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The Honeymoon is Over: Strikes on the Rise… Even Before A First Contract

Labor Relations Update on **April 26, 2024**

While extensive high-profile strike activity was heavily reported throughout 2023, it was – *striking*– to analyze the hard data regarding 2023 strike activity in *Bloomberg's* annual report that was just released. The report details recent work stoppages, explores how 2023 strike activity statistics fit into historical patterns and trends, and looks at possible future strike activity. A close review of recent strike activity could help portend what we can continue to expect in 2024 – and beyond.

The "First Contract" Walkout Trend Continues

The report provides statistical support to a trend that many employers are keenly aware of – workers are not waiting to be covered by a collective bargaining agreement (CBA) before engaging in strikes. Prior to this recent wave of "first contract" strikes, unions typically engaged in a work stoppage after their CBA expired, and the parties could not reach agreement on a successor contract. Recently, many strikes have begun much earlier.

Continuing a trend that started in 2022, strikes before the parties have reached a first contract accounted for *over 100* out of the 347 work stoppages in 2023. This is a staggering number when compared to only 21 total strikes before a first contract in 2020 and 2021 *combined*. Significantly, roughly 20% of the strikes before a first contract were by employees still in the process of organizing a union.

The numbers speak both to labor's increased sense of strength in the workplace, and potentially to new populations of employees that have recently organized, including graduate students and postdoctoral scholars at many employees and universities.

Strikes Increase; Management Lockouts Significantly Decrease

Unions called 345 strikes in 2023 – the highest number in more than 20 years, when there was 367 strikes in 2002. This also marks the third year in a row where the number of strikes increased, the first time *since at least 1990* that the number of strikes increased for three years in a row.

While strikes increased, management lockouts significantly decreased. Of the 347 work stoppages in 2023, only *two* were lockouts initiated by management. This is far below prior years on average, where approximately 3% – 5% of work stoppages were management lockouts.

Strikes Affected More Employees, But Lasted For Less Time

Bloomberg engages in an analysis to determine the number of workers "idled" by a strike. According to the report, as compared to prior years, the number of workers who engaged in strikes in 2023 (530,287) was orders of magnitude greater than prior years:

- 2022: More than *twice* as many strikers in 2023 as compared to 2022;
- 2021: More than *four times* as many strikers in 2023 as compared to 2021, and;
- 2020: More than *ten times* as many strikers in 2020 as compared to 2020.

In fact, more workers were idled by a strike in 2023 than *all three prior years combined*, and 2023 represented the *second highest* number of workers idled by strikes in any year strikes since at least 1990.

However, while more workers were idled by strikes in 2023, strikes were resolved faster than in prior years. *Bloomberg* reported that two-thirds of strikes were resolved within *one week*, and 75% were resolved within *two weeks*. This represents much shorter strikes than in prior decades. For example, in the early 2000s, less than 40% were resolved within a week.

Strikes Differ By Industry, State and Union

Not all industries, states and unions are the same in terms of strike activity:

- By Industry: The services industry– which includes education and healthcare institutions – was affected by the most strikes (126) in 2023, followed by retail & wholesale trade (105), manufacturing (54) and transportation, communication & utilities (45). Traditionally, manufacturing represented a large proportion of all strikes – in the 1990s more than half of all strikes were in manufacturing. By

contrast, in 2023, it represented only 13% of all strikes.

- By State: Not surprisingly, California led the way in strikes with 71, followed by New York (48) and Illinois (27). Perhaps unexpectedly, Oregon (19) and Washington (18) were ranked fourth and fifth in terms of strike activity, even though they have a comparatively smaller workforce. Large southern states—Texas, Georgia, and Florida— saw low strike activity, and twelve states did not record a single strike in 2023.
- By Union: The Service Employees International Union (SEIU) was the most prolific union to lead its members on strike in 2023 – 99 strikes included 181,754 SEIU workers. However, the National Education Association and the American Federation of Teachers, ran the strikes with the largest average number of striking employees – averaging 2,948 workers per strike. The United Auto Workers also had a large average strike size – averaging 2,646 workers per strike.

Takeaways

The *Bloomberg* report illustrates what anecdotally employers know to be true – unions and their members no longer will give employers a honeymoon period to reach a first contract and are more willing now than ever to engage in a strike to support their bargaining position. This union tool likely will continue to be exercised, as the rate of unionization increases due to a confluence of factors, including recent activity by the NLRB making it easier to unionize the workforce.

Employers should be aware of these trends as they hear of unionization at their plants or engage with unions in negotiations for a first – or successor – collective bargaining agreement. As always, we will continue to update you on these developments.

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