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Right-to-Work 101

Why These Laws Hurt Our Economy, Our Society, and Our Democracy

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What are right-to-work laws?

In states where the law exists, "right-to-work" makes it illegal for workers and employers to negotiate a contract requiring everyone who benefits from a union contract to pay their fair share of the costs of administering it. Right-to-work has nothing to do with people being forced to be union members.

Federal law already guarantees that no one can be forced to be a member of a union, or to pay any amount of dues or fees to a political or social cause they don't support. What right-to-work laws do is allow some workers to receive a free ride, getting the advantages of a union contract—such as higher wages and benefits and protection against arbitrary discipline—without paying any fee associated with negotiating on these matters.

That's because the union must represent all workers with the same due diligence regardless of whether they join the union or pay it dues or other fees and a union contract must cover all workers, again regardless of their membership in or financial support for the union. In states without right-to-work laws, workers covered by a union contract can refuse union membership and pay a fee covering only the costs of workplace bargaining rather than the full cost of dues.

There is scant evidence these laws create jobs, help workers, or are good for a state's economy, as supporters claim. Instead, these laws weaken unions and thereby hurt workers, the middle class, and local economies. We present here a Right-to-Work 101 so that the debate over right-to-work laws proceeds based on the facts.

Right-to-work laws don't create jobs

Researchers who study the impact of right-to-work laws find that these laws do not create jobs—despite supporters' claims to the contrary. The Indiana Chamber of

Commerce, for example, claims that "unionization increases labor costs," and therefore makes a given location less attractive to capital. The purpose, then, of right-to-work laws is to undermine unions and therefore lower wages in a given state, thus attracting more companies into the state.

But in practice this low-road strategy for job creation just doesn't pan out. Despite boosters' promises of job creation, researchers find that right-to-work had "no significant positive impact whatsoever on employment" in Oklahoma, the only state to have adopted a right-to-work law over the past 25 years—until Indiana did so days ago—and consequently the best example of how a new adopter of right-to-work laws might fare in today's economy. In fact, both the number of companies relocating to Oklahoma and the total number of manufacturing jobs in the state fell by about a third since it adopted such a law in 2001.

Indeed, most right-to-work advocates' purported evidence of job growth is based on outdated research and misleading assertions. An Indiana Chamber of Commerce-commissioned study found right-to-work states had higher employment growth between 1977 and 2008 compared to states without a right-to-work law, but much of that growth could be attributed to other factors. Those factors included the states' educational-attainment level, infrastructure quality, and even its weather—which the study ignored.

Recent research from the Economic Policy Institute that controlled for these factors finds that right-to-work laws have not increased employment growth in the 22 states that have adopted them.

Right-to-work laws hurt workers

Right-to-work laws lower worker pay and benefits and make workplaces more dangerous for all workers—whether unionized or not—by weakening unions.

Unions have a significant and positive effect on the wages and benefits of union and nonunion workers alike. Unionized workers are able to bargain for better wages, benefits, and work conditions than they would otherwise receive if negotiating individually. The effect on the average worker—unionized or not—of working in a right-to-work state is to earn approximately $1,500 less per year than a similar worker in a state without such a law.

Workers in right-to-work states are also significantly less likely to receive employer-provided health insurance or pensions. If benefits coverage in non-right-to-work states were lowered to the levels of states with these laws, 2 million fewer workers would receive health insurance and 3.8 million fewer workers would receive pensions nationwide.

The fact that unionization raises people's wages and benefits is borne out by surveys of union members and by common sense. Unions also affect the wages and benefits of nonunion workers by setting standards that gradually become norms throughout industries. To compete for workers, nonunion employers in highly unionized industries have to pay their workers higher wages. And unions support government policies (such as minimum-wage laws) that raise workers' pay.

Right-to-work laws also may hurt workplace safety. For instance, the occupational-fatality rate in the construction industry—one of the most hazardous in terms of workplace deaths—is 34 percent higher in right-to-work states than in states without such laws. And one academic study finds that increasing union density has a positive effect on workplace safety in states with no right-to-work laws (for every 1 percent increase in unionization rates there is a 0.35 percent decline in construction fatality rates), but in right-to-work states, the effect of union density on safety disappears.

Unions are democratic organizations: If employees didn't like their contracts, they would vote to reject the contract, vote to change their union officers, or vote to get rid of their union—all of which can be done under current law.

Right-to-work laws weaken the middle class

By weakening unions right-to-work laws also weaken the middle class. From pushing for fair wages and good benefits, to encouraging citizens to vote, to supporting Social Security and advocating for family-leave benefits, unions make the middle class strong by giving workers a voice in both the market and our democracy.

Nine of the 10 states with the lowest percentage of workers in unions—Mississippi, Arkansas, South Carolina, North Carolina, Georgia, Virginia, Tennessee, Texas, and Oklahoma—are right-to-work states. All of them also are saddled with a relatively weak middle class. The share of total income going to the middle class—defined as the middle 60 percent of the population—in each of these states is below the national average.

If unionization rates increased by 10 percentage points nationwide, the typical middle-class household—unionized or not—would earn $1,479 more each year. In fact, dollar for dollar, strengthening unions is nearly as important to the middle class as boosting college-graduation rates.

Right-to-work laws hurt small business

Since few small businesses are ever unionized, changing union regulations won't affect them. Yet unlike big manufacturers who can choose which state to expand into, most small businesses are rooted in a local community and dependent on local consumers. When right-to-work laws lower the wages and benefits of area workers, they also threaten to reduce the number of jobs in the economy by reducing consumer demand.

The Economic Policy Institute estimates that for every $1 million in wage cuts, six jobs are lost in the service, retail, construction, real estate, and other local industries. For big manufacturers that sell their products all over the globe, this may be less important.

For small businesses that depend on local sales, reducing the amount of disposable income in local employees' pockets can be devastating.

Right-to-work laws create rules that would hurt all organizations but only apply to unions

The corporate lobbyists who push for right-to-work legislation—such as the Chamber of Commerce and the National Right to Work Committee—want unions to operate under a set of rules that none of them accept for themselves. These lobbyists would never think of serving the interests of companies that refuse to pay dues to their organizations, yet they want unions to do so in order to drain their resources.

Federal law already guarantees every worker who is represented by a union equal and nondiscriminatory representation—meaning unions must provide the same services, vigorous advocacy, and contractual rights and benefits. This guarantee applies regardless of whether the employee is a union member. So if a non-dues-paying employee encounters a problem at work, the union is required to provide that individual full representation at no charge.

By contrast, the Chamber of Commerce and other employer organizations restrict some of their most valuable services to dues-paying members. When asked if they would agree to provide all services to any interested business, even if that business does not pay dues, Chamber representatives explained that they could not do that because dues are the primary source of Chamber funding and it would be unfair to other dues-paying members. And that certainly makes sense—for unions as well as the Chamber.

The Chamber of Commerce and National Right to Work Committee want unions to be the only organizations in the country that are required to provide full services to individuals who pay nothing for them. This is no different than enabling some American citizens to opt out of paying taxes while making available all government services. This is not an agenda to increase employee rights but rather to undermine the viability of independent-employee organizations.

Right-to-work laws are bad for our political democracy

Right-to-work laws infringe on the democratic rights of the electorate by weakening unions. Unions help boost political participation among ordinary citizens and convert this participation into an effective voice for pro-middle-class policies. By weakening unions, they are less able to advocate for pro-worker policies within our government and help get workers out to vote.

Research shows that for every percentage-point increase in union density, voter turnout increased by 0.2 to 0.25 percentage points. This means that if unionization rates were 10 percentage points higher during the 2008 presidential election, 2.6 million to 3.2 million more citizens would have voted.

Unions also help translate workers' interests to elected officials and ensure that government serves the economic needs of the middle class. They do this by encouraging the public to support certain policies as well as by directly advocating for specific reforms. Unions were critical in securing government policies that support the middle class such as Social Security, the Affordable Care Act, family leave, and minimum-wage laws.

Indeed, this may be a large part of why many conservatives support right-to-work laws. Research demonstrates that supporters' claims that these laws will create jobs and strengthen local economies are not credible. Instead, supporters may back these laws as a pretext for attacking an already weakened union movement in hopes of crippling it as a political force and as an advocate for all workers.

The bottom line: Right-to-work laws work against the critical needs of our economy, our society, and our democracy.

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