OLR RESEARCH REPORT

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RIGHT TO WORK LAWS

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You asked for information on right-to-work laws, including 1) how many states have a right-to-work law and (2) the impact those laws have on those states.

SUMMARY

Right-to-work laws allow employees to decide whether or not to join or financially support a union. Twenty-two states currently have right-to-work laws; Connecticut is not one of them.

Studies on the economic impact of a right-to-work law on a state have focused on their effect on wages and employment levels. Generally, they show that right-to-work laws do not have a significantly meaningful positive or negative effect on wages, but they have a statistically significant, positive effect on employment levels and job creation. Notably, scholars question the correlation between right-to-work laws and these findings.

RIGHT-TO-WORK LAWS

Under right-to-work laws, union membership is not a requirement for employment. Rather, workers can choose whether they want to be in a union, even if the company is unionized.

The ability of states to pass right-to-work laws was expressly authorized by Section 14(b) of the 1947 Taft-Hartley Act (29 U.S.C.A. § 141, et. seq.). The Act essentially prohibits a "closed shop" or agreements between labor unions and employers that make membership or payment of union dues or fees a condition of employment before or after hiring. Notably, employees who work in the railway or airline industries are not protected by a right to work law, and employees who work on a federal enclave may not be.

Proponents of right-to-work laws argue that workers should be free to choose whether to join a union. They believe that it is wrong for unions to be able to force employers to include clauses in their union contracts that require all employees to either join the union or pay union dues as a condition of employment. Further, they contend that in certain cases, forced union dues are used to support political causes that many union members may oppose.

Opponents of right-to-work laws argue that these laws create a free-rider problem, in which non-union employees benefit from collective bargaining without paying union dues. They also contend that outlawing compulsory union dues makes (1) union activities less sustainable, (2) it more difficult for unions to organize, and (3) it less attractive for people to join a union.

For more information, see the following links: National Right to Work Legal Defense Foundation, www.nrtw.org; National Right to Work Committee, www.nrtwc.org; American Federation of Labor - Congress of Industrial Organizations, www.aflcio.org

RIGHT-TO-WORK STATES

Twenty-two states have enacted right-to-work laws. These states are located mostly in the southern and western regions of the country.

Most right-to-work states enacted their laws more than 30 years ago. Oklahoma is the most recent state to adopt a right-to-work law, which it did in 2001.

Table 1 shows which states currently have right-to-work laws.

Table 1: States with Right-to-Work Laws

Right-to-work states	*Non-right-to-work states*
Alabama	Alaska
Arizona	California
Arkansas	Colorado
Florida	Connecticut
Georgia	Delaware
Idaho	Hawaii
Iowa	Illinois
Kansas	Indiana
Louisiana	Kentucky
Mississippi	Maine
Nebraska	Maryland
Nevada	Massachusetts
North Carolina	Michigan
North Dakota	Minnesota
Oklahoma	Missouri
South Carolina	Montana
South Dakota	New Hampshire
Tennessee	New Jersey
Texas	New Mexico
Utah	New York
Virginia	Ohio
Wyoming	Oregon
	Pennsylvania
	Rhode Island
	Vermont
	Washington
	West Virginia
	Wisconsin

Source: National Right to Work Committee (2001), http://www.nrtw.org/rtws.htm.

ECONOMIC IMPACT ON RIGHT-TO-WORK STATES

Studies on the economic impact of a right-to-work law on a state have generally looked at their effect on wages and employment levels.

Wages

Overall, studies show that right-to-work laws do not have a significantly meaningful positive or negative effect on wages. Nominal wages (wages not adjusted for cost-of-living difference between states) are higher in non-right-to-work states. However, once wages are adjusted for cost of living, studies show that “spending power” is modestly higher in right-to-work states.

The most recent and reliable studies we could locate on right-to-work laws suggest a very small wage benefit, between .2 and 2% (John Cooper, *Effects of Right to Work Laws on Employees, Unions and Businesses*, 2004).

However, scholars question how much of the wage differences can be attributed solely to right-to-work issues. They note that there are significant differences between right-to-work states and non-right-to-work states that may be responsible, in part, for these results. For example, southern and western states have experienced population gains in recent years, which could affect economic variables such as wages (Loonie K. Stevans, *The Effect of Endogenous Right-to-Work Laws on Business and Economic Conditions in the United States: A Multivariate Approach*, 2009).

Employment Levels

Studies show that right-to-work laws have a statistically significant positive effect on employment levels and job creation, including faster growth in manufacturing jobs and lower unemployment rates. This may be because right-to-work laws affect where companies locate and manufacturing plants open. For example, all new auto plants built in the United States in the last 10 years were built in right-to-work states (Cooper, at 25).

However, scholars again caution that other factors could explain these statistics. Historically, the right-to-work states have been more agricultural than the non-right-to-work states. Thus, the growth of manufacturing jobs in these states could reflect, in part, the decline of agricultural jobs as they have become less labor-intensive. In addition, as manufacturing employment has declined, the service sector has grown. They posit that states with a relatively large service sector tend to be less unionized because service workers traditionally have been more difficult to organize than industrial workers (Stevans, at 599).

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