

Union Membership Declined in “Right-to-Work” States and Increased in Collective-Bargaining States Last Year



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POLICY MEMO

Right-to-Work Laws Reduce Union Membership

The movement to implement “right-to-work” (RTW) legislation has accelerated over recent years. Indiana, Michigan, Wisconsin, and West Virginia recently become “right-to-work” states. Missouri and Kentucky followed in 2017. Today, 28 states have “right-to-work” laws.

One of the main policy changes contributing to the decline of unionization across the United States is the ratification of “right-to-work” legislation. From 2015 to 2016, union membership in RTW states declined by over 293,000 members. Union membership declined in 20 of the 26 states (77%) with RTW laws.

Union Membership in Right-to-Work States				
State	2015	2016	Change	Membership
Alabama	189,834	153,891	-35,943	Declined
Arizona	137,173	121,797	-15,376	Declined
Arkansas	58,542	46,866	-11,676	Declined
Florida	545,752	456,102	-89,650	Declined
Georgia	161,720	164,360	2,640	Increased
Idaho	46,134	42,097	-4,037	Declined
Indiana	282,047	303,410	21,363	Increased
Iowa	137,125	128,500	-8,625	Declined
Kansas	109,548	109,155	-393	Declined
Louisiana	107,422	75,220	-32,202	Declined
Michigan	621,952	606,868	-15,084	Declined
Mississippi	59,870	73,352	13,482	Increased
Nebraska	68,211	64,430	-3,781	Declined
Nevada	176,107	146,225	-29,882	Declined
North Carolina	123,126	128,802	5,676	Increased
North Dakota	19,051	20,088	1,037	Increased
Oklahoma	88,309	79,482	-8,827	Declined
South Carolina	40,425	32,234	-8,191	Declined
South Dakota	22,528	19,615	-2,913	Declined
Tennessee	145,868	157,367	11,499	Increased
Texas	502,767	461,663	-41,104	Declined
Utah	50,409	62,027	11,618	Increased
Virginia	201,931	160,093	-41,838	Declined
West Virginia	82,630	78,695	-3,935	Declined
Wisconsin	222,118	218,233	-3,885	Declined
Wyoming	18,656	15,664	-2,992	Declined
Total RTW States	4,219,255	3,926,236	-293,019	Declined

Source: Current Population Survey Outgoing Rotation Groups (CPS ORG), available at www.unionstats.com.

Conversely, in fair-share collective bargaining (CB) states, overall union membership improved by about 56,000 members. Union membership declined in only 9 of the 25 CB states (36%)— which includes the District of Columbia— and increased in 16 CB states (64%) over the year.

Union Membership in Collective-Bargaining States				
State	2015	2016	Change	Membership
Alaska	59,653	54,949	-4,704	Declined
California	2,486,173	2,549,645	63,472	Increased
Colorado	194,659	238,247	43,588	Increased
Connecticut	268,728	274,782	6,054	Increased
Delaware	37,914	47,924	10,010	Increased
District of Columbia	34,596	32,658	-1,938	Declined
Hawaii	118,572	118,271	-301	Increased
Illinois	846,984	812,397	-34,587	Declined
Kentucky*	187,122	189,684	2,562	Increased
Maine	63,433	64,742	1,309	Increased
Maryland	287,686	309,362	21,676	Increased
Massachusetts	402,108	381,857	-20,251	Declined
Minnesota	361,831	364,143	2,312	Increased
Missouri*	230,511	261,810	31,299	Increased
Montana	51,857	49,620	-2,237	Declined
New Hampshire	62,325	62,893	568	Increased
New Jersey	595,058	643,219	48,161	Increased
New Mexico	48,674	49,254	580	Increased
New York	2,036,802	1,941,349	-95,453	Declined
Ohio	606,222	616,306	10,084	Increased
Oregon	234,577	227,743	-6,834	Declined
Pennsylvania	747,710	686,583	-61,127	Declined
Rhode Island	68,432	74,423	5,991	Increased
Vermont	35,622	33,181	-2,441	Declined
Washington	499,779	538,352	38,573	Increased
Total CB States	10,567,028	10,623,394	56,366	Increased
*Missouri and Kentucky have since become RTW States Source: Current Population Survey Outgoing Rotation Groups (CPS ORG), available at www.unionstats.com .				

However, Illinois lost nearly 35,000 members, one of 9 CB states to experience a decline. After netting Illinois out to compare the state to every other state, *all other CB states* gained approximately 91,000 union members over the year.

Number of Union Members by Type of State				
State	2015	2016	Change	Membership
Illinois (CB State)	846,984	812,397	-34,587	Declined
Other CB States	9,720,044	9,810,997	90,953	Increased
All RTW States	4,219,255	3,926,236	-293,019	Declined
United States	14,786,283	14,549,630	-236,653	Declined

“Right-to-Work” Laws in the Midwest Have Reduced Unionization and Lowered Wages

A recent ILEPI and University of Illinois study found that the introduction of “right-to-work” laws has reduced the unionization rate by 2.1 percentage points and lowered worker wages by 2.6% in Indiana, Michigan, and Wisconsin (Manzo & Bruno, 2017). As of 2016, there were significant differences between RTW states and CB states in the Midwest. Notably, workers in Indiana, Michigan, and Wisconsin earned 8% less per hour on average than their counterparts in Illinois, Minnesota, and Ohio. The unemployment rate was only marginally lower (by 0.3 percentage points) in the three RTW states last year.

After accounting for important factors such as education, occupation, and demographics, ILEPI and the University of Illinois found that the introduction of RTW laws has statistically reduced the unionization rate by 2.1 percentage points and lowered hourly wages by 2.6% in Indiana, Michigan, and Wisconsin (Manzo & Bruno, 2017). This corroborates previous research, which found that RTW laws reduce wages by 3.1% on average (Gould & Kimball, 2015). The impact on wages has been largest for middle-class occupations, such as construction and office and administrative support jobs.

The Illinois Policy Institute's Recent Article is Misleading and Poor Analysis

On May 9, 2017, the Illinois Policy Institute wrote that Indiana has added five times more union members than Illinois since passing its RTW law (Lucci, 2017). Based on a limited sample of two states, the author concludes he has “disproved” the claim that RTW lowers unionization. This is incredibly poor policy analysis and no independent economist would endorse this conclusion:

- The author cherry-picks two states. What if we cherry-picked Michigan and Illinois? Michigan became RTW in 2013. So what was the change in union membership from 2012 – the year before Michigan became a RTW state – to 2016? Michigan’s unionization fell by nearly 22,000 members, from 628,798 members in 2012 to 606,868 in 2016. Conversely, Illinois’ unionization increased from 800,434 members in 2012 to 812,397 members in 2016, a gain of nearly 12,000 members (Hirsch & Macpherson, 2017). The point is that evaluating two states in two different years is an incomplete analysis.
- Good policy analysis is based on looking at the big picture. After taking a larger sample size and comparing all RTW states to all CB states (see above), it is easy to reject the Illinois Policy Institute’s conclusion.
- *Even better* policy analysis accounts for other factors that influence labor market outcomes. African Americans are more likely to be union members than white workers (Manzo et al., 2016). Construction workers are more likely to be union members than investment bankers. Public sector workers are more likely to be union members than private sector workers. The analysis is almost meaningless without controlling for other important factors in each state (Hogler et al., 2004). The Illinois Policy Institute approach is flawed.

The claim that RTW does not reduce union membership is absurd.

What Exactly Does a “Right-to-Work” Law Do?

A “right-to-work” law is a government *regulation* which prohibits workers and employers from including union security clauses into private contracts. Union security clauses ensure that each member from a collective bargaining unit pays a fair share of dues or fees for the services provided by the union. RTW makes the payment of dues or fees optional, allowing workers in any bargaining unit to “free ride” on the efforts and contributions of others. Consequently, workers can benefit from higher wages, better health and retirement benefits, legal and grievance representation, and other perks earned by the union without paying anything for the services provided.

Conversely, in a fair-share collective bargaining (CB) state, employers and labor unions are at liberty to negotiate a range of union security clauses. They may, but are *not* mandated to, agree to a union security clause that requires all persons covered by the contract to pay dues or fees to cover the cost of bargaining activities. In these states, covered employees are only required to pay for bargaining costs and are not forced to finance political or other non-bargaining activities. Conclusion: No, “right-to-work” does NOT increase union membership.

Conclusion

No, “right-to-work” does NOT increase union membership.

Sources

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