# Compulsory Dues = Lower Incomes

*Continued from page 8*

cost of living-adjusted household income in Right to Work state counties in 2004 was $46,135, compared to $41,447 in counties in non-Right to Work states.

The Institute's findings largely replicated those of a previous household-income study prepared by Dr. Barry Poulson, an economics professor at the University of Colorado (UC) and past president of the North American Economics and Finance Association.

Dr. Poulson found that, when the number of households in each metro area is factored into the equation, the average cost of living-adjusted household income in Right to Work state metro areas in 2002 was $50,751, compared to $46,313 in non-Right to Work state metro areas.

The fact that real household incomes have over the years repeatedly been shown to be higher in Right to Work states than in non-Right to Work states is no coincidence.

Where forced dues are legal, union bosses use their power to disrupt labor markets, jack up costs, and bankroll Tax & Spend, regulation-happy state legislators and governors.

## National Right to Work Law Would Cool Down Economic 'War Between the States'

"One table in the new Laffer-Moore study sums up well the stark and widening contrast between Right to Work states and forced-unionism states," commented Mr. Mix.

"In the 2007 rankings for overall competitiveness, not one of the bottom 10 states has a Right to Work law. But nine of the top 10 states for competitiveness have Right to Work laws protecting both private- and public-sector employees.

"And not one of the top 10 states for competitiveness has a state law on the books authorizing forced union dues and fees in the public sector.

"The economies of forced-dues states are bound to continue falling further and further behind as long as Congress perpetuates the coercive federal labor-law provisions that are holding them back.

"Fortunately, legislation that would cool down the economic 'war between the states' described by Dr. Laffer and Mr. Moore is now pending in the U.S. House and Senate.

"The National Right to Work Act, introduced in the House as H.R.697 and in the Senate as S.1301, would strike all provisions currently authorizing forced union dues and fees from federal law."

## Committee to Pursue 'Amendment Strategy' to Secure Roll-Call Vote

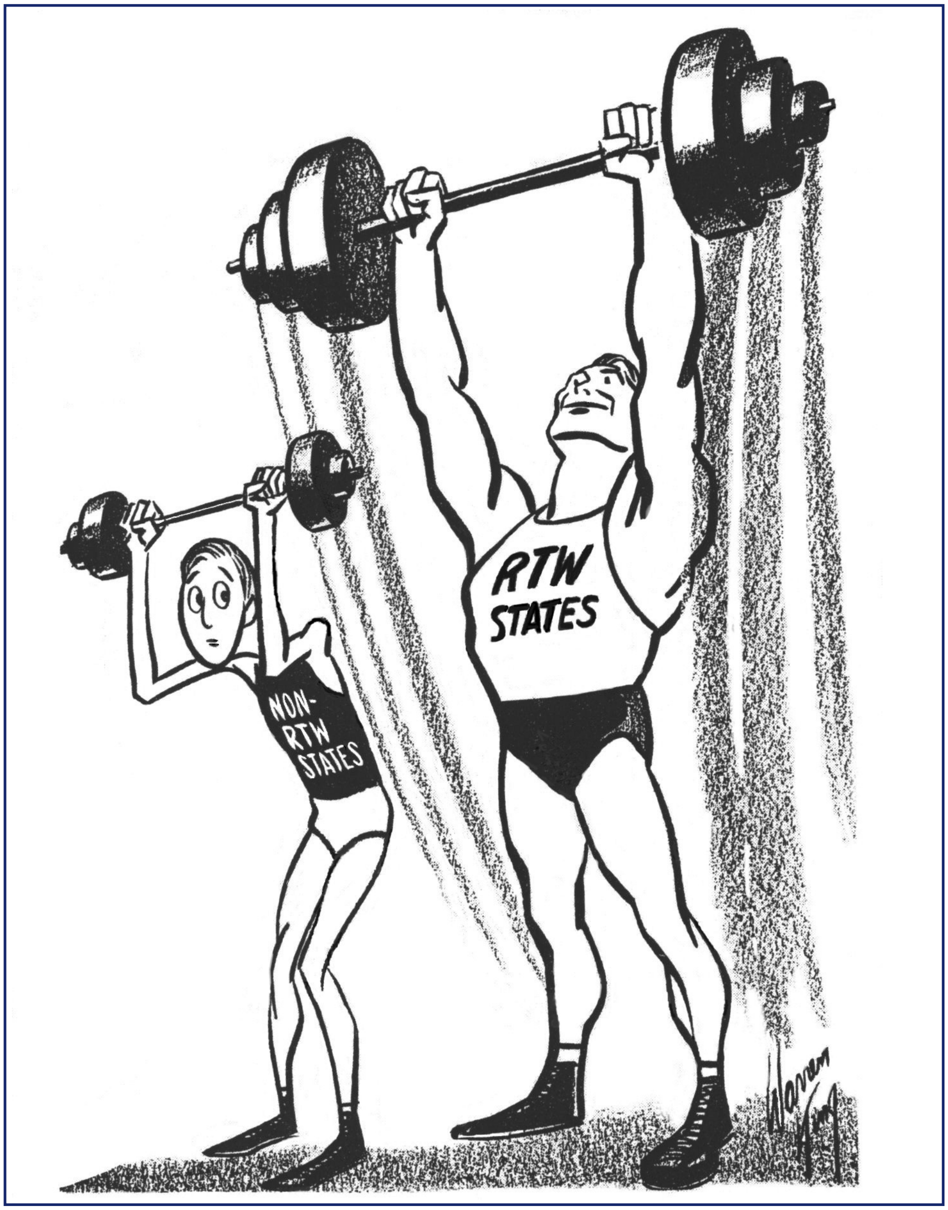
Mr. Mix added the Committee would be working with congressional allies this year to push for floor votes on the Right to Work measure through an "amendment strategy."

The union-label Democrat leaders of the House and Senate, he explained, are highly unlikely to allow votes on freestanding Right to Work legislation.

However, Senate rules generally allow individual members of the chamber to force votes on any amendment that is "germane" to the legislation on the floor.

"Whenever Big Labor pushes to the Senate floor a power grab designed to expand union bosses' federal forced-unionism privileges over employees, the Committee and its Senate allies will fight back by seeking recorded votes on an amendment to revoke their forced-unionism privileges," Mr. Mix vowed.

"In politics, as in sports, the best defense is often a good offense."




**LIFTING THE ECONOMY – Not just job growth, but also personal income growth and average real household incomes are substantially higher in Right to Work states than in forced-unionism states.**

# Ban Compulsory Unionism, Attract Jobs

## *New Study: Right to Work States Have Most 'Desirable' Economies*

A new study by eminent economists Arthur Laffer and Stephen Moore shows once again that forced unionism eliminates job opportunities and cuts employees' real incomes.

Dr. Laffer's famous 1974 depiction of the marginal tax rate/revenue curve, later known as the "Laffer Curve," helped inspire Ronald Reagan's overhaul of federal economic policy years later. Mr. Moore is senior economics writer for the *Wall Street Journal* editorial page.

Both Dr. Laffer and Mr. Moore have been high-profile participants in debates over public policy for years. And both have been known as advocates of cutting taxes -- personal income, corporate, capital gains, property, estate, sales, etc.

Therefore, one might assume that their new study, which, in their own words, "presents a 2007 Economic Competitiveness Rating of the 50 states, based on 16 economic policy variables," would stress tax policies above all others.

However, in a December 10 commentary for the *Journal*, the two economists reported their finding that the presence or absence of a Right to Work law is just as important as the income tax rate -- and more important than any other tax or non-tax policy -- for a state's overall economic success.

"States that permit workers to be compelled to join unions," pointed out Dr. Laffer and Mr. Moore in their commentary, "have much lower rates of employment growth than states that don't."

### Exodus From Forced-Unionism States Continues

A U.S. Census Bureau report issued December 27 confirms that the Laffer-Moore study (entitled *Rich States, Poor States*, and released by the Washington, D.C.-based American Legislative Exchange Council) is on the mark when it comes to the positive impact state Right to Work laws have on jobs and incomes.

The report shows that the massive 1990's exodus of employees and their families from forced-unionism states is accelerating during the current decade.

According to the report, between April 1, 2000 and July 1, 2007, a net total of 4.19 million Americans moved from forced-unionism states to Right to Work states. That's on top of a net population transfer of nearly five million Americans to Right to Work states during the 1990's.

## Biggest Gainers and Losers From Domestic Migration, 2000–2007

| Population Gainers | | Population Losers | |
|---|---|---|---|
| Florida* | 1,286,175 | New York | -1,449,169 |
| Arizona* | 655,354 | California | -1,223,992 |
| Texas* | 582,078 | Illinois | -551,311 |
| North Carolina* | 490,907 | New Jersey | -377,159 |
| Georgia* | 484,919 | Michigan | -359,758 |
| Nevada* | 364,683 | Louisiana* | -335,216 |
| South Carolina* | 228,133 | Massachusetts | -305,690 |
| Tennessee* | 217,129 | Ohio | -301,848 |

Right to Work states are asterisked.
Figures denote net migration from other states between April 1, 2000 and July 1, 2007. States listed are the biggest gainers and losers in absolute, not percentage, terms.
Source: Population Division, U.S. Census Bureau.

**The eight states enjoying the greatest net in-migration of people from other states all have Right to Work laws. But of the eight states suffering the worst out-migration, only Katrina-hit Louisiana has such a law.**

### 'Employees of All Kinds Are "Speaking" With Their Feet'

This population shift again demonstrates the harmfulness of the federal labor-law provisions that empower Big Labor to get private-sector workers fired for refusal to pay dues or so-called "agency" fees to an unwanted union.

"Employees of all kinds are 'speaking' with their feet," said Mark Mix, president of the National Right to Work Committee.

"Millions have sought out and accepted jobs in the 22 states with Right to Work laws, which protect employees from being fired for refusal to pay dues or fees to a union."

While Americans of all ages have moved to Right to Work states, young employees and entrepreneurs seeking higher incomes clearly constitute a major part of the ongoing transfer.

Between 1996 and 2006, the number of Right to Work state residents in the 25-34 age bracket increased by 10.0%, from 14.36 million to 15.80 million. Meanwhile, the population aged 25-34 in non-Right to Work states fell by 5.6%, from 25.45 million to 24.03 million.

(Oklahoma, which became a Right to Work state in 2001, is excluded from this calculation.)

A recent study by the National Institute for Labor Relations Research compared real household incomes in all 194 large counties for which the respected Council for Community and Economic Research, also known as ACCRA, has compiled comparative income and cost-of-living data for 2004.

### Economist Barry Poulson: Real Incomes Higher in Right to Work States

The 194 counties have a combined population of roughly 60 million households.

The Institute calculated that, when the number of households in each county is factored into the equation, the median

*See* **Compulsory** *page 7*