Taxpayers Fleeing Forced-Unionism States

Since 2000, a Net Total of 1.63 Million Tax Filers Have Escaped

Perhaps the single most effective tool for measuring the long-term, ongoing migration of taxpayers and incomes out of forced-unionism states and into Right to Work states is furnished by the Statistical Information Service (SIS) of the IRS.

The SIS records the number of personal income tax filers who move (typically with their dependents) across state lines, based on year-to-year changes shown on individual tax returns. The SIS data are arranged according to the year taxes are filed.

For example, data for the Tax Filing Year 2008 show that a total of 1.523 million personal income tax filers were residing that year in a Right to Work state after residing somewhere else in the U.S. the previous year.

Forced-Unionism States Are Losing Massive Amounts of Income as Well as People

Meanwhile, a total of 1.338 million tax filers were residing in a Right to Work state in 2007, but filed from somewhere else in the U.S. in 2008.

That means a net total of 185,000 tax filers moved from a forced-unionism state to a Right to Work state between 2007 and 2008.

The SIS also calculates and makes available to the public the aggregate adjusted gross incomes for households in the year immediately following their move.

Personal income tax filers moving to a Right to Work state between 2007 and 2008 reported a total of $76.432 billion in income in 2008, or roughly $50,190 per filer.

Tax filers moving out of a Right to Work state during the same period reported a total of $61.773 billion in income in 2008, or roughly $46,165 per filer.

Forced-Unionism States' Income Losses Are Recurring and Compounding

Both because of their substantial taxpayer losses due to net domestic out-migration, and because the taxpayers they gained earned significantly less per capita than did the taxpayers they lost, forced-dues states lost a total of $14.659 billion in adjusted gross income in a single year.

Net Movement of Tax Filers, Income To Right to Work States

Tax Filing Year	Tax Filers	Income
2001	125,000	$11.6 billion
2002	155,000	$13.0 billion
2003	160,000	$12.5 billion
2004	233,000	$15.9 billion
2005	270,000	$19.4 billion
2006	259,000	$18.9 billion
2007	244,000	$18.3 billion
2008	185,000	$14.7 billion

Aggregate adjusted gross incomes for all tax filing years are converted into 2008 dollars.

Source: IRS Statistical Information Service

Year after year, far more taxpayers are moving into Right to Work states than are moving out of them. And forced-unionism states are consequently losing enormous amounts of income (and tax revenue) as well as people.

While SIS data do not convey how much taxpayers who flee forced-unionism states earn any later than the first year after they depart, forced-unionism states' losses due to domestic out-migration are clearly recurring and compounding, year after year.

Over the last eight years for which data are available (Tax Filing Years 2001 through 2008), a net total of over 1.63 million tax filers moved from a forced-unionism state to a Right to Work state. The annual net outflow ranged from 125,000 in the Tax Filing Year 2001 to 270,000 in the Tax Filing Year 2005.

Moreover, in all eight years, the average income of a tax filer moving to a Right to Work state was at least $3000 higher (in 2008 dollars) than the average income for a tax filer leaving a Right to Work state.

Counting just the income lost by forced-unionism states in the first year after each tax filer moved to a Right to Work state, forced-unionism states lost a net total of $124.3 billion (in constant 2008 dollars) due to domestic out-migration over this eight-year period.

Power to Withhold Union Dues From Big Labor Absolutely Critical For Workers

The actual total net loss, including income reported by tax filers in all years subsequent to their migration, is very likely at least four times higher, but cannot be calculated with available data.

Right to Work laws protect employees' freedom to refuse to pay dues or fees to an unwanted union. Wherever employees lack this freedom, union bosses have little incentive to tone down their class warfare.

Employees are consequently far less likely to reach their full productive potential and reap the accompanying benefits.

That's a key reason why not just taxpayer migration data, but virtually all other economic indicators, show that forced union dues hurt everyone except union officials.