.

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 geographic jurisdictions. Both of 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, 2010



Note: Percentages for 2010 include data for the 12 months from July 2009 through June 2010.

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, 2010

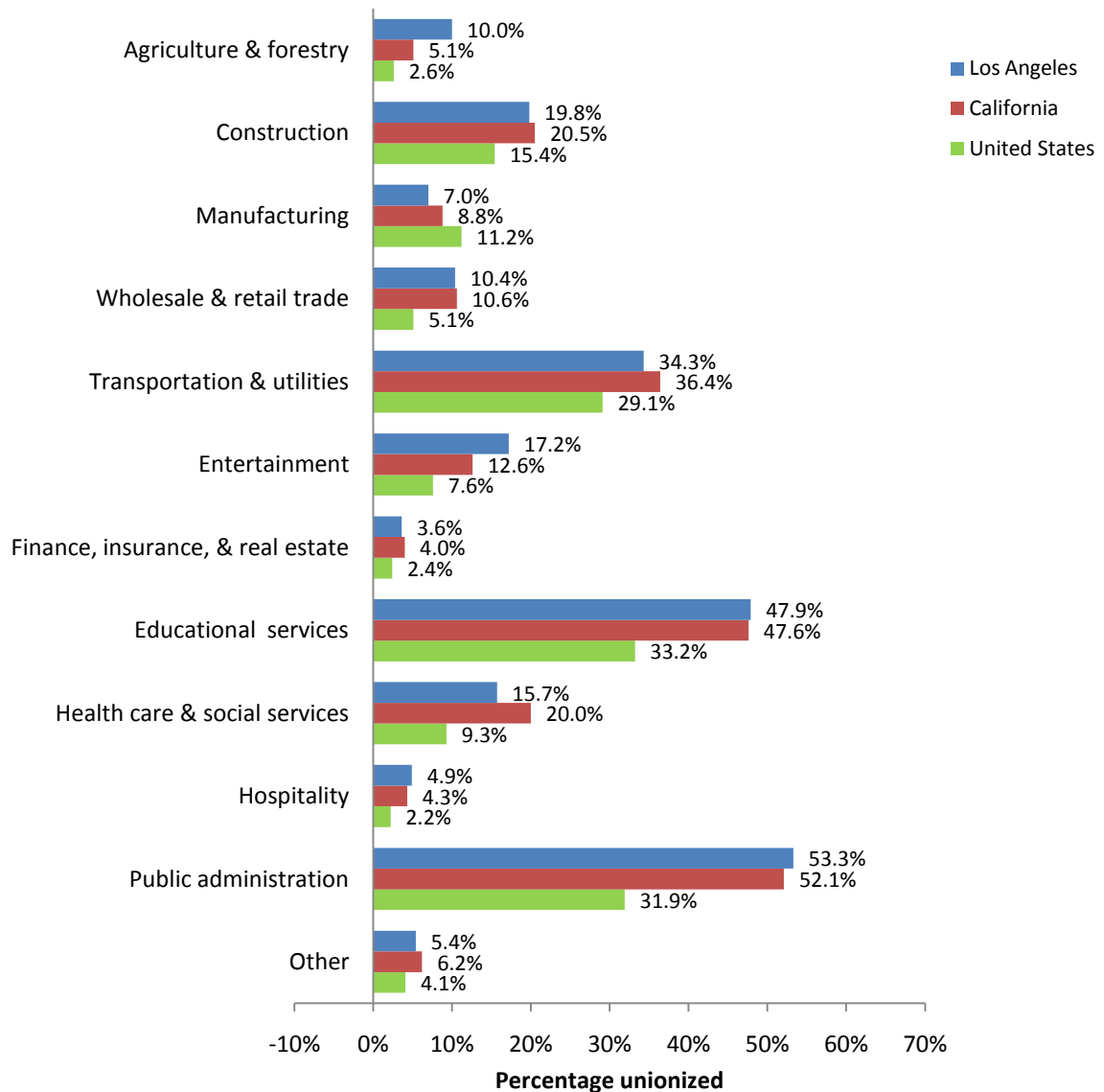
Industry group	Los Angeles metropolitan area		State of California		United States	
	Number of union members	% of total	Number of union members	% of total	Number of union members	% of total
<i>Agriculture & forestry</i>	3332	0.3%	13,575	0.6%	31,169	0.2%
<i>Construction</i>	75,012	6.8%	150,544	6.1%	1,036,942	6.9%
<i>Manufacturing</i>	57,139	5.2%	132,396	5.4%	1,482,887	9.9%
<i>Wholesale & retail trade</i>	93,775	8.5%	204,044	8.3%	915,501	6.1%
<i>Transportation & utilities</i>	119,092	10.8%	255,808	10.4%	1,878,634	12.6%
<i>Entertainment</i>	61,023	5.5%	72,911	3.0%	258,701	1.7%
<i>Finance, insurance, & real estate</i>	15,990	1.5%	35,954	1.5%	197,174	1.3%
<i>Educational services</i>	300,786	27.3%	666,259	27.0%	4,294,962	28.7%
<i>Health care & social services</i>	127,635	11.6%	356,652	14.5%	1,617,126	10.8%
<i>Hospitality</i>	24,258	2.2%	46,790	1.9%	200,448	1.3%
<i>Public administration</i>	161,771	14.7%	377,163	15.3%	2,210,479	14.8%
<i>Other</i>	61,937	5.6%	150,992	6.1%	825,931	5.5%
Total	1,101,750	100.0%	2,463,088	100.0%	14,949,954	100.0%

Note: Percentages for 2010 include data for the 12 months from July 2009 through June 2010.

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 5.5% 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.

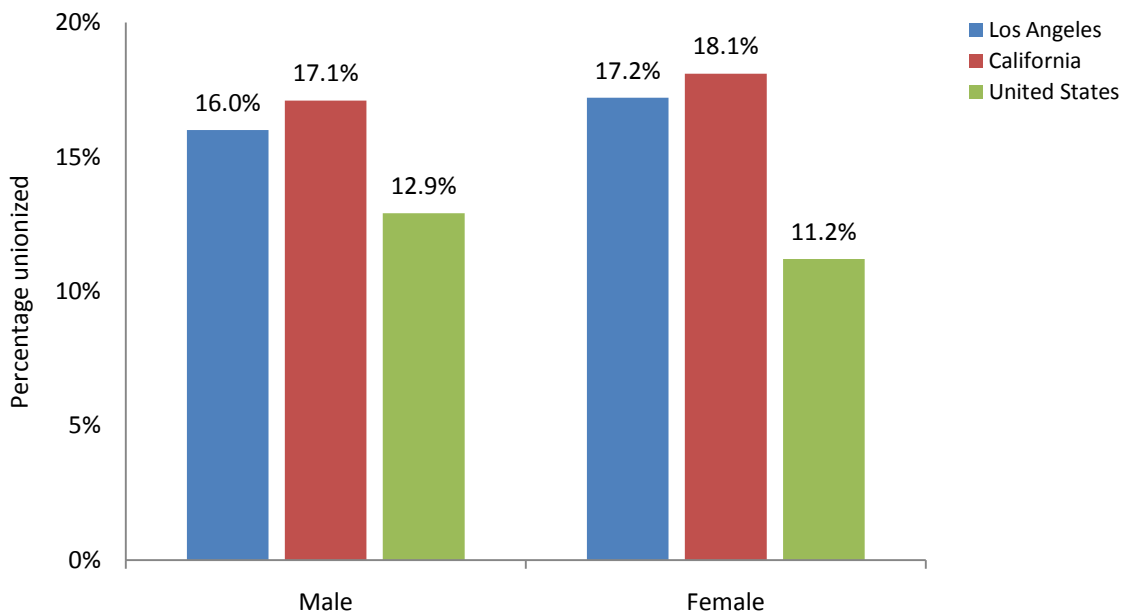
Figure 7. Unionization Rates by Industry Group, Los Angeles, California, and the United States, 2010



Note: Percentages for 2010 include data for the 12 months from July 2009 through June 2010.
 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 still 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 higher than the unionization rate for men.¹² For the United States as a whole, on the other hand, the male unionization rate was close to 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). Both the unionization rate for men and the gap between male and female unionization rates in the U.S. decreased between 2009 and 2010. No doubt, the higher male unemployment rate and particularly, the loss of jobs in traditionally male, unionized occupations (e.g., construction and manufacturing) were related to these differences.

Figure 8. Unionization Rates by Gender, Los Angeles, California, and the United States, 2010

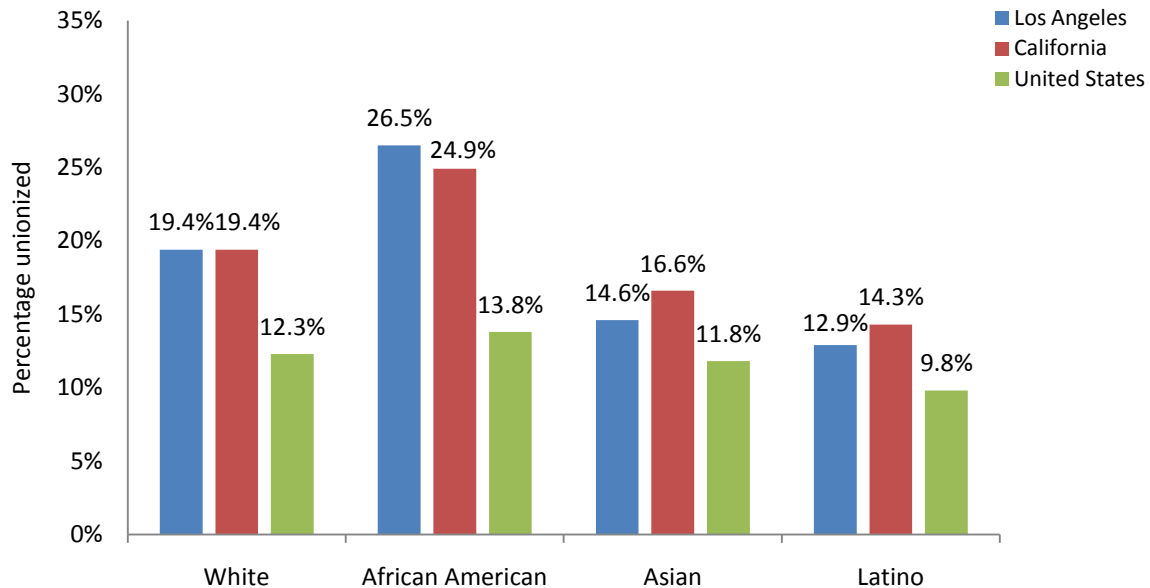


Note: Percentages for 2010 include data for the 12 months from July 2009 through June 2010.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the U.S. Current Population Survey.

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. 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.

¹² While the female unionization rate in Los Angeles and in California was a whole percentage point or more higher than the male unionization rate in the state and the L.A. metropolitan region, these differences were only marginally significant (statistically significant only at the 12% level for California and at the 21% level for Los Angeles).

Figure 9. Unionization Rates by Race/Ethnicity, Los Angeles, California, and the United States, 2010



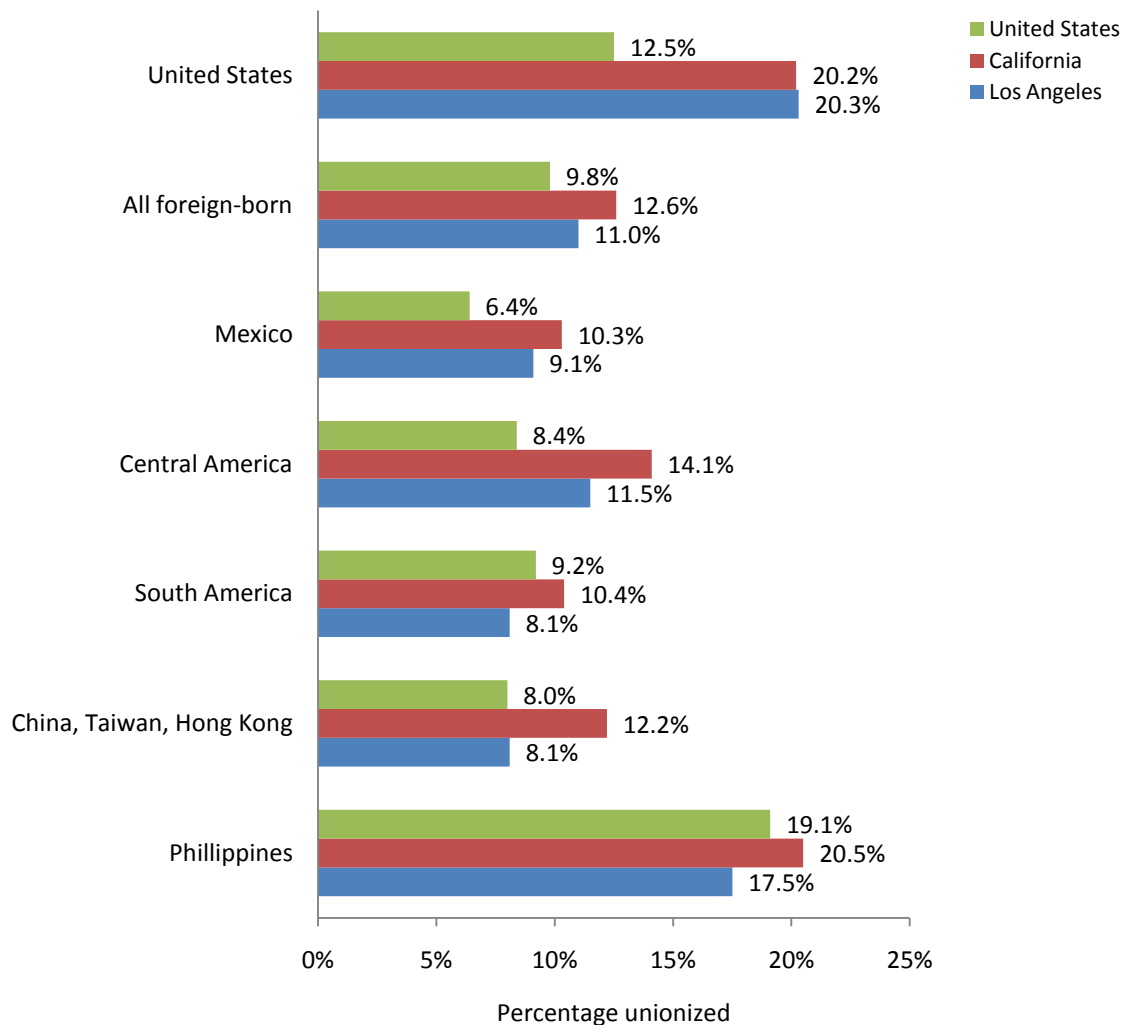
Note: Percentages for 2010 include data for the 12 months from July 2009 through June 2010.

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.¹³ 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. The only exception here were workers born in the Philippines, 17.8% of whom were employed in the public sector in California, 15.2% of whom were employed in the public sector in Los Angeles, and 15.3% of whom were employed in the public sector in the United States as a whole in 2009-2010. By contrast, only 6.1% of Mexican-born workers in California, 5.5% of Mexican-born workers in Los Angeles, and 4.7% of Mexican-born workers nationwide were employed in the public sector in 2009-2010. Again it is the high public sector unionization rates that underlie and explain what at first appears as a difference in nationality or nativity.

¹³ 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.

Figure 10. Unionization Rates by Place of Birth, Los Angeles, California, and the United States, 2010

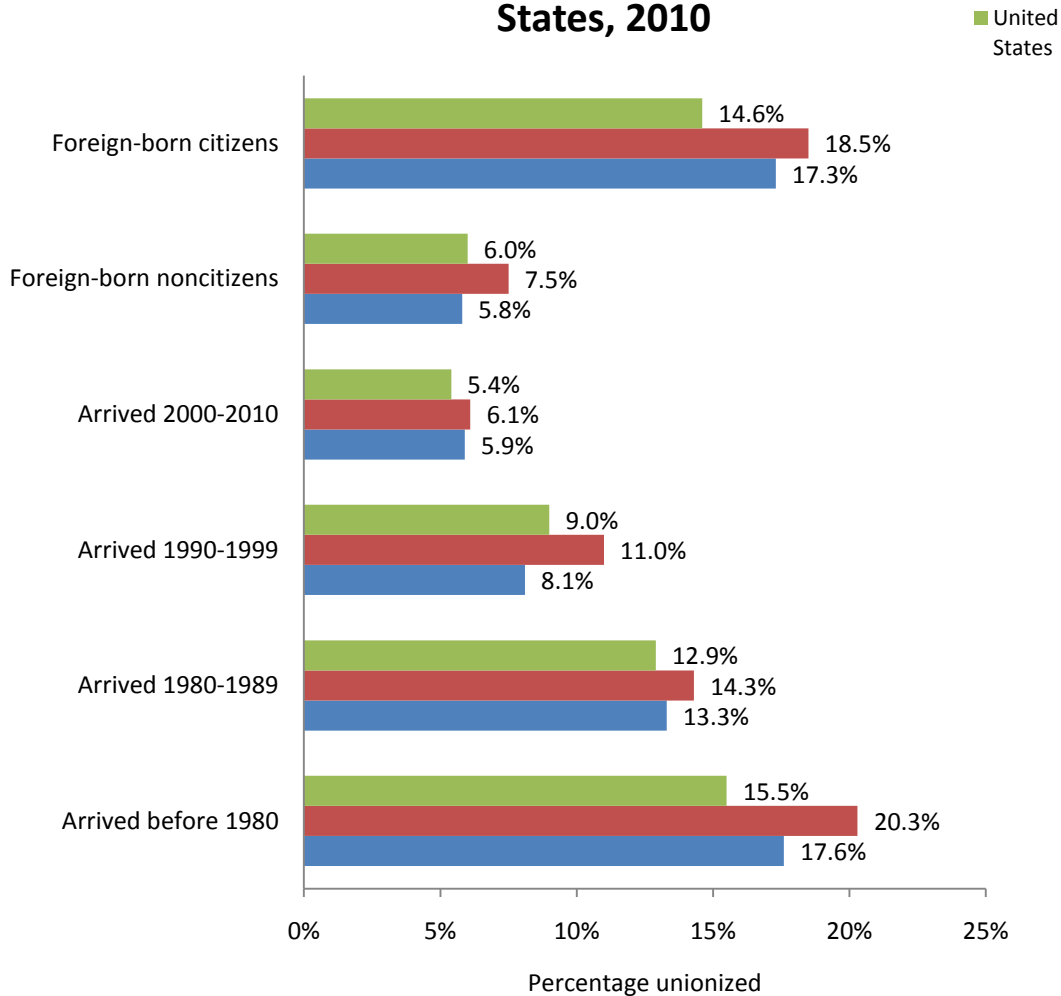


Note: Percentages for 2010 include data for the 12 months from July 2009 through June 2010.

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

However, as Figure 11 shows, in 2009-2010, 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 substantially higher than that of U.S.-born workers (shown in Figure 10). Foreign born citizens in the U.S. had a unionization rate of 14.6% in 2010 and non-U.S. born workers who arrived before 1980 had a unionization rate of 15.5%, compared to the unionization rate of 12.5% for workers born in the U.S. 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. Non-native residents living in Los Angeles and California did not show this pattern. With the exception of foreign-born workers in California who entered the U.S. before 1980, all non-native workers in Los Angeles and California had lower unionization rates than their U.S. born counterparts.

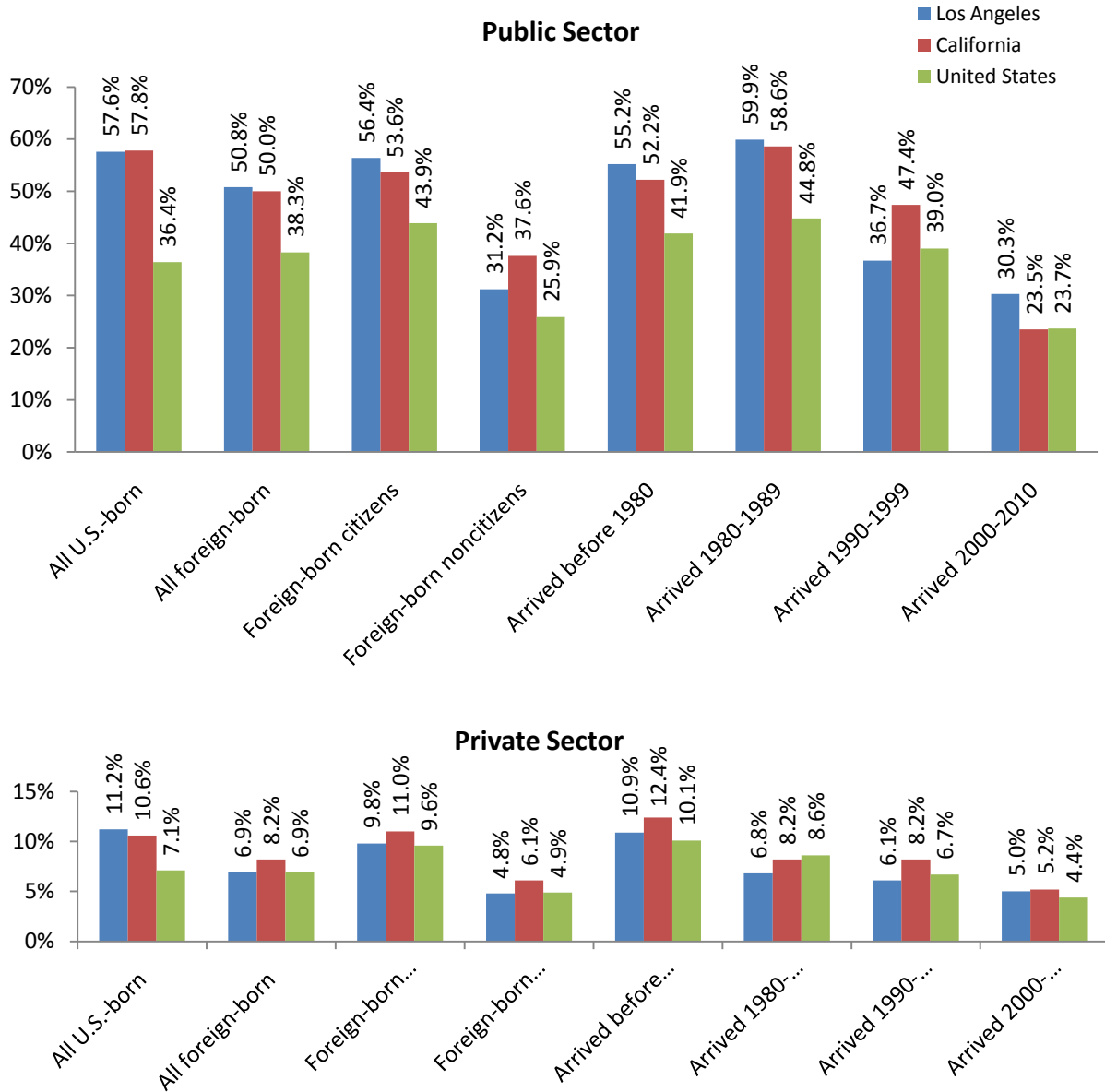
Figure 11. Unionization Rates by Citizenship and Date of Arrival, Los Angeles, California, and the United States, 2010



Note: Percentages for 2010 include data for the 12 months from July 2009 through June 2010.
 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, 2010



Note: Percentages for 2010 include data for the 12 months from July 2009 through June 2010.
 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 4.7% of all foreign-born noncitizens in the United States and only 7.0% of all foreign-born workers who arrived after 1980, were employed in this sector, compared to 16.6% 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.

Conclusion

Despite stable unionization rates in California and Los Angeles over the last decade and recent increases in the percentage of union members in the country, the state, and the metropolitan region, all three geographic jurisdictions showed losses in unionization during the past year. Gains in unionization made in 2008 and 2009 have been eradicated and unionization rates are now back at their 2007-2008 levels. These reductions in unionization no doubt reflect the continuing depressed economic conditions. Unemployment in the country remains precariously close to 10% and in both California and Los Angeles, unemployment is above 12%. Job losses in unionized industries have contributed to the recent declines in unionization.

Government, health and education are industries which have been slower to see job losses (and health care has even seen job gains) over the course of the recession. Since public sector jobs are more highly unionized, this has kept unionization rates from falling even more during the last 12 months. The recent \$26.1 billion bill passed by congress to preserve teachers' jobs will continue to help maintain public sector unionization rates. However, states are currently short \$121 billion and the gap in state budgets is expected to rise to \$140 billion by the end of the 2010-2011 fiscal year.¹⁴ Without further revenue sharing from the federal government back to the states, there will be greater cuts in services at the state and local levels and job losses in the public sector. If these cuts occur, we can expect to see employment losses in unionized jobs in the public sector and a further decline in unionization rates that continues beyond this year.

¹⁴ McNichol, E., Oliff, P., & Johnson, N. (July 15, 2010). Recession continues to batter state budgets; State responses could slow recovery. Washington, DC: Center on Budget and Policy Priorities. www.cbpp.org.