

Forced Unionism Linked to More Onerous Taxes

'Tax Freedom Day' Comes Nine Days Earlier in Right to Work States

Tax Freedom Day 2008

Right to Work States.....April 18

Forced-Dues States.....April 27

Entire U.S.April 23

Sources: Tax Foundation, U.S. Census Bureau, National Institute for Labor Relations Research

Employees in Right to Work states spend significantly less time working for the tax collector.

This year, America celebrated "Tax Freedom Day" on April 23.

The term Tax Freedom Day was coined and popularized by the nonpartisan, Washington, D.C.-based Tax Foundation. As the Tax Foundation has explained, it is "the day when Americans . . . finally have earned enough money to pay off their total [federal, state and local] tax bill for the year."

Monitoring when Tax Freedom Day falls is an easy way to gauge the American citizen's heavy tax burden, which on average comprises nearly a third of his or her income.

However, residents of different states often have tax burdens that are significantly less or more onerous than the national average.

And Right to Work laws, which protect employees from being fired for refusal to join or pay dues or fees to an unwanted union, are strongly correlated with lighter tax burdens.

Higher Tax Burden of Forced-Unionism States Only One of Many Disadvantages

According to Tax Foundation and U.S. Census Bureau data, in 2008 the average Tax Freedom Day in the 22 states with Right to Work laws already on the books was April 18, five days earlier than the national average.

Meanwhile, in the 28 non-Right to Work states as a group, Tax Freedom Day didn't come until April 27, four days later than the national average and nine days later than the average in Right to Work states.

(For simplicity's sake, the Tax Foundation assumes an equal amount of income is earned every day, and does not distinguish weekdays from weekends.)

An average tax burden that is significantly higher is only one of many economic disadvantages that forced-dues states endure relative to Right to Work states.

Real Household Incomes Are Higher in Right To Work States

Another key disadvantage for forced-dues states is that their average cost of living is substantially higher than in Right to Work states. Estimates of the exact amount of the cost-of-living disparity vary, but there is no controversy about this basic fact.

For example, a recent study by University of Colorado economist Barry Poulson, the past president of the North American Economics and Finance Association, calculated that living costs average nearly 18% higher in metro areas in non-Right to Work states than in Right to Work states.

Dr. Poulson also found that, when the number of households in each

metro area is factored into the equation, the average cost of living-adjusted household income in Right to Work state metro areas in 2002 was \$4258 higher than the average in non-Right to Work states.


Where forced dues are legal, union officials use their power to disrupt labor markets, jack up costs, and bankroll regulation-happy, Tax-and-Spend state legislators and governors.

Therefore, it's not surprising that living costs are substantially higher in forced-dues states, and that real incomes in those states suffer as a consequence.

It's also not surprising that tax burdens are generally higher in forced-dues states.

"Right to Work state residents benefit from much better job markets, higher real incomes, and—as the Tax Foundation has clearly shown—substantially lower tax burdens," commented Mark Mix, president of the National Right to Work Committee.

"State Right to Work laws thus obviously mitigate the harm inflicted by pro-forced unionism federal labor policy.

"But Committee members' ultimate goal is to abolish that policy, not merely limit the damage. And that's why the Committee is fighting now for recorded floor votes on S.1301 and H.R.697—national Right to Work measures that would remove the federal authorization for forced union dues and fees." 

NATIONAL RIGHT TO WORK NEWSLETTER

www.nrtwc.org

August 2008

Written and Distributed by:

National Right to Work Committee®

8001 Braddock Road

Springfield, Va. 22160

E-mail: Members@NRTW.org

Mark Mix President

Reed Larson Exec. Cmte. Chairman

Stephen Goodrick Vice President

Matthew Leen Vice President

Doug Stafford Vice President

Stanley Greer Newsletter Editor

Editorial comments only: stg@nrtw.org

Contact the Membership Department by phoning 1-800-325-RTWC (7892) or (703) 321-9820, or faxing (703) 321-7143, if you wish to:

- Report address changes or corrections
- Receive the NEWSLETTER or request, renew, or cancel Committee membership
- Obtain more information

Because of NRTWC's tax-exempt status under IRC Sec. 501 (C) (4) and its state and federal legislative activities, contributions are not tax deductible as charitable contributions (IRC § 170) or as business deductions (IRC § 162(e)(1)).

© 2008 by the National Right to Work Committee®. Permission to reprint individual articles granted. Credit requested.