

A PRIMER ON 'RIGHT TO WORK' FOR LESS

'Right to Work' Hurts Everyone

By many measures, the quality of life is worse in states with so-called “right to work” (RTW) laws. Wages are lower, poverty and lack of insurance are higher, education is weaker—even infant mortality and the likelihood of being killed on the job are higher.

States with RTW laws have:

Lower Wages and Incomes

- The average worker in states with RTW laws makes \$1,540 a year less when all other factors are removed than workers in other states.¹
- Median household income in states with these laws is \$6,437 less than in other states (\$46,402 vs. \$52,839).²
- In states with RTW laws, 26.7 percent of jobs are in low-wage occupations, compared with 19.5 percent of jobs in other states.³

Less Job-Based Health Insurance Coverage

- People in states with RTW laws are more likely to be uninsured (16.8 percent, compared with 13.1 percent overall; among children, it's 10.8 percent vs. 7.5 percent).⁴
- They're less likely to have job-based health insurance than people in other states (56.2 percent, compared with 60.1 percent).⁵
- Only 50.7 percent of employers in states with these laws offer insurance coverage to their employees, compared with 55.2 percent in other states. That difference is even more significant among small employers (with fewer than 50 workers)—only 34.4 percent of them offer workers health insurance, compared with 41.7 percent of small employers in other states.⁶

Higher Poverty and Infant Mortality Rates

- Poverty rates are higher in states with RTW laws (15.3 percent overall and 21.5 percent for children), compared with poverty rates of 13.1 percent overall and 18.1 percent for children in states without these laws.⁷
- The infant mortality rate is 15 percent higher in states with these laws.⁸

Less Investment in Education

- States with RTW laws spend \$3,392 less per pupil on elementary and secondary education than other states, and students are less likely to be performing at their appropriate grade level in math and reading.⁹

Higher Rates of Death on the Job

- The rate of workplace deaths is 36 percent higher in states with these laws, according to data from the Bureau of Labor Statistics.¹⁰

1 Economic Policy Institute, <http://www.epi.org/publication/right-to-work-michigan-economy/>.

2 U.S. Census Bureau, Table H-8. Median Household Income by State, www.census.gov/hhes/www/income/data/historical/household/2010/H08_2010.xls.

3 CFED, Asset and Opportunity Scorecard, <http://scorecard.assetsandopportunity.org/2012/measure/low-wage-jobs>.

4 Kaiser Family Foundation, www.statehealthfacts.org.

5 Ibid.

6 Ibid.

7 Census Bureau, POV46: Poverty Status by State: 2010, related children under 18, www.census.gov/hhes/www/cpstables/032011/pov/new46_100125_04.htm; Table 19. Percent of Persons in Poverty, by State: 2008, 2009 and 2010, www.census.gov/hhes/www/poverty/data/historical/hstpv19.xls.

8 Kaiser Family Foundation, www.statehealthfacts.org.

9 National Education Association, Rankings & Estimates—Rankings of the States 2011 and Estimates of School Statistics 2012, December 2011, www.nea.org/assets/docs/NEA_Rankings_And_Estimates_FINAL_20120209.pdf; CFED, Asset & Opportunity Scorecard, <http://scorecard.assetsandopportunity.org/2012/measure/math-proficiency-8th-grade>, and <http://scorecard.assetsandopportunity.org/2012/measure/reading-proficiency-8th-grade>.

10 AFL-CIO, Death on the Job: The Toll of Neglect, April 2012, www.aflcio.org/Issues/Job-Safety/Death-on-the-Job-Report.

'Right to Work' Q and A

Q: What is a "right to work" (RTW) law?

A: Despite its misleading name, this type of law does not guarantee anyone a job and it does not protect against unfair firing. It only weakens collective bargaining rights and limits workers' freedom to demand respect, fair pay and safety on the job. It tilts the balance even more toward big corporations and further rigs the system at the expense of middle-class families.

That's because RTW laws create a loophole in our labor laws that allows workers who decide not to be a part of a union to fully benefit from union representation—including higher wages, benefits, training, safety and protection from unfair discipline—without having to pay a single penny for it. That's unfair to their co-workers who play by the rules and pay their fair share. And it weakens all workers' ability to stand up for themselves and each other. That's why these laws are called "right to work for less" laws.

Q. Specifically, why is an RTW law unfair?

A: Federal law requires unions to represent all workers and bargain a contract that benefits all workers, whether or not they actually become members of the union. That means that if a worker who is represented by a union but doesn't pay dues is fired illegally, the union must use its time and resources to defend the worker the same as if he was a member, even if that requires going through a costly, time-consuming lawsuit. Because everyone benefits, everyone should pay their fair share. But RTW laws allow cheaters to take unfair advantage of the system.

Right now, private businesses and employees can freely negotiate to make sure everyone who benefits from a union contract pays their fair share of the costs of obtaining and protecting those benefits. But an RTW law would allow the government to interfere unfairly in the freedoms of private businesses and employees and restrict the right of businesses to negotiate with their employees. Employers should be free to negotiate contracts without government intrusion.

Q: How would this law impact my family?

A: An RTW law would put our families' safety at risk. It would make it harder for nurses to negotiate for safe staffing levels, and limit the ability of emergency responders, police officers and firefighters to negotiate for things to keep us all safe—like faster response times and lifesaving emergency equipment. This proposal limits the rights of our state's everyday heroes, silences the professional voices of teachers, nurses, police officers and firefighters, and makes it harder for them to protect and serve.

Q: Will an RTW law benefit workers in our state?

A: No. Union members *and* workers without unions will all take an economic hit. Workers in states with RTW laws have a consistently lower quality of life than in other states—lower wages, higher poverty, less access to health care and poorer education for children, according to data from the U.S. Department of Labor and the U.S. Census Bureau. Why should our state adopt a losing strategy that lowers the standard of living for workers and their families?

Q: Isn't an RTW law important to improving our state's economy?

A: No—we need to bolster our economy, but adopting an RTW law is the wrong priority and would take us in the wrong direction. Our state legislature should focus on strengthening our economy and making sure it works for all state residents. We need to create more good jobs. We need to stop giving tax dollars to companies that ship work overseas. We need to close unfair corporate tax loopholes and stop employer fraud that deprives workers of rights and allows corporations to cheat on their taxes. But none of that will happen if

corporate special interests pass this extreme bill—because it tilts the balance of power even more toward big corporations, at the expense of hard-working, middle-class families.

Q: Do we need an RTW law to attract new jobs to our state?

A: No. When Oklahoma adopted an RTW law 10 years ago, supporters claimed it would dramatically improve the state’s job growth. But in fact, according to the Oklahoma Chamber of Commerce’s 2011 report, the number of new companies coming into the state has actually *decreased* by one-third since RTW passed.

During Indiana’s debate over RTW, the Indiana Economic Development Corporation (IEDC) “couldn’t provide documentation or statistics to back up Gov. Mitch Daniels’ assertion that a fourth to half of companies don’t give Indiana a shot at new business because it lacks a right-to-work law.”¹

Industries locate in a state for many reasons, but RTW laws are not among them. Factors like workforce productivity, availability of skilled workers, transportation, closeness to markets and materials, quality of life and proximity to research universities are the keys to economic growth. We need to create good jobs throughout the state, but an RTW law will not persuade companies to move here.

Q: Who benefits from RTW laws?

A: No one. Some low-wage employers might think they would benefit from weak unions and low wages, but union members also are consumers. RTW laws undermine the purchasing power of unionized workers. Union members overall earn 28.7 percent more in wages than workers overall without unions. For women workers, the union advantage is 34.6 percent. For African American workers, the union advantage is 29.6 percent. And for Hispanic workers, the union advantage is a whopping 56 percent.² When RTW laws weaken unions and drive down wages and benefits, workers have less to spend and the entire economy—particularly small business—suffers.

Q: Without a RTW law, can a worker be forced to join a union?

A: No. RTW laws are unnecessary—the U.S. Supreme Court ruled long ago that no one can be forced to join a union or to pay fees not directly related to the cost of representing them.

Q: Is a union required to represent all employees covered by a contract (nonmembers as well as members)?

A: Yes. Under federal labor law, unions have the duty to fairly represent all workers covered by a contract. But the built-in loophole in this law would allow workers who choose not to join a union to still benefit from all the benefits of union representation without paying anything at all. That’s not fair to their co-workers who play by the rules and pay their fair share.

Q: If our state enacts a RTW law, who will pay the costs of representing nonmembers?

A: Union members will be forced to pay not only for their own membership, they will have to pick up the tab for workers who don’t pay their fair share but still get all the benefits.

Q: Are nonmembers required to pay full union dues in states that don’t have RTW laws?

A: No. Workers who receive all of the benefits but choose not to join the union are only required to pay for their fair share of the costs related to bargaining for those benefits and representing workers under their contract with the employer.

Q: Can a union unilaterally require nonmembers to pay their fair share?

A: No. The employer and the union must negotiate and agree that workers are required to pay their fair share for representation. If the employer refuses, workers can receive all the benefits of union representation without paying.

Q: Why would an employer agree to require workers to pay their fair share?

A: Many employers want to avoid the divisions and animosity that occur when cheaters game the system at the expense of employees who work hard and play by the rules.

¹ Bob Caylor, "Indiana government can't document claimed right-to-work losses," *Fort Wayne New- Sentinel*, 12/16/11 www.news-sentinel.com/apps/pbcs.dll/article?AID=/20111216/NEWS/111219746/0/SEARCH.

² Bureau of Labor Statistics, Union Members—2011, Jan. 27, 2012, www.bls.gov/news.release/pdf/union2.pdf.