**What is “Right-to-Work?”**

* The 1947 Taft-Hartley of the National Labor Relations Act created a loophole (section 14b) in which states can make union-security clauses illegal in collective bargaining agreements
* Under a RTW law, employees cannot be required to pay union dues as a condition of employment
* Last state to pass RTW was Oklahoma in 2001
* Most states passed RTW during 1947-1959 period

**Paying Fair Share in Non-RTW States:**

* Union security clause in non-RTW states
* Fair share
  + Workers in Union positions, positions which receive all of the wages and benefits of union representation, must pay the costs of that representation
  + RTW states create are criticized as being *“Right-to-Freeload”*
  + Workers get all the same wages and benefits
  + Union must represent them at own expense

**Right-to-Work Laws are from the Past:**

* The RTW campaign began in 1947
* To date, more than 60 years later, less than half of our states (22) have adopted a RTW law

**Economic impacts of RTW:**

**Economic Development Myths**

* RTW is not among the most important factors related to business decisions on facility location
* Incentive packages offered by states are the most important factor:
  + tax rates; education of workforce; cheap energy; abundant labor supply; cheap land; transportation; climate
* Good growth vs. bad growth is the real issue
* RTW lowers per capita incomes and the standard of living

**Ex. Oklahoma “Job Creation” with RTW**

* To attract new businesses in the 1990s, began giving 5% cash back on payrolls for creating new jobs
  + No requirement on how money is spent
* Now gives 10% cash back on payrolls of jobs with annual salaries or $94,000 or more
  + No requirement on how money is spent
  + RTW has nothing to do with this situation

**Company Location:**

* In 2010, *Area Development* magazine ranked the top 10 states for site selection based on survey of site selection industry consultants
  + Indiana ranked number 6 out of 10
* The survey revealed 8 main criteria used by consultants to determine site location selection
  + None of the 8 criteria mention RTW
* In 2010, *Chief Executive* magazine polled 600 U.S. CEOs about site selection criteria:
* Criteria were grouped and rated as follows:
  + Tax and regulation; workforce quality; living environment
  + Under "workforce quality" the 5 most important items were:
  + Employee work ethic; general education level of workforce; competitiveness of wage rates; employees cooperative relationship with management; availability of labor with specialized skills
  + RTW was not a factor in site location selection
  + Education of workforce is more important factor in site selection

**“Actual Buying Power”**

* Actual buying power is commonly measured as BPI
* 6 of the top 10 metro areas with the highest BPI in the U.S. are in non-RTW work states (2009 data)
* 29 of the top 50 metro areas with the highest BPI are in non-RTW states (2009 data)
* Workers in RTW states do not enjoy greater buying power than workers in non-RTW states

**Competition:**

* Off-shoring of jobs from the U.S. mainland
  + Overwhelming majority of U.S. jobs off-shored are non-union jobs
  + Not a choice between union wages and non-wages
  + Choice between living wages and third world wages
  + Never seem to compete on executive’s wages
* If entire U.S. workforce made the federal min. wage of $7.25 per hr - still cannot compete with workers in third world nations
  + The 2010 average wage for a Mexican worker was approximately $2.00 per hr with no benefits

**“Falling Tide” Effect for All Workers**

* Reverse of “Rising Tide" effect on wages and benefits
* Unions lose bargaining strength
  + Resulting drop in wages and benefit levels lowers wages and benefits throughout the entire community
* This happens in the reverse manner that the "rising tide" effect raises wages and benefit levels throughout an entire community
* Right-to-work directly impacts floor and ceiling wages in every community within the state
  + Impacts every worker, not just union workers

**Race to the Bottom**

* We are a consumer-based society
  + For our economic engine to run, workers need disposable income to spend
  + Lowering wages in order to compete at a level we can never attain is economic suicide

**“Forced Unionism” Argument:**

* Workers are ‘forced” to join a union to keep their job
* Workers are “forced” to pay union dues for union political activities with which they do not agree

**Facts About “Forced Unionism”:**

* Federal law has protected the rights of workers from “forced unionism” for decades
* Ultimately, workers are free to choose where to work

**The “Forced Unionism”:**

* Fact #1: Workers cannot be forced” to join a Union
* 1947 Taft-Hartley amendments to the National Labor Relations Act
  + Right of workers to refrain from joining a union was expressly added to Section 7
  + Affirmed by the 1963 U.S. Supreme Court case NLRB v. General Motors Corp.
  + Workers cannot be forced to belong to a union
* Fact #2: Workers cannot be required to pay for Union political activities with which they do not agree
* Decided by the 1988 U.S. Supreme Court case Communications Workers v. Beck
  + Workers cannot be forced to pay union dues for political activities

**Worker Choice**

* 93% of the private sector is non-union
  + Only 7% of the U.S. private sector workforce is unionized
* Workers who choose not to pay their fair share of union dues for the good wages, benefits, and representation services they receive may simply choose to work elsewhere
* Non-union companies are continually hiring
  + Wal-Mart
  + McDonald's
* Workers are not bound to work in a union job in which they feel uncomfortable
  + Workers may terminate the employment relationship at any time
  + Workers are free to move to an

existing RTW state

**“Forced Representation”**

* Unions in RTW states are required, by force of law, to represent non-contributors and non-members
* Only time in U.S. history that an organization has been "forced" to represent non-members and non-contributors and bear the costs of that representation
* Federal or state government have never required a U.S. business to perform a similar task