

THE STATE OF THE UNIONS IN 2012:

A PROFILE OF UNION MEMBERSHIP IN LOS ANGELES, CALIFORNIA, AND THE NATION¹

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¹ This report is based on analyses of the CEPR Uniform Extracts of the U.S. Current Population Survey (CPS) Outgoing Rotation Group. All analyses in this report cover a fiscal year—the 12-month period from July of the previous year through June of the given year. Using this 12-month system, the authors analyzed data beginning with the 2011 State of the Unions publication. The analysis for 2012 covers the entire 12-month period from July 2011 through June 2012, rather than only the six months from January 2012 through June 2012. Unless stated otherwise, all years in the report refer to the fiscal year. 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. All estimates in this report are subject to a margin of error, and the margin is higher for estimates based on smaller sample sizes, including metropolitan-level and industry group estimates. We report estimates as statistically significant based on a 95% confidence interval.

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

EXECUTIVE SUMMARY

Each year since 2005, the UCLA Institute for Research on Labor and Employment (IRLE) has produced *State of the Unions*, a report profiling unionization in Los Angeles, the state of California, and the United States. The findings in the 2012 report suggest that the sustained jobs crisis produced by the Great Recession of 2008-2010 is abating. Unfortunately, it continues to depress the country's unionization rate (the share of the workforce in a union), which fell to a historic low of 11.5% in 2012. Our findings also show that unions remain of vital importance to the lives of working people, however.

In 2011 and 2012, the public sector became a contentious battleground for U.S. workers. Attacks by Republican-dominated governments in several states propelled public employee unions into the national political spotlight, even prompting an unusual recall election for Republican Wisconsin governor Scott Walker. The stakes of this battle for U.S. workers are high: the majority of union members in the United States are now in the public sector, as has been the case since 2010, and public sector unionization rates are much higher than private sector rates.

Changes in the size of the public sector relative to the private sector drove trends in unionization rates over the past several years. From 2007 to 2009, the recession eliminated relatively more private sector jobs, causing the private sector to shrink relative to public sector as a proportion of the workforce. The larger size of the more highly unionized public sector pushed up unionization rates. Despite the official end of the recession in 2009, the public sector shrank relative to the private sector from 2009 to 2011. This and the disproportionate loss of unionized jobs in the private sector depressed unionization rates.

In 2012, the unionization rate for the U.S. as a whole fell from 11.8% to a new historic low of 11.5%. A drop in private sector unionization seems responsible for depressing the overall rate rather than compositional changes in the sizes of the public and private sectors. The U.S. public sector rate remained unchanged in 2012, and public sector job loss slowed. However, the private sector decrease was not statistically significant.

The picture in California and Los Angeles was somewhat better in 2012. Unionization rates remained higher in California and Los Angeles than in the country as a whole. Also, private sector unionization rates in Los Angeles and California held steady in 2012, at 9% and 8.9%, respectively.

At least for now, slow private sector job growth and a slackening in public sector job loss seems to have stemmed a precipitous decline in unionization rates.³

Our research indicates that unions continue to make a positive contribution to the lives of workers and to the strength of the economy. Union members continued to earn substantially more than nonunion members, and the difference appears more pronounced in Los Angeles, where the unionization rate is relatively high. This suggests that Los Angeles unionized workers are able to marshal greater bargaining power than their union counterparts in less unionized areas of the country. Further, unionized public sector workers were able to protect higher quality public sector jobs from elimination, helping to sustain aggregate demand in the economy. Finally, the findings show that unions still help make the promise of equal opportunity real for the country's more vulnerable workers. African Americans and certain groups of immigrants have relatively high unionization rates.

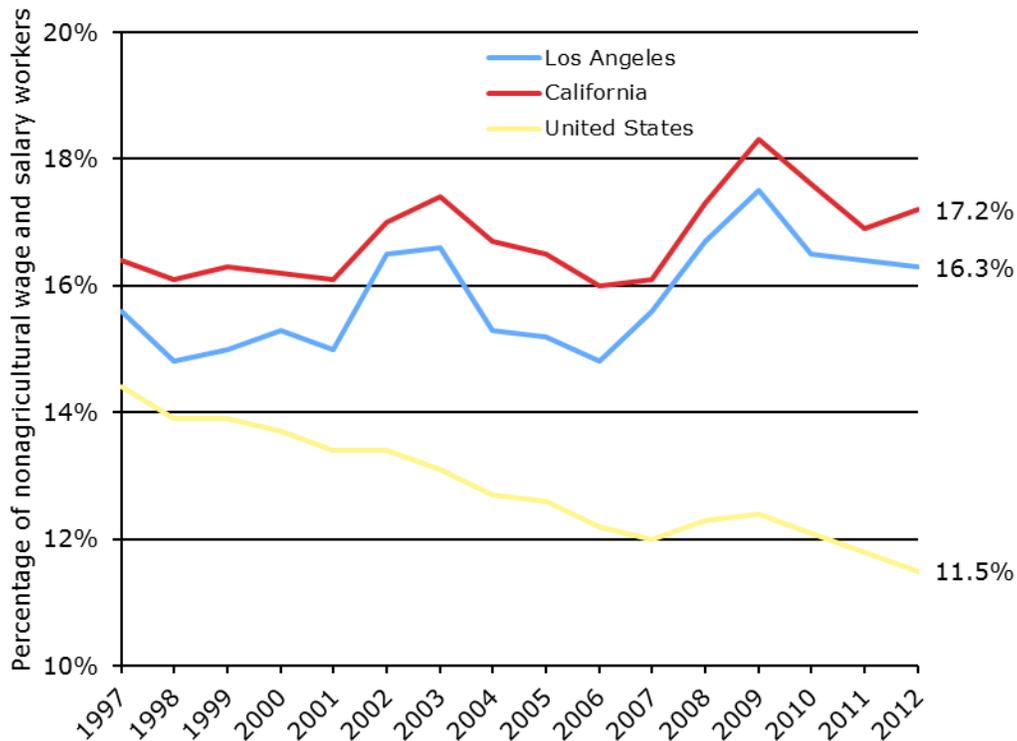
³ See Bureau of Labor Statistics at www.bls.gov; Shierholz, H. (August 3, 2012). Underlying labor market trend is about 150,000 jobs added per month. Economic Indicators, Economic Policy Institute. www.epi.org/publication/aug-2012-national-jobs-picture; R.A. (August 3, 2012). America's jobless recovery: the big picture. Free Exchange Blog, The Economist. www.economist.com/blogs/freeexchange/2012/08/americas-jobless-recovery.

FINDINGS

Overall unionization rate

The overall unionization rate for the United States continued to decline in 2012, falling from 11.8% in 2011 to a historic low of 11.5%, as shown in Figure 1. Unionization rates for the Los Angeles metropolitan area⁴ and state of California remained essentially flat over the last year. Neither the slight decrease in Los Angeles nor the slight uptick in California is significant statistically.

Figure 1. Union Density in Los Angeles, California, and the United States, 1997-2012



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 in the country as a whole had decreased steadily until the uptick that began in 2007 (see Figure 1). In contrast to the U.S. as a whole, unionization rates in California and Los Angeles had been relatively stable for a decade, although they declined from 2003 to 2006. The decline halted in 2006, and unionization rates for Los Angeles and California increased with the country as a whole.

⁴ The Los Angeles metropolitan area includes Los Angeles, Long Beach, Santa Ana, Oxnard, Thousand Oaks, Ventura, Riverside, San Bernardino, and Ontario. References to "Los Angeles" through the document refer to this area.

Compositional changes in the relative sizes of the public and private sectors largely drove these trends up to 2011. From 2007 to 2009, the recession eliminated relatively more private sector jobs, causing the private sector to shrink relative to the public sector as a proportion of the workforce. The larger size of the more highly unionized public sector (see Figure 3) steadied and pushed up unionization rates. In Los Angeles and California, where the recession hit earlier, this trend appears earlier and is more pronounced. The subsequent decrease in all three jurisdictions from 2009 to 2011 was likely due to the recession's disproportionate elimination of jobs in unionized industries, like non-residential construction, and to a relative decrease in the size of the public sector.⁵

However, for 2012, the decline in the U.S. unionization rate to 11.5% was likely due to a decrease in the private sector unionization rate (see Figure 3), rather than compositional changes.⁶ The U.S. public sector rate did not change from 2011, and job loss in the public sector slowed. The private sector, however, continued to lose unionized jobs.

California accounts for about 17% of the nation's approximately 14.6 million union members, more than any other state. In 2012, only four states had higher unionization rates than California: Alaska, Hawaii, New York, and Washington. California added an estimated 124,000 union members in 2012, whereas union membership in the nation as a whole only increased by an estimated 90,000 members.

For 2012, Los Angeles had an estimated 1.1 million union members. Los Angeles accounted for 45% of the 2.5 million union members in the state of California and had more union members than any other *state* except for New York.

The union earnings advantage

Average hourly earnings continued to be substantially higher for union members than for nonunion workers in 2012, as Figure 2 (next page) shows.⁷ Union members in California and the United States earned about 20% more than nonunion workers. The average earnings premium was 26% for Los Angeles union workers. Unionized workers earn more because they have greater bargaining power. Also, unionized workers tend to be older (see Figure 6) and more highly educated than nonunionized workers (see Figure 7).

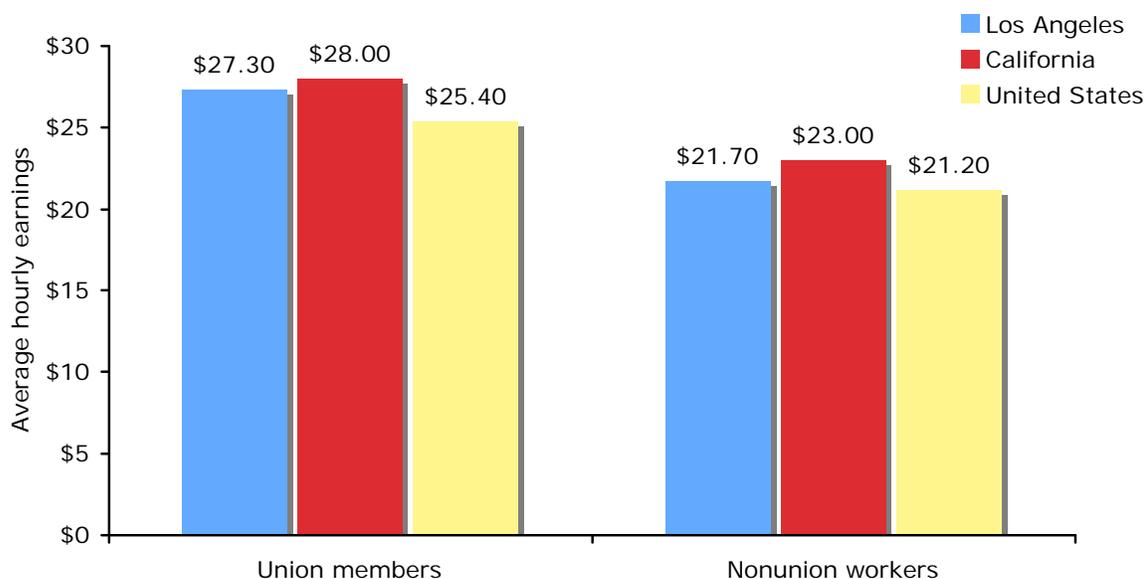
Earnings are significantly higher for Los Angeles union members than for union members in the United States as a whole. However, earnings for Los Angeles and U.S. nonunion workers *do not* differ significantly. While other factors likely play a role, the data are consistent with evidence suggesting that Los Angeles' relatively high concentration of union members provides more robust bargaining power for these workers, and thus higher earnings, relative to their unionized counterparts in the U.S. as a whole.

⁵ Zipperer, B. (2011). Downturn continues to lower union membership. Unions Byte, Center for Economic and Policy Research. www.cepr.net/index.php/data-bytes/union-membership-bytes/downturn-continues-to-lower-union-membership.

⁶ The decrease from 11.8% to 11.5% for the U.S. as a whole from 2011 to 2012 is statistically significant. Although the decrease in the U.S. private sector rate appears to have driven this overall decrease, the private sector decrease is not statistically significant, given its smaller sample size.

⁷ The earnings figures shown in Figure 2 are computed in 2011/2012 dollars, corresponding to nominal wages reported from July 2011 through June 2012.

Figure 2. Average Hourly Earnings for Union Members and Nonunion Workers, Los Angeles, California, and the United States, 2012



Note: Earnings for 2012 include data for the 12 months from July 2011 through June 2012. Mean wages include overtime and tips and are adjusted for top-coding by using the log-normal approach recommended in Schmitt (2003).⁸

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

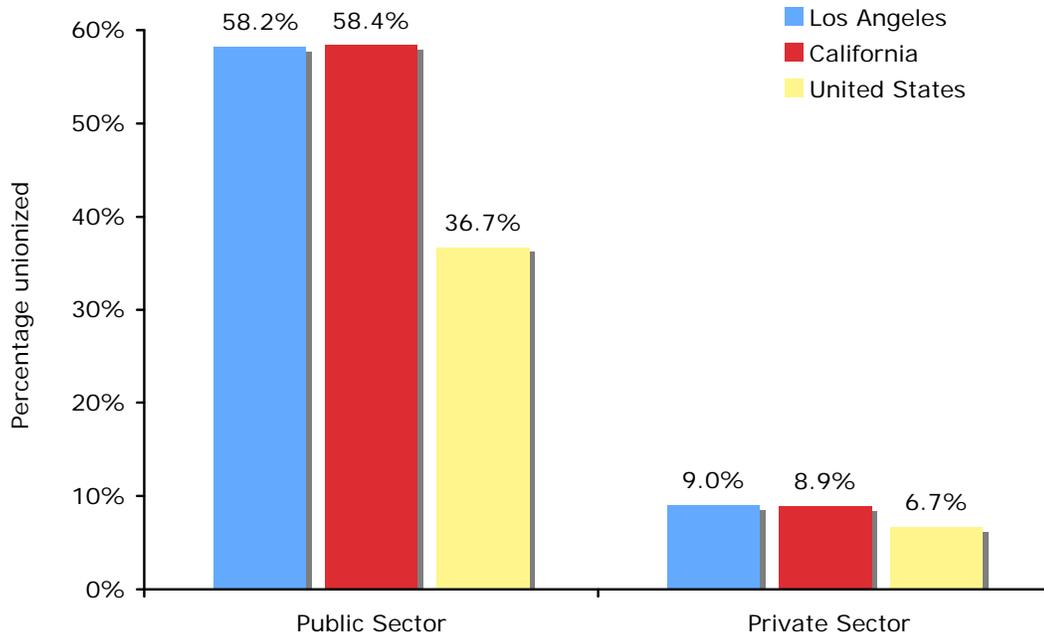
Unionization rates by sector

In 2011 and 2012, the public sector became a contentious battleground for U.S. workers. Attacks by Republican-dominated governments in several states propelled public employee unions into the national political spotlight, even prompting an unusual recall election for Republican Wisconsin governor Scott Walker. The stakes of this battle for U.S. workers are high: the majority of union members in the United States are now in the public sector, as has been the case since 2010, and public sector unionization rates are much higher than private sector rates.

Unionization rates were over five times higher in the public sector than in the private sector in 2012 in all three jurisdictions (Figure 3, next page). Public sector unionism was particularly strong in Los Angeles and California: well over half of all workers in the California and Los Angeles public sectors were union members in 2012. In the nation as a whole, the unionization rate for public sector workers was 36.7%. This was much higher than the 6.7% rate in the private sector, but well below the rates for public sector workers in California and Los Angeles. Los Angeles' and California's private sector rates (9%

⁸ 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. www.ceprdata.org/cps/CEPR_ORG_Wages.pdf.

Figure 3. Unionization Rates by Sector, Los Angeles, California, and the United States, 2012



Note: Percentages for 2012 include data for the 12 months from July 2011 through June 2012.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

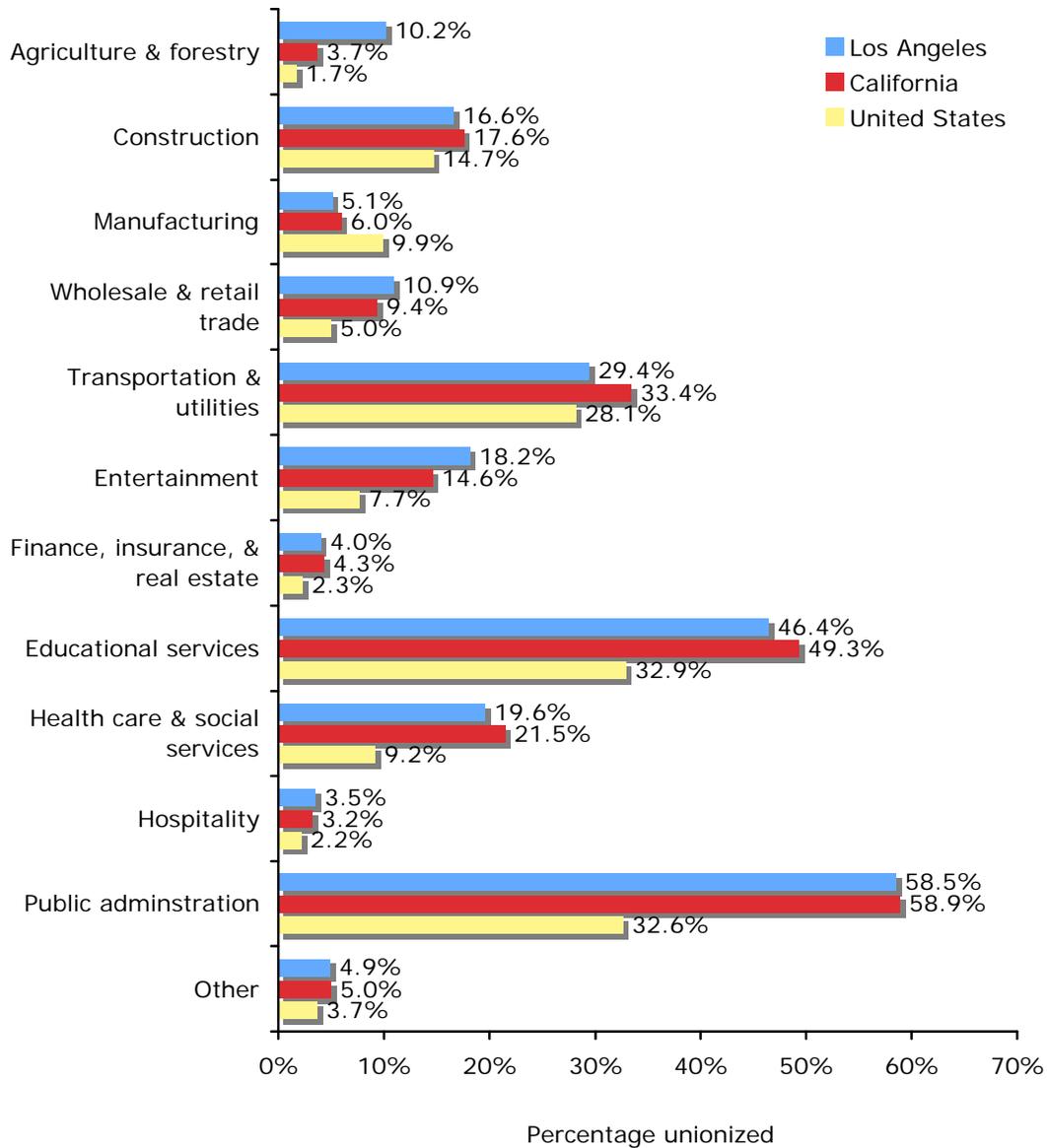
and 8.9% respectively), while much lower than their public sector rates, were still significantly higher than the 6.7% national rate.

Private sector unionization in Los Angeles and California held steady from 2011 to 2012. The estimated private sector rate for U.S. as a whole fell from 6.9% to a historic low of 6.7%, which, as noted, depressed the overall U.S. unionization rate.

The U.S. public sector rate (36.7%) did not change from 2011. The small increase in Los Angeles' public sector rate from the previous year was not significant statistically. California's public sector unionization rate increased from 55.9% to 58.4% from 2011 to 2012, a statistically significant change. From 2011 to 2012, the number of workers in California's public sector grew by an estimated 2%. The increased rate therefore does not appear due to a disproportionate shedding of non-union jobs, as seems the case from 2010 to 2011 for California and the United States.

In 2010 to 2011, public sector unionization rates showed a slight uptick in California and the United States. The absolute size of the public sector workforces in California and the United States decreased, however. The increase in unionization rates suggests that unionized workers were able to protect some of their jobs from elimination and that job losses were concentrated among nonunionized positions.

Figure 4. Unionization Rates by Selected Industry Group, Los Angeles, California, and the United States, 2012



Note: Percentages for 2012 include data for the 12 months from July 2011 through June 2012.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

Unionization rates widely among industry groups, as Figure 4 highlights. In 2012, educational services and public administration were the most highly unionized industry groups in Los Angeles, California, and the United States. Public administration and educational services include relatively large numbers of college-educated workers.⁹

⁹ Schmitt, J. (2010). The wage penalty for state and local government employees. Center for Economic and Policy Research. www.cepr.net/documents/publications/wage-penalty-2010-05.pdf.

Table 1. Number and Percentage of Union Members by Selected Industry Groups, Los Angeles, California, and the United States, 2012¹⁰

Industry Group	Los Angeles		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>	2,242	0.2%	10,669	0.4%	20,888	0.1%
<i>Construction</i>	54,270	4.9%	129,681	5.3%	981,463	6.7%
<i>Manufacturing</i>	42,482	3.9%	89,606	3.7%	1,367,954	9.4%
<i>Wholesale & retail trade</i>	100,996	9.2%	182,854	7.5%	899,670	6.2%
<i>Transportation & utilities</i>	121,112	11.0%	250,249	10.2%	1,897,725	13.0%
<i>Entertainment</i>	48,334	4.4%	67,658	2.8%	255,438	1.7%
<i>Finance, insurance, & real estate</i>	18,779	1.7%	38,434	1.6%	195,123	1.3%
<i>Educational services</i>	297,866	27.1%	677,323	27.6%	4,140,234	28.3%
<i>Health care & social services</i>	174,844	15.9%	402,160	16.4%	1,647,977	11.3%
<i>Hospitality</i>	18,399	1.7%	33,603	1.4%	206,911	1.4%
<i>Public administration</i>	164,039	14.9%	438,600	17.9%	2,201,903	15.1%
<i>Other</i>	57,439	5.2%	130,181	5.3%	791,841	5.4%
Total	1,100,802	100.0%	2,451,018	100.0%	14,607,128	100.0%

¹⁰ As noted in footnote 1, point estimates in this report are based on sample sizes and are thus subject to a margin of error. Since the data in this table are disaggregated by industry group, sample sizes for many of the point estimates are very small and subject to wide margins of error.

Table 1 displays the relative composition of union membership by industry group in Los Angeles, California, and the United States. Workers in educational services accounted for over a quarter of union membership in all three jurisdictions in 2012, more than workers in any other sector. In all three jurisdictions, public administration accounted for over one seventh of total union membership. In Los Angeles and California, public administration, followed by health care and social services, accounted for the second and third largest sectors among union members. In the national union membership, public administration (15.1%) and transportation and utilities (13.0%) were the second and third largest sectors.

As Table 1 demonstrates, the composition of union membership in Los Angeles and California differed from that of the United States. In Los Angeles and California, the share of manufacturing workers in union membership was less than half their share in national union membership. Likewise, construction accounted for a smaller share of union membership in Los Angeles and California than in the United States as a whole. Health and social services accounted for greater shares of union membership in Los Angeles and California, however. The composition of Los Angeles' union membership also differed from that of California and the nation. Entertainment and wholesale and retail trade constituted a larger share of union membership in Los Angeles than in California and the United States. In Los Angeles, 9.2% of union members were in the wholesale and retail trade sector, a percentage significantly higher than the national percentage of 6.2%. The share of entertainment sector workers in Los Angeles' union membership (4.4%), was also significantly higher than their share in the national union membership (1.7%).

Unionization rates by area

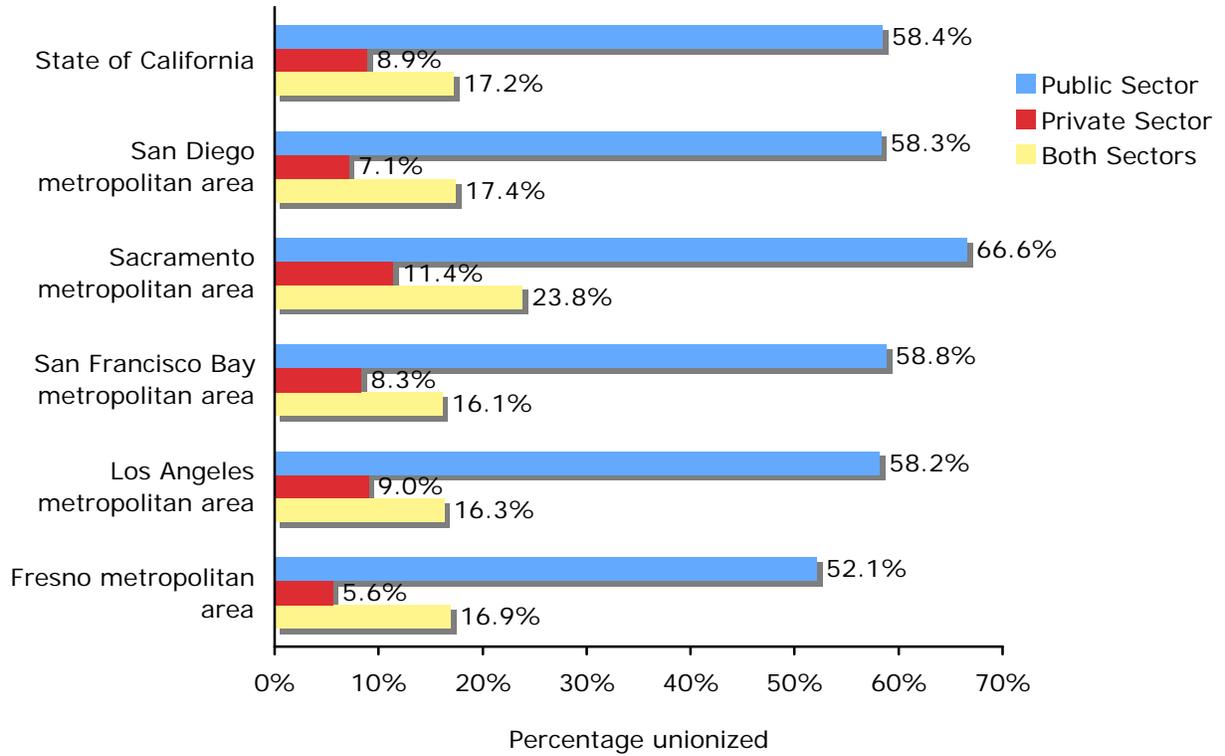
Unionization rates varied across California's major metropolitan areas in 2012, as Figure 5 (next page) shows.¹¹ Sacramento had a relatively high public sector unionization rate (66.6%). The larger size of Sacramento's public sector compared to that of other metropolitan areas, due to its status as the state capital, accounts for its relatively high overall rate (23.8%).¹² Fresno had relatively low private and public sector unionization rates (5.6% and 52.1% respectively). San Francisco, which had been a traditional union stronghold in California, now has the lowest overall unionization rate (16.1%) among the five metropolitan areas examined, though still a relatively high public sector rate (58.8%).

Public sector rates increased in 2012 from their 2011 levels in every metropolitan area except Fresno, where the rate declined. Los Angeles' private and public sector rates continued to track those of California in 2012 quite closely, which is not surprising given that Los Angeles accounts for nearly half of California's union members.

¹¹ As noted, the Los Angeles metropolitan area includes Los Angeles, Long Beach, Santa Ana, Oxnard, Thousand Oaks, Ventura, Riverside, San Bernardino, and Ontario. The San Francisco Bay metropolitan 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.

¹² The difference between Sacramento's estimated public sector rate and those of the other examined metropolitan areas is not statistically significant. Metropolitan level estimates are based on small sample sizes and thus subject to a wider margin of error.

Figure 5. Unionization Rates in Selected Metropolitan Areas, California, 2012



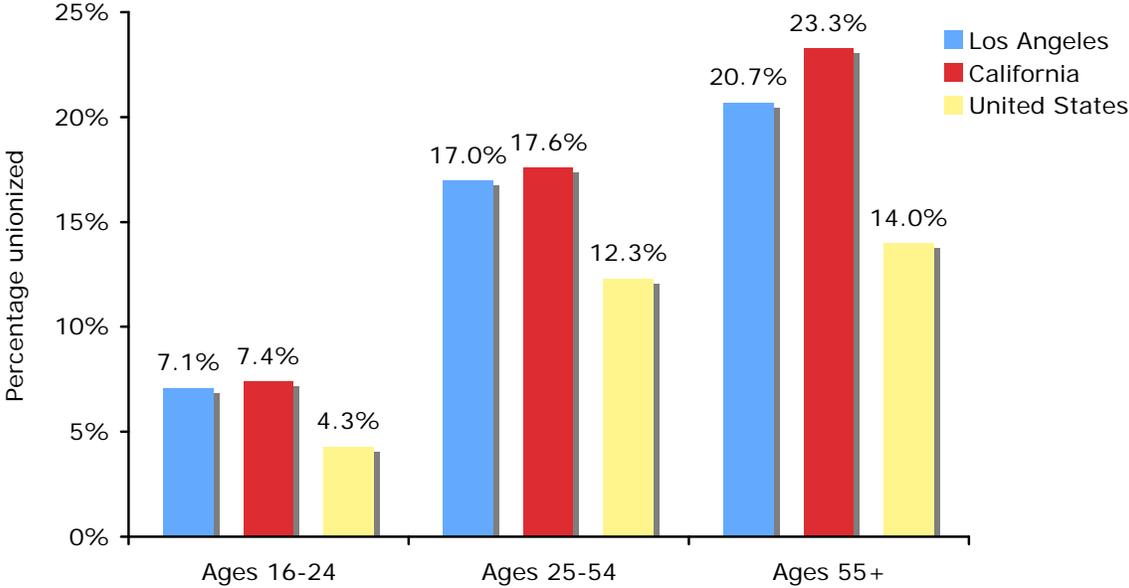
Note: Percentages for 2012 include data for the 12 months from July 2011 through June 2012.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

Unionization rates by demographic group

Unionization rates varied considerably by age (Figure 6). Older workers were more likely to be unionized than younger workers in 2012, consistent with previous years. Unionization rates were highest for workers aged 55 and older, followed by workers aged 25 to 54. Workers aged 16 to 24 had the lowest unionization rates. This pattern was consistent across Los Angeles, California, and the United States. There were no significant changes in rates across these age groups from 2011.

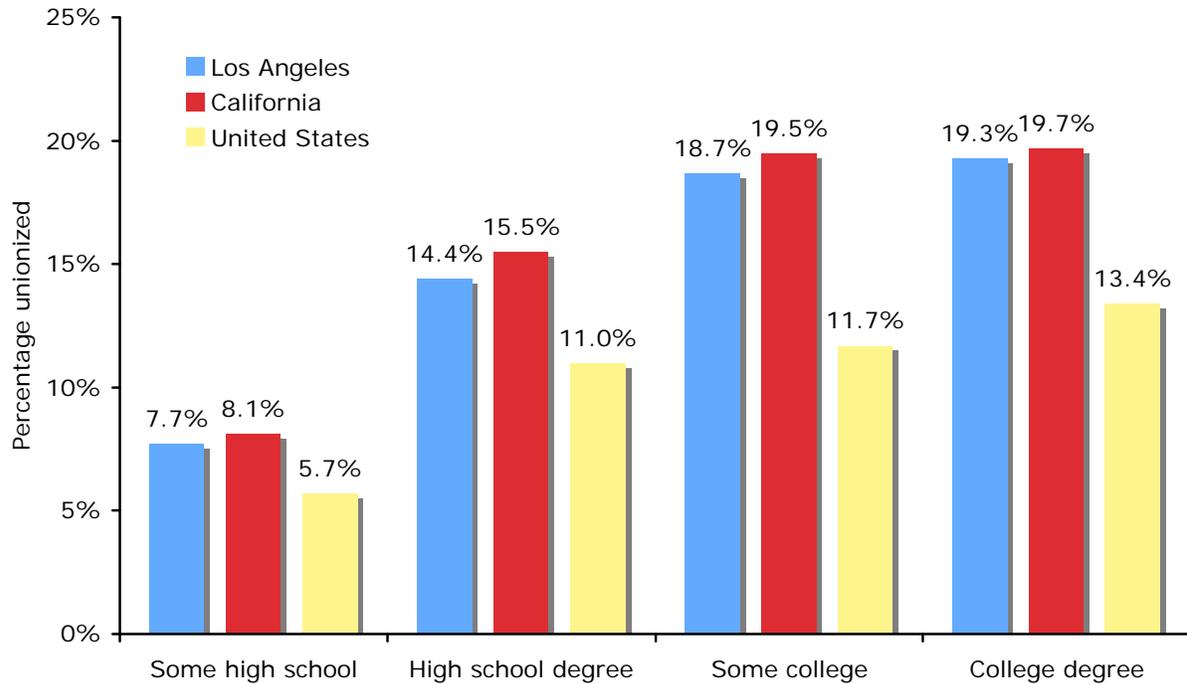
The unionized workforce tends to be older than the nonunionized workforce for several reasons. First, as Figure 2 shows, unionized jobs, on average, provide workers with substantially higher wages than do nonunion jobs, and higher wages are typically associated with lower employee turnover. Second, unionized jobs generally offer more job security than nonunion jobs; job security further reduces turnover and similarly accounts for the older average age of unionized workers compared to nonunionized workers. Likewise, seniority rules in union contracts lead to longer job tenure.

Figure 6. Unionization Rates by Age, Los Angeles, California, and the United States, 2012



Note: Percentages for 2012 include data for the 12 months from July 2011 through June 2012.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

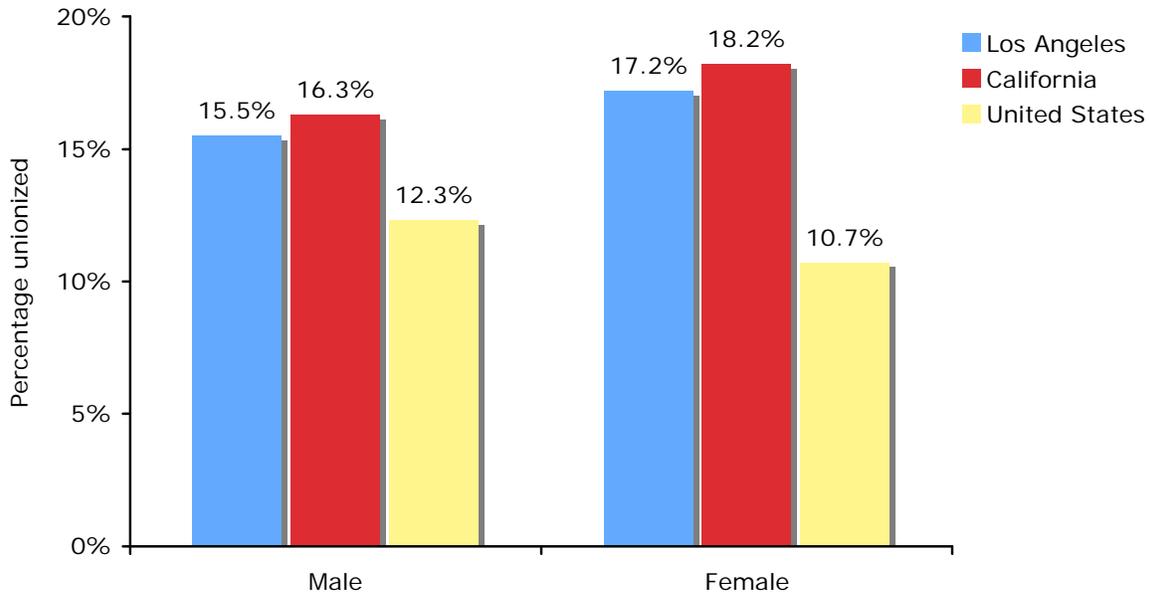
Figure 7. Unionization Rates by Education, Los Angeles, California, and the United States, 2012



Note: Percentages for 2012 include data for the 12 months from July 2011 through June 2012.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

As Figure 7 illustrates, for Los Angeles, California, and the United States in 2012, the unionization rate also increased with the amount of formal education, consistent with the trend of prior years. Workers with a college degree had the highest unionization rates. Close to one out of every five workers with a college degree or who attended some college were union members in Los Angeles and California. 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 the sectors of educational services and public administration.

Figure 8. Unionization Rates by Gender, Los Angeles, California, and the United States, 2012

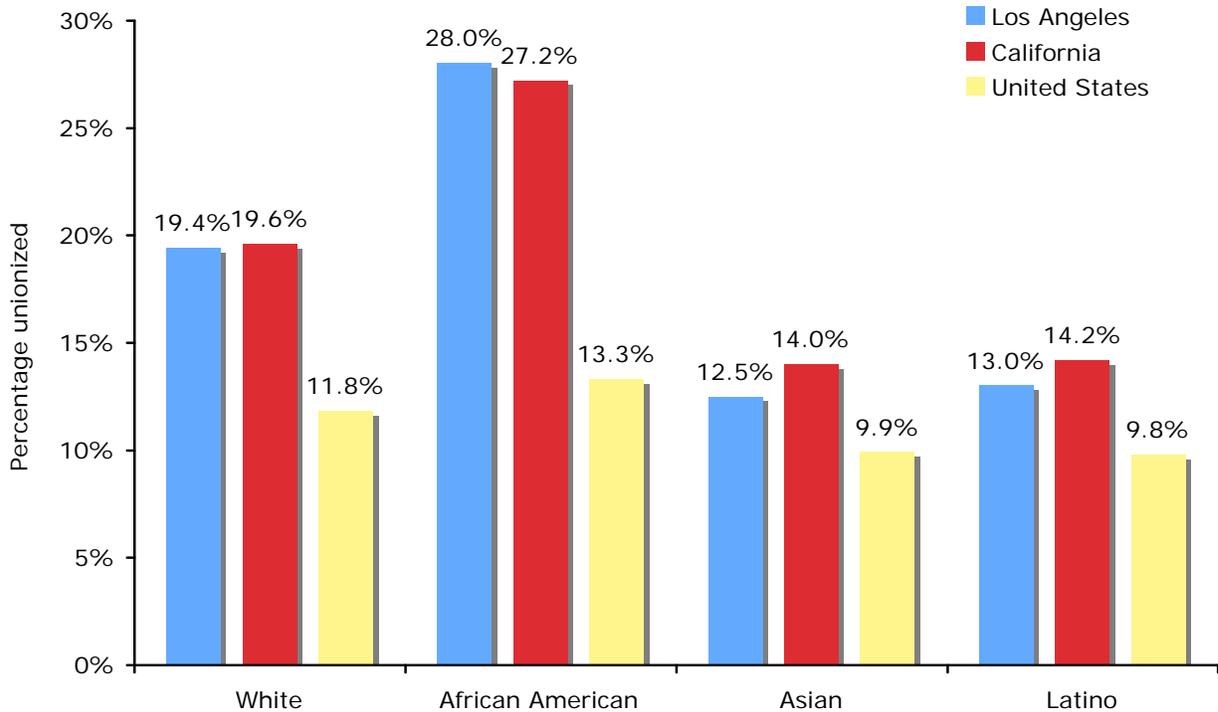


Note: Percentages for 2012 include data for the 12 months from July 2011 through June 2012.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

Figure 8 shows unionization rates by gender. The high level of unionization in educational services and public administration (Figure 7) also shapes gender-specific unionization rates. Both industries rely heavily on female workers. Figure 8 shows that, contrary to conventional wisdom, women were more unionized than men in Los Angeles and California in 2012. In California, the estimated unionization rate for women was significantly higher than the estimated rate for men. The unionization rate for women in the United States as a whole (10.7%), however, was over one percentage point lower than the rate for men (12.3%), a statistically significant difference. The higher unionization rate for women in Los Angeles and California may reflect the fact that the public sector is much more highly unionized in both of these jurisdictions than it is in the nation as a whole (see Figures 2 and 7 above).

There were no significant changes in the unionization rates for men and women in 2012. As the job repercussions of the recession taper off, the downward trend in male unionization rates may have ended for now. Observers suggested that the declining male unionization rates of previous years were attributable to the recession's disproportionate effect on male unemployment and elimination of jobs in highly unionized, traditionally male occupations such as construction and manufacturing.

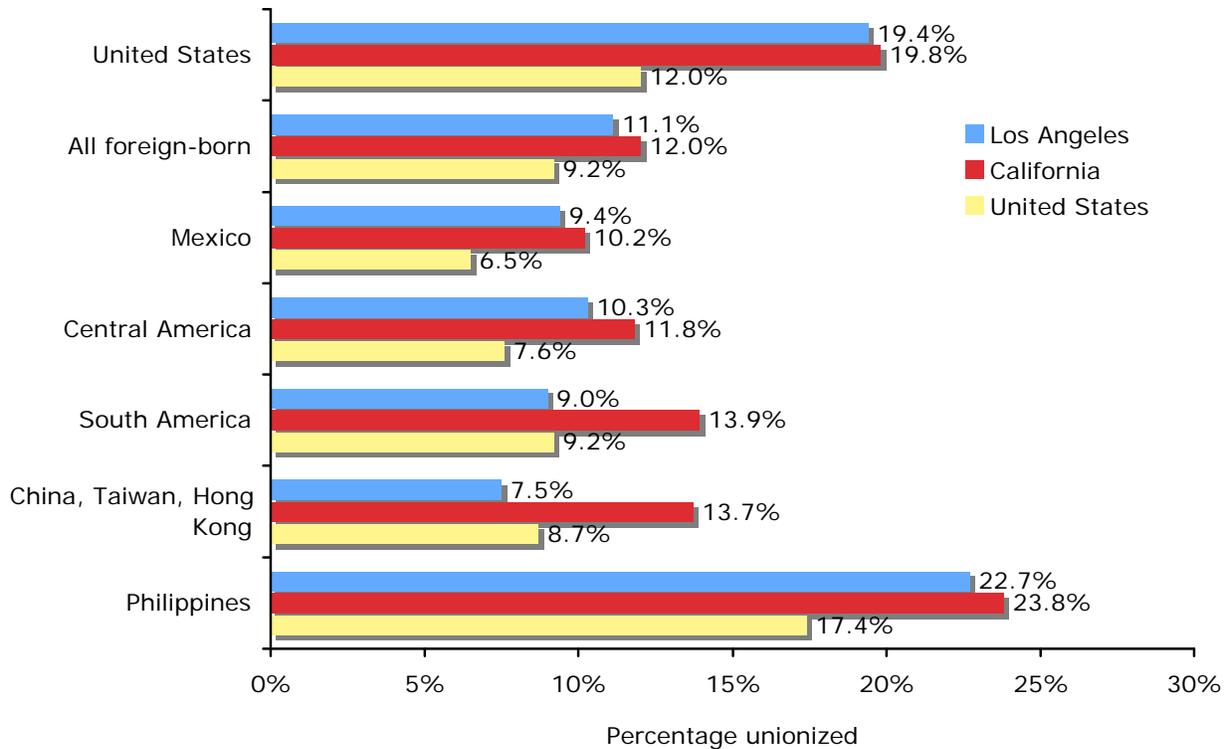
Figure 9. Unionization Rates by Race and Ethnicity, Los Angeles, California, and the United States, 2012



Note: Percentages for 2012 include data for the 12 months from July 2011 through June 2012.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

Unionization rates also vary quite widely by race and ethnicity, as Figure 9 depicts. In 2012, African Americans had the highest unionization rates among the four examined categories. In part, this is due to African Americans' higher propensity to be employed in the public sector. Whites had the second highest unionization rates of the examined categories. As discussed below, U.S.-born workers are more likely to be unionized than are immigrants (although this depends on citizenship status and date of arrival). Since African Americans and whites are far more likely to be U.S.-born than Asians and Latinos, overall African American and white unionization rates exceed those of Asians and Latinos.

Figure 10. Unionization Rates by Place of Birth, Los Angeles, California, and the United States, 2012



Note: Percentages for 2012 include data for the 12 months from July 2011 through June 2012.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

Foreign-born workers make up a much larger share of the California workforce than is true for the country as a whole.¹³ The next figures examine the implications of this phenomenon for unionization rates in Los Angeles, California, and the nation.

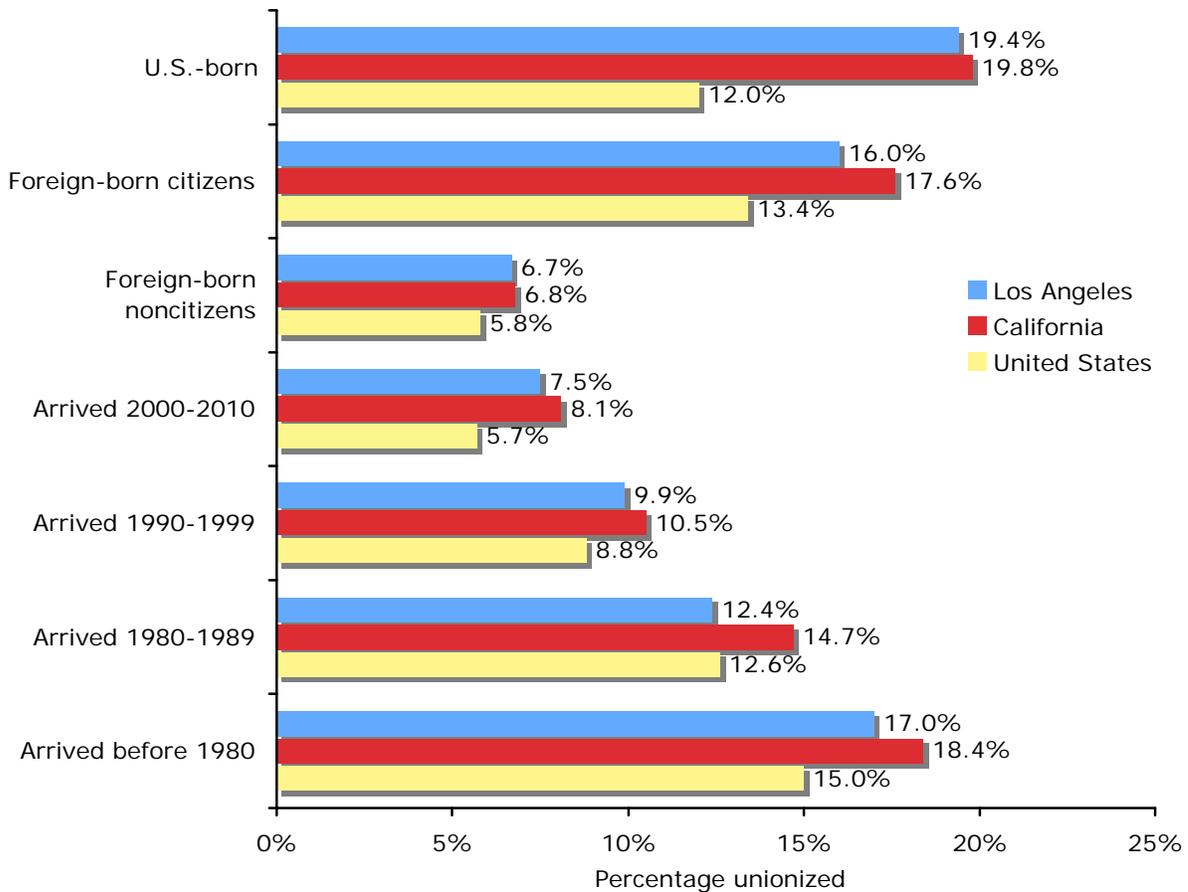
Figure 10 demonstrates that unionization rates varied not only between U.S.-born and foreign-born workers, but also by nativity, or place of birth. One reason why U.S.-born workers were more highly unionized than foreign-born workers as a whole was because relatively few foreign-born workers were employed in the highly unionized public sector. Workers born in the Philippines, however, had higher rates of public sector employment than other foreign-born workers. Their public sector employment rates in California and the United States approximate that of U.S.-born workers. In 2012, Philippine-born workers had significantly higher unionization rates than other foreign-born workers¹⁴ in all three jurisdictions *and* than U.S.-born workers for the United States as a whole.¹⁵

¹³ Congressional Budget Office. (July 2010). The role of immigrants in the U.S. labor market: An update. www.cbo.gov/ftpdocs/116xx/doc11691/07-23-Immigrants_in_Labor_Force.pdf.

¹⁴ In Los Angeles and California, however, the difference for workers born in South America from the rate for Philippine-born workers was not statistically significant.

¹⁵ Changes in the estimated rates from 2011 could be due to sampling variability. Unionization rates for Los Angeles and California workers born in South America dropped from 20.8% to 9.0% in Los

Figure 11. Unionization Rates by Place of Birth, Citizenship, and Date of Arrival, Los Angeles, California, and the United States, 2012

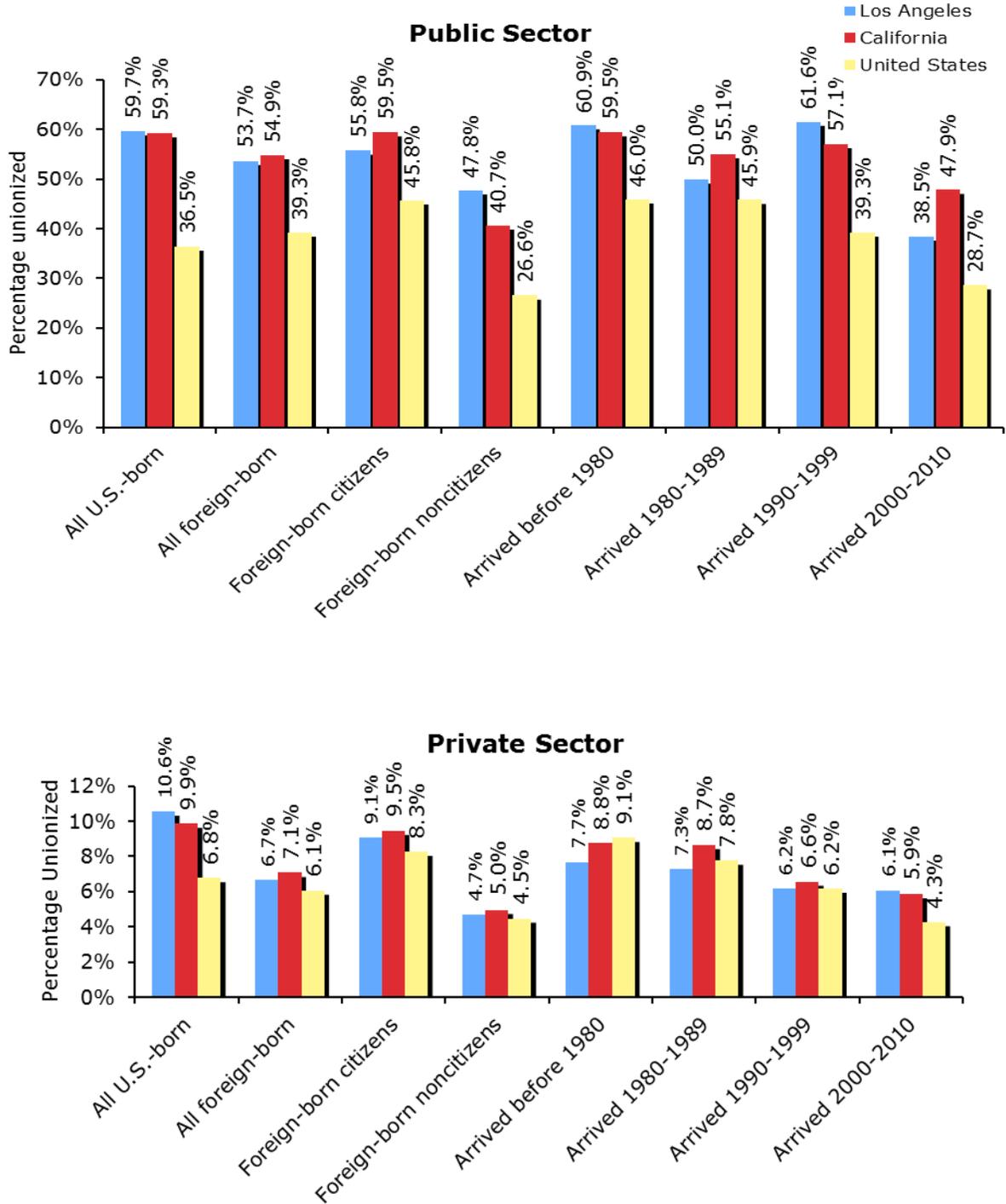


Note: Percentages for 2012 include data for the 12 months from July 2011 through June 2012.
 Source: CEPR Uniform Extracts of the Outgoing Rotation Groups of the US Current Population Survey.

Though U.S.-born workers are more likely to be union members than the foreign-born as a whole, *foreign-born workers who became U.S. citizens and those who arrived in the United States before 1980 had higher unionization rates than U.S.-born workers* (Figure 11). The unionization rate for foreign-born citizens in 2012 for the nation as a whole was 13.4%, and the rate for those who arrived before 1980 was 15%. Both rates are significantly higher than the 12.0% rate for U.S.-born workers (shown in Figure 10). A similar pattern emerged for foreign-born workers in Los Angeles and California who arrived prior to 1980. There was no statistically significant difference between their unionization rates and the rates for U.S.-born workers. Likewise, there was no significant difference in unionization rates between foreign-born citizens and U.S.-born workers in California. In Los Angeles and California, unionization rates between workers who arrived before 1980 and those who arrived between 1980 and 1989 did not vary significantly, although these rates were significantly higher than the rates for the most recent arrivals—workers who arrived in the United States between 2000 and 2010.

Angeles and from 18.3% to 13.9% in California. These changes were not statistically significant, however.

Figure 12. Unionization Rates in Public and Private Sectors for Selected Demographic Groups, Los Angeles, California, and the United States, 2012



Note: Percentages for 2012 include data for the 12 months from July 2011 through June 2012.
 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 in every category—by place of birth, citizenship status, and date of arrival. Even noncitizens and recently arrived immigrants, whose overall unionization rates are very low (see Figure 11), had relatively high public sector unionization rates in all three jurisdictions.

The disaggregated data confirm that certain immigrant groups were more likely to be unionized than U.S.-born workers. In the disaggregated data we see that for the United States as a whole, in *both* the public and private sectors, the unionization rates of foreign-born workers who arrived prior to 1980 are considerably *higher* than the rates for U.S.-born workers (Figure 12). These differences are statistically significant. Also, in the public sector for the U.S. as a whole, foreign-born citizens and even somewhat more recent arrivals—those who arrived between 1980 and 1989—had much higher unionization rates than U.S.-born workers, differences that are also statistically significant. In the Los Angeles and California public sectors, the differences in unionization rates between U.S.-born and foreign-born workers were not statistically significant.

Relatively few noncitizen workers and recently arrived immigrants worked in the public sector in the United States in 2012. Only 5.2% of all noncitizen workers and 7.4% of foreign-born workers who arrived after 1980 were employed in the public sector, compared to 15.6% of all U.S.-born workers. Consequently, 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 noncitizens and foreign-born workers who arrived after 1980 (with the exception of the U.S. rate for foreign-born workers arriving between 1980 and 1989).

CONCLUSION

Although the U.S. unionization rate fell to another historic low in 2012, the repercussions of the Great Recession seem to have abated some in 2012. The U.S. saw no significant decrease in the private sector unionization rate, and the public sector rate was flat. The slight increase in unionization rates from 2007 to 2009 appears to have been due to the more highly unionized public sector growing as a proportion of the workforce relative to the private sector. When the jobs fallout from the recession caused severe public sector job losses from 2009 to 2011, the changing composition of the workforce, as well as private sector job losses concentrated in unionized industries, this time dragged down the country's unionization rate. In 2012, slow job growth in the private sector and a slackening in public sector job loss seem to have stabilized rates somewhat.

The 2012 picture is somewhat better in Los Angeles and California, where private sector unionization rates were essentially flat over the last year, and public sector unionism increased significantly in California even as the public sector added jobs.

The eye of the storm has shifted to the public sector over the last year. Attacks by Republican-dominated state governments on public sector unions galvanized spirited responses from workers and their supporters. Now that over half of all union members in the United States are public sector employees, organized labor's future in the U.S. will in no small part depend on how public sector unions weather the tempest.

Restoring workers' collective organization and voice is of critical importance now. As U.S. unionization has declined, we have seen some four decades of increasing income and wealth inequality, as well as declining or stagnant earnings for most workers. These trends have persisted despite recovery in GDP following the official end of the Great Recession in 2009—the recent drop in the unemployment rate is due mostly to the long-term unemployed being dropped from the calculation.

We want to highlight findings that unionization remains important to improving workers' lives and the strength of the U.S. economy. Unionized workers earn substantially more than their nonunion counterparts, and they were able to protect some decent public sector jobs from elimination, helping to sustain the economy's aggregate demand. There is also evidence that Los Angeles workers' relatively high unionization rate provided an additional earnings premium compared to their unionized counterparts in areas with lower unionization rates.

Unionization also tends to benefit the country's more vulnerable workers, including African Americans, unskilled workers, and immigrants. African Americans have high unionization rates. Further, although high-skilled public employees earn less than their private sector counterparts with similar education and experience, low-skilled unionized public employees tend to earn living wages, unlike most low-skilled private sector workers. Also notable are the relatively high unionization rates of foreign-born citizens and immigrants who arrived in the United States at least two decades ago. Despite civic, political, and cultural obstacles to improving their welfare, many immigrants are seeking to take advantage of the benefits of unionization.

On the one hand, unions' fortunes over the last several years have depended on the fortunes of the economy. On the other hand, aggregate demand in the economy, and opportunities for less advantaged workers, depend in important ways on restoring the vitality of unions. Recent economic trends show continued threats to unions—and, for that matter, to the economy as a whole—but also opportunities.