

Right to Work Is 'Vitally Important'

Top Wachovia Economist, Other Business-Climate Experts Speak Out

This summer the nation's leading journal for business-location specialists published a well-researched and thorough article concluding that Right to Work laws are "often the driving site selection factor" in businesses' decisions to create jobs in states that have such laws.

"Locked in on Labor" -- still available online at www.siteselection.com/issues/2004/jul/p500/ as this month's Newsletter goes to press -- appears in *Site Selection's* July 2004 issue.

The primary focus of reporters Ron Starner, Mark Arend, and John McCurry is on how "right-to-work laws [are] turn[ing] the Southeast U.S. into a factory for the world."

But the article also shows how Right to Work laws foster job creation outside the Southeast and in an array of high-paying service fields.

Right to Work Largely 'A Productivity Issue'

A key source for the *Site Selection* article is Mark Vitner, vice president and senior economist for Wachovia. This fast-growing firm is now the fifth-largest bank and the third-largest full-service brokerage in America.

Mr. Vitner called Right to Work laws, which protect the individual employee from being fired for refusal to join or pay so-called "agency fees" to an unwanted union, "vitally important."

Right to Work laws give companies the leverage they need vis-à-vis powerful union bosses to "restructure the nature of work" and "redefine the entire work process," he explained.

As an example, Mr. Vitner cited a tool company that moved to Charlotte, in Right to Work North Carolina, "because it had 139 work rules for 119 jobs in Utica [in non-Right to Work New York]. . . . If unions are getting in the way of allowing companies to be productive, they are writing their own pink slip."

Mr. Vitner sees Right to Work largely as a "productivity issue."

"If companies cannot find ways to increase productivity, they are going to shut down and relocate, particularly in a time when they are facing increasing competition from China and India," he pointed out.

Another expert interviewed by *Site*



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Right to Work is "a primary site selection factor" for roughly half of companies considering where to locate

financial-service centers and other undertakings that "utilize high numbers of highly trained individuals."

Selection is David Brandon, president of The Pathfinders, which provides site selection and facilities consulting services to many of the world's largest corporations.

In manufacturing enterprises, "[m]ore than half our companies either make [Right to Work] a threshold or a very important factor in making a decision on where to locate a factory and other operations," said Mr. Brandon.

But manufacturing isn't the whole story. "In the financial services industries, shared-services centers and document centers, where they utilize high numbers of highly trained individuals, roughly half of these companies have included right-to-work as a primary site selection factor," he continued.

"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," Mr. Brandon concluded.

Newest Right to Work State Keeps Attracting Major Business Investments

Another article in July's *Site Selection* doesn't specifically mention Right to Work, but does provide new evidence that the latest state to pass a ban on forced union membership and "fees" has

a brightening economic future.

As reporter Alan Brums wrote (in "Getting There," www.siteselection.com/features/2004/jul/ok/), the car-rental company Vanguard has just announced that it will move its headquarters to Tulsa, the second-largest city in Oklahoma. Oklahoma became America's 22nd Right to Work state in September 2001.

Other major new Oklahoma investments include a Haulmark Industries cargo-trailer plant in Duncan, a friction-materials facility in Tulsa, and an expansion of Jasco Products' consumer-electronics marketing center in Oklahoma City.

National Right to Work Committee Vice President Matthew Leen commended *Site Selection's* editors for recognizing the economic benefits of state Right to Work laws and the exciting developments in Oklahoma.

"While the Right to Work movement is fueled largely by the simple moral conviction that forced unionism is wrong, Right to Work is also an economic issue," he explained.

"Reports like 'Locked in on Labor' and 'Getting There' should make the 2.2 million Committee members across the country even prouder of their role in helping pass and protect Right to Work laws in Oklahoma and many other states." 📧