Union membership in the U.S. grew considerably during the first half of this century, from about 4% in 1901 to a peak of about 33% in the early 1950s. Since then, membership has trended down, prompting unions to focus on increasing their ranks, in some cases by consolidating with other unions into larger and perhaps more powerful organizations. Today, only about 14% of the U.S. workforce is unionized.

Although unions have been able to bargain on behalf of workers to obtain higher wages, better working conditions, age restrictions, and so on, the benefits have not come without cost. Often, bargaining between workers (not necessarily unionized) and firms breaks down, resulting in strikes or lockouts. Such work stoppages reduce output. The October 1996 strike at GM, for example, resulted in a loss of approximately 183,000 cars and trucks.

The number of work stoppages averaged about 300 per year between 1947 and 1980. Between 1981 and 1994, that average fell to about 60 per year, and in the 1990s, it dropped to about 40 per year. Declines have also occurred in the number of participating workers, the number of idle days, and the percentage of work time lost.