

THE STATE OF THE UNIONS IN 2013

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

Patrick Adler and Chris Tilly

Institute for Research on Labor and Employment, UCLA

Ben Zipperer

University of Massachusetts, Amherst

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 2012 State of the Unions publication. The analysis for 2013 covers the entire 12-month period from July 2012 through June 2013, rather than only the six months from January 2013 through June 2013. 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.

Executive Summary

Each year, UCLA's Institute for Research on Labor and Employment (IRLE) has tracked unionization in Los Angeles and California for its *State of the Unions*. Past reports have focused on how union trends vary from one year to the next. This year, eight years after our first report, we have elected to take a longer view. The economy has been battered since that first report in 2005, a period that includes the Great Recession of 2008 and fiscal crises in numerous jurisdictions. This report examines whether the economic turmoil of those recent years has had a lasting impact on union activity. Many observers fear that the economy has entered a "jobless recovery"; could we be in the midst of a "unionless" recovery as well?

Through our analysis, we find that the recovery is *not* "unionless." The overall level of unionization has remained stable over the past eight years; workers in Los Angeles and California are still more likely to be unionized than Americans generally. The steadiness of overall union activity *does* mask significant changes for certain groups of workers, however. Our analysis decomposes unionization rate by gender, race, age, industry, and immigrant status and finds significant changes for some sectors and immigrant groups.

In a significant change, some of the groups that have immigrated the most in recent decades—Central Americans and Chinese—have become even more unionized. While overall immigrant unionization levels have not changed during the study period, some groups have seen significant growth. While Los Angeles and California have higher unionization rates than the nation as a whole, their rates for immigrants are comparable, and have been for the past eight years.

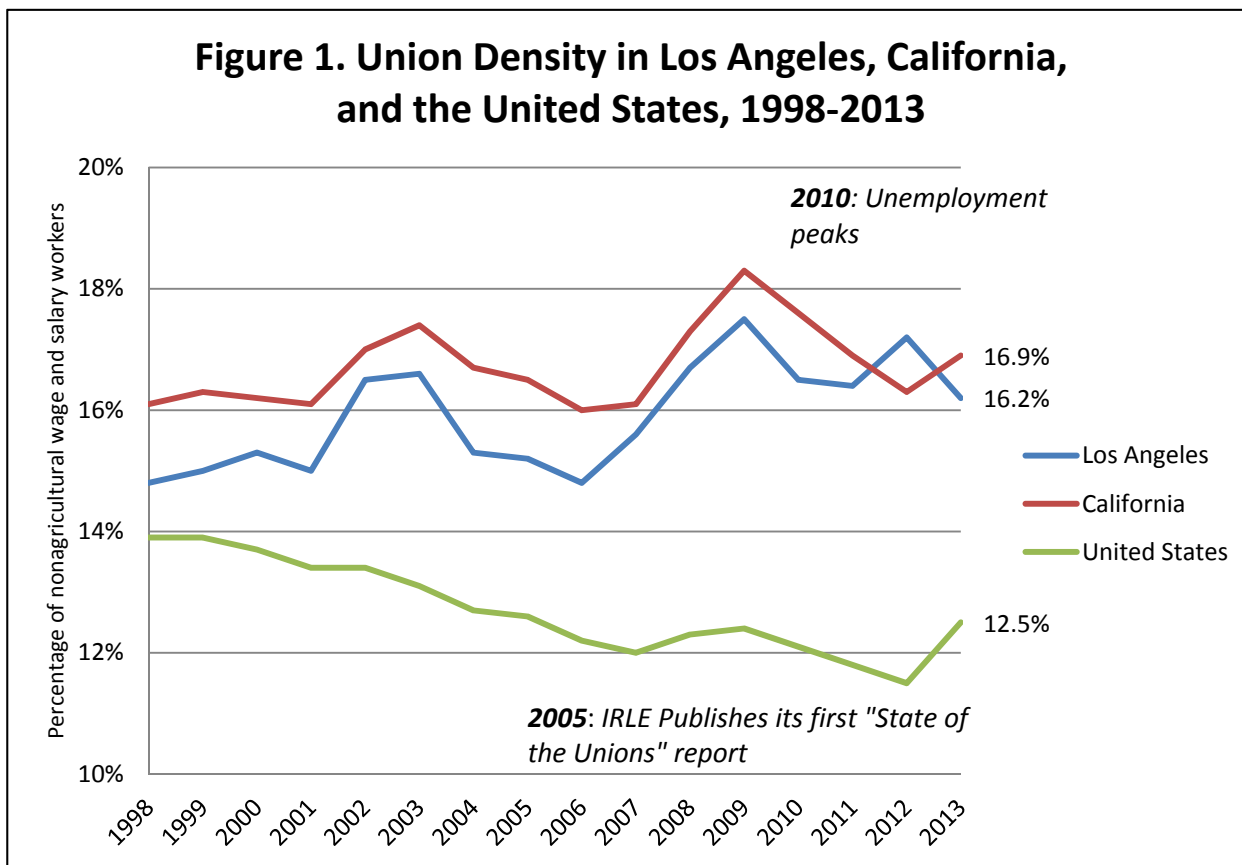
In Los Angeles and California, the Entertainment industry is less unionized today than it was at the peak of the crisis. Transportation and Utilities, Agriculture, Construction and Manufacturing have also seen declines. The three industries with the most union workers—Education, Healthcare, and Public Administration—are noticeably more unionized today than they were eight years ago and more unionized in the city and state than in the nation as a whole.

Union impact on pay has dipped only marginally since 2005. In Los Angeles, union workers make 27% more than their non-union counterparts, down from 30% eight years ago, but up slightly from 25% at the height of the recession. The premium in California dropped by around one percent between 2005 and 2009 and then again between 2009 and 2013. Union membership is still more remunerative in Los Angeles than in California and the US as a whole.

Overall Unionization Rate

The union participation rate is a basic barometer of union activity in a particular jurisdiction. It measures the percentage of the nonagricultural workforce with union membership. Over the last year, union participation has increased very slightly in California from 16.3% to 16.9% and by a full percentage point (11.5% to 12.5%) in the United States generally. In Los Angeles, union participation has dropped by a percentage from last year's 17.2%. Of these, only the US change is statistically significant, which prompts us to look at changes over a longer period of time.

Figure 1 tracks how the unionization rate has changed annually since 1998, well before we started publishing this report. Although there have been substantial swings in the key rate over time, the local rates have not changed substantially. In California there has been a 0.5% increase in unionization over the past fifteen years, and a 0.6% increase in Los Angeles.



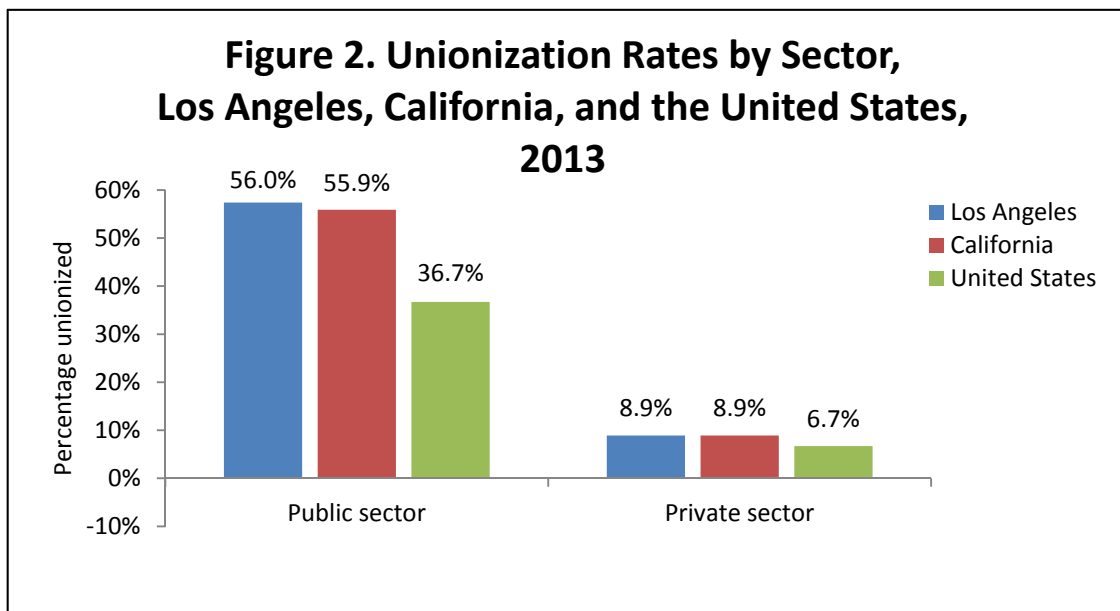
Note: Percentages are based on the 12 months from July of the previous year through June of the following year. For example, the percentage of workers who are union members in 2013 includes data from July 2012 to June 2013.

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

Current unionization rates appear to have stabilized from their levels during the Great Recession. In September of 2010, California reached its peak unemployment level at 12.4%. Shortly before this point, in 2009, the unionization rate in Los Angeles and California peaked at 17.5% and 18.3%, respectively.

Why did the unionization rate first increase at the beginning of the crisis before decreasing? Changes in the size of the private sector offer a partial explanation. At the outset of the crisis, the

private sector of California and Los Angeles lost jobs faster than the public sector. Because the public sector is unionized at a much higher rate (See Figure 2), more of the jobs left in the economy were unionized, causing the union rate to increase. In 2011, as some jobs returned to the private sector, the unionization rate decreased again.

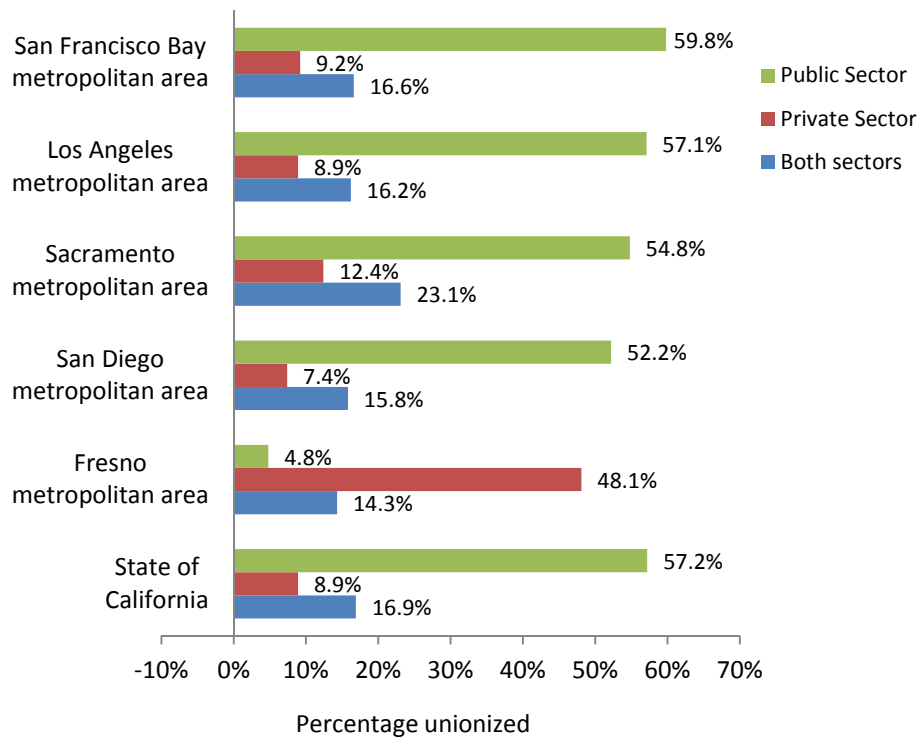


Note: Percentages are based on the 12 months from July of the previous year through June of the following year. For example, the percentage of workers who are union members in 2013 includes data from July 2012 to June 2013.

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

In California, unionization rates vary somewhat geographically. Figure 3 shows unionization rates for Los Angeles and California, along with four additional metropolitan areas: Sacramento, Fresno, San Diego, and San Francisco. 23% of Sacramento's workers are in unions, while only 14% of Fresno's workers are in unions. San Diego and San Francisco's rates are in between at 16% and 17%, respectively. The spatial disparities seem to be driven largely by the size of the public sector. Sacramento, with its myriad governmental functions as the state capital, has a noticeably higher unionization rate than the rest of the metro areas.

Figure 3. Unionization Rates in Selected Metropolitan Areas, California, 2013



Note: Percentages are based on the 12 months from July of the previous year through June of the following year.
Source: CEPR Uniform Extract of the Outgoing Rotation Groups of the US Current Population Survey.

As with Los Angeles and California as a whole, the additional metropolitan areas have not seen large changes across time. San Francisco's unionization rate in 2005 was 16.6%; even at the peak of the crisis, that metro's rate was not significantly different (18.4%). Fresno's union rate dropped by a single percentage point between 2005 and 2013 while San Diego's rate increased by 1.2 points. Sacramento's rate dropped by 2.5 percentage points, but even this drop was not statistically significant given our small sample size.

It is striking that unionization rates today have not changed dramatically given the changes that the economy as a whole is undergoing. California's unemployment rate in June of 2013 is a full 3.2 points higher than it was eight years ago. Los Angeles' 9.2% rate is 4.2 percentage points higher than it was eight years ago². Persistent unemployment has led numerous scholars to conclude that we are in a "Jobless Recovery," where many middle-income jobs will not return³. As the labor market becomes more bifurcated into high and low-income jobs, there is a fear that the social safety net will be tattered

²Bureau of Labor Statistics, U.S. Department of Labor (2013). "Local Area Unemployment Statistics." <http://www.bls.gov/lau/>

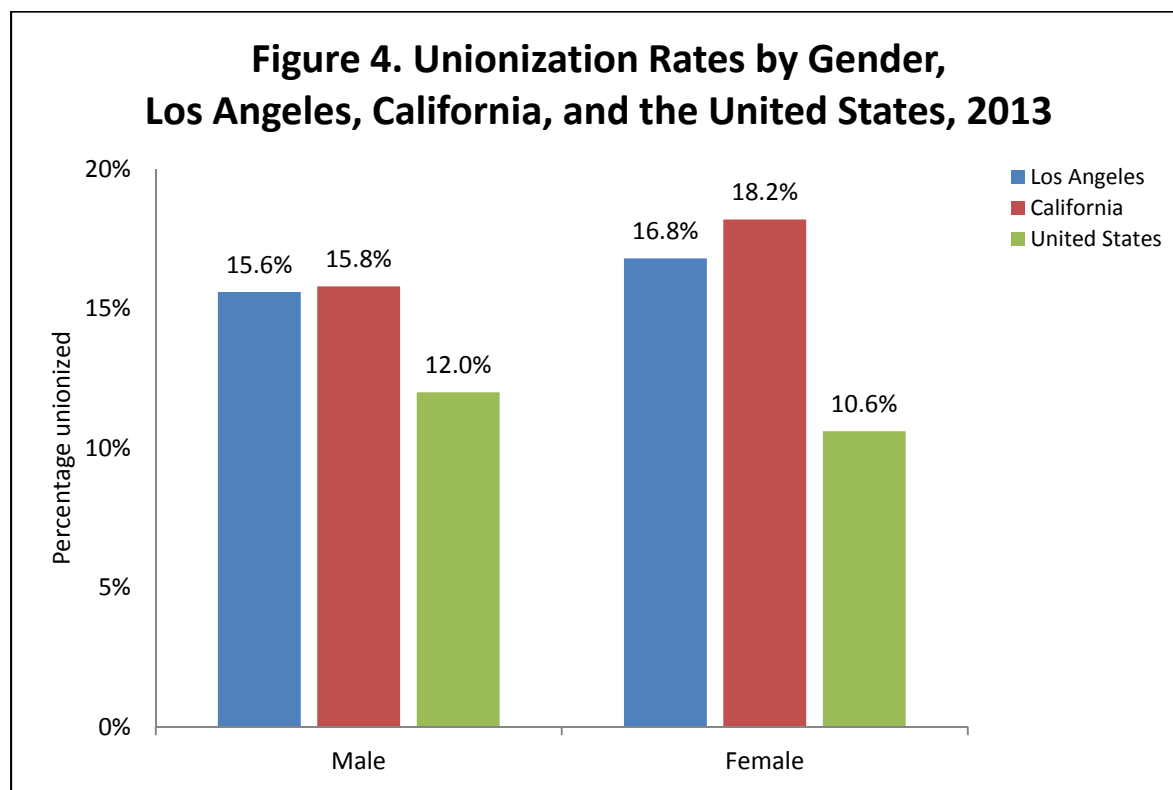
³Jaimovich, N. and Siu, H. (2012). "The Trend is the Cycle: Job Polarization and Jobless Recoveries." NBER Working Paper. <http://www.nber.org/papers/w18334>

under the weight of fiscal pressures. Contrary to these projections—at least thus far—we are not experiencing a “unionless recovery.”

Our next analysis decomposes unionization rate by gender, race, education, age, industry, and immigrant status. We find that while the overall magnitude of union participation has not changed, the nature of unionization has undergone some significant changes, in part due to changes in the composition of the labor force and of the industrial base. Union membership is more common among some immigrant sectors than others and more prevalent in some industries than others.

Unionization Rates by Demographic Group

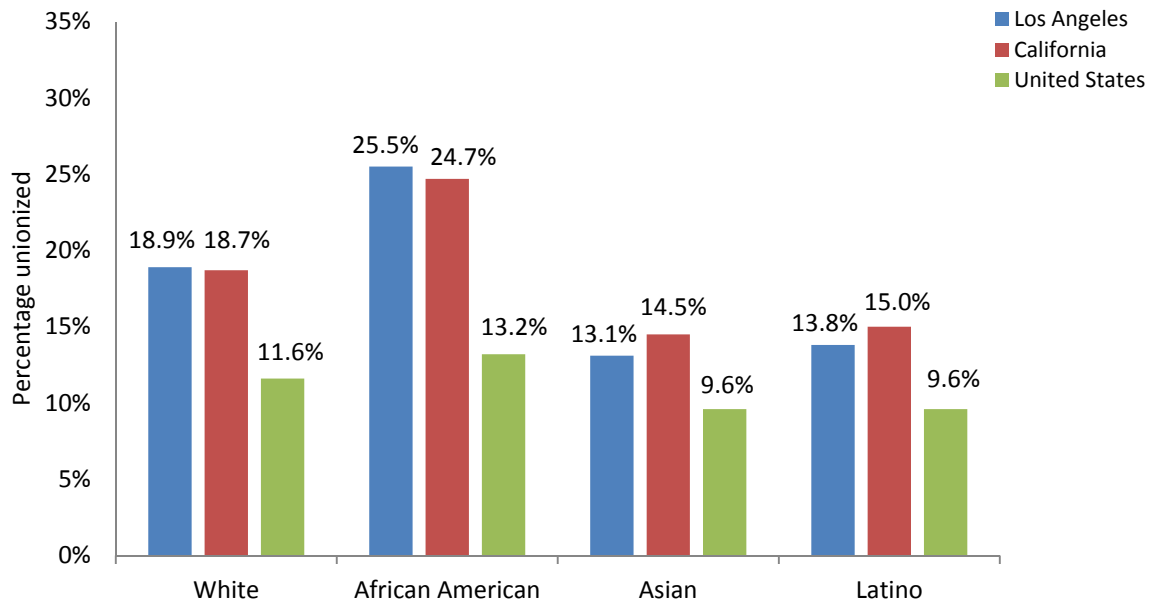
Unionization varies by gender and across genders by jurisdiction (Figure 4). In Los Angeles and California, the union rate for females (16.8% and 18.2%, respectively) was higher than for males (15.6% and 15.8%). Men were more likely to be in unions in the country as a whole (12% compared with 10.6%); only the differences for California and the US were statistically significant. California’s more female unions could have to do with the size of the public sector, as public sector work tends to have higher female participation than most industries. There were, however, no significant differences in these numbers over time; for instance, California’s female unionization rate was only 1.6 percentage points higher than in 2005 and Los Angeles’ was only 1.4 points higher.



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 2013 includes data from July 2012 to June 2013.

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

Figure 5. Unionization Rates by Race/Ethnicity, Los Angeles, California, and the United States, 2013



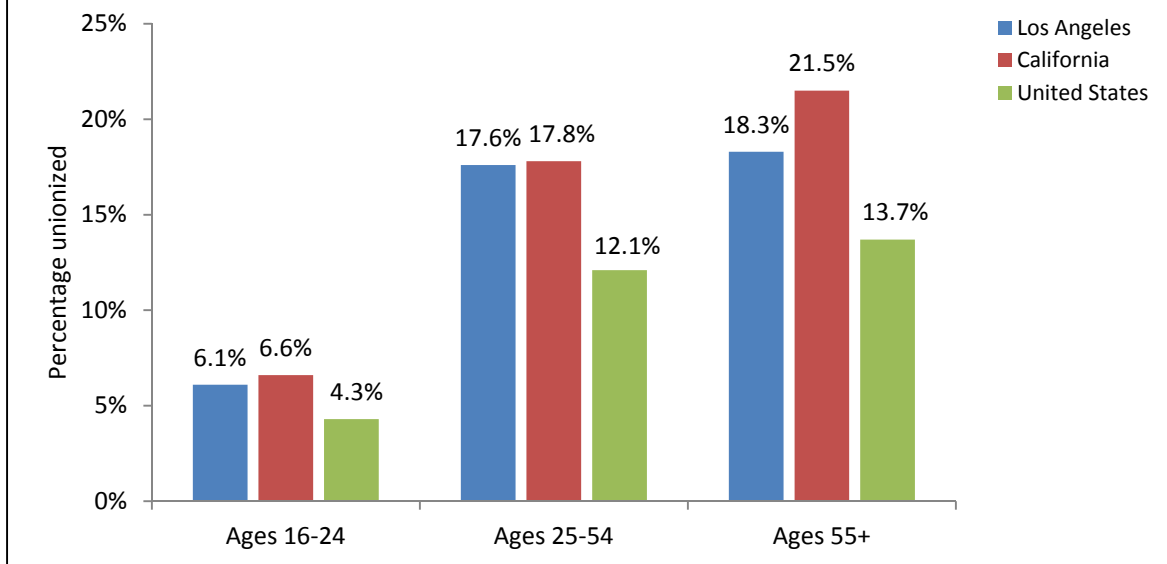
Note: Percentages are based on the 12 months from July of the previous year through June of the following year. For example, the percentage of workers who are union members in 2013 includes data from July 2012 to June 2013.

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

Racial and ethnic differences are illustrated in Figure 5. African Americans have the highest rates of unionization across all jurisdictions, but their advantage is higher locally than it is in the nation as a whole. The only significant difference when comparing racial subcategories to the overall unionization rates is found for African American union members in California and Los Angeles. The prominence of African Americans in local unions can most likely be explained by the high rates of public sector unionization in California and Los Angeles. Whites are the only other group to have above-average rates; however the magnitude of this difference is very small. Asians and Latinos unionize in slightly smaller percentages when compared to overall unionization.

How has unionization changed by race and ethnicity over time? Union rates by racial/ethnic subcategory have actually tracked the overall unionization rate. African American unionization grew by around 3 percentage points in Los Angeles and California between 2005 and 2009 before falling by the same amount by 2013. Also in Los Angeles, Latino unionization grew by 3.8 points and then fell again by 2.4. In the state as a whole, there was 2.4 percentage points growth in Latino unionization and then a 1.4 point drop. There were not significant changes when looking at the United States or other groups.

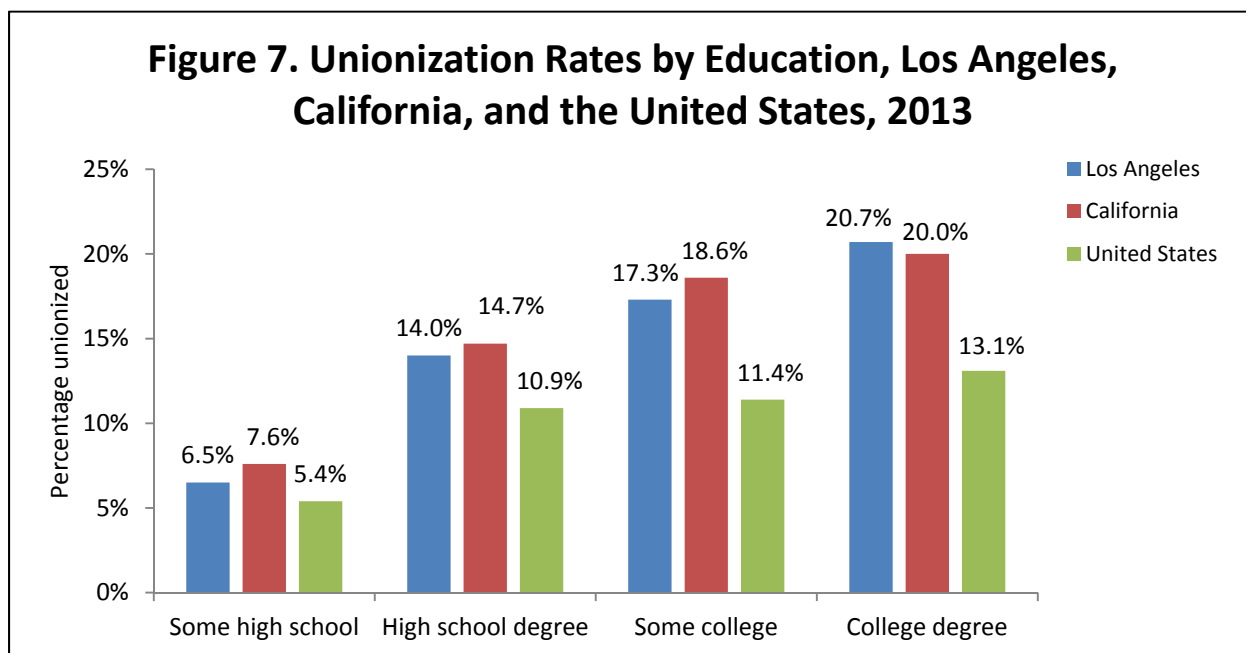
**Figure 6. Unionization Rates by Age,
Los Angeles, California, and the United States, 2013**



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 2013 includes data from July 2012 to June 2013.

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

As Figure 6 shows, older workers are also more likely to be union members. In all jurisdictions, workers who are over 55 years old have a higher-than-average probability of being in unions. Workers between 25 and 54 years of age have a roughly average likelihood of being unionized, while the youngest workers are unlikely to be in unions. The union bias to older workers can be partially explained by the better terms offered by unions to older members. Union jobs tend to pay higher than average wages and offer more protections against layoffs, features which tend to suppress the level of turnover in a job and increase the likelihood that a worker will age with her union.



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 2013 includes data from July 2012 to June 2013.

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

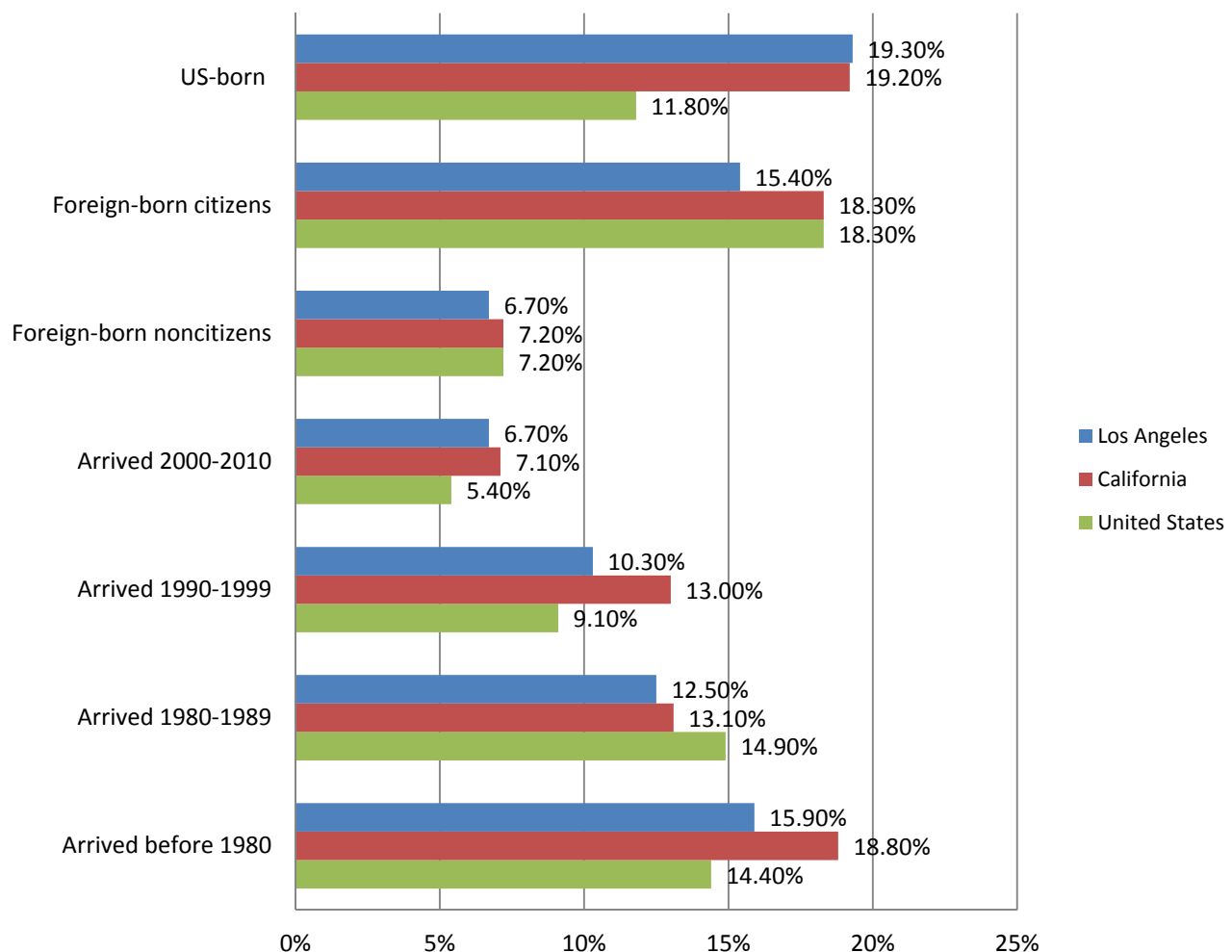
Unions were once seen as havens where less educated workers could earn a good living. Figure 7 decomposes unionization by educational attainment, and shows that unionization is now higher among the most educated. This finding is especially true for Los Angeles and California unions. Indeed, the unionization difference between the local unions and the US average is 1% and 2% for the least educated workers and a full 7 percentage points for degreed workers. Workers in Educational Service and Public Administration, two largely public industries, tend to have higher levels of educational achievements. Once again, California's strong public sector unionization seems to explain the demographic variation. Unionization did not change noticeably in any of the educational areas over the last eight years.

Over the past three decades, the American labor-force has been transformed by an influx of new immigrants, most of who originated in Asia and Latin America. We find significant variation in the tendency of certain immigrant groups to join unions, as well as in unionization by immigrant group over time.

Figure 8 displays differences in unionization based on the time that workers arrived in the United States. It shows that non-naturalized immigrants have much lower unionization rates than US-born workers. This is not surprising if we assume that non-citizens have been in the country for less time, or perhaps do not plan on staying for long enough to take advantage of unions. We also see that naturalized immigrants join unions at comparable rates in California and the nation as a whole, whereas naturalized workers in Los Angeles unionize five percent less than native workers. Across the board, unionization rates tend to grow as an immigrant has more time in the country. This is a promising development from the perspective of immigrant settlement—it shows that economic institutions become more accessible to immigrants over time.

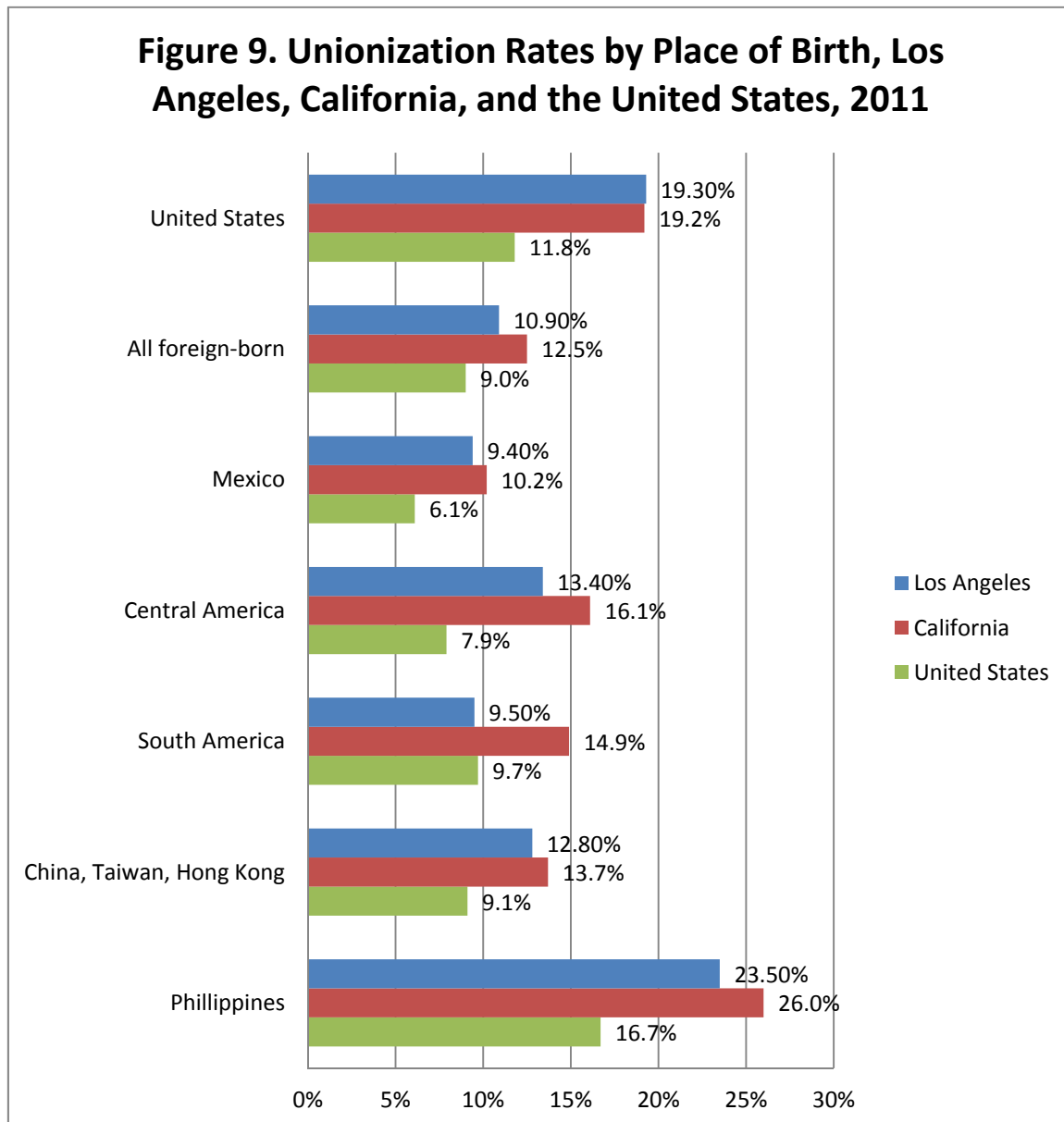
For the most part, the relationship between immigrants' time since arrival and unionization has remained stable over time. Many of these metrics did not vary over the past eight years in the three chosen jurisdictions. The lone statistically significant exception has been the US unionization for naturalized immigrations. That number grew significantly from 14.9% in 2005 to 18.7% at the height of the recession, and then remained at that level in 2013. But other rates changed in ways that are suggestive, even if they do not achieve full statistical significance based on this sample. Most notably, within each decade-of-arrival cohort of immigrants, union membership rates climbed from 2005-2013.

Figure 8. Unionization Rates by Citizenship and Date of Arrival, Los Angeles, California, and the United States, 2013



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 2013 includes data from July 2012 to June 2013.
Source: CEPR Uniform Extract of the Outgoing Rotation Groups of the US Current Population Survey.

There are important differences in unionization based on country of origin. Figure 9 shows rates for native-born workers, as well as workers from the largest sending regions. Neither African nor European immigrants are represented due to sample size restrictions. The figure shows that native born workers unionize at a significantly higher rate than foreign workers on average, and in every origin region with the exception of the Philippines; Filipino immigrants actually unionize at a significantly higher rate than native workers⁴.



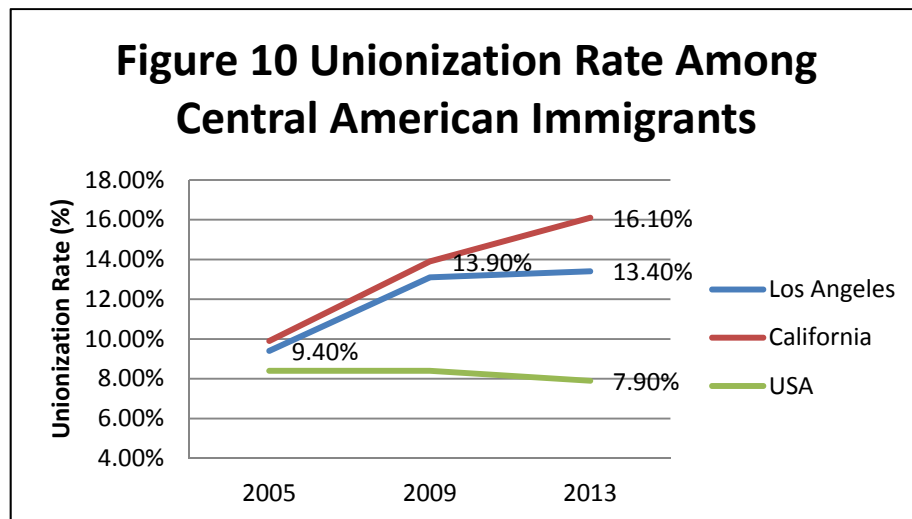
Note: Percentages are based on the 12 months from July of the previous year through June of the following year. For example, the percentage of workers who are union members in 2013 includes data from July 2012 to June 2013.

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

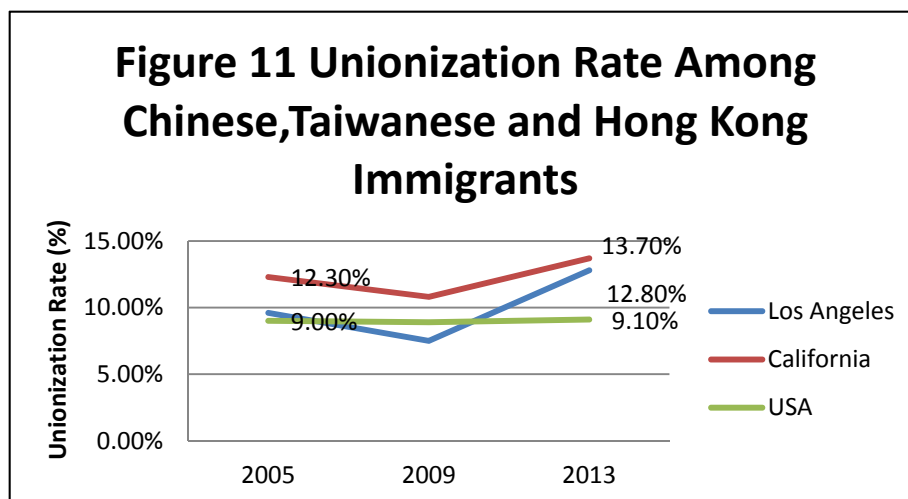
While the other immigrant groups lag behind native-born workers on union membership, our eight-year analysis shows that two groups might be closing the gap locally. Figure 10 shows that in 2005,

⁴ The differences are significant in each jurisdiction.

the unionization rate for Central American immigrants was comparable across all three jurisdictions. While the rate dropped slightly in the US over the next eight years, it grew at an impressive pace in Los Angeles, and especially in California, by 7 and 4 percentage points, respectively. The local context, which has a disproportionately-large number of Central Americans, seems to be generating more access to unions for that group than the nation as a whole. Figure 11 shows growth happening among Chinese immigrants (including those from Taiwan and Hong Kong) to California and Los Angeles. In this instance, there is a slight decrease between 2005 and 2009 and then a sudden and significant increase in the next four-year period.



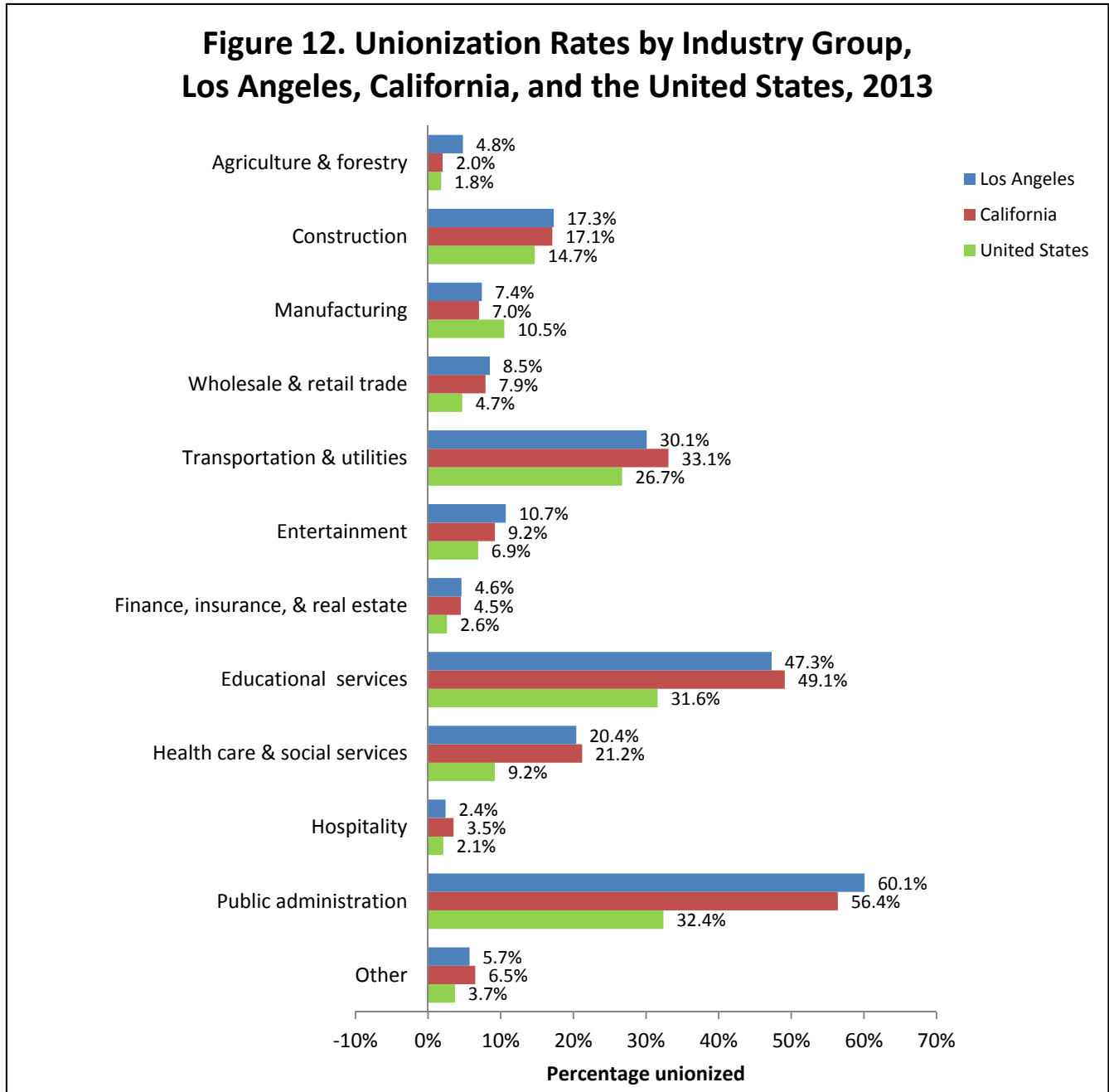
Note: Percentages are based on the 12 months from July of the previous year through June of the following year. For example, the percentage of workers who are union members in 2013 includes data from July 2012 to June 2013.
Source: CEPR Uniform Extract of the Outgoing Rotation Groups of the US Current Population Survey.



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 2013 includes data from July 2012 to June 2013.
Source: CEPR Uniform Extract of the Outgoing Rotation Groups of the US Current Population Survey.

Unionization Rates by Industry Group

We have disaggregated union rates by demographic group, finding key differences across gender, race, age, education and immigrant status and also over time. Now we will look at how unionization varies by industry. Figure 12 shows unionization rates for a sample of industries that comprises 93% of all jobs in the economy. The range of unionization is quite large, from 1.8% of the Agriculture industry in the US, to 60% of the Public Administration Industry in Los Angeles.



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 2013 includes data from July 2012 to June 2013. Source: CEPR Uniform Extract of the Outgoing Rotation Groups of the US Current Population Survey.

Table 1 shows the share of unionized workers that each industry contributes. When we compare Table 1 with Figure 12, we see that some of the most highly unionized industries in the three economies also command the largest shares of unionized workers. In each jurisdiction, more than 50% of union workers come from just three sectors: Public Administration, Educational Services, and Healthcare and Social Services. All three of these industries can be considered service-oriented industries, given that their outputs are usually services (public service, healthcare, education), for clients. Due to advances in technology, the days of union work as good-producing work are clearly behind us. Our previous observations that union work tends to be feminized and concentrated among the better educated; this industry-aggregated data serve as additional support for this finding.

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

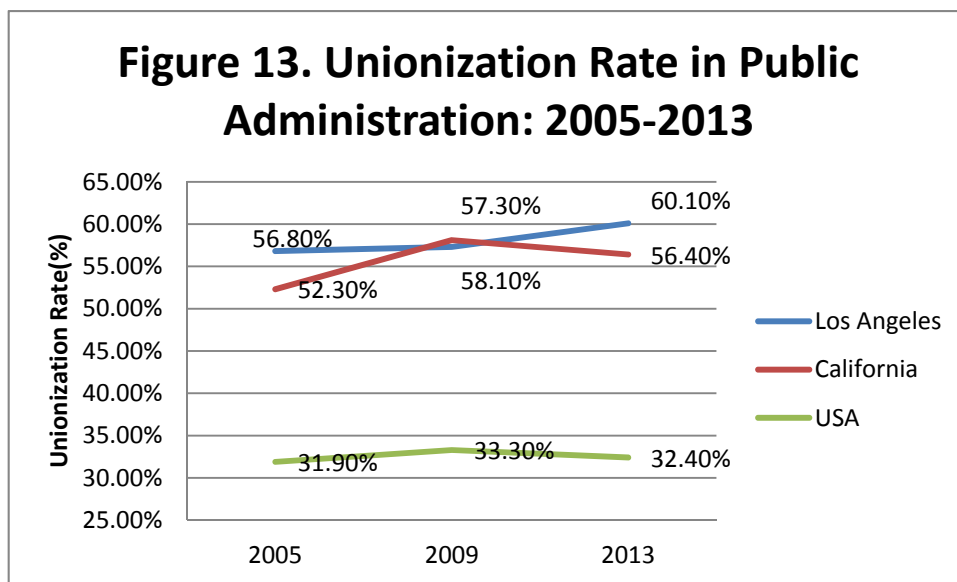
<i>Industry group</i>	Los Angeles metropolitan area		State of California		United States	
	Number of union members	% of total	Number of union members	% of total	Number of union members	% of total
<i>Agriculture & forestry</i>	2195	0.10%	8294	0.2%	30371	0.10%
<i>Construction</i>	84175	5.0%	201,551	5.4%	1,468,469	6.70%
<i>Manufacturing</i>	90704	5.4%	162,930	4.4%	2,226,507	10.20%
<i>Wholesale & retail trade</i>	120426	7.2%	234,689	6.3%	1,276,743	5.80%
<i>Transportation & utilities</i>	166488	9.9%	359427	9.6%	2763510	12.60%
<i>Entertainment</i>	51387	3.1%	72,688	1.9%	354,037	1.60%
<i>Finance, insurance, & real estate</i>	32885	2.0%	63561	1.7%	345896	1.60%
<i>Educational services</i>	473,127	28.1%	1,070,779	28.7%	6,060,245	27.70%
<i>Healthcare & social services</i>	274,013	16.3%	612,467	16.4%	2,492,733	11.40%
<i>Hospitality</i>	18,470	1.1%	57,297	1.5%	314,870	1.40%
<i>Public administration</i>	259,806	15.4%	630,103	16.9%	3,303,637	15.10%
<i>Other</i>	109,109	6.5%	263,556	7.1%	1,210,188	5.50%
Total	1682784	100.0%	3737341	100.0%	21847205	100.00%

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 2013 includes data from July 2012 to June 2013.

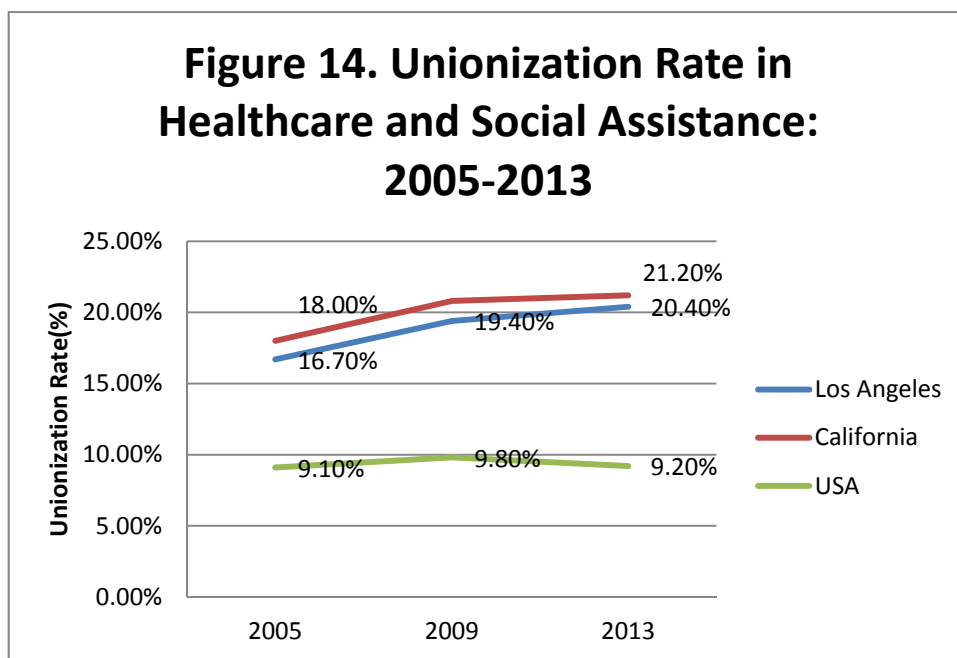
Source: CEPR Uniform Extract of the Outgoing Rotation Groups of the US Current Population Survey.

Our longitudinal analysis suggests that two of these service-oriented, white-collar sectors have seen rapid unionization in recent years, at least locally. Public Administration unionization (Figure 13) has grown by four percentage points over eight years in both Los Angeles and California, and has

remained at the same level in the country as a whole. Healthcare unionization has grown by approximately three percentage points since 2005 in these jurisdictions (see Figure 14).



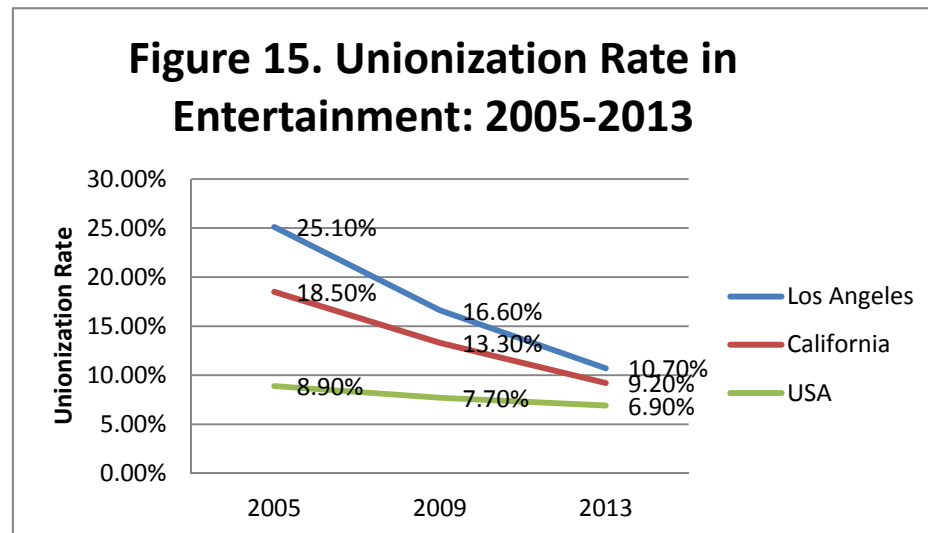
Note: Percentages are based on the 12 months from July of the previous year through June of the following year.
Source: CEPR Uniform Extract of the Outgoing Rotation Groups of the US Current Population Survey.



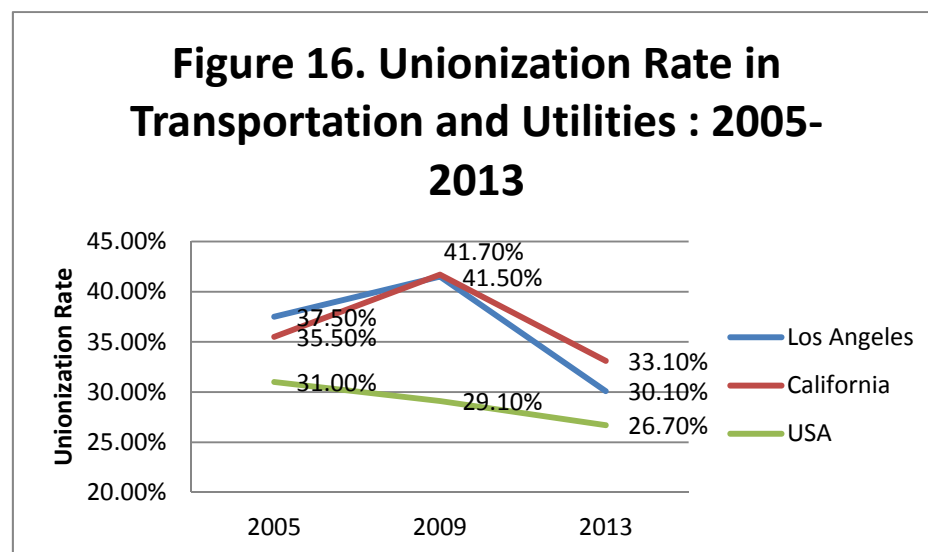
Note: Percentages are based on the 12 months from July of the previous year through June of the following year.
Source: CEPR Uniform Extract of the Outgoing Rotation Groups of the US Current Population Survey.

If unionization is growing noticeably in some sectors, then it follows that it must be declining in others, as the overall unionization rate is holding steady. Two sectors have seen particularly steep declines in unionization. Figure 15 shows that unionization in entertainment has dropped by more than

half in Los Angeles and California, and by only two percent in the US as a whole. The local entertainment industries seem to be converging with the rest of the country in terms of their union activity. Figure 16 shows that union jobs are more scarce in Transportation and Utilities than they were in 2005, and much more so than they were in 2009, perhaps due to continuing impacts of deregulation and privatization. This is sobering news for those who see the entertainment and transportation/utilities industries as a source of good, middle-class jobs.



Note: Percentages are based on the 12 months from July of the previous year through June of the following year.
Source: CEPR Uniform Extract of the Outgoing Rotation Groups of the US Current Population Survey.



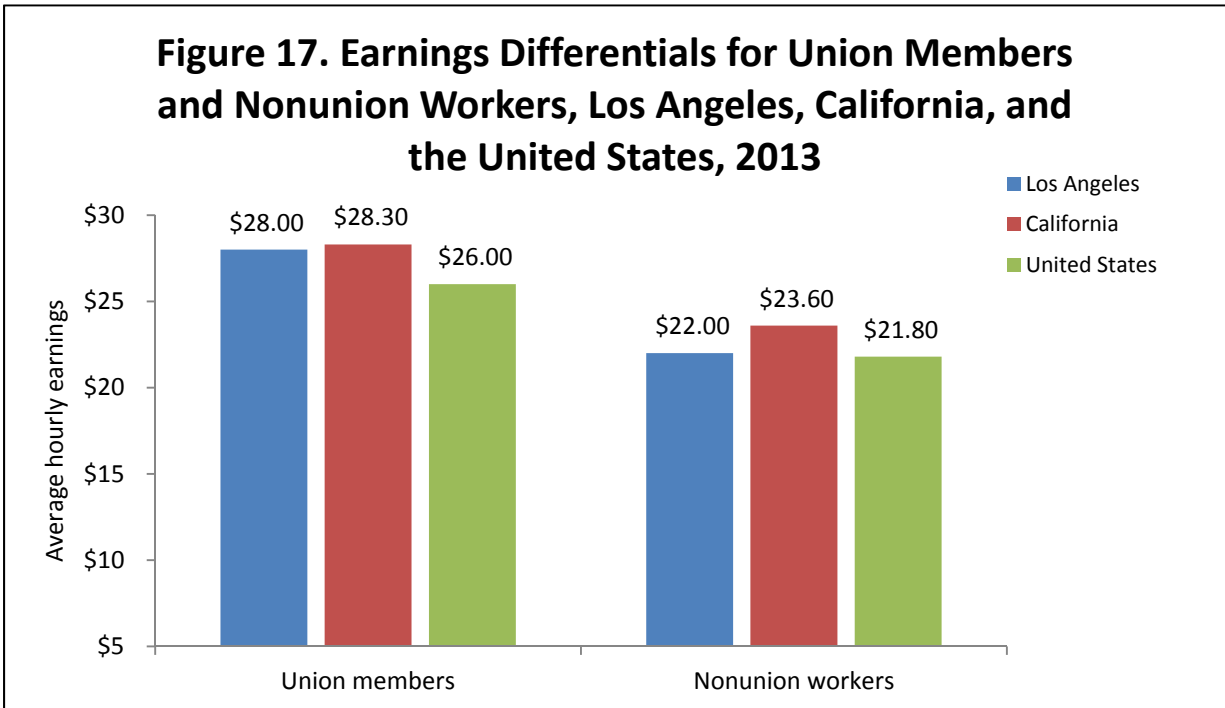
Note: Percentages are based on the 12 months from July of the previous year through June of the following year.
Source: CEPR Uniform Extract of the Outgoing Rotation Groups of the US Current Population Survey.

The Union Wage Premium

The focus of this study has been on establishing variation in the unionization rate, but we also analyzed regional differences in union wages. As Figure 17 demonstrates, there is an across-the-board wage premium for unionized workers. The differential is \$6.00 for Los Angeles workers, \$4.70 for

California workers and \$4.20 for all Americans. While unionized Los Angeles workers earn 27% more, than their nonunion counterparts, the advantage in the state and country as a whole is only around 20%.

The earnings advantage of union membership appears to have declined in Los Angeles and California as in the US between 2005 and 2013. While this decline was only significant in Los Angeles, this trend is a sign that even as unionization rates remain stable, the wage power of unions may be on the ebb.



Note: Percentages are based on the 12 months from July of the previous year through June of the following year.
Source: CEPR Uniform Extract of the Outgoing Rotation Groups of the US Current Population Survey

Conclusion

We find that the level of union activity and the wage-benefits of membership have remained steady during the tumultuous period between 2005 and 2013. As unemployment has increased and fiscal pressures have threatened the social safety net, unions seem to have held their ground.

If the level of union activity has held, the profile of union workers appears to have changed. Unions are less active in entertainment and blue collar industries, but even more of a force in medicine and government.

Unions also tend to be more feminized, more reliant on education, and more likely than in the past to draw from certain immigrant groups. Immigrants who have been in the country longer are more likely to be union members. Our demographic results are consistent with a 2010 US study by Schmitt and Warner⁵ which looked at the changing profile of unions between 1983 and 2008. While Schmitt and Warner conducted their study over a longer period of time and at a national scale, they also concluded that union demographics are changing in many of the ways we describe.

Our findings might be heartening for those who support labor organizing in California and Los Angeles, at least compared to the alternative. Together, the data discussed above show that the recovery has not been “unionless.” While overall unionization percentages have changed little over the last eight years, the makeup of union members is reflecting current demographic trends.

⁵ Schmitt, J. and Warner, K. (2010) “The Changing Face of Labor, 1983-2008” CEPR Working Paper
<http://www.cepr.net/documents/publications/changing-face-of-labor-2009-11.pdf>