

# Right to Work Laws Good For Manufacturing

## Positive Impact Especially Notable During Recent National Slump

Right to Work supporters have long understood that employee freedom in the workplace has many residual benefits. That's why recent U.S. Commerce Department data indicating that state Right to Work laws provide major assistance to manufacturing firms and employees are really no surprise.

Superior competitiveness is the key to why the number of manufacturing facilities in Right to Work states has grown over the past two decades, despite increasingly fierce global competition.

Right to Work states' edge was especially large between 2000 and 2002, when the national economy first fell into a recession and then struggled to recover.

### Right to Work Laws Are 'Vitaly Important'

The National Labor Relations Act (NLRA) authorizes the firing of private-sector employees for refusal to join or pay so-called "agency fees" to an unwanted union. However, Section 14(b) of the amended NLRA explicitly recognizes states' authority to bar forced dues and "fees" within their borders.

Twenty-two states now have Right to Work laws on the books that protect employees' freedom of choice.

In the 28 forced-unionism states, real manufacturing output fell by 4.7%

between 2000 and 2002, while real output held almost perfectly steady in Right to Work states. (Oklahoma, whose Right to Work law took effect in late 2001, is excluded.)

This is an even greater advantage than Right to Work states enjoyed during the energetic manufacturing recovery of 1992-1997. Right to Work states' real manufacturing output grew by 34.2% during those years, compared to growth of 27.7% in forced-unionism states.

The revised Commerce Department data, issued in December 2004, confirm that Wachovia Vice President and Senior Economist Mark Vitner was correct last year when he told *Site Selection* magazine that Right to Work laws are "vitaly important" for economic development.

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

As an example, he cited a tool company that moved to Charlotte, in Right to Work North Carolina, "because it had 139 [union] work rules for 119 jobs in Utica [in non-Right to Work New York]."

"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 India and China," Mr. Vitner pointed out.

Other experts echo Mr. Vitner's views. David Brandon, the president of The Pathfinders, which provides site selection consulting services to many of the world's largest corporations, reports that manufacturing companies pay very close attention to a state's Right to Work status.

### National Right to Work Law Would Level Playing Field

For more than half the manufacturing companies with whom he does business, Right to Work is either "a threshold or a very important factor in making a decision on where to locate a factory and other operations," says Mr. Brandon.

Speaking with regard to both manufacturing and service industries that "utilize high numbers of highly trained individuals," he concluded:


"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."

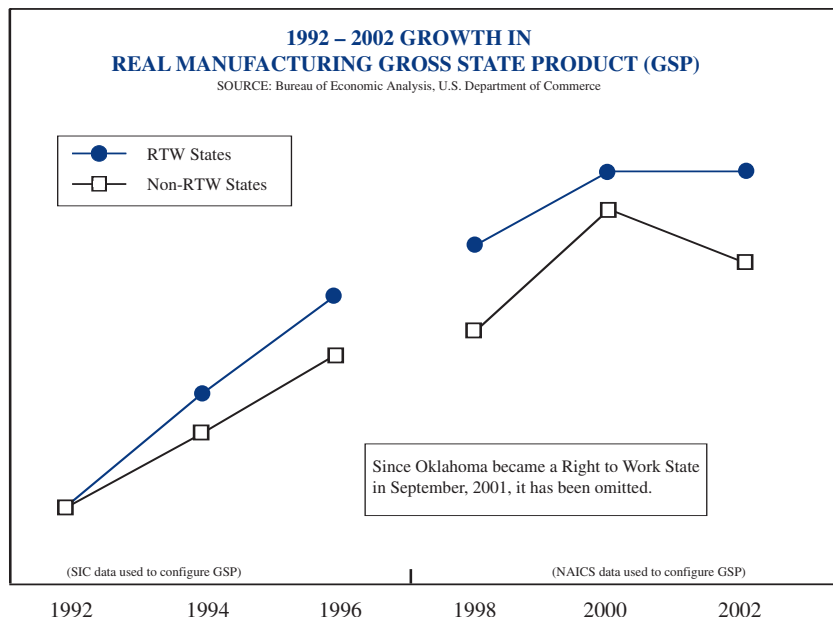
Therefore, it's not surprising that, between 1982 and 2001, the number of manufacturing establishments grew by 7.0% in Right to Work states (excluding Oklahoma and Idaho, whose Right to Work law took effect in 1986), but fell by 4.9% in forced-unionism states.

National Right to Work Committee President Mark Mix noted that while businesses and employees located in non-Right to Work states suffer the most as a result of pro-forced unionism federal labor law, all Americans are hurt.

"The vast majority of Right to Work state-based companies have customers and suppliers whose efficiency and profitability are being undermined by compulsory unionism. Misguided federal labor policies lower living standards in all 50 states," Mr. Mix explained.

"That's why the Committee is fighting hard this year to secure recorded votes in the U.S. Senate and House on the National Right to Work Act [S.370/H.R.500], which would repeal federally-imposed forced union membership and 'fees.'

Mr. Mix urged Committee members across America to contact their senators and congressmen through the congressional switchboard, 202-224-3121 or 202-225-3121, and ask them to cosponsor the Right to Work Bill if they have not already done so. 



**State Right to Work laws are correlated with faster growth in real manufacturing output when times are**

**good, and much smaller declines in output when times are bad. And industry locators have clearly noticed.**