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Union workers had more job security during the pandemic, but unionization remains historically low

Data on union representation in 2020 reinforce the need for dismantling barriers to union organizing

Report • By Celine McNicholas, Heidi Shierholz, and Margaret Poydock • January 22, 2021

One of the central pillars of President Joe Biden's Build Back Better plan for economic recovery in the wake of the COVID-19 pandemic is to dismantle the barriers to union organizing and collective bargaining. New data on unionization from the Bureau of Labor Statistics (BLS),[1] coupled with research on the value of unions for workers, reinforces the importance of this goal. In 2020, 15.9 million workers in the U.S. were represented by a union, a decline of 444,000 from 2019. While there was an increase in the unionization *rate* in 2020 because union workers fared better than nonunion workers during the pandemic—the share of workers represented by a union increased from 11.6% to 12.1%—the rate is still less than half what it was roughly 40 years ago. This decline occurred despite a considerable increase in the share of workers who want union representation over roughly those same four decades.

This report covers these and other findings, as well as the urgent need for policy reforms to address the decline in overall worker power and corresponding economic inequality that has marked the last four decades. The Biden administration and Congress must institute policies that promote the right to union representation and collective bargaining as we rebuild our economy.

Union membership vs. union representation

If a workplace is unionized, workers in the bargaining unit get the benefits of being represented by the union even if they are not union members. (No worker can legally be required to join a union, but depending on the state, private-sector workers may be required to pay a "fair share fee" toward the cost of representation). This means that the share of workers *represented* by a union is somewhat higher than the share of workers who are *members* of a union. In 2020, the share of workers represented by a union was 12.1%, while the share of workers who were union members was 10.8%. Because all workers in a bargaining unit—regardless of whether they are union members—get the benefit of being represented by the union, union representation is the more-relevant statistic when considering the impact of unionization on labor market outcomes. Therefore, we focus on union representation, rather than union membership, in this report. In this report, the terms "unionization rate" and "union coverage rate" are shorthand for the union representation rate.

Union engagement likely played a role in limiting overall job loss among unionized workers

As mentioned, there is an interesting finding in the 2020 union numbers: The number of workers represented by a union declined in 2020, but the unionization *rate* rose because union workers saw less job loss that nonunion workers. This increase in the unionization rate was due in part to the fact that unionized workers have had a voice in how their employers have navigated the pandemic, and have used this voice for such things as negotiating for terms of furloughs or work-share arrangements to save jobs.[2] This engagement likely played a role in limiting overall job loss among unionized workers.

The “pandemic composition effect” also played a role in limiting union job losses, as industries with lower unionization rates tended to experience greater job loss during the pandemic

Another key reason for the increase in unionization rates was a “pandemic composition effect.” In particular, industries with lower unionization rates, like leisure and hospitality, have tended to experience the most job loss during the pandemic, while sectors with higher unionization rates, like the public sector, have tended to see less job loss.

Data reinforce the role of both union engagement and the pandemic composition effect in limiting union job losses

A simple decomposition of the increase in the overall unionization rate in 2020 reveals that roughly half (46.5%) of the increase was the result of a pandemic composition effect, while roughly half (53.5%) was due to union workers seeing less job loss than nonunion workers in the same industry (this decomposition is based on the industry breakdowns in Table 3 of the BLS report.[3]

To get a better understanding of what is driving unionization changes over the last year, we now look at the private sector and public sector separately.

While the private sector lost lost 544,000 union jobs, the unionization rate ticked up to 7.2%

In the private sector, 8.0 million workers were represented by a union in 2020, a decline of 544,000. The biggest losses were in leisure and hospitality (-177,000) and manufacturing (-134,000). However, the unionization *rate* in the private sector ticked up from 7.1% to **7.2%**, due in large part to the fact that subsectors with somewhat higher unionization rates, such as health care and social assistance, and transportation and warehousing, saw a lower rate of job loss in 2020 than did largely nonunionized subsectors such as leisure and hospitality.

Unionization rates increased in state and local government but fell in the federal government

In the public sector, 7.9 million workers were represented by a union in 2020, an increase of 100,000. The increase was mostly among state government workers. Breaking local government into education and non-education jobs using the Current Population Survey microdata, we find a decline of 38,000 unionized local government education workers that was roughly offset by an increase in unionized local government workers employed outside of education.[4]

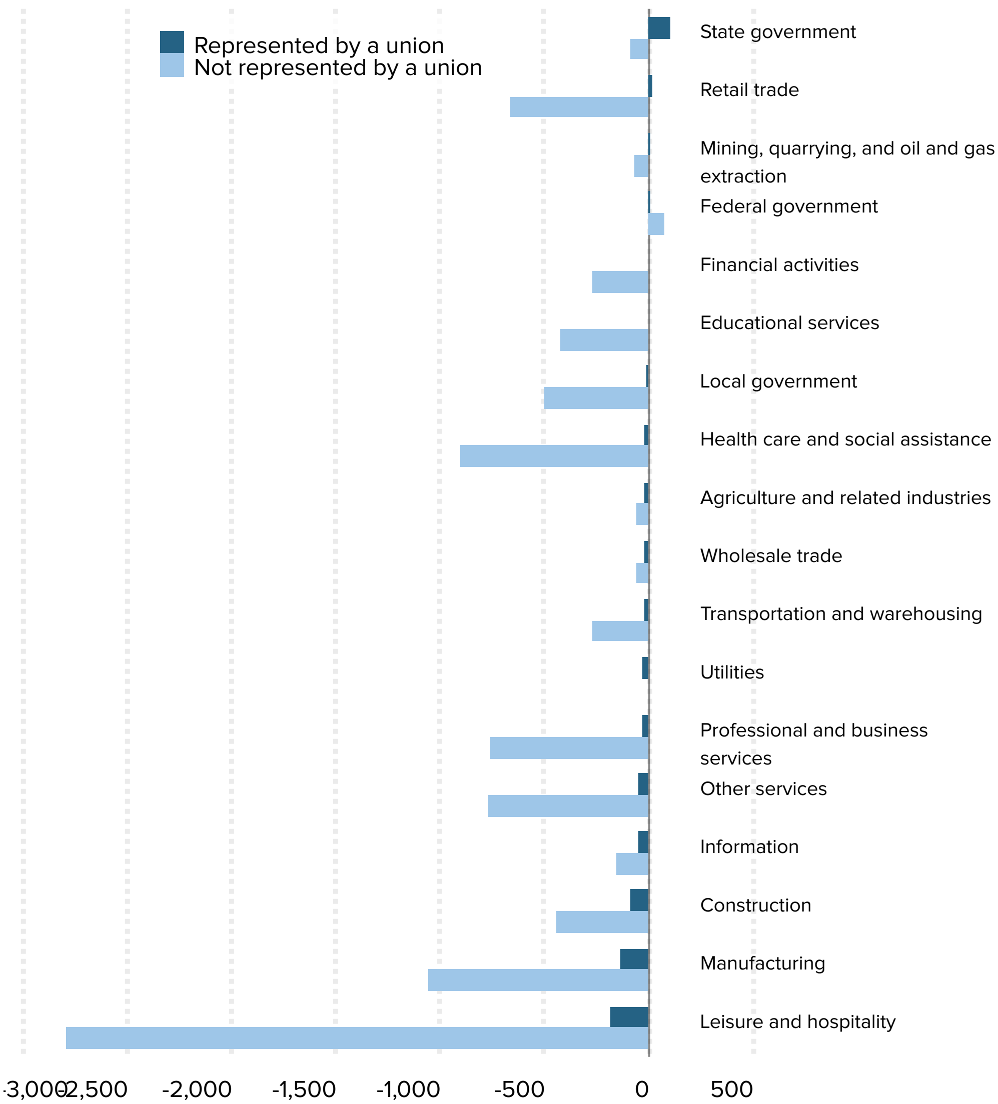
It is worth noting that one likely reason the number of unionized state and local government workers increased by 91,000 in 2020—even though state and local government *employment* declined by 485,000—was the concerted effort by state and local government unions to increase membership in the wake of the *Janus v. AFSCME Council 31* decision.[5] The unionization rate for state and local governments increased from 38.7% to 40.3% in 2020. On the other hand, the federal government unionization rate decreased from 30.5% to 30.0%, which is likely due in part to continued fallout from concerted attacks by the Trump administration on the ability of federal government unions to organize and represent workers.[6] The overall public sector unionization rate (federal, state, and local government combined) increased from 37.2% to 38.4% in 2020.

Figure A shows employment changes in public and private subsectors by union status, showing how unionization changes in 2020 fit in the broader pandemic context.

Figure A

Job losses greater among nonunion workers than union workers in 2020

Employment change by union status and sector from 2019 to 2020 in thousands



Bureau of Labor Statistics, "Table 3. Union affiliation of employed wage and salary workers by occupation and industry." In Union Members, published January 22, 2021.

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Unionization rates for women (11.8%) inched close to rates for men (12.3%)

The share of workers represented by a union in 2020 was similar among men and women, with 12.3% of men and 11.8% of women represented by a union. While women experienced more job loss than men over the last year (a loss of 4.9 million jobs for women compared to 4.6 million for men), the number of women in unions declined less (there was a decline in unionization of 31,000 among women and 413,000 among men). This was likely due to in large part to composition effects—for example, women being disproportionately concentrated in leisure and hospitality, which has seen a lot of job loss but has low unionization rates, and in the public sector, which has seen less job loss and has higher unionization rates. Unionization rates increased by 0.8 percentage points for women and 0.2 percentage points for men.

Black workers experience the largest gain in the rate of unionization and, at 13.9%, have the highest unionization rate

Of all major racial and ethnic groups, Black workers have the highest unionization rates, at 13.9%. This compares with 12.0% for white workers, 11.0% for Latinx workers, and 10.0% for Asian American/Pacific Islander (AAPI) workers. In 2020, Black workers experienced the largest rate of decline in employment (-8.3%, compared with, for example, -6.4% for white workers) but Black workers also experienced the largest increase in the rate of unionization (up from 12.7% in 2019). In fact, Black workers saw not just an increase in their unionization rate, their unionization level ticked up by 11,000. The fact that Black workers did not see a drop in union levels is likely because Black workers are disproportionately concentrated in the public sector, which has higher unionization rates and saw less job loss than in the private sector. This is particularly true for Black women.

Four of five states with the smallest shares of union workers are in the South

The states with the largest shares of workers represented by unions in 2020 are Hawaii (25.7%), New York (23.6%), Alaska (19.5%), Rhode Island (19.1%), and Washington (18.6%), whereas the states with the smallest shares of workers represented by unions are South Carolina (3.8%), North Carolina (3.9%), Tennessee (5.1%), Utah (5.4%), and Virginia (5.4%). The largest increases in the number of workers represented by unions in 2020 were in Texas, Georgia, Minnesota, and Pennsylvania*,* whereas the biggest losses were in New York, Washington, Missouri, and California.

Far more workers want union

representation (48%) than are able to obtain it (12.1%)

Far more workers want union representation than are able to obtain it under our current system of labor law. A 2017 survey found that nearly half (48%) of all nonunion workers say they would vote for a union if given the opportunity—a full 15 percentage points *higher* than when a similar survey was taken four decades earlier.[7] In spite of workers' increased desire for union representation, the share of workers represented by a union dropped from 27.0% to 12.1% between 1979 and 2020, meaning the union coverage rate is less than half what it was roughly 40 years ago.

The decline in union representation has been accompanied by rising inequality, CEO pay, and top 1% wages

Not coincidentally, as the unionization rate declined, the share of income going to the top 10% dramatically escalated—by 2018 the top 10% was capturing nearly half of all annual income (Figure B).[8] In fact, after decades of decline in the share of workers represented by a union, the U.S. economy is marked by extreme inequality—the highest ever in U.S. history, according to new Census Bureau data.[9] Chief executive officer (CEO) compensation grew 1,167% from 1978 to 2019, while typical worker compensation rose only 13.7% during that time.[10] From 1979 to 2019, the wages of the top 1% grew nearly 160.3%, whereas the wages of the bottom 90% combined grew just 26.0%.[11]

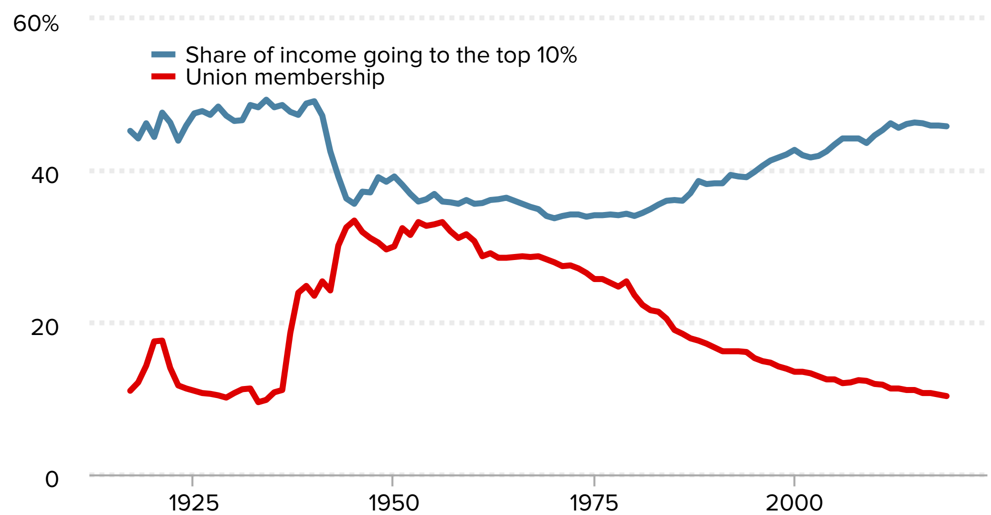
The erosion of worker power has worsened the impact of the COVID-19 pandemic

The erosion of union coverage and worker power more broadly has contributed both to suffering during the pandemic and to the extreme economic inequality exacerbated by the pandemic. Working people, particularly low-wage workers—who are disproportionately women and workers of color—have largely borne the costs of the pandemic. While providing the "essential" services we rely on, many of these workers have been forced to work without protective gear; many have no access to paid sick leave; and when workers have spoken up about health and safety concerns, they have been fired. Where workers have been able to act collectively and through their union, they have been able to secure enhanced safety measures, additional premium pay, and paid sick time. And, as mentioned above, unionized workers have had a voice in how their employers have navigated the pandemic, including negotiating for terms of furloughs or work-share

Figure B

As union membership declines, income inequality increases

Union membership and share of income going to the top 10%, 1917–2019



Source: Reproduced from Figure A in Heidi Shierholz, *Working People Have Been Thwarted in Their Efforts to Bargain for Better Wages by Attacks on Unions*, Economic Policy Institute, August 2019.

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arrangements to save jobs.[12]

Our broken system of safeguarding workers' rights to form a union and engage in collective bargaining has played a role in the Black–white wage gap and other economic disparities by race

As noted above, polling demonstrates that far more workers want unions than have the benefit of representation. However, U.S. employers are willing to use a wide range of legal and illegal tactics to frustrate the rights of workers to form unions and collectively bargain. Data show that employers are charged with violating federal law in 41.5% of all union election campaigns. And one out of five union election campaigns involves a charge that a worker was illegally fired for union activity. Employers are charged with making threats, engaging in surveillance activities, or harassing workers in nearly a third of all union election campaigns. Beyond this, there are many things employers can do legally to thwart union organizing; employers spend roughly $340 million annually on "union avoidance" consultants to help them stave off union elections. This combination of illegal conduct and legal coercion has resulted in a union election process characterized by employer intimidation that in no way reflects the democratic process guaranteed by the National Labor Relations Act.[13]

Our broken system of safeguarding workers' rights to form a union and engage in collective bargaining has implications for our urgent national conversation around racial inequality in its various forms, including economic disparities by race. Unions and collective bargaining help shrink the Black–white wage gap, due to the dual facts that Black workers are more likely than white workers to be represented by a union and Black workers who are in unions get a larger boost to wages from being in a union than white workers do.[14] This means that the *decline* of unionization has played a significant role in the *expansion* of the Black–white wage gap over the last four decades, and that an increase in unionization would help reverse those trends.[15],[16]

Restoring collective bargaining rights is key to a more just economy

Impeding union representation has been a primary goal of corporate interests in recent decades, and these interests have convinced conservative policymakers to attack collective bargaining through legislation, executive rulemaking, and the courts.[17] Meanwhile, policymakers claiming to care about the economic struggles of typical Americans have too often turned a blind eye to these attacks. But if workers are not able to effectively organize into unions, broadly shared prosperity that extends to most working people has virtually no chance. We need fundamental reform of labor law to restore workers' rights to a union and collective bargaining.

It is essential that the Biden administration and Congress prioritize reforms that promote workers' collective power. As we build out of the pandemic, there is an opportunity to adopt policies that make it easier for workers to form a union and promote economic and racial equality. The Protecting the Right to Organize (PRO) Act, which passed the House last year with bipartisan support, provides a comprehensive set of reforms that would strengthen private-sector workers' right to form a union and engage in collective bargaining.[18] These reforms are long overdue policy interventions that will help fulfill the promise made to U.S. workers nearly 100 years ago: the right to a union and collective bargaining. This crisis will continue to reshape our economy, our workforce, and our democracy. We must demand policies that create economic equality and a just democracy.

Endnotes

1. Bureau of Labor Statistics, "Union Members Summary" (economic news release), January 22, 2021.

2. Celine McNicholas, Lynn Rhinehart, Margaret Poydock, Heidi Shierholz, and Daniel Perez, *Why Unions Are Good for Workers—Especially in a Crisis Like COVID-19: 12 Policies That Would Boost Worker Rights, Safety, and Wages*, Economic Policy Institute, August 2020.

3. Bureau of Labor Statistics, "Table 3. Union affiliation of employed wage and salary workers by occupation and industry." In Union Members, published January 22, 2021.

4. Economic Policy Institute, Current Population Survey Extracts, Version 1.0.13, https://microdata.epi.org.

5. "The court ruled in Janus v. AFSCME on June 27, 2018, that unions could no longer collect mandatory 'fair share' fees to cover the costs of collective bargaining.... Many unions were able to convert passive fee payers into full-time members." See *Bloomberg Law*, "Unions Fend Off Membership Exodus in 2 Years Since Janus Ruling," June 26, 2020.

6. Margaret Poydock, Celine McNicholas, and Julia Wolfe, "The Trump Administration Finalizes Rule Attacking Federal Workers' Right to Union Representation in Workplace Discrimination Cases," *Working Economics Blog* (Economic Policy Institute), January 13, 2021.

7. Thomas A. Kochan et al., "Worker Voice in America: Is There a Gap Between What Workers Expect and What They Experience?" *ILR Review* 72, no. 1 (January 2019): 3–38.

8. Figure B provides an instructive raw comparison, showing that as union membership has eroded, the share of total income in the economy going to the top 10% has surged. More rigorous research shows that deunionization accounts for a sizable share of the growth in inequality between typical workers and workers at the high end of the wage distribution in recent decades—on the order of 13–20% for women and 33–37% for men.

The estimates of 13% for women and 37% for men are from EPI analysis of data from Nicole M. Fortin, Thomas Lemieux, and Neil Lloyd, "Labor Market Institutions and the Distribution of Wages: The Role of Spillover Effects," Vancouver School of Economics, University of British Columbia, working paper, September 2018.

The estimates of 20% for women and 33% for men are from Bruce Western and Jake Rosenfeld, "Unions, Norms, and the Rise in U.S. Wage Inequality," *American Sociological Review* 76, no. 4 (August 2011): 513–537. Western and Rosenfeld estimate that "deunionization explains a fifth of the inequality increase for women and a third for men."

9. United States Census Bureau, "American Community Survey Provides New State and Local Income, Poverty and Health Insurance Statistics" (press release), September 26, 2019.

10. Lawrence Mishel and Jori Kandra, *CEO Compensation Surged 14% in 2019 to $21.3 Million:*

CEOs Now Earn 320 Times As Much As a Typical Worker, Economic Policy Institute, August 2020.

11. Lawrence Mishel and Jori Kandra, "Wages for the Top 1% Skyrocketed 160% Since 1979 While the Share of Wages for the Bottom 90% Shrunk," *Working Economics Blog*, Economic Policy Institute, December 1, 2020.

12. Celine McNicholas, Lynn Rhinehart, Margaret Poydock, Heidi Shierholz, and Daniel Perez, *Why Unions Are Good for Workers—Especially in a Crisis Like COVID-19: 12 Policies That Would Boost Worker Rights, Safety, and Wages*, Economic Policy Institute, August 2020.

13. Celine McNicholas, Margaret Poydock, Julia Wolfe, Ben Zipperer, Gordon Lafer, and Lola Loustaunau, *Unlawful: U.S. Employers Are Charged with Violating Federal Law in 41.5% of All Union Election Campaigns*, Economic Policy Institute, December 2019; Gordon Lafer and Lola Loustaunau, *Fear at work: An Inside Account of How Employers Threaten, Intimidate, and Harass Workers to Stop Them from Exercising their Right to Collective Bargaining*, Economic Policy Institute, July 2020.

14. Henry S. Faber, Daniel Herbst, Illyana Kuziemko, and Suresh Naidu, "Unions and Inequality over the Twentieth Century: New Evidence from Survey Data." National Bureau of Economic Research Working Paper no. 24587, May 2018.

15. Valerie Wilson and William M. Rodgers III, *Black-White Wage Gaps Expand with Rising Wage Inequality*. Economic Policy Institute, September 2016.

16. Overall, unionized workers earn on average 11.2% more than their nonunionized peers (workers in the same industry and occupation with similar education and experience). Black and Hispanic workers get a larger boost; Black union workers are paid 13.7% more than their nonunionized peers, and Hispanic union workers are paid 20.1% more than their nonunionized peers. See Celine McNicholas, Lynn Rhinehart, Margaret Poydock, Heidi Shierholz, and Daniel Perez, *Why Unions Are Good for Workers—Especially in A Crisis Like COVID-19: 12 Policies That Would Boost Worker Rights, Safety, and Wages*, Economic Policy Institute, August 2020.

17. Celine McNicholas, Margaret Poydock, Julia Wolfe, Ben Zipperer, Gordon Lafer, and Lola Loustaunau, *Unlawful: U.S. Employers Are Charged with Violating Federal Law in 41.5% of All Union Election Campaigns*, Economic Policy Institute, December 2019; Gordon Lafer and Lola Loustaunau, *Fear at work: An Inside Account of How Employers Threaten, Intimidate, and Harass Workers to Stop Them from Exercising their Right to Collective Bargaining*, Economic Policy Institute, July 2020; Celine McNicholas, Margaret Poydock, and Lynn Rhinehart, *Unprecedented: The Trump NLRB's Attack on Workers' Rights*. Economic Policy Institute, October 2019; Celine McNicholas and Margaret Poydock, *The Trump Administration's Attacks on Workplace Union Voting Rights Forewarned of the Broader Threats to Voting Rights in the Upcoming Election*, Economic Policy Institute, October 2020.

18. Celine McNicholas, Lynn Rhinehart, Margaret Poydock, Heidi Shierholz, and Daniel Perez, *Why Unions Are Good for Workers—Especially in A Crisis Like COVID-19: 12 Policies That Would Boost Worker Rights, Safety, and Wages*, Economic Policy Institute, August 2020.