



FACT SHEET

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Out-Migration Not a Creditable Remedy For Unemployment

Pro-Forced Unionism New Hampshire Governor Wrong to Boast About His State's Job Climate

It's now been more than two years since the official end of the Great Recession, yet the nation's unemployment rate, as measured by the U.S. Labor Department, remains a dispiriting 9.1%. Across America, there are currently 6.3 million fewer private-sector payroll jobs, seasonally adjusted, than there were at the beginning of the downturn.

Pro-Right to Work citizen groups who are now close to securing sufficient legislative support to pass new laws prohibiting the termination of employees for refusal to join or pay dues to an unwanted union in several states, including New Hampshire, argue that one important benefit of such laws is that they facilitate private-sector job growth. From 2000 to 2010, despite the unusually severe recent recession, private-sector employment in the 22 states that already have Right to Work laws on the books actually grew by 0.3% overall, even as it fell by an aggregate 5.5% in the 28 forced-union-dues states.

Union officials and their allies nevertheless insist that forced-unionism states' employment climates aren't vastly inferior. To back up that claim, they rely heavily on a single gauge: relative state unemployment rates. For example, in his May 2011 message defending his veto of H.B.474, legislation that would make New Hampshire America's 23rd Right to Work state, union-label Gov. John Lynch (D) boasted that the Granite State has "one of the lowest unemployment rates . . . in the nation."¹

Unfortunately, Mr. Lynch's defense of forced-unionism New Hampshire's economic track record ignores one blindingly obvious and highly relevant fact: In America, people in general, and employees and job seekers specifically, have always been free to move from state to state. From July 1999 to July 2011, largely as a consequence of this migration, the civilian labor force of Right to Work Nevada, the fastest-growing state, expanded by 27.8%, while the civilian labor force of forced-unionism Michigan, at the opposite extreme, shrank by 7.3%.²

On average, over this same period, the combined civilian labor force of Right to Work states grew by 14.4%, compared to increases of just 8.5% in New Hampshire specifically and just 5.3% in

¹ "Governor Lynch Veto Message on 'Right to Work' Bill," posted on the New Hampshire Public Radio (NHPR) web site, on May 11, 2011.

² See <http://www.bls.gov/lau/ststdsadata.txt> on the Bureau of Labor Statistics web site: "States and selected areas: Employment status of civilian noninstitutional population, January 1976 to date, seasonally adjusted."

forced-unionism states as a group. International migration cannot account for the 9.1 percentage point disparity between Right to Work and non-Right to Work states, since immigration from abroad contributed in roughly equal measure to labor force growth in both groups of states. The data clearly show a strong, persistent net movement of employees and job seekers out of forced-unionism states.

Of course, once a jobless person gives up completely on finding a job in a state and moves to another, he or she no longer counts as one of the “unemployed” in the first state. But when any state reduces its official unemployment rate by this means, it is hardly something the state’s elected officials should brag about!

Multi-year, age-grouped Census data suggest New Hampshire is an extraordinarily unwelcoming place for employees who are just starting their careers. In the U.S. as a whole, there were 41.06 million people aged 25-34 in 2010. That represents a 2.9% increase over 2000. In the 22 Right to Work states, growth in the number of 25-34 year-olds over the decade was 9.2%, more than triple the national average. But the young-adult population in New Hampshire *fell* by 10.0% between 2000 and 2010.³

If the number of 25-34 year-olds in New Hampshire were not dwindling and its labor force had grown at a rate equal to the Right to Work state average over the past dozen years, and nothing else had changed, the Granite State’s unemployment rate today would be roughly four percentage points higher than the current official rate.

From 2009 to 2010 alone, New Hampshire’s young-adult population shrank by 6000.⁴ This is obviously not a trend the state wants to sustain. Instead of sticking with the Ebenezer Scrooge method of controlling unemployment by reducing “the surplus population” of potential job seekers, New Hampshire elected officials should be eager to embrace policy reforms that can help reverse the 2.4% decline in private-sector employment the state suffered over the past decade.

Toward that end, enactment of a state Right to Work law protecting both private- and public-sector employees in New Hampshire from being fired for refusal to pay dues or fees to an unwanted union would mark an excellent start.

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

³ U.S. Commerce Department, *Statistical Abstract of the United States*, 2002 (Table 21) and 2012 (Table 16) editions.

⁴ See Table 16 in the 2011 and 2012 editions of the *Statistical Abstract*.