



FACT SHEET

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Right to Work Law is Helping Oklahoma Turn Into an Economic Leader

Sooner State No Longer Exporting Young Employees and Entrepreneurs to Other States

On September 25, 2001, a Right to Work Amendment to the Oklahoma Constitution was adopted. Oklahoma is the 22nd and, at this writing, the latest state to enact a Right to Work law. Oklahoma's Right to Work law, which bars the extraction of forced union dues and fees from workers as a condition of employment, was the product of years of concentrated effort by thousands of citizens.

When Oklahoma Right to Work legislation was introduced back in 1993, it was supported by just 34 of 101 state representatives and 12 of 48 state senators. Because of Big Labor's huge clout in Oklahoma City, the forced-unionism status quo seemed to be unassailable. The tide turned only because, from the 1994 through the 2000 elections, 28 pro-forced unionism legislators who had refused to change their positions were replaced by Right to Work supporters.¹

Almost immediately after the Sooner Right to Work law was adopted, union bosses, who had up to then been shrilly predicting that such a law would swiftly lead to disaster, moved to prevent the law from having any impact at all. When the Right to Work law had been in effect just seven weeks, Big Labor lawyers launched the first of two underhanded bids to overturn it. These legal attacks kept the Right to Work law's future under a cloud for more than two years.

Personal Income in Oklahoma Has Grown Faster Than in Any Forced-Unionism State

But in December 2003 and February 2004, the state's attorneys and National Right to Work Foundation attorneys, intervening for several independent-minded workers, finally prevailed when the Oklahoma Supreme Court and U.S. Court of Appeals for the 10th Circuit unanimously rejected national AFL-CIO Associate General Counsel Larry Gold's demands that the courts overturn the law.

Since the union bosses' legal assaults on Oklahomans' Right to Work were thwarted, the state's economy has picked up more and more strength.

¹ Kirk Shelley, "How Oklahoma Was Won: Lessons From One State's Fight for Right to Work," *Labor Watch* (Capital Research Center), April 2002, p. 6.

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Between 2003 and 2006, real personal income in Oklahoma grew by 13.6% -- more than half again as fast as the national average and more than twice as fast as the overall average in the 28 forced-dues states. According to the most recent available annual U.S. Department of Commerce data, over the 2003 to 2006 period, personal income in the Sooner State grew faster than in all but six other states. Oklahoma experienced faster personal income growth than every single one of the 28 forced-dues states.²

And Oklahoma's recent relative performance is far superior to the state's relative performance prior to enactment of its Right to Work law. From 1991 until 2001, the last 10 years prior to the Right to Work law's approval, Sooners' real personal income grew by 4% less than the national average.³

U.S. Census Bureau data confirm that, after years of below-average growth, Oklahoma has, since 2003, become an economic leader.

The movement of young employees and entrepreneurs aged 25-34 from one state to another is widely recognized as an especially sensitive gauge of whether a particular state is successful in attracting and retaining good jobs. For years before Oklahoma passed its Right to Work law, this gauge showed that the state's economy was performing below average.

Nationwide, in 2000, there were 39.89 million 25-34 year-olds, compared to 42.88 million in 1991. (Census data aren't available for 2001, the year Oklahoma's Right to Work law was adopted.) The 7.0% decline across America was a consequence of the so-called "baby bust" of the 1970's. But in Right to Work states, the number of 25-34 year-olds remained virtually the same, declining by only about one-hundredth of a percent, whereas in non-Right to Work states the aggregate decline was 10.6%.⁴

Non-Right to Work Oklahoma alone suffered a 9.6% decline in its 25-34 year-old population between 1991 and 2000. But over the 2003 to 2005 period, after its Right to Work status was secured, Oklahoma netted a 3.9% gain in 25-34 year-olds. That's more than five times as great as the nationwide increase of 0.7% over this period.⁵

Consistent with the encouraging income and population data, a substantial number of businesses have recently made or announced major new investments in Oklahoma.

On May 2, for example, Internet powerhouse Google Inc. announced it would invest \$600 million to build a data-center complex in Pryor, Okla. The complex, expected to open in the summer of 2008 and ultimately to employ hundreds of people, will help the company process the millions of information requests it receives each second. The complex will create jobs for everyone from software and data-center technicians to food service, security staff and landscapers, with salaries for full-time Google employees averaging \$48,000 a year.

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² For 1969-2006 annual personal income data for the 50 states, see <http://www.bea.gov/bea/regional/spi/> on the web site of the U.S. Department of Commerce's Bureau of Economic Analysis (BEA). Personal income data trends are adjusted for inflation with the help of the U.S. Bureau of Labor Statistics (BLS) "Inflation Calculator," (<http://data.bls.gov/cgi-bin/cpicalc.pl>).

³ *Ibid.*

⁴ *Statistical Abstract*, 112th Edition (1992), p. 26; 122nd Edition (2002), p. 25.

⁵ *Ibid.*, 124th Edition (2004-2005), p. 23, and 126th Edition (2007), p. 24.

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This is the third “server farm” Google has announced it will build this year, and all are located in Right to Work states. The two others will be located near Goose Creek, S.C., and Lenoir, N.C. And Google is now reportedly considering building yet another server farm in the city of Council Bluffs in Right to Work Iowa.⁶

Also in May, North Dakota-based DMI Industries announced it would convert a 500,000 square-foot facility in Tulsa, Okla., into a wind-tower manufacturing plant. DMI expects that the plant will be operational by early next year and that it will ultimately employ 450 people.

The new plant will allow DMI to meet the growing demand for wind-energy development in the U.S., Europe, and South America.⁷

Right to Work Laws Facilitate Creation of Manufacturing and Non-Manufacturing Jobs Alike

Right to Work laws facilitate the creation of high-paying jobs, manufacturing and non-manufacturing alike, because they help improve a state’s general business climate. In states where forced union dues are legal, union campaign operatives use a large chunk of the forced dues they grab to elect politicians who are beholden to Big Labor’s agenda of higher taxes, more government spending, and strait-jacket regulation of business.

This high-tax, high-regulation agenda hinders the creation of both service and manufacturing jobs. That’s a key reason why Right to Work laws generate opportunities for all kinds of employees and prospective employees.

The evidence is already clear that Oklahoma’s Right to Work law is helping transform the state into an economic leader. And the biggest benefits, history indicates, are yet to come.

Prior to Oklahoma, the last state to adopt a Right to Work law was Idaho, whose statute took effect in 1986. Over the course of the decade prior to implementation of the law, real personal income growth in Idaho was barely half as fast as the national average.

But between 1986 and 1996, the first decade the Idaho Right to Work law was in effect, real personal income in the Gem State grew nearly twice as fast as the national average. And over the past 10 years, Idaho’s real personal income growth was 8th highest in the nation.⁸

First and foremost, the object of state Right to Work laws is to defend personal freedom. But the substantial improvement in economic performance Oklahoma and Idaho have experienced since they enacted their Right to Work laws helps show why proponents of enacting such laws in other states have good reason to tout their economic benefits.

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⁶ Robert Evatt, “Google: It’s Official,” Tulsa (Okla.) *World*, May 3, 2007.

⁷ “DMI Industries to Open a Wind Tower Plant in Tulsa,” Oklahoma Department of Commerce press release, May 7, 2007.

⁸ *Supra*, Footnote 2.