

# The State of New York Unions 2012

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New York has, for nearly two decades, had the highest proportion of its workforce represented by unions of any state in the country. By 2006, the last year before the latest recession, 24.5 per cent of the state's employees were union members – twice the national rate.<sup>1</sup> But the national economic crisis that began in 2008 struck with particular force in heavily unionized industries like construction and manufacturing. And many state and local governments responded to mounting budget gaps by cutting unionized public sector jobs. What have been the cyclical impacts of the recession and the still-incomplete recovery on union representation? This paper explores this and related questions by focusing on New York, in particular the state's economic engine and population center, the New York City metropolitan area, centered in New York City and Long Island. We investigate the major characteristics of and trends in recent unionization in the New York Metropolitan Area through an empirical analysis of large microdata sets from the U.S. Census Bureau's Current Population Surveys.<sup>2</sup>

New York's recession began later than most of the nation and the state's subsequent job recovery has generally been faster. By the start of 2012, the number of payroll jobs lost had been matched by job growth, while nationwide only about a third of job losses had been restored. Tens of thousands of jobs were cut in the public sector. But, New York's private sector jobs increased by 2 per cent in 2010-2011, the 6th-fastest of any state in the country. And the private sector job count has now reached an all-time high. Still the impacts of the 2008 financial meltdown have been as long-lasting here as elsewhere. The state's unemployment rate has hovered above eight per cent since 2009 and the average unemployed resident has been jobless for nine months. While the payroll job count is now back to its pre-recession level, of the new jobs created since 2009, their average salary is 40 per cent less than that of the jobs lost in 2008-2009.<sup>3</sup> Recent job growth has been mostly in low-wage industries, led by restaurants, non-college educational services, and home health care.<sup>4</sup>

In New York City, total payroll jobs fell to a low of 3.69 million by 2009, then rebounded to the highest level on record: 3.8 million as of the first quarter of 2012. The city's private sector job growth has been even faster than the state pace. Over just the previous 12 months, of the total 65,000 jobs added, three out of four were concentrated in services. Within that supersector, professional and business services created the majority of new jobs. Education and

health services, which account for one-fifth of all jobs in the city, added 4,500 net new jobs last year. But the two subsectors in that category moved in opposite directions: 10,800 new health jobs were created as educational services shrank by 6,300 fewer positions. Continued strength in tourism boosted leisure and hospitality employment, thanks largely to bars and restaurants, sports and performing arts, and hotels. Retail firms also benefited, led by clothing and accessories stores. In contrast, higher-paying finance and real estate payrolls grew modestly (+1.5 per cent) over the 12 months through March. Wall Street's firms have added positions in the past year, but the job total is still 16,000 less than in the pre-recession days four years earlier.

The city's encouraging job news must be tempered by evidence of continuing shrinkage in construction, manufacturing and government. Construction payrolls declined by 15 per cent (-53,000, to a total of 307,000) from 2008 through 2011. Manufacturing has continued its secular shrinkage: over one-fourth of its 101,000 payroll jobs in 2007 were gone by early 2012. Government jobs are down too, though by far less: from a 2004-06 average of 555,000, they increased to 567,000 by 2009, before receding to an average of 542,000 in the first quarter of 2012.

Though job decline in these industries has not been enough of a drag to prevent net job growth, it has contributed to the still-high unemployment rate of city residents. The rate in early 2012 (10 per cent) was still double that in 2007-08, and actually rose during 2011 (Table 1). Nearly 389,000 were unemployed in March – 47,400 more than at this time last year. How can the positive news on payroll jobs be reconciled with the rise in unemployment? The job counts come from a monthly survey (Current Employment Statistics, CES) of New-York-based employers that asks how many workers are currently on payroll – but not whether those workers actually live in the city. Unemployment figures, in contrast, are derived from a survey of households (the Current Population Survey, CPS). Comparisons of figures drawn from two such different surveys must be done with caution.

But the side-by-side statistics on payroll jobs and employed NYC residents in Table 1 at least suggest that a striking trend has been underway since 2009: while the payroll job count reported by employers is now up by nearly 100,000, 41,800 fewer New York City residents say they have a job than three years ago. The household survey shows that the fraction of city residents seeking work has risen of late, but the number of actual job holders has

workers were covered by union contracts, accounting for 13.0 percent of wage and salary employees. But using coverage rather than membership rates alters neither New York's state ranking, nor the trends plotted in Figure 1.

To better understand these patterns, we need to look more deeply into unionization in New York's component regions. This report focuses on the New York City Metropolitan Area, home to the majority of the state's workers and of its union members. We base our statistical analysis on large microdata sets from the U.S. Census Bureau's Current Population Surveys (CPS), a national survey conducted monthly on random samples of 50,000 to 65,000 households nationwide. The survey contains a wide variety of demographic, geographic and employment-related matters. Sampled households are

The time trends found in these larger data sets appear to be quite comparable with those described above. Figure 3 and Table 2 report our estimates for each of the three-year periods of the total number of residents employed, as well as the numbers of these who are union members or otherwise covered by a union contract.<sup>8</sup> In New York City, between 1997-99 and 2004-06, the number of residents in labor unions rose from 790,879 to 856,334 – an increase of 65,455 (+8.3 percent). However, the city's membership gains over this pre-recession span did not fully keep up with overall employment growth, resulting in a slight drop (one-half percentage point) in the union density rate, to 26.9 percent. Over the following three-year period, 2007-2009, the recession was associated with a decline in both the absolute number of resident union members (-25,426, a -3 percent drop) and in the density rate. The latter fell nearly two percentage points, to 25.1 percent. Though the years since then have brought some positive job growth news, union membership fell by

sharply to 8.6 percent in 2010-2012. The number in unions fell nearly 15,000 over this same period, down to 30,445. The union coverage rate fell from 14.2 to 13.4, then to 9.2 in the latest, post-recession period. The most recent decline happened even as youth employment rose by nearly 8,000 (to 352,851).

The nature of the jobs that most youth find and of the firms that hire them likely account for a large share of the explanation. First, their jobs are more likely to be entry-level, low-skill and often part-time or temporary positions in small businesses – all characteristics long associated with low union density. Also, large numbers of youth jobs today have little choice but to work for wealthy and notoriously anti-union employers like Wal-Mart and most fast-food and small retail chains. And it remains true that many unions neglect organizing young workers and, when they do, tend to subordinate their interests in favor of those of more senior employees.

While 25-to-34 year-old New Yorkers continue to be much more likely than those under 25 to have jobs with union contract coverage, the number in unions has fallen by nearly 20,000 since 2004-2006, cutting the membership rate from 21 percent to 17.2 percent. Our findings reveal that only the city’s older workers aged 45 and over have experienced any sizable growth in union membership since the mid-2000s. Like their younger counterparts, this age cohort recorded more employment (up by nearly 41,000) since the recession years, but still had a shrinking share of it with union coverage.

A similar age ranking is evident on Long Island (Table 3), where 10.5 percent of the youngest workers have union coverage today, compared to 30 to 32 percent of those prime-age workers 35 to 54. Both the membership and coverage densities of the latter fell in the recession period. However, since then their densities have risen back to slightly above the pre-recession levels.

### 6.6 Youth Unionization

Over 63 percent of workers in New York City and 28 percent on Long Island are

	2004-2006	2007-2009	2010-2012	2013-2015	2016-2018	2019-2021
Union membership rate (%)	21.0	17.2	17.2	17.2	17.2	17.2
Union membership (thousands)	20.0	15.0	15.0	15.0	15.0	15.0
Union coverage rate (%)	14.2	13.4	9.2	9.2	9.2	9.2
Union coverage (thousands)	15.0	12.0	8.0	8.0	8.0	8.0
Youth employment (thousands)	300	310	320	330	340	352.851
Youth unionization (thousands)	4.2	4.0	2.6	2.6	2.6	2.6
Youth unionization rate (%)	14.0	13.0	8.1	8.1	8.1	8.1

African American, Spanish Origin, or Asian. How have the recession and recovery affected the racial and ethnic mix of employment and union coverage? Compared with the pre-recession years 2004-2006, the only groups in the city whose employment was notably reduced by 2007-2009 were black and Hispanic men. The former lost about 9,000 jobs (-2.7 Percent) and Latinos lost over 45,500 (-9.1 percent). However, the number of each group with union coverage still rose by four to six thousand. Employment gains among other men and women more than compensated for their job losses.

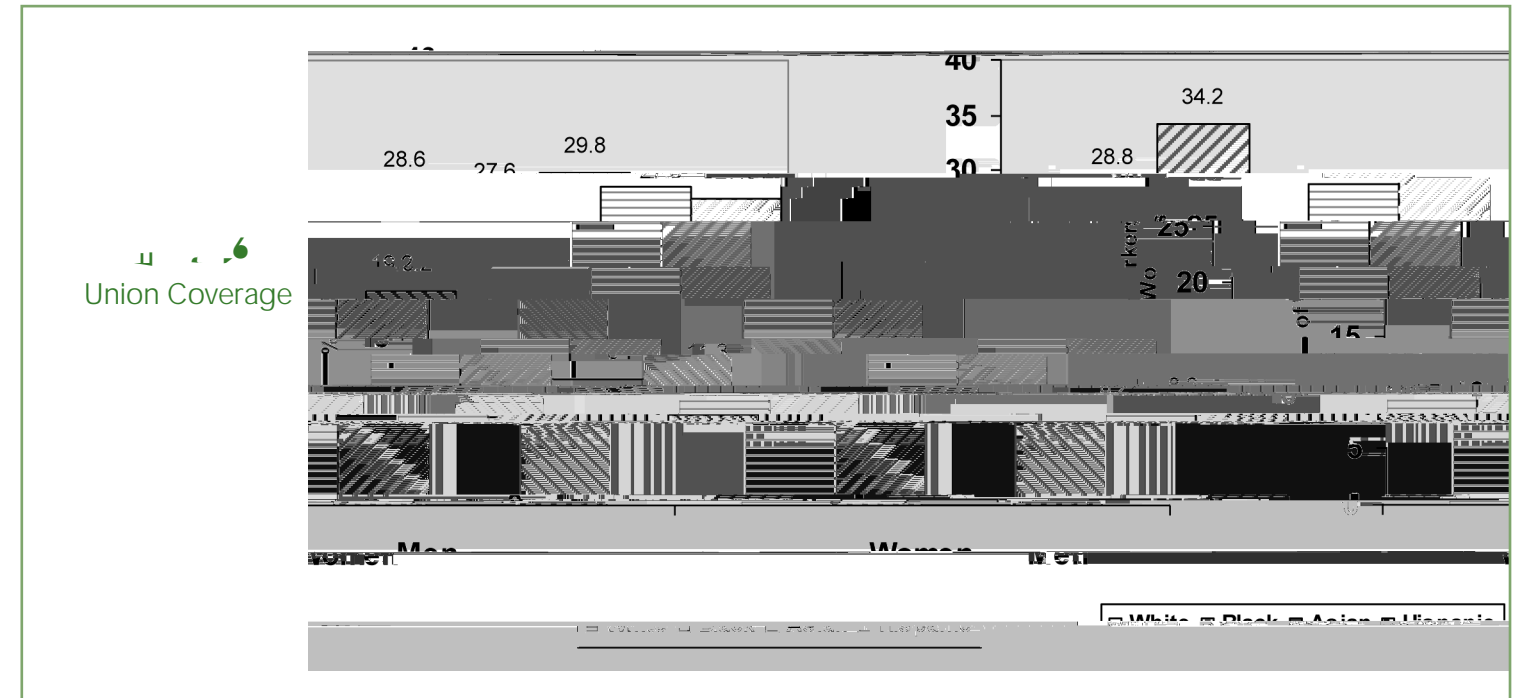
By 2010-2012, both black and Hispanic men have recovered some of their earlier job reductions. But Latino employment has still not recaptured 40 percent of their recession losses. Asian and Latino employment gains most recently drove up the resident job count to 1.73 million men, 37,800 more than in the late 2000s. However, in this same period, the number of men with union coverage shrank by 52,027 – an 11.3 percent drop (Table 4). Every racial and ethnic group experienced declines in union coverage, with 35 percent of the total decline accounted for by the very groups (Asians and Latinos) whose employment was growing.

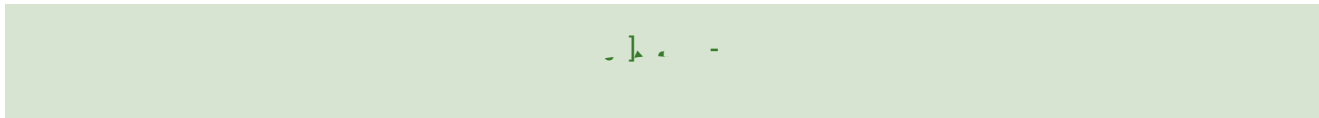
As Figure 5 shows, among male New Yorkers, African Americans have the highest union density, followed by black men (33.5), Latinos (25.1), white non-Hispanic men (23.1), and Asian men (10.8). The black union density rate nationwide also tends to

exceed that of any major racial or ethnic group. But the higher Hispanic rate compared to white non-Hispanic New Yorkers differs from the national pattern.

A higher proportion of New York's women (26.4 percent) than men (23.6 percent) has union representation at work. Among working women, black non-Hispanic have the highest proportion (37.2 percent) of all New York workers covered by a union contract, followed by Latinas (26), white non-Hispanic women (22.3), and Asian women (17). The 428,388 women currently employed in union jobs are nearly three times as numerous as their 147,813 white non-Hispanic male counterparts (Table 4). In fact the female share of the union work force (51.2 percent, as shown in Figure 3) has risen such that it has now more than reached parity with the male share. Although the number of working women with union coverage is down (by 3,800) since the recession years, the much steeper decline in union men meant their share of covered jobs declined.

Of all currently unionized workers on Long Island, the white male union share is over twice as large (40.4 percent) as in the city, but it has slowly declined over the years as a growing majority of its union workers are also now women and minority men (Figure 4). Both male and female employment counts are slightly lower today than in 2007–09. The fact that the total number of workers with union-covered jobs has still risen (by 10,907, or 3.5 percent) reflects the fact that an increase of nearly 14,000 new union women outnumbered the number of men losing coverage (2,700). That is, new female union workers accounted for 100 percent of the total rise in Long Island's union coverage. Union contracts now cover 26.9 percent of men and 25.7 percent of women workers – and the gap between them has been cut in half since the late 1990s. Among working men, African Americans have the highest rate of union coverage on Long Island (34.2 percent), followed by non-Hispanic whites (28.8), Latinos (19.2) and Asians (11.3). Among working women, 28.6 per cent of whites and 27.6 per cent of blacks had union representation, but only 8.2 per cent of Latinas. The nearly 30 per cent density estimate for the still-small Asian female work force is surprisingly high, and well above our earlier findings. Given the small sample size for this subset, the estimate has weak statistical significance.





Changes in Employment & Union Coverage by Industry, 2007-2012

Industry	2007	2012
Manufacturing	1,234,567	1,123,456
Construction	987,654	876,543
Retail	765,432	854,321
Healthcare	654,321	743,210
Education	543,210	632,109
Government	432,109	521,098
Transportation	321,098	410,987
Finance	210,987	309,876
Professional Services	109,876	208,765
Other	98,765	187,654



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