

Right to Work States Excel in Manufacturing

Since 2000, Output Growth More Than Triple Forced-Dues States'

Right to Work supporters have long understood that employee freedom in the workplace has many residual benefits. That's why recent U.S. Commerce 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 grew by 4.5% between 1982 and 2004, even as the number of such facilities fell by 9.3% in non-Right to Work states.

And Right to Work states' advantage has been just as wide at times when the national economy fell into a recession as it has been in boom times.

Aggregate Real Factory GDP up by 20.7% During The New Millennium

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 union membership 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 4.8% between 2000 and 2002, while real output grew by nearly one percent in Right to Work states. (Oklahoma, whose Right to Work law took effect in late 2001, is excluded.)

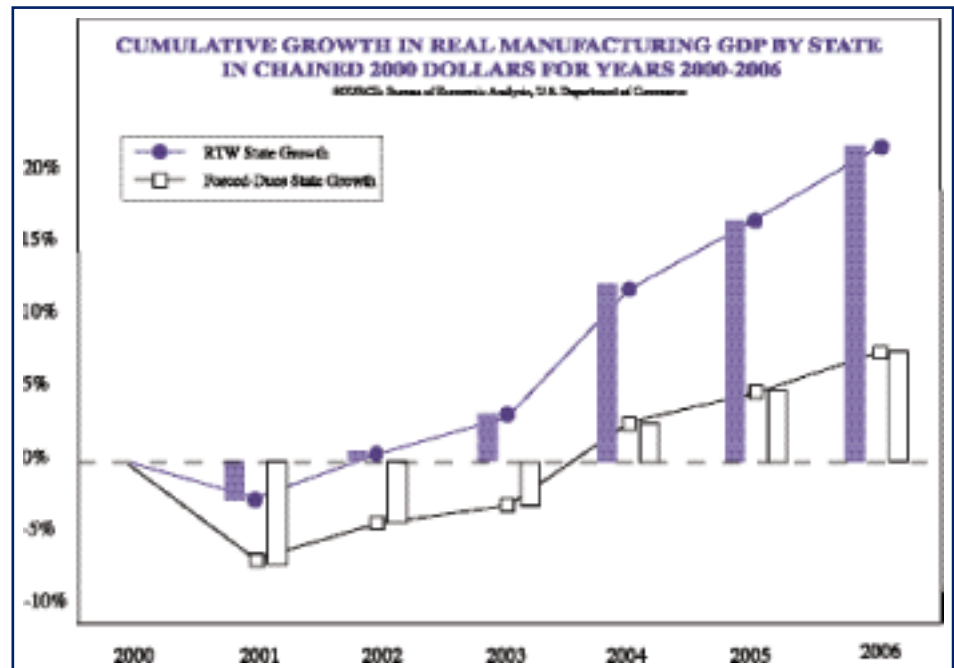
For the 2000 to 2006 period as a whole, Right to Work states' real manufacturing output grew by 20.7%, more than triple the increase of forced-unionism states.

Right to Work Largely 'A Productivity Issue'

The Commerce Department data, last updated in June, confirm that Wachovia Vice President and Senior Economist Mark Vitner was correct in 2004 when he told *Site Selection* magazine that Right to Work laws are "vitally 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



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.

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 and facilities 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.

For more than half the manufacturing companies with which 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.

National Right to Work Law Would Level Playing Field

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."

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.1301 and H.R.697], 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. 📞