

# FACTS TO KNOW

## about “Right to Work” and the Economy

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### Will “Right to Work” benefit New Hampshire’s economy?

**NO.** New Hampshire has a better economic record than states with “Right to Work” laws.

- **New Hampshire has record low unemployment.** In November 2016, New Hampshire had the lowest unemployment rate in the U.S. For the same time period, unemployment in one-half of “Right to Work” states was higher than the national average.<sup>1</sup>
- **New Hampshire wages are on track with national averages.** In 2015, New Hampshire’s median hourly wage was 3% above the national median and was higher than the median hourly wage in 23 out of all 26 “Right to Work” states. Tens of thousands of New Hampshire small firms and Main Street shops depend on local spending to stay in business, so higher wages mean a stronger economy.<sup>2</sup>
- **New Hampshire outperforms “Right to Work” states on comprehensive measures of economic opportunity and quality of life.** When an independent panel of social scientists used the latest data to compare economic, health, and educational outcomes across all 50 states, New Hampshire ranked among the top three states with the best conditions for strong communities and individual economic opportunity. Based on the same set of measurements, 17 out of the 20 lowest-ranking states are “Right to Work” states.<sup>3</sup>

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**New Hampshire has one of the strongest economies in New England. We need to keep our state economy growing, but “Right to Work” will take us in the wrong direction.**

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### How will “Right to Work” affect New Hampshire’s economy?

Despite claims to the contrary, there are no rigorous economic studies that let us predict how enacting “Right to Work” will change New Hampshire’s economy. For example, there is no proof of a consistent or direct link between “Right to Work” laws and new manufacturing jobs, lower unemployment or growth of per capita personal income. In 2015, a careful statistical analysis of a broad range of labor market and workforce factors in every state found that “Right to Work” laws reduce wages by an average of \$1,558/year for typical full-time, full year workers.<sup>4</sup>

There is no compelling reason to expect that New Hampshire will have better results than other states: enacting “Right to Work” would cause wage growth to stagnate or decline for all New Hampshire workers, union and non-union, making it harder for middle-income families to make ends meet and weakening the consumer base for businesses that depend on local spending. Lower wages would potentially accelerate the exodus of skilled younger workers to other states with higher pay and more attractive career opportunities, discouraging new businesses from locating here. For low-wage working families, a slow-down or reversal of wage growth would result in higher rates of child poverty.

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# FACTS TO KNOW

## about “Right to Work” and Jobs

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### **Does New Hampshire need “Right to Work” to attract new jobs to our state?**

**NO.** There is no reliable evidence that enacting a “Right to Work” law would produce short- or long-term job growth in New Hampshire. Industries locate in a state for many reasons, but in New Hampshire business development experts say that “Right to Work” is not an urgent concern for business owners, or is a non-issue. Most companies seeking to expand or relocate look at factors like transportation infrastructure, energy costs, availability of workers with the right skills to meet productivity goals and overall quality of life. **New Hampshire needs more good jobs in every corner of the state, but passing “Right to Work” will not persuade more companies to move here.**

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**Proponents often claim that more employers will move out of state if New Hampshire does not pass a “Right to Work” law, but businesses are much more worried about high energy costs and workforce factors, which will not be improved by enacting “Right to Work.”**

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### **Who benefits from “Right to Work” laws?**

**NO ONE.** Some employers who want to increase profits by weakening worker protections and keeping wages low believe they would benefit from “Right to Work,” but the predictable ripple-effect of lowering wages for low- and middle -income households could create hardship for New Hampshire communities, increase demand on safety net services and damage our quality of life – especially when so many New Hampshire families are just getting back on their feet after the Great Recession.

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### **Isn’t “Right to Work” about giving workers more freedom to get ahead?**

**NO.** There is no evidence that “Right to Work” laws improve work opportunities, job security, or employment outcomes for average workers. Under federal law, no one can be forced to join a union as a condition of employment, and the Supreme Court has made clear that workers cannot be forced to pay dues used for political purposes. “Right to Work” legislation does not expand these existing legal rights. It simply prohibits employers and workers’ unions from negotiating contracts that allow the union to collect fees from non-members who benefit from the terms of a bargaining agreement. If New Hampshire passes a “Right to Work” law, it will be the only state in the Northeast region to regulate collective bargaining in this manner.

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# FACTS TO KNOW

## about “Right to Work” and Individual Freedoms

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**Is a union required to represent all employees covered by a contract (non-members as well as members)?**

**YES.** Under federal labor law, unions are required to equally and fairly represent all workers covered by a collective bargaining contract, regardless of membership status. That means non-members as well as members get the same wages, hours and working conditions established through contract negotiations. Unions must by law bargain for everyone and enforce the contract terms for everyone in a fair, honest, non-discriminatory manner. Unions cannot refuse to pay the costs of arbitrating a grievance simply because it involves a non-member. A union that violates this duty of fair representation can be liable for monetary relief. This duty of fair representation applies whether or not the state has a “Right to Work” law.

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**If New Hampshire does not have a “Right to Work” law, can an employee be forced to join a union?**

**NO.** The U.S. Supreme Court has ruled that no collective bargaining agreement can require anyone to join a union. Unions and employers may only negotiate contract provisions requiring non-members to pay a proportional share of the union’s costs in representing them in negotiations. Non-member fees are sometimes called “fair share” or “agency” fees. Instead of union dues, non-members pay a user fee to cover the cost of mandatory services provided by the union under the terms of a collective bargaining agreement and federal law.

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**Does a “fair share” clause require non-members to pay full union dues?**

**NO.** Non-members are required to pay only the proportion of union dues related to collective bargaining expenses, so that the cost is fairly shared by all represented employees.

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**If New Hampshire enacts “Right to Work”, who will pay the costs of representing non-members?**

Union members will be forced to pay not only their own share of representation costs, but also the full costs of representing non-members. Forcing workers’ unions to cover unreimbursed costs for mandatory contract administration services is the only employment law provision that enacting “Right to Work” will actually change.

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**Can a union impose a “fair share” agreement without the employer’s consent?**

**NO.** The employer, the union and the employees in the union must negotiate an agreement on payment of non-member fees. If members object or management refuses, there is no “fair share” agreement (also called a “union security” agreement) in the contract.

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**Why would an employer agree to a union security clause?**

Many employers today believe that teamwork and workplace harmony are important to maximize productivity and want to steer clear of the conflicts and tensions that occur when some employees are required to pay the costs of representing others who do not pay.

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**If New Hampshire does not enact “Right to Work,” can union dues be spent on political donations?**

**NO.** Whether or not New Hampshire enacts a “Right to Work” law, union dues cannot be spent on contributions to political candidates. That applies to members and non-members alike. All political donations are made from separate accounts funded solely by voluntary member contributions.

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**Will making New Hampshire a “Right to Work” state protect a worker's right to a job?**

**NO.** These laws guarantee no one a job, and do not guarantee the creation of more jobs or better career opportunities. “Right to Work” laws do not strengthen existing laws prohibiting employer discrimination against qualified job-seekers, do not increase employment security for people who are ready, able and willing to go to work, and require no due process or just cause protections against unfair firing.

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**By undermining workers’ unions, “Right to Work” will weaken the best job security protections working people have today: a grievance procedure that requires employers to have legitimate, job-related reasons for disciplining or discharging an employee.**

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**NOTES:**

1. *U.S. Department of Labor, Bureau of Labor Statistics, Seasonally Adjusted Unemployment by State, December 16, 2016.*
2. *U.S. Department of Labor, Bureau of Labor Statistics, Occupation and Employment Statistics, March 2016.*
3. *Social Science Research Council, 2016 Opportunity Index Briefing Book, [opportunityindex.org](http://opportunityindex.org)*
4. *Economic Policy Institute, Elise Gould and Will Kimball, March 2015*

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