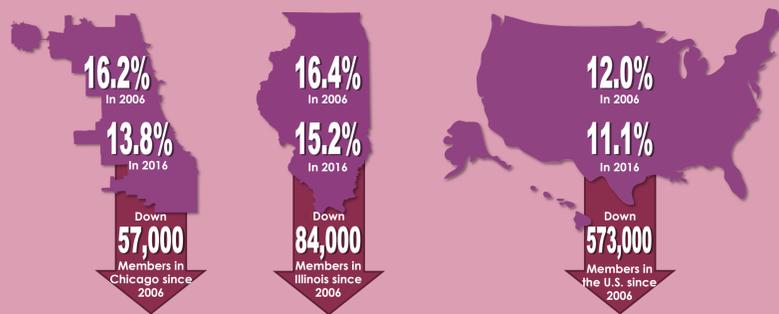


The State of the Unions 2016

A Profile of Unionization in Chicago, in Illinois, and in America

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TOTAL UNION MEMBERSHIP RATES FROM 2006 TO 2016



UNION WAGE PREMIUMS



BACKGROUND

Organized labor has been the country's principal institution in fostering a middle-class society that protects the dignity of all work. Unions have fought on behalf of workers for better pay and fringe benefits, worked to increase health and safety conditions in U.S. workplaces, and provided workers with a voice in the direction of the economy and in the creation of public policy. Over the long run, the labor movement has contributed substantially to American families and communities.

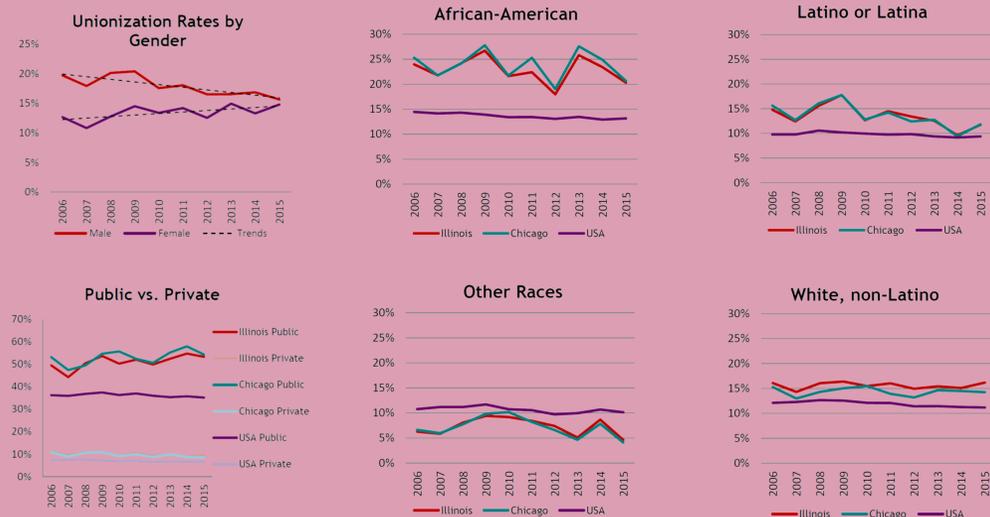
A recent report finds that for every \$1 paid in membership dues and fees, an estimated \$6.12 in after tax income is returned to union members in Illinois (Manzo & Bruno, 2016). Unions also increase the likelihood that an Illinois worker has health insurance by 14 percentage points. These benefits translate into 43,000 additional jobs that are independently created by the higher earnings and increased consumer spending of union households.

Nevertheless, the labor movement has endured a gradual decline in both membership and influence. Almost one-in-four American workers (23.0 percent) were members of labor unions in 1980. Three and a half decades later, in 2015, only one-in-nine employed persons in America (11.1 percent) are unionized (Hirsch & Macpherson, 2016). Concurrently, as unionization rates have waned, income inequality has soared. Declining unionization and polarizing worker incomes are linked: The decline of organized labor accounts for between one-fifth and one-third of the growth in inequality (Western & Rosenfeld, 2011). The divergence between worker productivity and worker pay has also been largest in states where collective bargaining coverage has declined the most (Cooper & Mishel, 2015).

Illinois has not been immune to these trends. From 2009 to 2012, earnings for the top 1 percent increased by 34.5 percent, while incomes grew by just 0.2 percent for the bottom 99 percent of workers in Illinois—making the state the 8th-most unequal in America (Sommeiller & Price, 2015). In addition, inequality has increased to Great Depression-era levels in Illinois, driven by a redistribution of wealth from labor to capital (Manzo, 2016). Illinois has experienced a 7 percent redistribution of wealth from labor to capital since 1980, while the share of Illinois' workers covered by a labor union has fallen by over 11 percentage points. As a result, income inequality between the Top 1 Percent of workers and the median worker has risen by 173 percent in Illinois (Manzo, 2016).

This report, conducted by researchers at the Illinois Economic Policy Institute, the University of Illinois Project for Middle Class Renewal, and Occidental College, analyzes the course of unionization in Illinois, in the Chicago metropolitan statistical area (MSA), and in the United States from 2006 to 2015. It is the third annual report of its kind for union members in the Chicago area and in Illinois, following the May 2015 release of *The State of the Unions 2015: A Profile of Unionization in Chicago, in Illinois, and in America* (Manzo et al., 2015). The report is modeled off of *The State of the Unions 2015: A Profile of Organized Labor in New York City, New York State, and the United States* by the Joseph S. Murphy Institute for Worker Education and Labor Studies at the City University of New York Graduate Center (Milkman & Luce, 2015) and *From '15 to '15: The State of the Unions in California and its Key Cities in 2015* by the Institute for Research on Labor and Employment at the University of California, Los Angeles (Adler et al., 2015). The report tracks unionization rates and investigates union membership across demographic, educational, sectoral, industry, and occupational classifications. The study subsequently evaluates the impact that labor union membership has on a worker's hourly wage in Illinois, in the Chicago MSA, and in America. Additionally, data on labor unions and similar labor organizations are included and analyzed, new for the 2016 version of this report. The report concludes by recapping key findings.

UNIONIZATION BY DEMOGRAPHICS

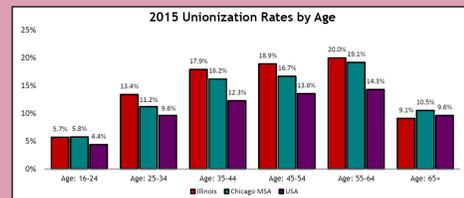


“Regardless of geography and time, union membership has been positively correlated with increased worker wages”

ILLINOIS IS THE 8th MOST UNEQUAL STATE IN AMERICA



Occupation (2015)	Illinois	Chicago MSA	USA
Management, Business, & Financial	4.8%	4.5%	4.4%
Professional & Related	23.0%	21.4%	16.8%
Service	16.6%	16.3%	10.6%
Sales & Related	4.1%	4.3%	3.2%
Office & Administrative Support	9.9%	9.0%	9.3%
Construction & Extraction	40.4%	33.4%	17.2%
Installation, Maintenance, & Repair	22.6%	21.4%	14.7%
Production	15.6%	13.5%	12.6%
Transportation & Material Moving	20.9%	18.5%	15.7%



EXECUTIVE SUMMARY

Since 2006, unionization has declined in Illinois, in the Chicago region, and in America. There are approximately 84,000 fewer union members in Illinois today than there were in 2006, contributing to the 573,000-member drop in union workers across the nation over that time. Declining union membership in Illinois has primarily been the result of decreases in male unionization and private sector unionization. Consequently, the total number of labor unions and similar labor organizations has declined over the past decade. There are 891 labor unions and similar organizations in Illinois, a decline of nearly 100 worker establishments over the past ten years. There are also 1,063 fewer individuals working for labor unions and similar organizations today than there were one decade ago. Despite the long-term downward trends, however, there has been some good news for the Illinois labor movement.

- The unionization rate has improved from a 2012 low of 14.6 percent to 15.2 percent in 2015;
- Union members increased from 800,000 in 2012 to about 847,000 in 2015;
- From 2014 to 2015, unionization rates marginally increased for female workers, Latino and Latina workers, workers between the ages of 55 and 64, private sector workers, and the aggregated educational and health services industry.

Over half of all public sector workers continue to be unionized in both Illinois and the Chicago metropolitan area. Meanwhile, slightly more than one-third of all public sector workers are unionized across the nation. In comparison, one-in-ten (9.6 percent) of Illinois workers in the private sector are union members while just 6.7 percent of private sector workers are now unionized across America.

Union membership is influenced by a number of factors. Employment in the public sector, construction, transportation and utilities, mining, and leisure and hospitality industries all raise the chances that a given worker is a union member. African-American workers are also statistically more likely to be union members than their racial or ethnic counterparts. On the other hand, workers employed in management, business, and financial occupations, workers employed sales and related occupations, and those with professional or doctorate degrees are less likely to be unionized.

Labor unions increase individual incomes by lifting hourly wages – particularly for low-income workers. In Illinois, unions raise worker wages by an average of 10.1 percent. The state's union wage effect is the 17th-highest in the nation. The union wage differential is higher for the bottom 10 percent of workers (10.4 percent) than the richest 10 percent of workers (8.4 percent), helping to reduce income inequality.

Unions play a vital role in Illinois' economy and communities. The Illinois labor movement, however, will continue to face both short- and long-term challenges. Labor's response to these challenges could define its influence and effectiveness in the decades to come.