

STATE DROP IN UNIONS AMONG NATION'S LARGEST

Since 2000, no state has seen a larger decline in the proportion of all employees who are union members than Wisconsin. While private sector union membership in the state has declined for decades, 2011 Wisconsin Act 10 likely contributed to a much steeper decline in public sector unions in recent years. Today, the vast majority of Wisconsin's public sector union members are employed by K-12 schools.

ew data from the U.S. Bureau of Labor Statistics show nearly all states have seen a decline in the concentration of their workforce that is unionized over the last 20 years, but none more so than Wisconsin.

In 2000, 17.8% of all employed Wisconsinites were members of a union – the 10th-highest concentration in the country. By 2021, that number fell to just 7.9%, putting Wisconsin at 28th among states and below the national average of 10.3%. The 9.9 percentage point drop since 2000 for Wisconsin was the largest nationwide by nearly three percentage points, and substantially more than the national drop of 3.1 percentage points (see Figure 1).

The 55.6% decline in the rate of union membership in Wisconsin over the same time period ranked second-highest in the country, behind only South Carolina (whose overall membership was lowest nationwide in both 2000 and 2021). Forum research finds that a

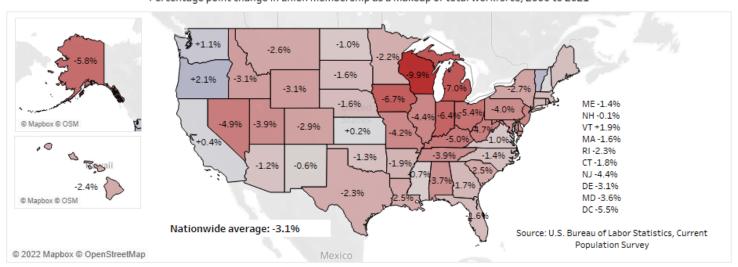
combination of legislation aimed at curtailing public unions' authority and broader national trends impacting private union membership may help to explain Wisconsin's drop-off.

This decline has been welcomed on the right as a win for taxpayers and economic growth and lamented on the left as a blow to workers and income equality. One thing both sides agree on, however, is that Wisconsin has been a leader in this national shift and these data bear that out.

<u>Data</u> from the federal Current Population Survey (CPS), aggregated by professors Barry Hirsch (Georgia State University) and David Macpherson (Trinity University), allow for a deeper look into union membership at the state level as well as across certain industries. Unlike data published directly by CPS, Hirsch and Macpherson's analysis does not yet include 2021 data. After an analysis of this CPS data, we look at union

Figure 1: Wisconsin Sees Largest Drop in Union Membership Since 2000

Percentage point change in union membership as a makeup of total workforce, 2000 to 2021



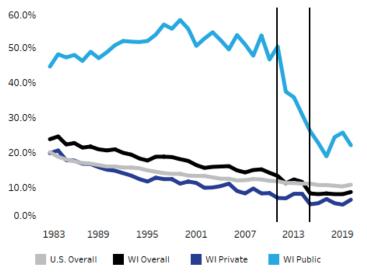
recertification election data from the Wisconsin Employment Relations Commission (WERC) to understand what the drop in public sector union membership has looked like over the last decade.

WISCONSIN'S UNION MEMBERSHIP

The state-level union membership data from CPS goes back to 1983. That year, just under 2 million total people were employed in Wisconsin, with about 465,600 belonging to a union (23.8%). Since that time, union membership in the state has declined by about 6,500 individuals on average per year; by 2020, total statewide membership was just over 227,000 (-51.2%). With growth in overall employment, unionized employees constituted just 8.7% of Wisconsin's workforce in 2020 (see Figure 2).

The vast majority of Wisconsin's workforce (85.4%) is employed by private companies. While much of the recent discussion around unions in Wisconsin has focused on the public sector, in 1983, about one in five (19.8%) private sector employees were union members. This number was driven by two industries: manufacturing and construction, which in 1983 in Wisconsin constituted 37.5% of all private employees and had union membership rates of 36.0% and 42.4%, respectively. In the same year, construction and manufacturing accounted for nearly 7 in 10 (69.7%) unionized private sector Wisconsin employees.

Figure 2: Private, Public Union Membership in Decline
Wisconsin union membership as a share of total workers by year and
type of employer, 1983-2020; vertical bars represent passage of Act 10
(2011) and Right to Work Law (2015)



Source: Bureau of Labor Statistics and Barry T. Hirsch and David A. Macpherson, "Union Membership and Coverage Database from the Current Population Survey: Note," Industrial and Labor Relations Review, Vol. 56, No. 2, January 2003, pp. 349-54 (updated annually at unionstats.com)

Since that time, manufacturing and construction jobs have begun to disappear in the state. In 1983, 31.5% of the total Wisconsin workforce was employed in private manufacturing and construction; by 2020, that had dropped to 24.2%.

Union membership in both industries has eroded. Construction union membership dropped from 42.4% in 1983 to 20.3% in 2020. The decline in manufacturing has been more stark: in 1983, 197,032 (36.0%) private manufacturing employees in Wisconsin were union members, compared to just 65,571 (12.8%) in 2020.

The decline in public sector union membership has been larger and more recent. The peak year for both total public union membership and concentration was 1999, when 214,994 (57.9%) public employees statewide were union members. From 1984 to 2011, public sector union membership stayed between 45% and 60%. Since that time, however, union concentration has dropped significantly, and by 2020, just 22.1% of Wisconsin's public employees were union members. Since 2011, Wisconsin's public sector unions have lost about 11,500 members per year.

UNION HISTORY IN WISCONSIN

As the birthplace of the American Federation of State, County, and Municipal Employees (AFSCME) and the first state to allow public sector unions to negotiate contracts in 1959, Wisconsin has long been known as a leader in trends around organized labor. Yet the state also has a history of efforts to limit unions' scope and influence, including the Wisconsin Employment Peace Act of 1939, a forerunner of the federal Taft-Hartley Act which like the Wisconsin law prohibited certain kinds of strikes and some other labor practices.

Union influence has diminished in the Upper Midwest along with the loss in manufacturing jobs – a particularly crucial industry in Wisconsin. Factors contributing to the loss of manufacturing jobs and union members include production being moved to other parts of the world, increased productivity and automation, and the rise of service-sector jobs.

In 2011, Wisconsin was again at the leading edge of a national trend when state officials repealed most collective bargaining for most state and local workers. The legislation, known as Act 10, also required most public employees to contribute more for their pension and health care benefits, limiting costs for local

governments and helping to offset the impacts of cuts to state aid to local school districts and schools that were used to help bridge a \$3 billion budget gap.

The law also required public employee unions to recertify every year by garnering the votes of at least 51% of all members of their bargaining unit, even if those members did not vote, and restricted bargaining to a limited range of wage increases, meaning that unions could no longer officially negotiate working conditions, benefits, and work rules. Act 10 was followed by the passage of legislation in 2015 that prohibited private employers and unions from reaching contracts that required workers to pay union dues.

PUBLIC UNIONS SINCE 2011

WERC <u>publishes</u> the results of every union recertification election that has taken place in the state following the passage of Act 10. Since November 2011, most unions have had to recertify annually by receiving the votes of 51% of all members of the bargaining unit (rather than a majority of those voting). School district and state employees typically vote in November, and all other public sector employees tend to vote in April.

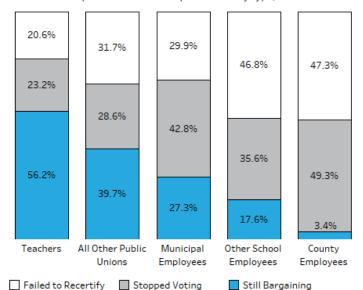
According to a WPF analysis of WERC data, there have been 983 public sector unions in the state that took at least one recertification vote between November 2011 and the end of 2021. Of those, only 318 (32.3%) successfully recertified in 2021, indicating that they are still recognized by the state or local governments. The remaining unions either failed to hit 51% in their most recent election (33.4%) or successfully hit that threshold the most recent time they voted, but stopped pursuing annual recertification prior to 2021, indicating they are no longer bargaining (34.3%).

These figures do not include local police and firefighter unions, which were exempted from Act 10. They also omit any unions that chose not to recertify after Act 10's passage. Most public sector unions that took at least one vote in the last decade have represented teachers (35.1%) or other school district employees (23.7%). Most others are for municipal (19.7%) or county (15.1%) employees. The remaining unions (6.4%) have represented those employed by Cooperative Educational Service Agencies, special districts, utilities, technical colleges, universities, or the state.

Teachers unions have been more successful at recertifying than other public sector unions. In 2021,

Fig. 3: Teachers Most Likely to Win Union Recertification

Status of public sector unions post-Act 10 by type, 2011-2021



Source: WPF Analysis of Wisconsin Employment Relations Commission elections data. Does not include police/fire unions or unions that chose not to take a recertification vote after Act 10 passed.

194 teachers' unions hit the 51% threshold, representing 56.2% of teachers' unions in the WERC election data (see Figure 3). Other public sector unions have had less success. For example, of the 148 county employee unions that took at least one vote in the last decade, just five (3.4%) recertified in 2021.

CONCLUSION

The data show that since 2000 few - if any - states have seen a greater decline in the scope and influence of labor unions than Wisconsin. Though the effect of policies impacting organized labor such as Act 10 are still being debated, they likely have a connection to the decline in Wisconsin's tax burden compared to most states as well as a drop in its national ranking on spending per student by K-12 schools.

Going forward, the direction of union organizing in the state may depend in part on the labor market itself. A tight market like the one currently capturing the headlines tends to strengthen the hand of workers, either individually or collectively. Still, at least for now, unions in Wisconsin and nationally seem likely to play a more modest role than they did in previous decades.