

Analysis

Low Union Density In Banking Poses Hurdles For Organizing

By [Jessica Mach](#) · Jan 24, 2023, 5:01 PM EST · [Listen to article](#)

A handful of recent union wins in the banking industry point to the potential for more organizing in the sector, but experts say the industry's limited experience with unions has created a legal minefield for both banks and workers looking to organize.

Finance ranks among the least unionized sectors in the U.S., counting only 1.3% of workers — including tellers and financial services sales agents — as union members in 2022, according to the [U.S. Department of Labor's Bureau of Labor Statistics](#). That number has held relatively steady since at least 2000, the earliest year for which the BLS had data for the industry's union membership rates available, peaking in 2001 and 2003 at 1.5%.

Since the beginning of the pandemic, the [Communications Workers of America](#) has made several inroads in the industry. In 2021, [Beneficial State Bank](#), an Oakland, California-based bank that services communities without access to traditional financial institutions, voluntarily recognized the CWA as its employees' labor representative — marking the first time U.S. bank employees have unionized in more than 40 years, according to the union. Workers at Genesee Co-op Federal Credit Union in Rochester, New York, also secured voluntary recognition by the bank after they unanimously agreed to representation by the CWA via a card check procedure in 2022.

On Jan. 6, the union said it [won the first union-representation election](#) in the financial services industry in decades, when branch employees at [Lake Michigan Credit Union](#) voted in favor of being represented by the CWA.

While the pace at which the union is organizing bank workers is far from fast, these recent wins have been notable for being historical anomalies in the sector. Mark Spring, a co-managing partner at [CDF Labor Law](#)'s Sacramento, California, office who works on both employment and labor matters, has represented numerous banks and financial services companies in employment litigation for more than 30 years, but he "was never aware of any union campaign or even union activity at any of the clients I've represented. Nor had I heard

much about it until the last couple of years."

"It's foreign in the industry," agreed Jeffrey Risch, who represents employers, including banks, as a partner at [Amundsen Davis](#). In his experience, the reason is twofold: For years, unions prioritized reaching out to workers in other industries, and many of the sector's white collar workers may have regarded themselves as "not needing any sort of intermediary or advocate to speak for them," Risch said. "The type of worker in the financial industry is a tougher nut to crack for the union organizer than in the food service, retail industries."

Organizing is not totally new to the banking sector, said Nick Weiner, organizing director for the Committee for [Better Banks](#), a coalition of bank workers and groups like the CWA that supported the successful union drives in Oakland, Rochester and west Michigan. In the 1940s, organizing in the financial services industry was more common, Weiner said, adding he has seen a recent revival of interest among bank workers, largely stemming from many of the same issues workers are facing in other industries: overwork and low wages.

That was the case at Lake Michigan Credit Union, where workers said they felt underappreciated and underpaid — particularly those who were bilingual and frequently called to assist colleagues in other departments on top of performing their own work.

Similar issues, along with a series of high-profile scandals, motivated workers at [Wells Fargo](#) to launch the Committee for Better Banks' biggest union campaign to date.

"Wells Fargo is kind of the poster child of how workers have been at the bottom of the heap," Weiner said, pointing to the revelation, in 2016, that Wells Fargo employees had spent years trying to meet the bank's unrealistic sales goals by opening millions of fraudulent accounts for customers without their consent. "Sales goal pressures, cross-selling pressures, staffing cuts and other economic pressures have really put the squeeze on workers, where they feel like they also can't serve customers well," Weiner said.

Following the CWA's election win at Lake Michigan Credit Union, Weiner said the Committee for Better Banks has fielded inquiries not only from bank workers at other branches of the credit union, but also at other financial institutions he declined to name. The organization had been working with Wells Fargo employees to push for changes at the company for years, but it wasn't until workers at Beneficial State Bank unionized that employees at the international bank decided they wanted to form a union, Weiner said.

Momentum for organizing in the banking sector will likely grow as unions feel emboldened by the [National Labor Relations Board](#)'s pro-labor agenda and public trust in financial institutions continues to wane, said Spring. But, he said, the industry's lack of experience with unions could lead to challenges for both workers and banks.

Spring drew a comparison between the banking sector and the burgeoning cannabis industry in California, where unions have recently gained a foothold. Few business owners and managers in the cannabis industry have experience working with unions, "so they make mistakes," Spring said. "There are a lot of [labor] rules that are in place, and those rules also change; they move back and forth with different administrations."

"It's very hard to stay on top of it," he said, adding that it's "easy for your HR people, your managers, your supervisors to say or do things that could get them in trouble."

"This is where financial institutions may fall flat, because they have not been traditionally organized," Risch said.

"My concern is that they don't intimately understand labor law in the United States," he added. "And that is a recipe for disaster for employers trying to lawfully prevent union organizing. You've got to know the law. You've got to know the rules of engagement."

Many bank workers are similarly inexperienced, according to Weiner, who said workers he's spoken to have been unsure about whether they have the right to unionize at all. To provide workers with accurate information about organizing, the Committee for Better Banks has done outreach through [TikTok](#), [Reddit](#), [Facebook](#) and [Discord](#), and has started helping workers organize at banks that Weiner said he is not yet able to disclose.

Still, Risch is skeptical organizing in the sector will grow quickly unless a union wins an election at a major institution like Wells Fargo.

There are "strong headwinds to union organizing within that industry," Risch said.

"The unions, they need a bigger fish, they need a big player to successfully organize, similar to what we saw with [Starbucks](#)," he said. "And not through voluntary recognition, but through an actual union election where the workers vote, overwhelmingly, to be represented by the union."

--Editing by Bruce Goldman and Nick Petruncio.

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