

The Decline of Big Labor

Stephen Lusk

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On August 4, workers at a Nissan plant in Canton, Mississippi voted against a measure to unionize with the United Automobile Workers. Despite support from Sen. Bernie Sanders and activist Danny Glover, the measure failed, with 60 percent of employees choosing to stay independent.

This will probably be misconstrued as employees not knowing what is in their best interest. But what if the exact opposite is true?

A recent report by the Bureau of Labor Statistics found that union membership in the U.S. decreased by 3.1 million between 1983 and 2016. As these numbers dwindle, 28 states have passed Right to Work (RTW) laws, eliminating “closed shop” workplaces and making union membership completely optional. While unions are on the decline, personal income is soaring. According to the St. Louis Fed, median personal income per capita has skyrocketed from \$12,528 to \$50,302 during that same time period.

As more people transition to the technology sector and industrial plants become increasingly automated, workers may no longer be seeing enough value in unionization to justify the costs. Membership in the UAW costs between \$500 and \$600 annually, which could pay for an entire month’s rent in Canton — or cities such as Arlington, Texas and Tucson, Arizona — as Americans for Prosperity’s Russ Latino points out. Even those who opt to remain members are not completely happy. A 2016 poll found that 57 percent of Americans, including past and present union members, believe that labor leaders are out of touch and represent them poorly. Is it any surprise that so many people are choosing to be free agents?

Another indicator of the diminishing power of unions is the growing number of states who have passed RTW, including some typically associated with industry and unions, including Michigan, Wisconsin, and Indiana. A recent report by the Cato Institute found that population growth coincides with RTW. As manufacturers flock to RTW states, workers follow, seeking relatively well-paying jobs that do not require them to sacrifice their autonomy or a significant chunk of their earnings.

Consider a child support specialist who filed a federal free speech lawsuit after he was forced to choose between being unemployed or paying his industry’s union a ransom. The Seventh Circuit struck Janus’ case down in March. But it may go all the way to the Supreme Court, preparing Illinois to become the 29th state to adopt RTW.

Back to Canton. According to American Auto Worker, the UAW is not operating anywhere in Mississippi. A recent study by the Mississippi Economic Council found that the automotive industry employs over 18,000 in the state, with two support positions created for each automotive one. The study also found that the average yearly income of a Mississippi autoworker is 34 percent higher than the statewide average of \$37,642. While the study does not take into account the unseen economic toll via tax credits and incentives, it nevertheless highlights the comparatively low employment rates and high average incomes of the non-unionized Mississippi auto industry.

As Big Labor's power, funding, and influence dwindles, workers across the nation are realizing they are better off without unions and that high-level labor executives do not generally have the worker's best interest at heart. But Big Labor is not going away quietly, adamantly fighting RTW and the worker's right to free speech and association. In a last-ditch effort, the UAW gambled on the south for new members. Despite bringing in some major star power, the UAW failed to establish in Mississippi.

The Magnolia State's non-organized auto sector allows tens of thousands of residents to live relatively prosperous lives in one of the worst economies in the nation. It serves as an example to other states of what happens when workers are free to associate.