The State of the Unions 2016
A Profile of Unionization in Chicago, in Illinois, and in America

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 the tax wage is earned to union members in Illinois (Manzo & Bruno, 2014). 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 (11.3 percent) are unionized (Wright & Marpleson, 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-third and one-half of the growth in inequality (Western & Rosenfield, 2011). The divergence between worker productivity and worker pay has also been larger 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 24.5 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 (Sommermeyer & 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 of 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 11th anniversary 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 2010: 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, 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.