



FACT SHEET

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Reality Check For Mike Gronstal on Right to Work, Hawkeye State's Economy

Iowa's 2001-2006 Income, Job Growth Greater Than Every Neighboring Forced-Dues State's

In a recent Q&A session with journalists, including Des Moines *Register* columnist David Yepsen and AP senior political writer Mike Glover, Iowa state Senate Majority Leader Mike Gronstal (D-Council Bluffs) distorted the facts about the relative performance of Iowa's economy to justify his ongoing crusade to gut the state's Right to Work law.¹

Iowa's Right to Work law prohibits forcing workers, both private and public sector, to join a union or fork over union dues or fees as a condition of employment. Early this March, Mr. Gronstal rammed legislation (S.F. 413) that would have extracted forced fees from Iowa's public-sector employees through the state Senate, but the bill eventually died in the state House due to intense and well-mobilized Right to Work opposition.

'Whose Economy Looks Better . . . The Ones With Right to Work or the Ones Without?'

As he made clear during the Q&A, Mr. Gronstal will be eager to try again to destroy Iowa's Right to Work law when the Legislature reconvenes in January – if he and Big Labor House Speaker Pat Murphy (D-Dubuque) conclude that they can muster up enough votes to pass such a scheme. And Gronstal brazenly implied that gutting Right to Work would be *good* for Iowa's economy:

“Whose economy looks better . . . of the states around us, the ones with Right to Work or the ones without? And the economic reality is, you know, Minnesota, Wisconsin, Illinois”

Had Mr. Gronstal consulted a map first, he might have noted that Iowa shares borders with seven other states, not just the three he mentioned. North Dakota, South Dakota and Nebraska all have Right to Work laws. And Missouri, in addition to Illinois, Minnesota and Wisconsin, does not.

¹ Mr. Gronstal appeared on the program *Iowa Press* on IPTV, Iowa's statewide public TV network, on November 2, 2007. See <http://www.iptv.org/IowaPress/transcripts.cfm> on IPTV's web site and check the programming for that date to view the broadcast or obtain a transcript.

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And the fact is, among Iowa and the seven states with which it borders, *every single Right to Work state has enjoyed faster personal income growth over the past five years than every single non-Right to Work state.*

From 2001 to 2006, real personal income growth, as reported by the U.S. Commerce Department, adjusting for inflation according to the U.S. Bureau of Labor Statistics (BLS) CPI, averaged 9.04% among the four Right to Work states – 12.13% in North Dakota, 8.96% in South Dakota, 8.86% in Iowa, and 8.33% in Nebraska. Among the four non-Right to Work states, real personal income growth averaged 6.61% – 6.00% in Illinois, 8.19% in Minnesota, 5.91% in Wisconsin, and 7.25% in Missouri. (See the top table on the following page for details.)

Mike Gronstal Needs to Come Up With Another Excuse For His Anti-Right to Work Crusade

Private-sector job growth over the past five years, as measured by the BLS, has also been significantly faster on average in Iowa and its neighboring Right to Work states than in its neighboring non-Right to Work states. In the four Right to Work states, private-sector job growth averaged 3.76% – 7.90% in North Dakota, 6.03% in South Dakota, 2.90% in Iowa, and 2.82% in Nebraska. By contrast, the four non-Right to Work states averaged just 0.78% job growth: Illinois suffered a job *decline* of 1.09%, while Minnesota, Wisconsin and Missouri had gains of 2.89%, 1.87% and 1.72%, respectively. (See the bottom table on the following page for details.)

When it comes to personal income growth and private-sector job growth, Midwestern Right to Work states like Iowa clearly have “better economies,” on average, than Midwestern states in which employees are denied the Right to Work without being forced to bankroll a union.

Clearly, Mike Gronstal needs to come up with another excuse to force Iowa workers to pay union dues or fees as a condition of employment. The real reason is clear enough for anyone who looks: Forced unionism equals big dollars for politics and politicians like Mr. Gronstal.

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(As was noted above, more detailed information about income and private-sector job growth in Iowa and its neighboring Right to Work and non-Right to Work states is available in the two tables on the next page.)

Real Personal Income In Iowa and Neighboring States

(In millions of 2006 dollars)

Right to Work States	2001	2006	% Growth
Iowa	90,448	98,459	8.86%
Nebraska	56,124	60,801	8.33%
North Dakota	18,733	21,006	12.13%
South Dakota	23,255	25,338	8.96%
Total RTW	188,560	205,604	9.04%

Non-Right to Work States	2001	2006	% Growth
Illinois	463,594	491,422	6.00%
Minnesota	185,069	200,232	8.19%
Missouri	178,648	191,602	7.25%
Wisconsin	180,869	191,567	5.91%
Total Non-RTW	1,008,180	1,074,823	6.61%

Source: Department of Labor, Bureau of Labor Statistics (Data entered October 3-4 and November 15, 2007)

Private-Sector Jobs In Iowa and Neighboring States

(In thousands)

Right to Work States	2001	2006	% Growth
Iowa	1,220.4	1,255.8	2.90%
Nebraska	762.9	784.4	2.82%
North Dakota	257.0	277.3	7.90%
South Dakota	305.3	323.7	6.03%
Total RTW	2,545.6	2,641.2	3.76%

Non-Right to Work States	2001	2006	% Growth
Illinois	5,144.9	5,089.0	-1.09%
Minnesota	2,280.1	2,346.0	2.89%
Missouri	2,301.7	2,341.2	1.72%
Wisconsin	2,400.2	2,445.1	1.87%
Total Non-RTW	12,126.9	12,221.3	0.78%

Source: Department of Labor, Bureau of Labor Statistics (Data entered on November 9, 2007)