



FACT SHEET

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Five Reasons Why Congress Should Enact a National Right to Work Law

1. Freedom to Associate Also Means Freedom Not to Associate

The average man on the street, as well as constitutional scholars, understands that any genuine personal right should include the freedom to refrain from exercising that right.

But federal labor law, like many state laws that are modeled after it, doesn't protect employees' freedom in the commonly accepted sense of the word.

It recognizes the right to join a labor union, but does almost nothing to protect those who don't want labor union affiliation.

Contrary to the false claims that Organized Labor and other advocates of forced unionism sometimes make, labor union officials can choose to *represent only their members* and allow non-members to bargain for themselves. An August 2007 legal brief filed with the National Labor Relations Board (NLRB) by the United Steelworkers of America (USWA) and six other large, AFL-CIO-affiliated unions openly acknowledged that such "members-only" bargaining has been permissible under federal law for decades.

However, from the early 1960's until very recently, Big Labor rarely, if ever, tried to exercise its members-only option. Instead, union organizers have focused their efforts on obtaining recognition from the employer as the monopoly-bargaining agent of all the employees in a so-called "bargaining unit." Private-sector monopoly bargaining is authorized and promoted by both the National Labor Relations Act (NLRA) and the Railway Labor Act (RLA).

Under monopoly bargaining, employees lose the individual right to bargain for themselves over their wages, benefits, and work rules, and must allow a union agent to negotiate in their stead, like it or not. This is the foundation of compulsory unionism.

And once union officials have rejected their members-only option and exploited NLRA or RLA provisions to seize monopoly power over private-sector employees, they then use that power as an excuse for demanding that the employer acquiesce to a contract forcing workers to pay union dues or “agency” fees to get or keep a job. Such demands are abetted by federal law and many state laws that authorize and promote the firing of employees for refusal to join or pay dues to an unwanted union.

This is just plain wrong.

What impact does the so-called “representation” have on workers who don’t want it? As academic allies of Big Labor and union officials themselves have admitted repeatedly over the years, all too often the best workers are actually harmed by monopoly bargaining.

For example, Richard Rothstein, a veteran researcher for the AFL-CIO-funded Economic Policy Institute and longtime New York *Times* columnist, has written in a review article that “union . . . negotiated contracts reduce wage dispersion . . . by reducing pay of the most productive workers.” In the August 2007 legal brief cited above, a team of union lawyers actually wrote that nonunion employees “benefit” from members-only bargaining, because it leaves them “free to bargain individually, without union representation.”

No one should be forced to contribute or pay dues to an organization that they do not wish to belong to, whether it’s a church, the Girl Scouts of America, or a labor union.

Today, there are roughly 11 million working Americans who, under federal and state laws, must pay dues or so-called “agency” fees to union officials on pain of being fired, and in exchange are typically receiving lower wages and/or less job security than they would if representing themselves.

However, 22 states have laws that apply the freedom-to-refrain principle to labor-management relations by outlawing the forced payment of dues or fees as a condition of employment.

If a worker’s freedom to affiliate with a labor union merits government protection (and the overwhelming consensus is that it does), then it should follow that the freedom *not* to affiliate with a labor union also merits protection.

By protecting employees from both employers and union officials who would deny them freedom of association, a national Right to Work law would prevent the exploitation of employees as a means to anyone’s end.

2. Right to Work Bolsters Job Creation, Personal Income Growth

In addition to freeing millions of Americans from the yoke of forced union dues, a national Right to Work law would at the same time help to improve our nation’s economy.

Study after study shows that the 22 states that have passed Right to Work laws have a huge advantage in creating jobs and expanding their economies.

Because independent-minded employees have the power to penalize Big Labor's irresponsible class-warfare tactics by resigning from a union and withholding their dues, in Right to Work states union bosses must rein in their militancy.

Businesses are thus naturally inclined to locate new jobs in and, when feasible, transfer existing jobs to jurisdictions where the Right to Work is protected.

In a 2006 study, Rutgers University professor Leo Troy, the preeminent labor economist in America, observed that "right-to-work laws are strongly correlated with faster growth in jobs and personal income."

David Brandon, the president of The Pathfinders, which provides site selection and facilities consulting services to many of the world's largest corporations, reported in 2004 that manufacturing companies pay very close attention to a state's Right to Work status. For more than half the manufacturing companies with which he does business, Right to Work is either "a threshold or a very important factor in making a decision on where to locate a factory and other operations."

Speaking with regard to both manufacturing and service industries that "utilize high numbers of highly trained individuals," he concluded: "You will probably look at 22 other states before you look at a non-right to work state. It is more important than it was a decade ago (*Site Selection* magazine, July 2004)."

According to the most recent federal data, between 1996 and 2006, real personal income in Right to Work states (excluding Oklahoma, which approved its Right to Work law in 2001) grew by 37.9%, an increase nearly half again as great as that of non-Right to Work states.

And academic studies carried out by economists and financial specialists over the past three decades have repeatedly shown that households in Right to Work states have higher cost of living-adjusted incomes.

For example, a study by Dr. Barry Poulson, an economics professor at the University of Colorado (UC) in Boulder and past president of the North American Economics and Finance Association, compared cost of living-adjusted household incomes for all the metropolitan areas located entirely in a Right to Work state (or states) or a non-Right to Work state (or states) for which data are available on the CD ROM *2004 MSA Profile*, from Woods and Poole Economics in Washington, D.C.

Poulson found that, when the number of households in each metro area is factored into the equation, the average cost of living-adjusted household income in Right to Work state metro areas in 2002 was \$50,571, compared to \$46,313 in non-Right to Work state metro areas.

Research by AFL-CIO-affiliated scholars reveals a similar Right to Work advantage, though union bosses naturally downplay the finding.

Data furnished in the American Federation of Teachers (AFT/AFL-CIO) union's "Survey and Analysis of Teacher Salary Trends 2002," published in July 2003, showed that on average, living costs (excluding all taxes) are roughly 15% higher in non-Right to Work states than in Right to Work states. Once Bureau of National Affairs data on mean weekly earnings in the 50 states are adjusted for cost of living, using the AFT index, and taxes, they reveal that real, spendable 2001 earnings were on average 5.6% higher in Right to Work states.

3. Right to Work's Benefits Reach Citizens at All Income Levels

In addition to protecting the freedom of association and promoting economic development, Right to Work laws are an anti-poverty program with a proven record of success.

Economists of all political stripes know that a buoyant employment market is especially beneficial to job-seekers who are striving to pull themselves and their families out of poverty. In a more vibrant economy, those just entering the work force find jobs more quickly and can command higher wages when they do.

Therefore, it's not surprising that a far larger share of citizens in compulsory-unionism states must depend on federal welfare payments to get by than in Right to Work states.

According to U.S. Administration for Children and Families data, in 2005 just 9.6 per 1000 residents of Right to Work states were recipients of the principal federal welfare program (Temporary Aid to Needy Families, or TANF). Welfare dependency in Right to Work states that year was more than 35% below the national average and barely half as great as in non-Right to Work states.

Furthermore, over the past four decades, Right to Work states have made far more rapid progress than non-Right to Work states in cutting poverty as well as welfare rolls. As Paul Kersey of the Midland, Mich.-based Mackinac Center for Public Policy notes in a new study, between 1969 and 2000, poverty rates "dropped by 6.7 [percentage points] on average in right-to-work states, compared to a reduction of 2.0 [percentage points] in non-right-to-work states." During the recession and initially halting recovery of 2001 to 2006, poverty increased in Right to Work states, but increased more in non-Right to Work states.

4. Passage of a National Right to Work Law Would Eliminate All Forced-Dues Politicking by Private-Sector Union Bosses

Not passing a national Right to Work law means not only that American workers will be denied a brighter economic future. It also means that millions of private-sector workers will continue to be forced to contribute to political candidates they do not wish to support.

Every election year, forced union dues and "agency" fees finance phone banks, get-out-the-vote drives, and "volunteer" campaign organizing work by union staff who remain on the

union payroll. The fact is that union bosses' direct PAC contributions to candidates are just the tip of the iceberg.

Well-informed political observers agree that the value of the union bosses' hidden forced-dues expenditures is far greater than that of all union and business reported PAC contributions to GOP and Democratic candidates combined. In a February 20, 2005 op-ed for the *Los Angeles Times*, Jonathan Tasini, former president of the AFL-CIO-affiliated National Writers Union and now a rabidly anti-Right to Work blogger and head of the Labor Research Association, a New York City-based consulting firm with a long list of Big Labor clients, spoke candidly about union officials' forced-dues politicking.

Tasini reported that several "union political experts" had told him "unions spend seven to 10 times what they give candidates and parties on internal political mobilization." So, said Tasini, "we're talking \$8 billion to as much as \$12 billion on federal elections alone" between 1979 and 2004.

And in many cases Big Labor bankrolls the campaigns of candidates workers oppose with their forced dues and fees. For example, according to a post-2004 election report by AFL-CIO Political Director Karen Ackerman, all 60 unions then affiliated with the AFL-CIO participated in the union hierarchy's coordinated efforts to install John Kerry in the White House. And the National Education Association (NEA) teacher union, far and away the largest non-AFL-CIO union, also participated.

Yet, according to the official 50-state presidential exit poll conducted by Edison Media Research and Mitofsky International (EMR/MI) for all major national news organizations, 40% of union household members voted for the Bush-Cheney ticket.

(While the early afternoon exit polls reported to the media by EMR/MI and subsequently widely distributed over the Internet were famously inaccurate, experienced political observers consider the final exit poll to be highly credible.)

An estimated 11.4 million union household members voted to reelect the President. Of these, roughly 80% -- or 9.1 million -- were either personally forced to pay union dues if they wished to keep their jobs, or had someone who was so coerced in their households.

While Right to Work advocates have sought in the judiciary system for decades to curtail Big Labor's abuse of workers' forced dues to help elect and reelect politicians with whom they disagree, experience shows that state Right to Work laws are a far more effective means of combating forced dues for politics. And only a national Right to Work law can prevent private-sector union bosses from engaging in this outrageous form of political corruption in all 50 states.

5. A National Right to Work Law Would Reduce Union Corruption

The incestuous relationship between forced union dues and corruption was captured perfectly by the late U.S. Sen. John McClellan (D-Ark.): "Compulsory unionism and corruption

go hand in hand.” McClellan was referring to the corruption inherent within labor organizations that depend on the forced tribute of workers.

Compulsory dues foster not only the misuse of union treasury funds for political purposes, but also union embezzlement, extortion, bribery, and bid-rigging.

Over the past decade, seven international union presidents have been forced out of office after being implicated in felonies. And, according to the U.S. Labor Department’s union-fraud unit, just since 2001 its investigations have resulted in nearly 800 convictions of corrupt union officials and their cohorts and helped workers recoup more than \$100 million, largely forced union dues and fees that were confiscated or spent illegally.

However, “only a small percent of these crimes are detected,” according to LaVern Duffy, former general counsel for the U.S. Senate Permanent Subcommittee on Investigations.

When an employee’s Right to Work isn’t protected, refusal to join or financially support a union he or she believes or knows to be corrupt can be grounds for dismissal.

It shouldn’t be surprising, therefore, that two scholarly studies of union corruption by journalist and labor-policy expert Carl Horowitz, issued in 1999 and 2004, found that union corruption is pervasive in non-Right to Work states, but relatively rare in Right to Work states. In a 2006 book-length expose of union corruption, lifelong union member and union activist Robert Fitch explained the correlation this way:

“In the Western world, American unions like the Teamsters, the Longshoremen, UNITE, and the Laborers are the last refuge of premodern despotism. . . . More than any other single factor, what turns them into realms governed by petty warlords is a lack of consent.” Horowitz similarly concluded in his 1999 monograph, *Union Corruption: Why It Happens, How to Combat It*: “Union corruption occurs most frequently, and involves greater sums of money, in states without a Right to Work law.”

Whether they act as individuals or in groups, American employees should have the option of punishing union bosses as soon as they see wrongdoing by withholding their dues.

Nothing here is to be construed as an attempt to aid or hinder the passage of any bill before Congress.