

Right to Work State Lands Toyota SUV Plant

Auto Industry Flourishing in States That Bar Forced Union Dues

In the latest sign that automotive manufacturing employment is surging in states that protect employees from being fired for refusal to join or pay dues or fees to a union, Toyota announced on February 28 it would invest \$1.3 billion to build a new SUV plant in Right to Work Mississippi.

The plant will be located in Blue Springs, a small community in the northeastern part of the state located not far from Tupelo, famous, among several other reasons, for being the birthplace of Elvis Presley.

The Blue Springs facility is expected to open in 2010. An estimated 2000 workers will produce up to 150,000 of the increasingly popular Toyota Highlanders annually.

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 appearing in the *New York Times* last December 5, and citing data compiled by the well-regarded consulting firm Economy.com, documented automotive employment trends in all states that had 10,000 or more manufacturing 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.

Right to Work Laws Force Big Labor to Consider Interests of All Workers

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.

Since the mid-nineties, Mercedes, Nissan, BMW, Honda, Hyundai and



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Elvis sideburns captivated photographers when Toyota announced it would build a new SUV plant near

Tupelo. But Mississippi's Right to Work law undoubtedly influenced Toyota's choice more than rock-and-roll history.

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 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 unionized employees 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 to bargain more in the immediate interest of all members because members can withdraw from a union at any time without cost to themselves."

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

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.

Furthermore, observed National Right to Work Committee President Mark Mix: "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."

"That's another reason 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.'" 