

Center for American Progress Action Fund



As Unions Weaken So Does the Middle Class New Census Data Shows the Importance of Unions to the Middle Class



SOURCE: AP/Bebeto Matthews

A coalition of New York City unions rally for a "March for the Middle Class" across the Brooklyn Bridge to City Hall on Wednesday, June 15, 2011 in New York.

By David Madland, Nick Bunker | September 23, 2011

New state income data released yesterday by the U.S. Census Bureau shows the importance of unions to boosting incomes for all middle-class households—union and nonunion alike. The 2010 income data makes it clear that strong unions are a critical factor in creating a middle-class society. Restoring the strength of unions would go a long way toward rebuilding the middle class.

The states with the lowest percentage of workers in unions—North Carolina, Georgia, Arkansas, Louisiana, Mississippi, South Carolina, Tennessee, Virginia, Oklahoma, and Texas—all have relatively weak middle classes. In each of these states, the share of income going to the middle class (the middle 60 percent of the population by income) is below the national average, according to Census Bureau figures.

Mapping the Census data that has been released this fall to previous years also shows that over time the strength of the middle class and the strength of the union movement have tracked closely together. In 1968, the share of income going to the nation's middle class was 53.2 percent, when 28 percent of all workers were members of unions. Since then, union membership steadily declined alongside the share of income going to the middle class. By 2010, the middle class only received 46.5 percent of income as union membership dropped to less than 12 percent of workers.

As unions weakened, the lion's share of the economy's gains have gone to the wealthy. The share of pretax income earned by the richest 1 percent of Americans more than doubled between 1974 and 2007, climbing to 23 percent from 9 percent. And for the richest of the rich—the top 0.1 percent—the gains have been even more astronomical. Their share of income quadrupled over this period, rising to 12.3 percent of all income from 2.7 percent.

Without strong unions, the middle class has lost out to the wealthy.

To be sure, unions can sometimes act in an overly self-interested manner. But the core of what they do helps all workers and fuels a strong middle class. Unions make the middle class stronger by giving it a bigger say in our economy and our political system.

Unions increase wages for their members as well as raise standards and therefore increase wages for nonmembers. They also ensure that workers are considered in corporate decision-making, and provide job training that help workers advance in their careers. In the political arena, unions get workers involved to boost voting rates, and are champions of economic programs that create a strong middle class. They pushed for and have defended Social Security, Medicare, family leave, the minimum wage, and more recent policies such as health care reform.

In fact, dollar for dollar, strengthening unions is just about as important to the middle class as boosting college graduation rates, according to a [study we conducted several months ago](#) on the strength of the middle class in all 50 states and updated for this column based on the new Census figures. In our analysis we control for a variety of other factors that might also affect the strength of the middle class: education levels, unemployment rate, and industry composition. This enables us to assess the influence of unions by holding constant the effects of these other factors.

The table below shows the state-by-state impact of unions on income. If unionization rates increased by 10 percentage points—to roughly the level they were in 1980—the typical middle-class household, unionized or not, would earn \$1,479 more a year.

To put that number in context, increasing college attainment rates by 10 percentage points would boost middle-class incomes by \$1,638. Similarly, decreasing unemployment rates by 4 percentage points—bringing rates down to pre-Great Recession levels—would increase household income by \$772 per household.

Our findings are consistent not just with our previous research, but also with a **large body** of academic research. Just last month, **an article** by Harvard's Bruce Western and the University of Washington's Jake Rosenfeld found that the decline of unions accounts for one-third of the rise in economic inequality in the United States over the past 30 years.

Even before the Great Recession, the middle class was struggling. Yet we can rebuild the middle class. It won't be easy, and will require a range of solutions. But one thing is clear—stronger unions make a stronger middle class. And a strong middle class is the foundation for a vibrant American economy.

Increased unionization would raise incomes for the middle class in every state

Analysis of Census data shows state unionization rates are highly correlated with the income going to the middle class

State	Current unionization rates	Gain for middle class households if union membership were 10 percentage points higher	Gain In middle class income if union membership were 10 percentage points higher
Alabama	10.2	\$1,209	\$1,316,184,838
Alaska	23.2	\$1,761	\$269,065,633
Arizona	6.4	\$1,362	\$1,906,686,280
Arkansas	4.1	\$1,135	\$759,209,809
California	17.8	\$1,722	\$12,816,398,998
Colorado	6.6	\$1,569	\$1,845,877,749
Connecticut	16.7	\$1,952	\$1,591,117,288
Delaware	11.5	\$1,572	\$310,072,919
Florida	5.6	\$1,341	\$5,659,003,962
Georgia	4.0	\$1,364	\$2,850,605,280
Hawaii	21.8	\$1,724	\$461,092,533
Idaho	7.4	\$1,215	\$420,491,026
Illinois	15.6	\$1,560	\$4,450,056,559
Indiana	11.0	\$1,266	\$1,877,550,442
Iowa	11.5	\$1,320	\$968,610,594
Kansas	6.9	\$1,367	\$903,601,013
Kentucky	9.0	\$1,177	\$1,189,413,976
Louisiana	4.4	\$1,281	\$1,298,647,436
Maine	11.7	\$1,285	\$420,462,375
Maryland	11.6	\$1,941	\$2,477,027,274
Massachusetts	14.5	\$1,820	\$2,752,460,030
Michigan	16.6	\$1,295	\$2,957,874,819
Minnesota	15.9	\$1,546	\$1,939,869,971
Mississippi	4.5	\$1,096	\$710,291,819
Missouri	10.0	\$1,290	\$1,818,962,696
Montana	13.1	\$1,219	\$294,591,436
Nebraska	9.4	\$1,335	\$576,302,506
Nevada	15.0	\$1,444	\$857,361,302
New Hampshire	10.2	\$1,675	\$518,110,676
New Jersey	17.1	\$1,969	\$2,749,111,270

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See also:

- [Infographic: Six Ways Unions Build a Strong Middle Class](#)
- [Interactive: How Unions Build a Strong Middle Class](#)

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