

INEXORABLE DECLINE OR MOMENT OF OPPORTUNITY?

Why generational trends are the biggest threat to today's unions

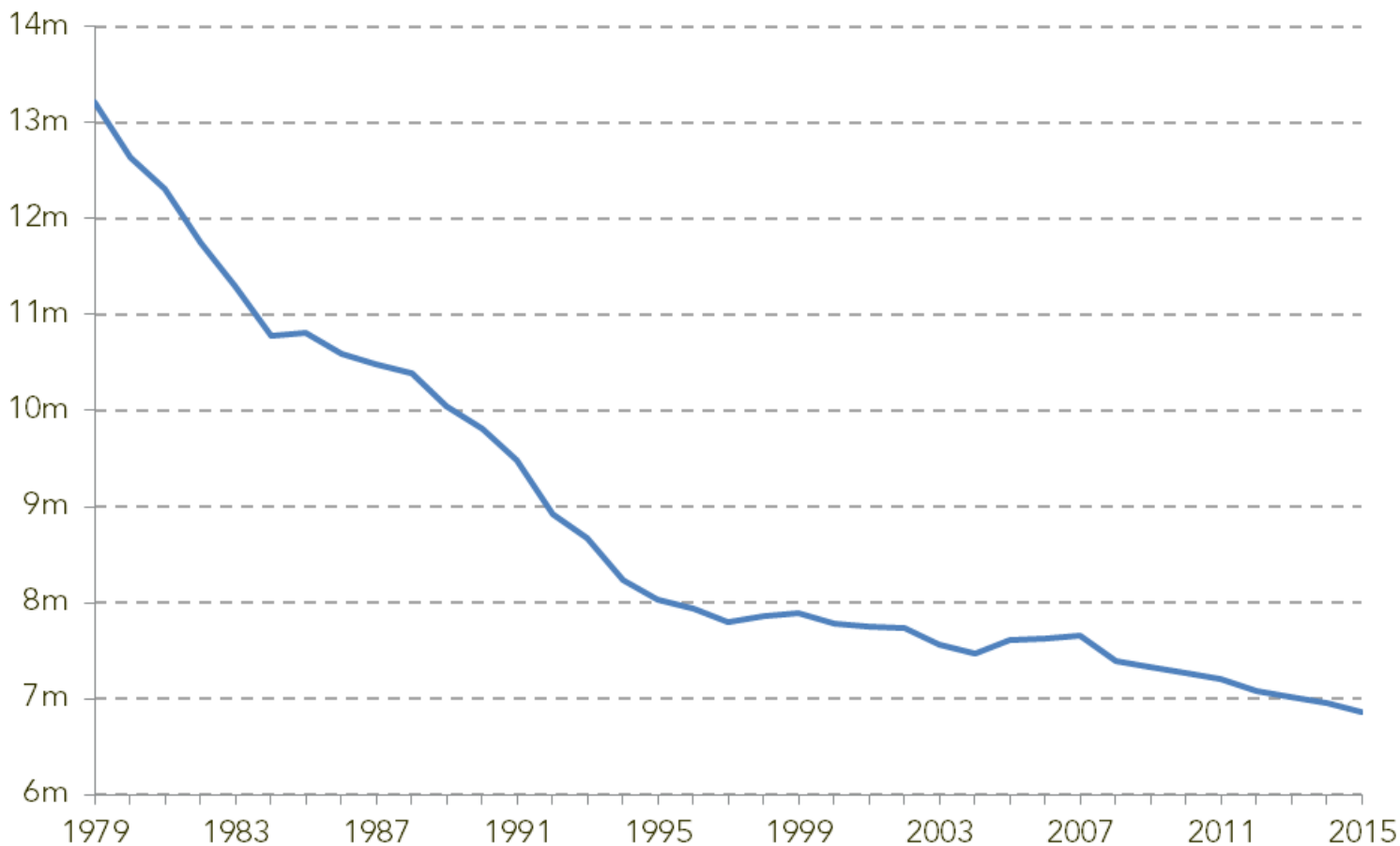
Gavin Kelly & Dan Tomlinson

April 2018

Based on a presentation given to the 2018 Unions21 annual conference, 13 April 2018

We all know the story of decline – for which there are multiple and changing reasons over the decades

Number of trade union members in the UK, 1979-2015

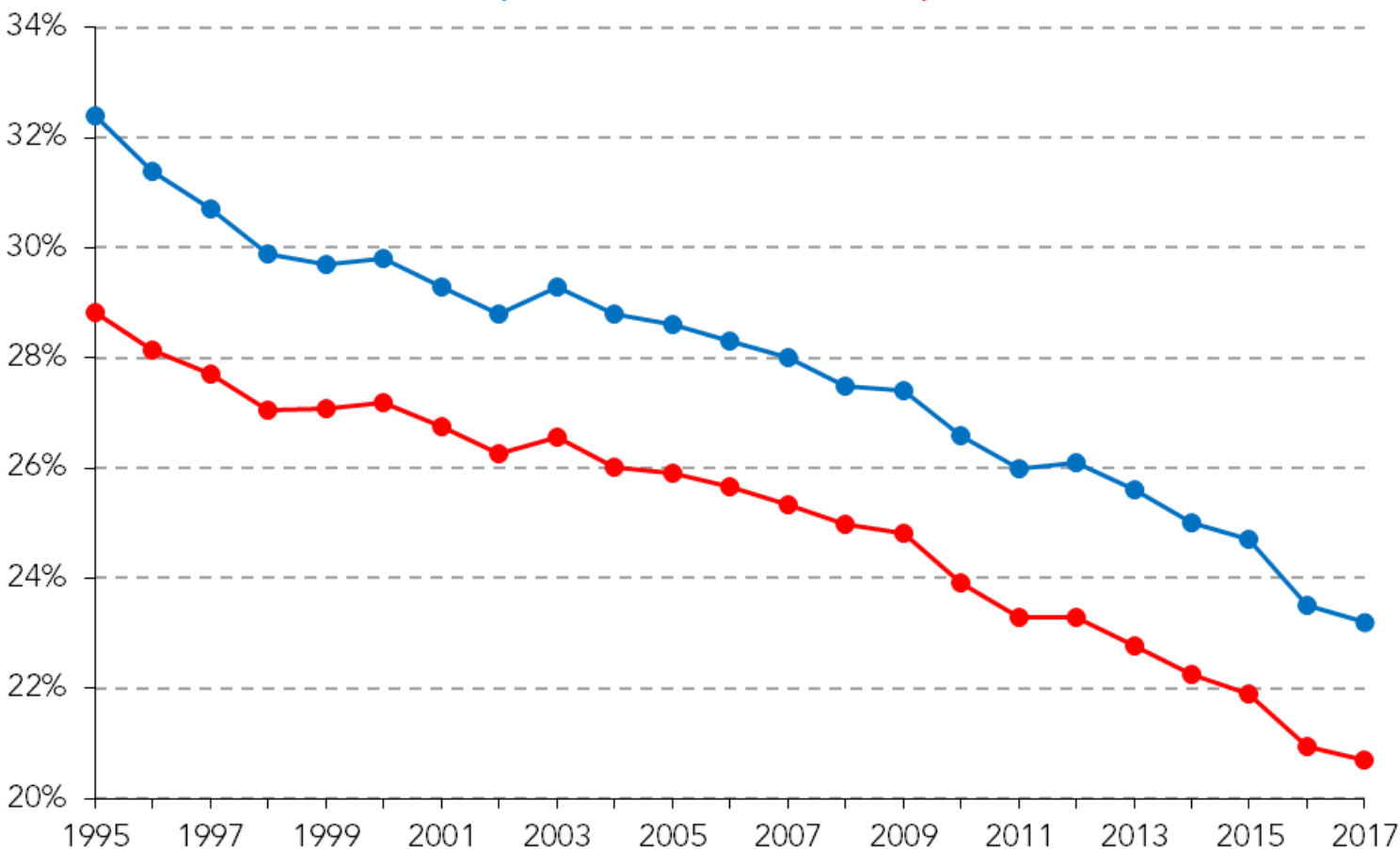


The long-run fall in membership is stark

Trade union membership has roughly halved since 1979 – from a peak of over 13 million to under 7 million today – at the same time the workforce has grown by around a quarter

Union *density* has fallen by more than a fifth since the turn of the century

Trade union density, among *employees* and *all those in employment*

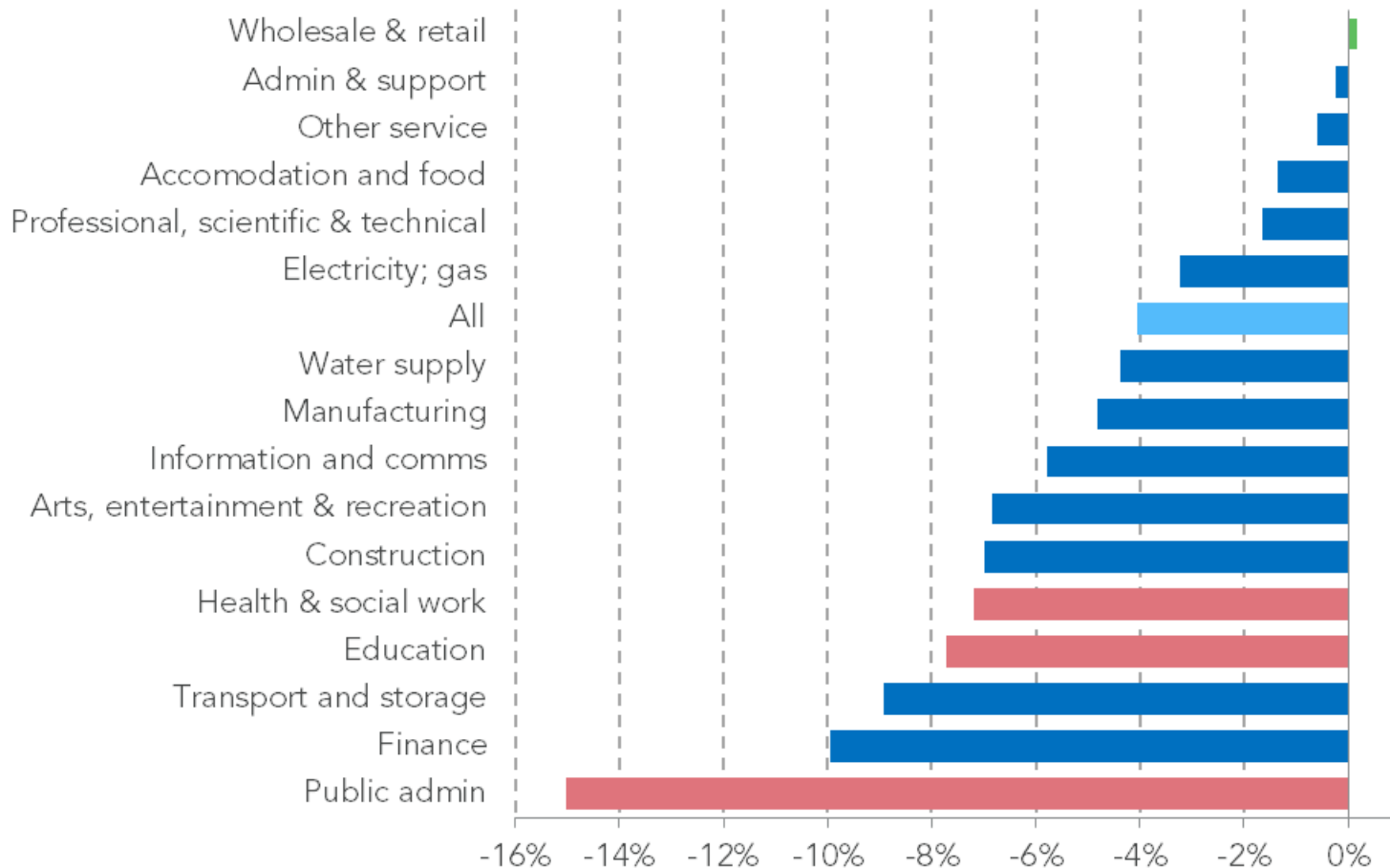


Membership rates are far higher in the public sector (52%) than in the private sector (13%)

But have also been falling faster among public sector workers, which has driven much of the recent fall shown here

Young people: membership has fallen significantly in nearly every sector since early 2000s

Change in 16-35 year olds' trade union membership rate 2002-04 to 2015-17, by industry

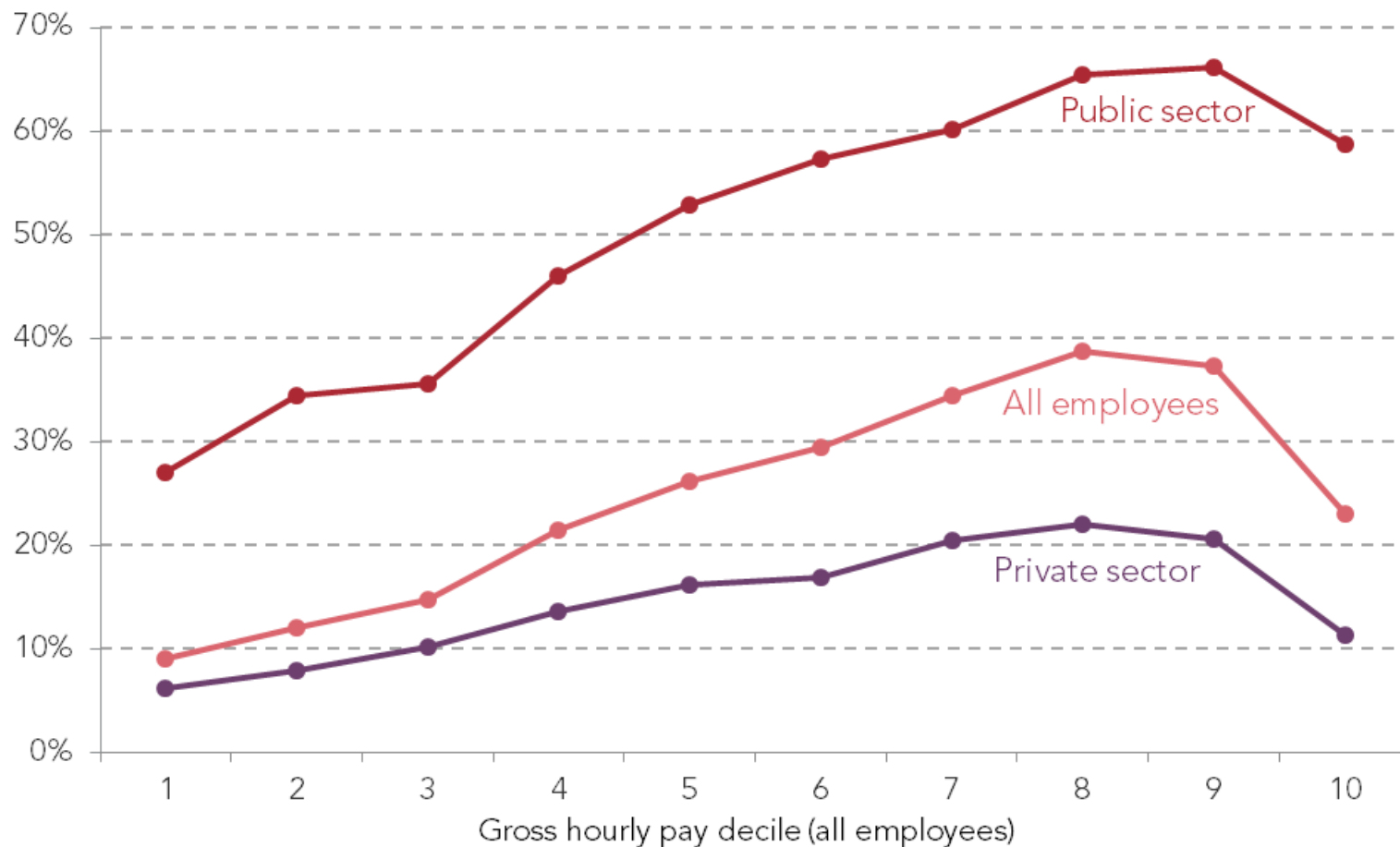


Some of the biggest falls in membership have taken place in union-heavy sectors like education & public admin

Only in wholesale & retail has membership risen (marginally) since the early 2000s

Who are today's unions mainly representing? Older, more affluent, public sector workers...

Proportion of employees in trade union membership, average over 2015-17



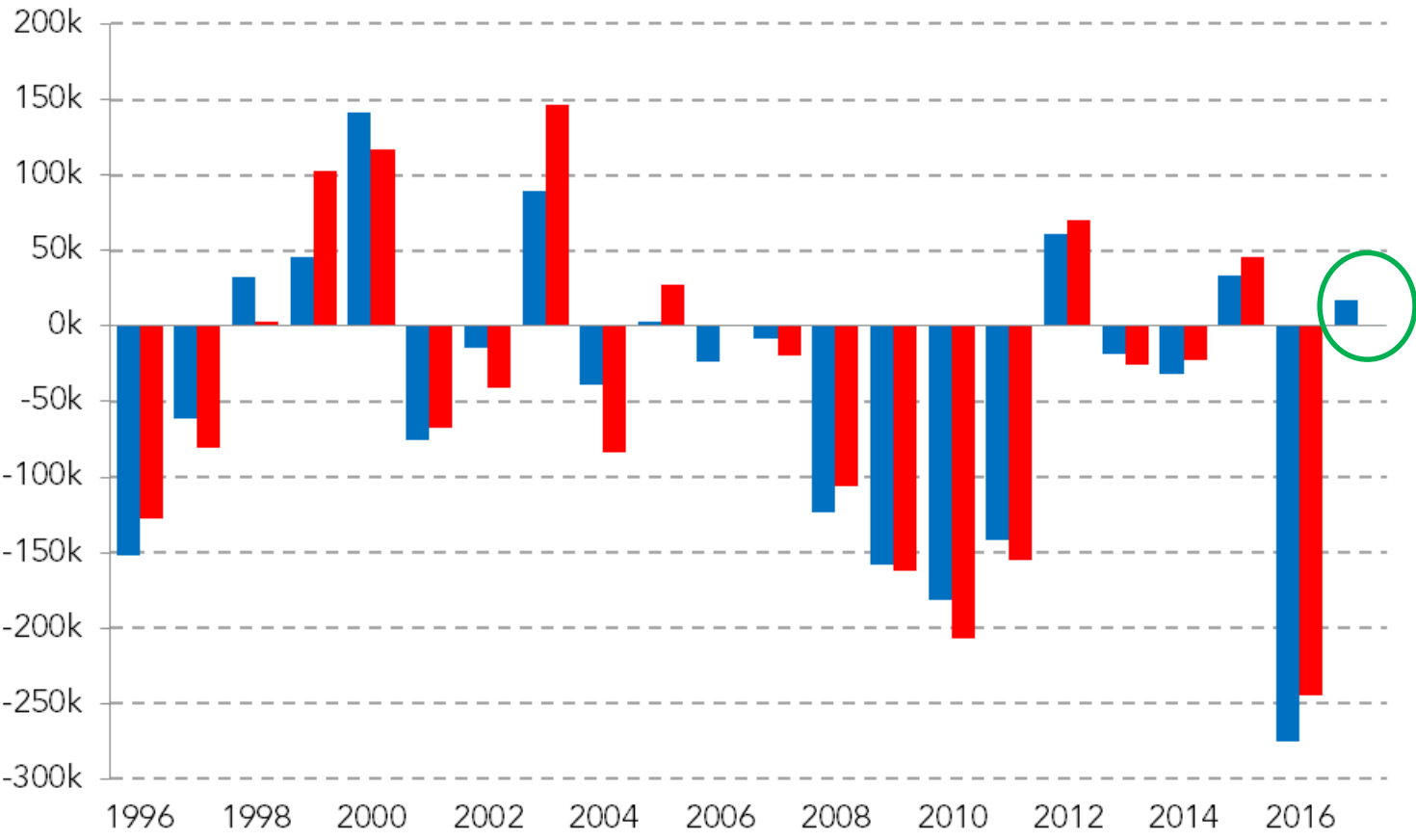
For a whole host of reasons, there are massive inequalities in representation

Membership rates are **17 times higher** for older highly-paid public sector workers than for younger low-paid private sector workers

Chinks of light...?

Membership has probably ticked up over the past year

Change in number of *employees* and all *those in employment* in trade union membership



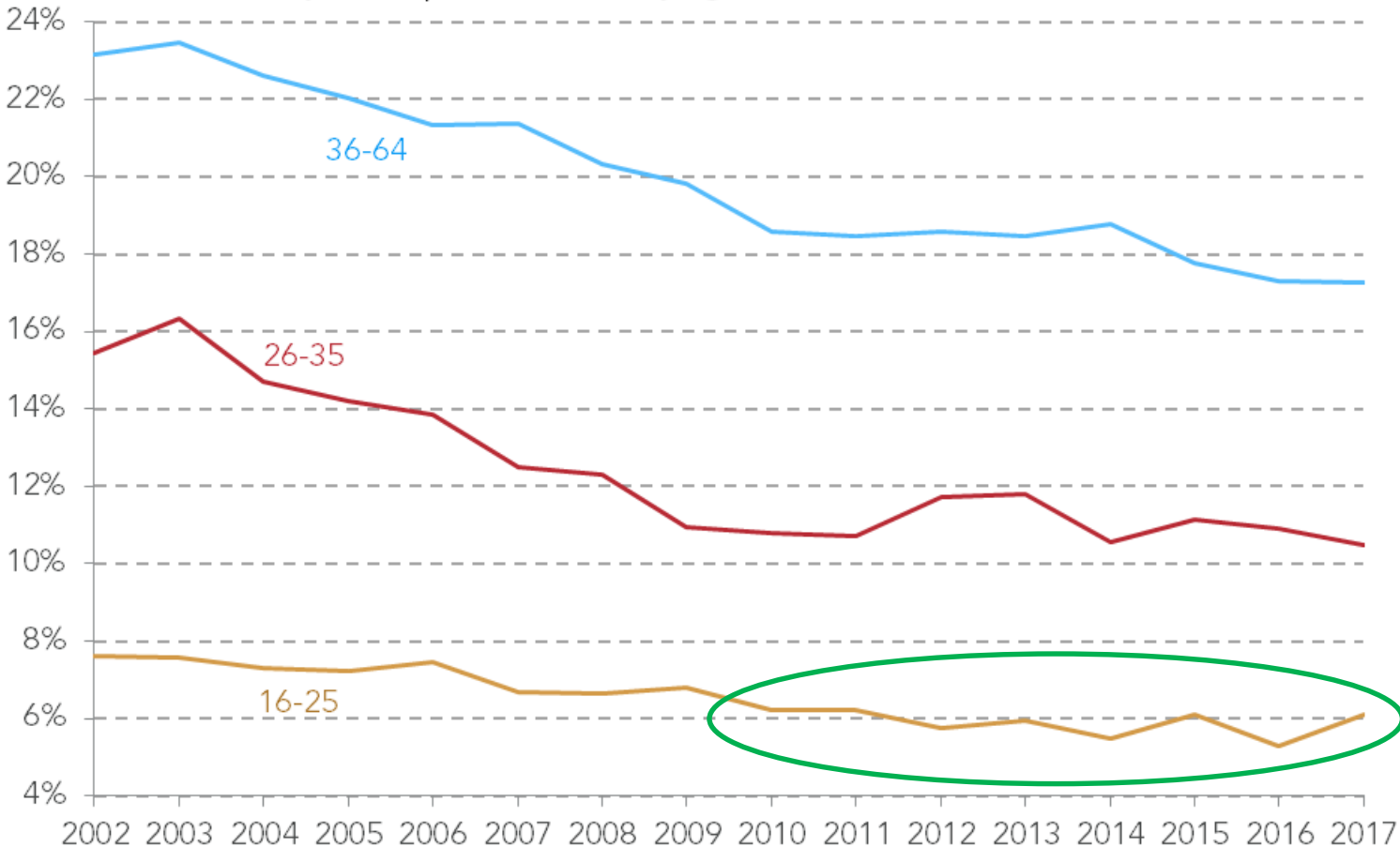
We expect a slight **increase** (c. 20k) in the number of members (employees) when new stats come out for 2017

Membership broadly flat across all those in employment

Last year membership fell by c.250k

Membership among young workers in the private sector has at least *stopped falling* – flat since 2010

Trade union density in the private sector, by age band

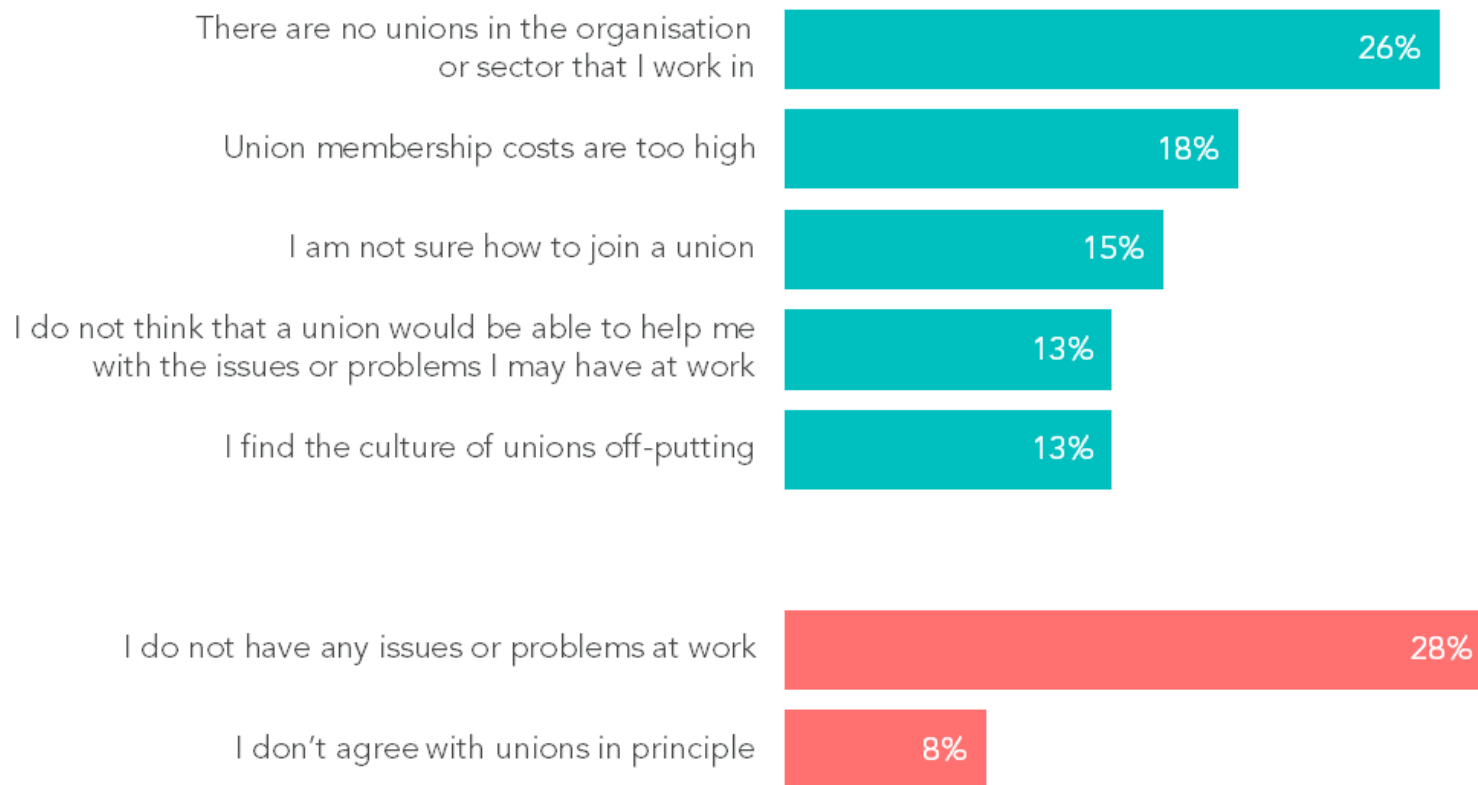


The levels of trade union membership among young workers in the private sector is very low (at just 6%) but at least it hasn't fallen since the turn of the decade

Arguably it's hit some sort of rock-bottom. But a flat line is a necessary stage before a rising one?

Some barriers to future membership growth among the young are clearly surmountable

Of the following reasons, which two or three, if any, are most important in explaining why you are not currently a member of a union?



Notes: all millennials aged 17-36 in Great Britain (n=1114)

Source: Resolution Foundation

Economic and political shifts have in some respects made unions more relevant & 'de-fanged' their image

Unemployment rate...

In 2011:
8.1%

Today:
4.3%

Austerity is over, May tells Tories

Apologetic PM admits: I got us into this mess

Francis Elliott Political Editor
Sam Coates, Oliver Wright


Theresa May is poised to bring to a close seven years of austerity after Tory MPs warned that they would refuse to vote for further cuts.

The prime minister spent the day apologetic to her cabinet and backbenchers, saying that she took full responsibility for losing the party's Commons majority and running a poor campaign. "I'm the person who got us into this mess and I'm the one who will get us out of it," she told a meeting of the 1922 Committee last night.

Sources said that she accepted that existing plans because finance measures postponed until after the election may not clear a hung parliament.

Restrictions on corporation tax relief, estimated to bring in £4 billion over four years, the "making tax digital" programme to save £2.2 billion and scrapping permanent non-domicile status to bring in £1.4 billion will need to be passed to make his figures add up.

Gavin Barwell, Mrs May's new chief of staff, told the BBC that austerity had repelled voters as he explained the loss of his Croydon Central seat. "There's a conversation I particularly remember with a teacher who had voted for me in 2005 and 2010 and said: 'I understand




THE TIMES

Ryanair hits more turbulence as pilots push for strike ballot



Case Nos: 2202550/2015 & Others

EMPLOYMENT TRIBUNALS

BETWEEN

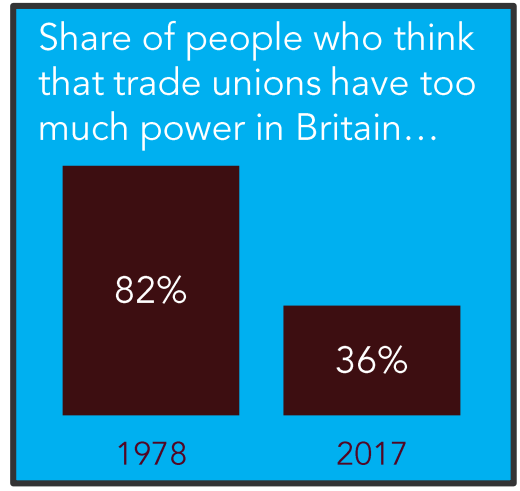
Claimants and Respondents

(1) Mr Y Aslam
(2) Mr J Farrar & Others

(1) Uber B.V.
(2) Uber London Ltd
(3) Uber Britannia Ltd



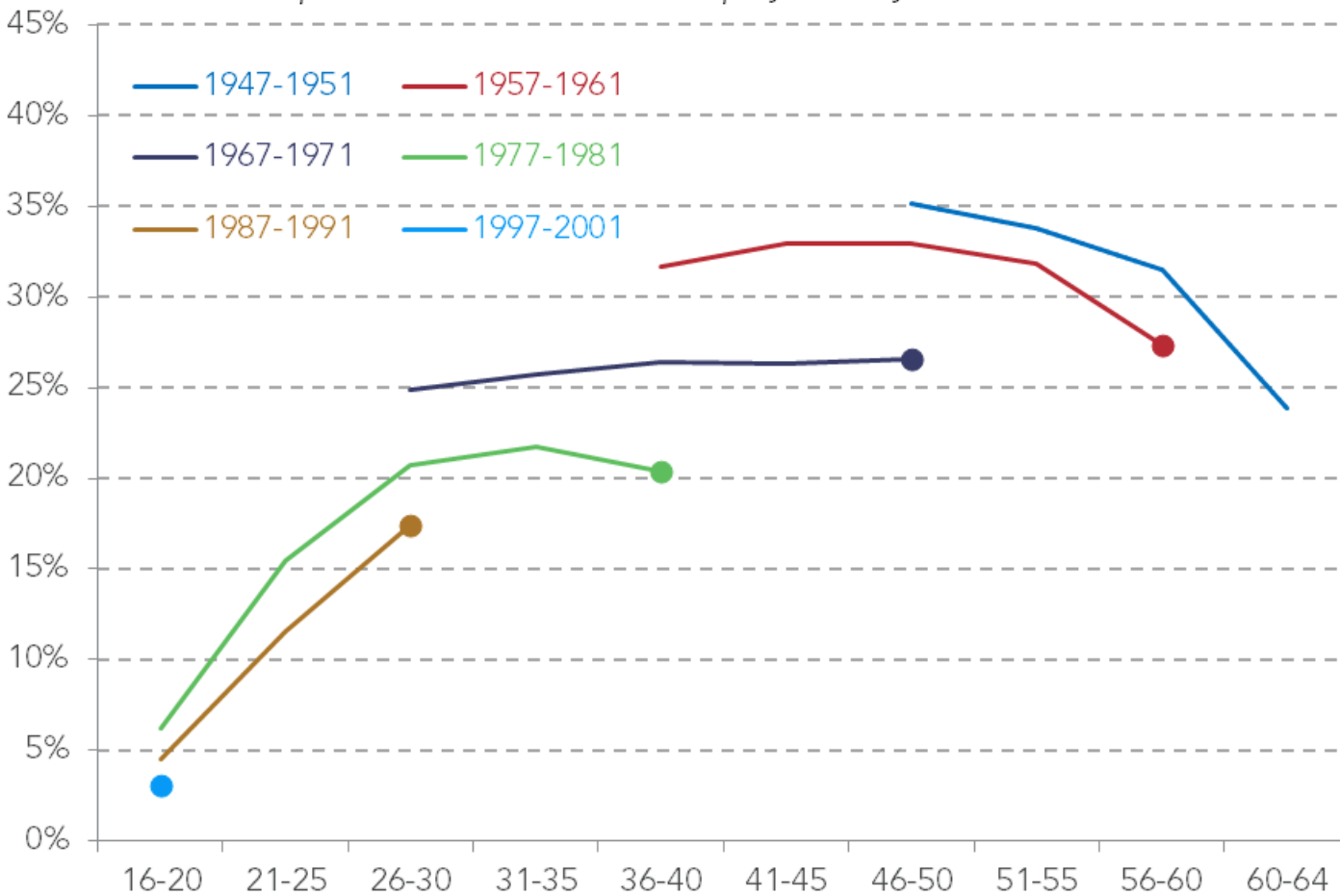
WhatsApp



...but a dark (demographic)
cloud is looming

Young people are not joining at anything like the rate their predecessors did

Union membership rate as a share of all in employment by birth cohort



Dots show membership rates over the past 5 years

Each new cohort is starting out with lower membership rates than its predecessor, and is failing to catch-up as it ages

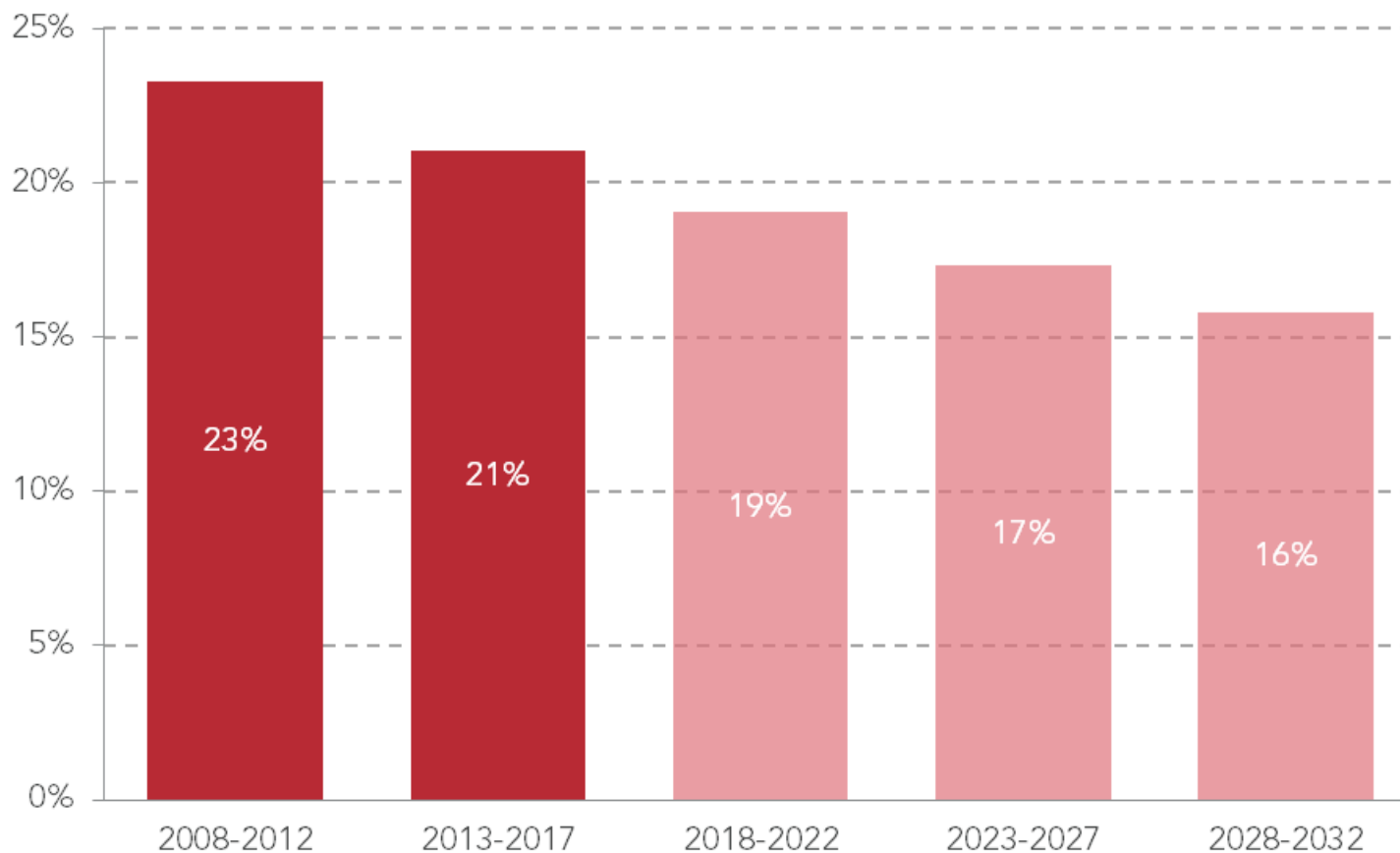
For example, millennial membership rates are a third lower at age 26-30 than was the case for 'generation X' at the same age

Our simple projection

- We've projected membership rates forward 15 years to try and understand the potential size of the generational challenge facing trade unions.
- This projection is based on the very simple assumption that changes in membership in the coming years track the path that previous cohorts took at the same age.
- For example, the cohort born around 1990 saw a 50 per cent increase in union membership as they moved from their early to late twenties. We assume that the *same percentage increase in membership will occur* (from today's lower starting levels) over the coming decade among those born around 2000.
- This is a *very* rough and ready approach which assumes the near-future continues the trajectory of the recent-past. Arguably it is too rosy. Growth rates in membership for those in their 20s/30s may fall short of the past. And no account is given to potential 'shocks' like automation or the impact of another recession.

Membership is projected to fall to c.16% by 2030

Union members as share of all in employment, actual & projected, 16-64, 2008-12 to 2028-32



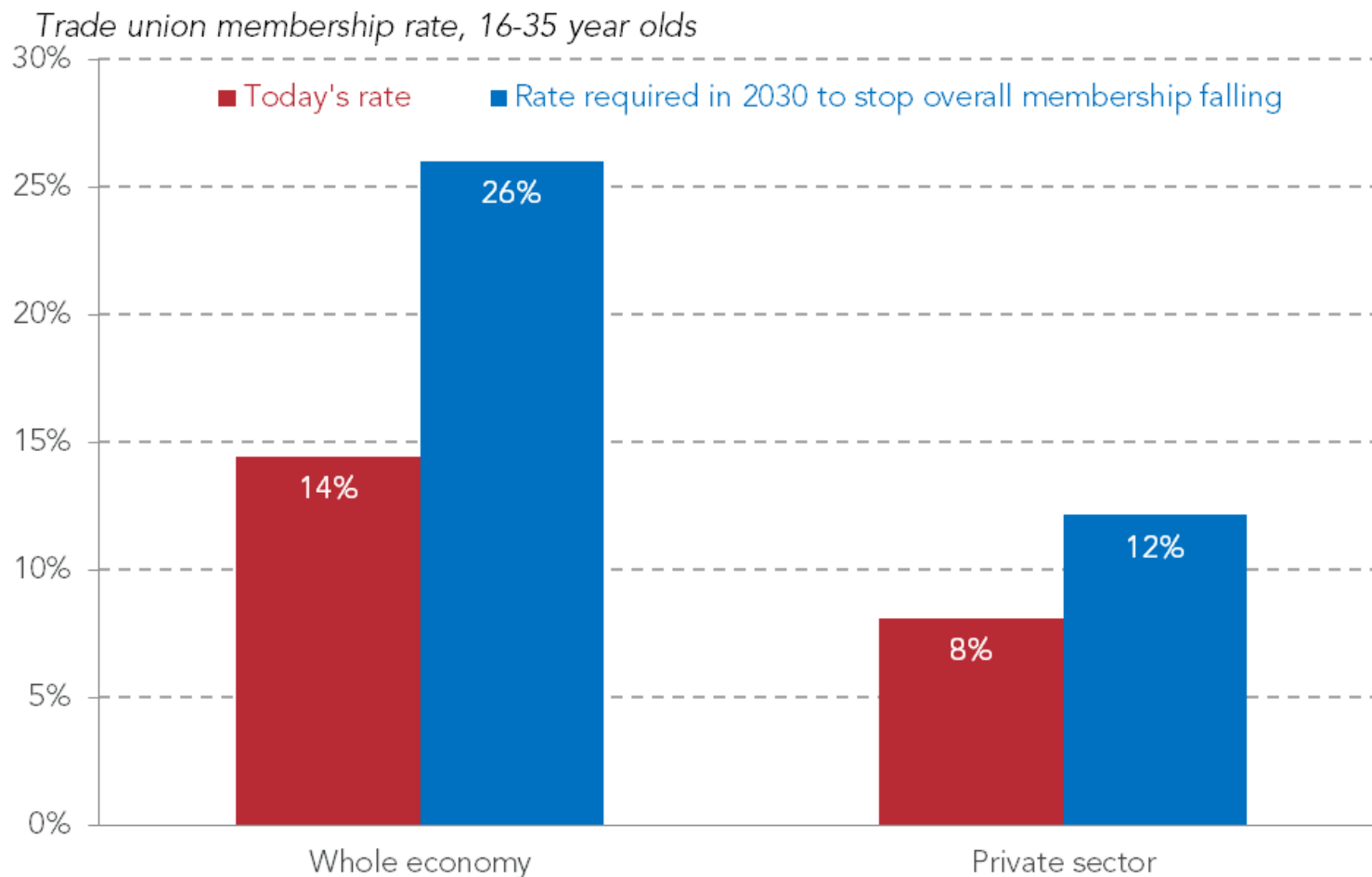
The slow grind of demography is likely to mean membership falls by a quarter over the next 15 years

There are different factors behind this, but put very simply: young people just aren't signing up in anything like sufficient numbers to replace the loss of older union members

Size of the challenge: a thought experiment

- To get a handle on what this projection means for the size of the recruitment challenge facing trade unions we've asked the question: *how high would membership rates among the under 35s have to be in 2030 to stop overall membership rates falling over the next 15 years?*
- We've assumed that membership rates for the cohorts who will be over 35 by 2030 will fall in line with our projections.
- And adjusted upwards the membership rates for the under 35s until the overall membership figure remained unchanged at 21 per cent.
- This is a simple thought experiment. It (unrealistically) assumes that young people's membership rates that will do all the work of stemming decline. But it hopefully provides a sense of the scale of the challenge...

Membership among under 35s would need to *nearly double* during 2020s to stop overall projected decline



For membership rates across the whole economy to stay flat over the next 15 years they'd need to be 80% higher (up from 14% to 26%) among under 35s if membership falls for *over 35s* took place as per our projection

A 33% increase in under 35s membership is required to hold membership constant in the face of falls just among *over 50s*

Concluding reflections

- The demographic challenge is far starker than most people believe
 - This is a slow-burn issue unlikely to ever be in the headlines, but will shape the future of the union movement
- There's a lack of urgency and ambition around the need to grapple with this challenge
 - For a £1bn+ sector facing a 'burning platform', the R&D commitment looks *staggeringly* low
 - Talking to most union leaders about (e.g.) the potential of digital is a disheartening experience
 - So three cheers for new TUC work in this area
- What we really need is a step change in action
 - Trialing and scaling of new approaches to organising and servicing esp. for young 'precarariat'
 - Use of tech to build membership in hard to reach workplaces and sectors & efforts to harness 'big data'
 - Overall, this means a willingness to take risks, be agile, back new models & take them to scale even when they upset existing union ways of 'doing things' – which they inevitably should
- There's lots of talk about 'solidarity' but there's very little evidence of a willingness to shift resources to unions / sectors / social enterprises with future growth potential
- A new mind-set is needed to seize current opportunities and to start to build a younger membership before union members fall below a critical threshold