

# Right to Work States Gain Auto-Sector Jobs

## 'If You're Not a Right to Work State, You Don't Play in the Game'

National media reports often create the impression that automotive manufacturing jobs are disappearing across America.

Fortunately, this impression is false, as a December 5 story by *New York Times* reporters Micheline Maynard and Nick Bunkley explained in detail.

The fact is, even as the number of automotive and automotive-supplier manufacturing jobs has plummeted in Big Labor stronghold states like Michigan, Ohio, and Pennsylvania over the years, employment across the sector has increased substantially in many Right to Work states.

A chart accompanying the *Times* story, compiled by the well-regarded consulting firm Economy.com, documented automotive employment trends in all states that had 10,000 or more jobs in the sector as of 2000.

Eleven states included on the chart had Right to Work laws, which protect workers from being fired for refusal to join or pay dues to an unwanted union, throughout the 1986 to 2006 period. They collectively increased their automotive manufacturing jobs from 164,000 to 268,000, or 63%.

And automotive manufacturing employment held virtually steady in Oklahoma, which passed its Right to Work law in 2001.

Meanwhile, aggregate automotive manufacturing employment in the 11 non-Right to Work states included on the chart fell from 851,000 to 721,000, or 15%, between 1986 and 2006.

### Right to Work States 'Tend to Adopt Other Pro-Business Policies'

Since the mid-nineties, Mercedes, Nissan, BMW, Honda, Hyundai and Toyota have all built one or more major auto or truck plants in Right to Work states. Meanwhile, construction of new plants in non-Right to Work states has practically ground to a halt.

Auto-parts manufacturers are also flocking to Right to Work states.

Just in the past three years, for example, Right to Work Arkansas has benefited from major investments in new facilities by the Denso Corp., the Systex



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### Emptied-out stores bear witness to the disappearance of auto manufacturing jobs in Big Labor strongholds like

### Livonia, Mich. But Right to Work states are collectively gaining jobs in this high-paid sector.

Products Corp., and Hino Motors Manufacturing.

And over the past five years, suppliers such as Faurecia, SportRack Automotive, Visteon, Casco, Calsonic, Brown Corp. and Yorozu have landed in Right to Work Mississippi's Delta Region.

It's an obvious fact that auto industry investment in recent years has been heavily concentrated in Right to Work states. But why? The direct impact Right to Work laws have on Big Labor and businesses is, of course, part of the answer.

As Dr. William T. Wilson of the Midland, Mich.-based Mackinac Center for Public Policy has pointed out, "union-negotiated employee contracts typically have the perverse impact of reducing pay of the most productive workers while increasing compensation of less productive workers."

Right to Work laws mitigate the harm by "forc[ing] a union [official] to bargain more in the immediate interest of all members because members can withdraw from a union at any time without cost to themselves."

Workers thus have a substantially greater incentive to be productive and creative, and businesses benefit, ultimately to the good of all employees, shareholders and customers.

In addition to their direct impact, Right to Work laws have a significant indirect positive impact on productivity growth that is often overlooked.

University of Minnesota economist

Thomas J. Holmes alluded to this indirect impact in a paper for the Federal Reserve Bank of Minnesota: "States that have right-to-work laws tend to adopt other pro-business policies compared with states that do not have these laws . . . ."

### Forced Dues Help Big Labor Implement Tax & Spend, Regulation-Happy Agenda

Indeed, today there are a number of surveys rating states and/or metropolitan areas for business climate, and every credible one shows jurisdictions where employees' Right to Work is legally protected clustered in the highest ranks.

National Right to Work Committee Vice President Matthew Leen commented: "In non-Right to Work states, union officials have more money and power to advance their legislative agenda, which includes higher taxes, more government spending, and straitjacket regulation of business.

"Not surprisingly, to the extent Organized Labor is successful in implementing its legislative agenda, it hinders the growth and success of all kinds of businesses.

"That's why veteran site selection consultants whose careers depend on giving sound advice to clients about where to locate or expand their firms view Right to Work as a crucial criterion. As national site consultant Bob Goforth has put it: "[I]f you're not a Right to Work state, you don't play in the game." 📌