



# NATIONAL RIGHT TO WORK NEWSLETTER

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## ‘Compulsory-Dues Privileges Made It Possible’ *Big Labor’s Politics/Lobbying Expenditures Top \$1.7 Billion*

Drawing on a variety of published sources, the National Institute for Labor Relations Research has recently estimated that Big Labor spent more than \$1.7 billion on politics and lobbying in 2015 and 2016.

The Institute fact sheet analyzing union bigwigs’ expenditures intended “to influence the selection, nomination, election, or appointment of anyone” to “public office” and for other political/ideological purposes over the past two years was published on April 17.

(To access a copy, go to: <http://www.nilrr.org/wp-content/uploads/facts/2016-election-cycle-union-fact-sheet-web.pdf> on the Internet.)

The Institute’s analysis relies almost entirely on reporting forms filed by union officials themselves with federal and state government agencies.

Poor-mouthing union officials and supposedly “nonpartisan” monitors like the Center for Responsive Politics have long fostered the totally false impression that Big Labor PAC and Section 527 expenditures represent all the electioneering unions do.

### **Forced-Dues-Stocked Union Treasuries Finance Get-Out-the-Vote Activities**

But the LM-2 forms that private-sector and some government-sector unions with annual revenues exceeding \$250,000 are required to file with the U.S. Labor Department, along with other publicly available resources, show they actually control by far the most massive political machine in America.

In 2003, then-President George W. Bush’s Labor Department revised LM-2 forms with the avowed goal of helping millions of private-sector workers who are forced to pay union dues or fees as a job

condition get a better idea of where their conscripted money is going.

This was a worthwhile initiative.

Current labor laws, as interpreted by federal courts, authorize the firing of employees for refusal to pay for unwanted monopoly bargaining, unless the employees are protected by a Right to Work law. But the U.S. Supreme Court, in precedents argued and won by National Right to Work Legal Defense Foundation

attorneys, has established that employees may not legally be terminated for refusal to pay for Big Labor’s non-bargaining activities -- regardless of where they live.

Unfortunately, in a misguided and futile attempt to appease the union brass, Bush officials failed to require union reports to segregate strictly all bargaining

*See Free Speech page 2*

### **Union Political/Lobbying Expenditures Reported to Labor Department, 2015-2016**

<b>Union</b>	<b>Political/Lobbying Expenditures</b>
AFL-CIO -- Natl. Headquarters.....	\$90.8 million
Service Emp. Intl. Union -- Natl. HQ.....	\$89.3 million
Natl. Education Assn. – Natl. HQ.....	\$84.0 million
Amer. Fed. of State, County & Mun. Emp. – Natl. HQ.....	\$82.5 million
Amer. Fed. of Teachers – Natl. HQ.....	\$66.2 million
Service Emp. Intl. U. – Calif. State Council.....	\$26.8 million
Amer. Fed. of Teachers – N.Y. State United Teachers.....	\$25.0 million
Untd. Steelworkers – Natl. HQ.....	\$23.6 million
Service Emp. Intl. U. – Untd. Health Care Wrkrs. East.....	\$22.5 million
Intl. Ass. of Fire Fighters – Natl. HQ.....	\$19.8 million
Untd. Auto Workers – Natl. HQ.....	\$19.3 million
Service Emp. Intl. U. – Untd. Health Care Wrkrs. West.....	\$19.2 million
Service Emp. Intl. U. – Local 32BJ.....	\$17.0 million
Amer. Fed. of Govt. Emp. – Natl. HQ.....	\$16.8 million
Intl. Union of Operating Engineers – Natl. HQ.....	\$16.7 million

Source: U.S. Labor Department

**Over the past two years alone, union bosses have reported spending a total of roughly \$1.7 billion on politics and lobbying. Big Labor’s top 15 spenders, according to U.S. Labor Department filings only, are shown here.**

# Free Speech Routinely Trampled

Continued from page 1

and non-bargaining activities in the revised LM-2's.

Nevertheless, since the LM-2 revision withstood an extended Big Labor court challenge and took effect over a decade ago, union officials have been required to report each year how much they spend on two major non-bargaining activities – electioneering and lobbying.

The Institute review of all LM-2 forms filed for 2015 and 2016 shows that unions filing such forms spent a total of nearly \$1.3 billion on “political activities and lobbying” over those two years alone.

Such forced-dues-fueled spending pays for phone banks, get-out-the-vote drives, propaganda mailings, and other so-called “in-kind support” for candidates.

As a front-page *Wall Street Journal* article by Tom McGinty and Brody Mullins published in July 2012 explained, a large share of Big Labor's forced dues-funded political war chest is spent “paying teams of political hands to contact members [and their families].”

## Many Deeply Political Unions Don't Have To File LM-2's

The political hands' job is browbeating all the voters in union households into agreement with union official positions on election issues and “trying to make sure they vote for union-endorsed candidates.”

Though the *Journal* article didn't

mention it, a second important function of forced dues-bankrolled union political operatives is to push up turnout in neighborhoods where Big Labor calculates a very high share of voters will cast their ballots for union-endorsed candidates.

Big Labor political and lobbying expenditures reported on LM-2 forms are the single largest component of the union electioneering machine. But there is plenty LM-2's don't cover.

“Government unions that have no private-sector members, including many affiliates of the National Education Association teacher union and other deeply political state and local unions, don't have to file LM-2's,” noted Mark Mix, president of both the Foundation and the National Right to Work Committee.

“The Institute analysis added up political spending by such government unions appearing in state campaign finance reports and came up with 2015-16 expenditures totalling roughly \$228 million. Union PAC and ‘527 group’ expenditures not reported elsewhere add another \$193 million to the 2015-16 war chest.”

## Federal Lawmakers Have An Obligation to Act

Unlike business and other interest-group political spending, Big Labor's “in-kind” expenditures on politics are financed primarily by forced-dues and forced-fee money, often paid by workers who aren't union members and who personally oppose the union-boss agenda.

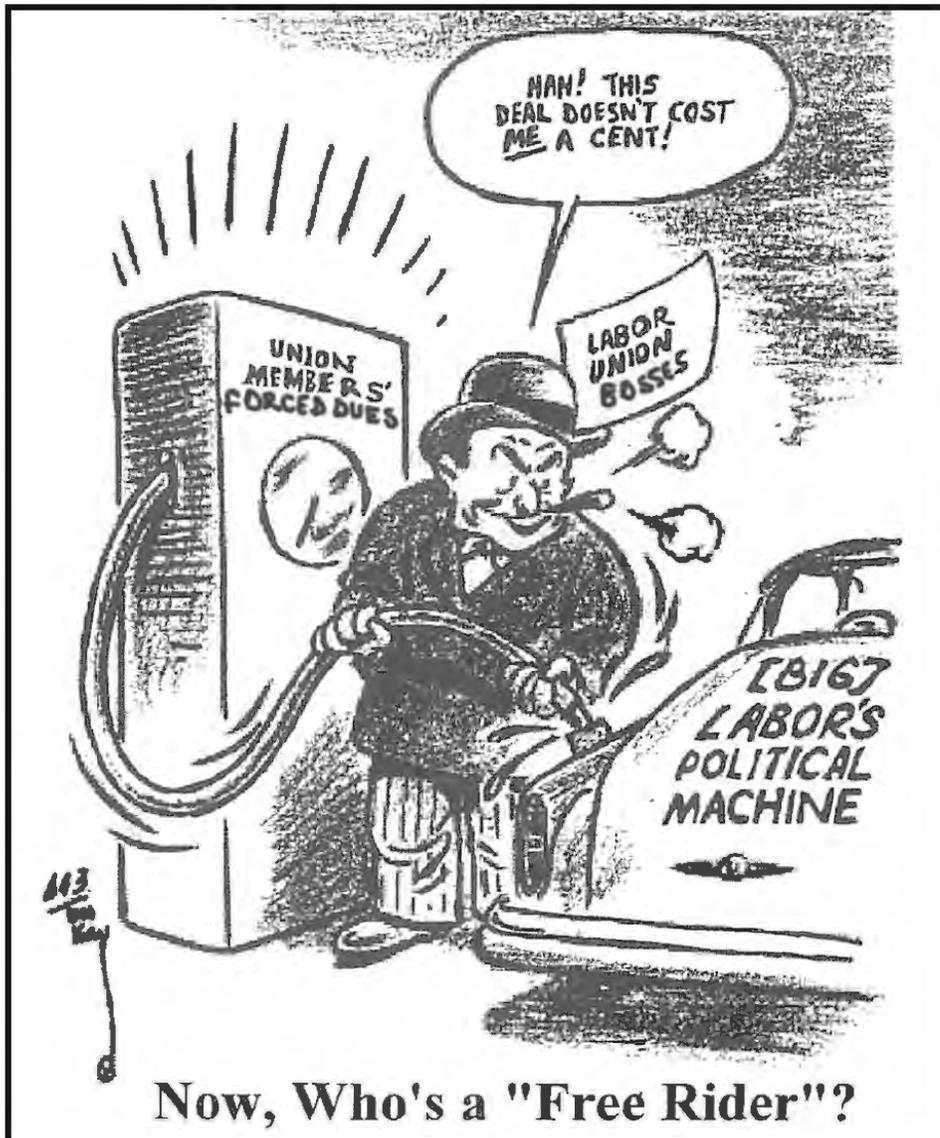
“Compulsory-dues privileges made it possible for Big Labor to spend at least \$1.7 billion on electioneering and other ideological schemes over the past two years,” said Mr. Mix. He added that the Institute figure was calculated very conservatively to avoid any possible double-counting and is, for that and other reasons, almost certainly an underestimate.

“Fortunately,” he continued, “in the next election cycle, at least 28 states will have Right to Work laws on the books prohibiting forced union membership, dues and fees.

“Employees in such states are protected from being forced to bankroll Big Labor's favored causes and candidates.

“But it remains Congress' obligation to crack down on forced-dues politicking and protect the free speech rights of private-sector employees across the nation.

“And this objective can be accomplished by passage of a national Right to Work law that repeals the handful of provisions in federal labor law under which millions of employees are still being forced to bankroll unions.”



Now, Who's a "Free Rider"?

Unlike other interest-group spending, Big Labor's “in-kind” expenditures on politics are financed primarily by conscripted money, often paid by workers who aren't even union members and who oppose the union-boss agenda.

# Congress Can Stop Obama NLRB Power Grabs *Unless Appropriators Act, Workers Will Continue Being Harmed*

Since President Barack Obama's handpicked appointees took full control over the National Labor Relations Board (NLRB) in early 2010, they have executed a series of power grabs that are clearly designed to help union officials seize monopoly-bargaining privileges over as many workers as possible. Today, more than four months after the Obama presidency concluded, his appointees' schemes to promote compulsory unionism by regulatory fiat continue.

One of the Obama NLRB's most egregious and destructive rulings was issued on August 27, 2015.

Obama-selected Chairman Mark Pearce and two other radical NLRB members declared that, from that day on, franchisors and companies that employ subcontractors and temporary staffing agencies may frequently be regarded as "joint employers" of franchise, subcontractor, and staff agency employees.

## Big Corporations Are Easier to Strong-Arm

This dramatic policy shift was implemented by a 3-2 majority of a bitterly divided board in deciding a case brought by Teamster union bosses against Browning-Ferris Industries (BFI).

Prior to this decision, remote companies were treated as "joint employers" under federal law only if their actions had a "direct and immediate impact" on workers' terms and conditions, as legal commentator Walter Olson explained in a blog post decrying the BFI ruling.

In contrast, under the NLRB's extraordinary current policy, remote companies may be regarded as "joint employers" if, in Mr. Olson's words, "they have the power, even the potential power, to significantly influence working conditions or wages for the subcontractor or franchisee."

"Franchisors often furnish small business owners with uniforms and store designs and set quality standards and operating hours," noted National Right to Work Committee Vice President Greg Mourad. "And many businesses contract with other companies to clean their buildings, provide security, etc., so they can focus on their core activities.

"Under decades of precedents, franchisors have never been regarded as employers of workers at independently owned stores, and employees of



## Independent-minded employees are still suffering due to Barack Obama's pro-forced-unionism policies.

subcontractors have only rarely been regarded as also being employed by the company that hires the subcontractor.

"Union bosses have long desired to overturn these precedents, because they know from experience that small companies are far more likely to stand up to Big Labor pressure and refuse to sell out employees who wish to remain union-free than are large companies.

"In order to avoid negative publicity generated by union officials and their allies, large corporations have time and again agreed to so-called 'card checks' and 'neutrality' deals that actually help Big Labor gain monopoly-bargaining power over employees."

## Appropriators Can Rein in Rogue NLRB Bureaucrats

Mr. Mourad added that, if it stands, the Obama NLRB's *Browning-Ferris* ruling

will almost certainly make it far easier for Big Labor to corral employees into unions by exposing remote companies to legal repercussions when franchises and contract companies resist unionization.

Fortunately, over the course of the next few months, the U.S. Congress can stop enforcement of *Browning-Ferris* and other outrageous Obama NLRB decisions.

In early April, a group of 47 U.S. House Republicans urged Congressman Tom Cole (R-Okla.), chairman of the House's Labor, HHS and Education Appropriations Subcommittee, to include provisions in the FY 2018 NLRB appropriation to block the board from proceeding with Mr. Obama's changes.

"By wielding its 'power of the purse string,'" said Mr. Mourad, "Congress has always been able, in principle, to prevent a rogue NLRB from actually implementing its bureaucratic rewrites of federal law.

"However, this was an uphill battle for Right to Work supporters as long as Barack Obama was in the White House and stubbornly opposed to signing NLRB appropriations with 'riders' protecting employees and small businesses from his appointees' lawless schemes.

"Now that avowed Right to Work supporter Donald Trump is President, it should be much less difficult for Congress to stop the NLRB from continuing to target employees of small companies.

"Of course, a more lasting solution can be achieved only after Mr. Trump nominates and the Senate confirms pro-Right to Work members to fill the board's two current vacancies, and the board reconsiders *Browning-Ferris* and other decisions that are extremely biased in favor of forced unionism." 

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Written and Distributed by:

**National Right to Work Committee®**

8001 Braddock Road  
Springfield, Va. 22160  
E-mail: [Members@NRTW.org](mailto:Members@NRTW.org)

**Stanley Greer** Newsletter Editor

**Greg Mourad** Vice President

**Mary King** Vice President

**Matthew Leen** Vice President

**Stephen Goodrick** Vice President

**Mark Mix** President

Editorial comments only: [stg@nrtw.org](mailto: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:

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# Forced Unionism and High Taxes Go Hand in Hand

## *This Year, Right to Work 'Tax Freedom Day' Came 14 Days Sooner*

On April 23, according to the nonpartisan, Washington, D.C.-based Tax Foundation's estimate, "Tax Freedom Day" (TFD) 2017 finally arrived.

The Tax Foundation's entire published analysis remains available at [www.taxfoundation.org](http://www.taxfoundation.org) -- the group's web site.

As the Tax Foundation explains, TFD is "the day when the nation as a whole has earned enough money to pay its total tax bill for the year."

In 2017, "Americans will pay \$3.5 trillion in federal taxes and \$1.6 trillion in state [and local] taxes, for a total tax bill of \$5.1 trillion," or 31% of national personal income.

### Right to Work State Residents Achieved 'Tax Freedom' on April 17

Not surprisingly, this burden is not borne equally by all Americans, and several factors play a significant role in determining when TFD comes for individual taxpayers and households.

The Tax Foundation highlighted two:

"The total tax burden borne by residents across states varies considerably due to differing tax policies and the progressivity of the federal tax system."

Hours after the Tax Foundation issued its report on TFD 2017, the National Institute for Labor Relations Research calculated average TFD's for the 28 Right to Work states and the 22 forced-unionism states.

To derive average TFD's for states where compulsory union dues are either permitted or banned, the Institute took aggregate state personal income data for 2016 as reported by the U.S. Commerce Department and the estimated 2017 TFD's for the 50 states as reported by the Tax Foundation.

The Institute estimates that this year residents of forced-unionism states are forking over 33.2% of their total personal income in taxes, a 13% higher share than the Right to Work state average.

TFD in forced-unionism states as a group didn't come until May 1 this year.

In contrast, TFD in Right to Work states as a group came on April 17, a

full two weeks earlier than the forced-unionism average.

### Lower Living Costs Are Key Part of Right to Work States' Advantage

National Right to Work Committee Vice President Matthew Leen commented: "Tax Freedom Day consistently comes significantly earlier in Right to Work states than in forced-unionism states in part because state and local taxes typically consume a smaller share of personal income in jurisdictions where unionism is voluntary.

"Another advantage for Right to Work states is their lower living costs."

As the Institute reported in February, interstate cost-of-living indices calculated by the Missouri Economic Research and Information Center show that on average forced-unionism states were nearly 26% more expensive to live in than Right to Work states in 2016.

When cost-of-living differences are taken into account, the average disposable income per capita in Right to Work states is higher than in forced-unionism states.

However, progressive federal income taxes are levied on nominal, rather than cost of living-adjusted, incomes.

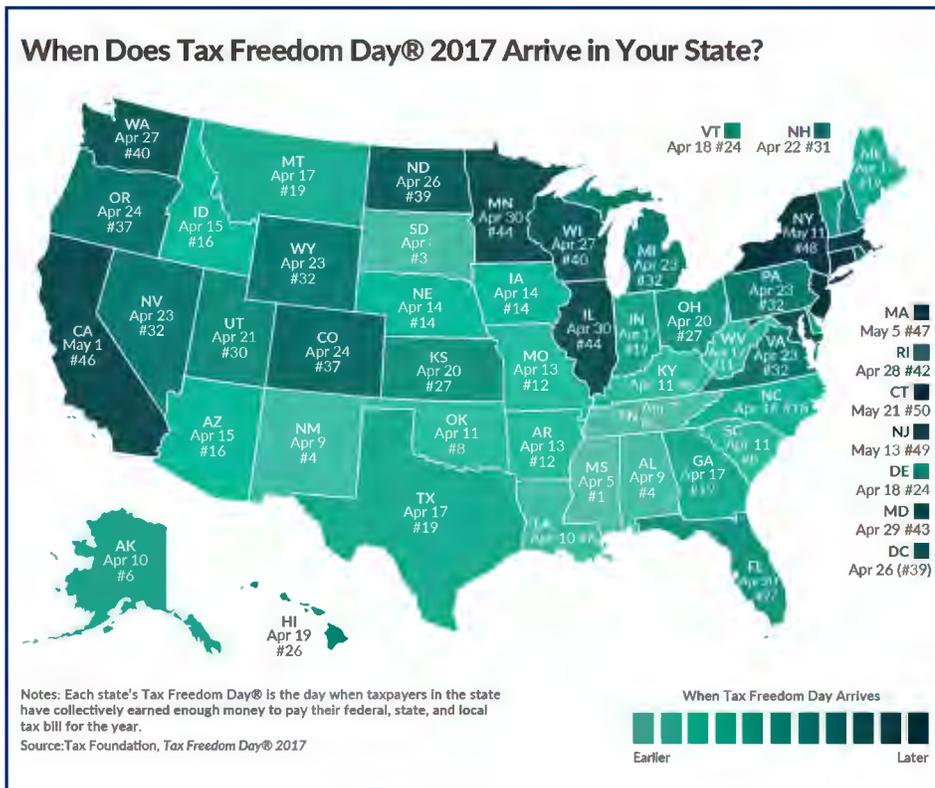
### Households in High-Cost Big Labor Stronghold States 'Get Socked Twice'

Consequently, explained Mr. Leen, households in high-cost forced-unionism states like California, New York, New Jersey, Connecticut and Massachusetts "get socked twice."

"They have to fork over more for housing, food, energy, health care, and other necessities," Mr. Leen noted.

"And then they have to pay the same income tax rate as a household in a low-cost Right to Work state like Texas or North Carolina making the same nominal income, even though that nominal income goes much further in the Right to Work states."

The TFD disparity, concluded Mr. Leen, is a prime example of how the compulsory-unionism system hurts practically everyone, and not just employees and business owners who are directly affected. 📌



The average resident of a Right to Work state is spending two weeks less time this year laboring to pay off his or her total tax burden than is the average compulsory-unionism state resident.

# Union Don's Pay Soars, Rank-and-File Jobs Fall

## *Retired Boilermaker's Lament: They're Playing With Our Money*

In the spring of 2012, top officials of the International Brotherhood of Boilermakers (IBB/AFL-CIO) faced media scrutiny for using rank-and-file workers' forced-dues money to pay themselves exorbitant salaries and secure plum jobs for their relatives.

For example, a May 12, 2012, Kansas City *Star* article by Judy Thomas, the newspaper's projects reporter, pointed out that in 2011 IBB President Newton Jones had collected a total of \$607,000 from the union in salary plus "reimbursements" for travel and other expenses.

Also in 2011, Mr. Jones' brother Charles took in an IBB salary of \$150,000 as director of the union's "history preservation department." His sister Donna made nearly \$100,000 as an IBB executive secretary.

### **'Things Appear to Have Returned to Business as Usual' For the IBB Brass**

And Mr. Jones' son Cullen, then just 23 years old, took in \$173,000 in IBB disbursements for his contributions as a "video communications technician." At least one more member of the Jones clan was also on the union payroll in 2011.

Temporarily feeling the heat largely as a consequence of a series of articles for the *Star* by Ms. Thomas, Mr. Jones agreed to "tighten his belt."

In 2013, his compulsory dues-funded base salary fell to a "mere" \$295,628.

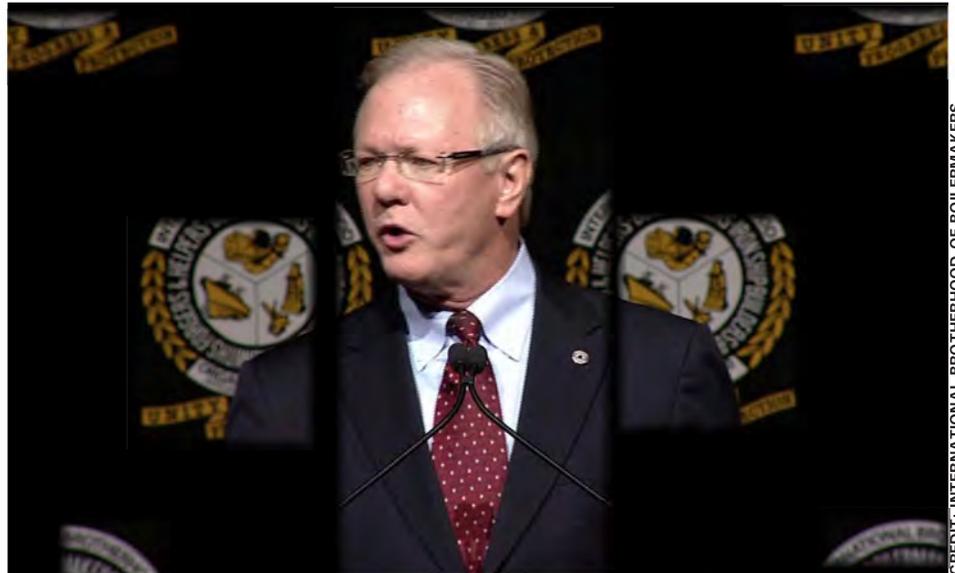
But nothing really changed.

In a follow-up report for the *Star* this April, Ms. Thomas concluded that, based on the LM-2 disclosure report for 2016 that IBB kingpins recently had to file with the U.S. Labor Department, "things appear to have returned to business as usual" at union headquarters in Kansas City.

From 2012 to 2016, largely because of Big Labor work rules rendering rank-and-file IBB tradesmen uncompetitive with their union-free counterparts, IBB membership fell by roughly 7%, to just over 53,000.

Meanwhile, Mr. Newton's forced dues-funded base salary soared by 47% from 2013 to 2016. In 2016 alone, he raked in a total of nearly \$757,000 in salary plus "reimbursements," representing an even heftier 54% increase since 2013.

And last year, Mr. Jones' wife, brother



**In all, IBB union President Newton Jones and his wife, brother and son raked in roughly \$1.6 million in forced dues-funded IBB salaries and "reimbursements" last year alone. Meanwhile, rank-and-file jobs are disappearing.**

and son were all on the union payroll. In all, Mr. Jones and his family members were paid more than \$950,000 in IBB salaries last year, plus roughly another \$650,000 in "reimbursements."

Relatives of other top IBB union bosses also continue to hold high-paying union jobs.

### **Union Rank-and-File 'Feel Helpless to Change the Culture'**

Many rank-and-file union members who spoke to Ms. Thomas expressed their dismay at the way IBB officials conduct their affairs, but added that they "feel helpless to change the culture."

Craig Sparks, a retired Kansas City IBB member, told the reporter: "It's all a family affair. They pay ridiculous salaries to these people. But they're not playing with *their* money; they're playing with *our* money."

Despite open discontent among many ordinary workers and a long-running federal probe of "questionable spending" by trustees of the IBB pension fund, Mr. Jones and his cohorts appear to remain firmly entrenched at the helm of the union.

"The fact is, federal policies granting union bosses monopoly-bargaining and forced-dues power over the workers they purportedly represent make Big

Labor generally unaccountable to those workers," said Mary King, vice president of the National Right to Work Committee.

### **Newton Jones 'Feels Free' To Enrich Himself and His Clan at Workers' Expense**

"Compulsory unionism is why a man like Newton Jones feels free to exploit a relatively small union to enrich not just himself, but also multiple relations," Ms. King continued.

"Every now and then a crooked union boss gets caught in the act, but there can be no fundamental change in Big Labor's culture of corruption until the federal and state laws authorizing monopolistic unionism are changed.

"Pro-Right to Work U.S. Sen. John McClellan [D-Ark.] held dozens of Capitol Hill hearings on Big Labor abuses of power back in the late 1950's.

"What he concluded still holds true today: 'Compulsory unionism and corruption go hand in hand.'

"This year, the U.S. Congress can take an important step toward restoring accountability for union officials by considering and adopting the National Right to Work Act [H.R.785 and S.545], which would repeal all the current labor law provisions that authorize forced union dues and fees."

# Big Labor Politicians Lied to Mineworkers

## *Employment Surges as Obama ‘Killer’ Regulations Are Lifted*

In May 2008, United Mine Workers of America (UMWA/AFL-CIO) union President Cecil Roberts announced that his union’s political committee had unanimously opted to endorse then-U.S. Sen. Barack Obama (D-Ill.) for President and spend miners’ forced-dues money to get him elected.

Mr. Roberts publicly vowed that, as the country’s chief executive, Mr. Obama would “work to ensure the future of American coal and the jobs that go with it.”

But once Mr. Obama became America’s 44th President with massive help from Big Labor, this turned out to be the opposite of the truth.

During his eight years in the White House, he relentlessly pushed through regulations that were expressly designed to kill a wide array of jobs in the mining sector, including coal jobs.

### **From October 2014 Through October 2016, U.S. Mining-Sector Jobs Plunged by 28%**

During the 24 months prior to the November 2016 elections, as the Obama Administration’s regulatory assault intensified, seasonally adjusted mining-sector jobs plunged by 28%, from 847,000 to fewer than 609,000, according to the U.S. Labor Department’s current estimate.

But Mr. Obama and other union-label politicians refused to accept responsibility for job destruction that Mr. Obama’s own appointees had predicted.

The Obama team’s new line was that non-regulatory factors were solely responsible for devastating mining employment losses.

Now it’s clear that was completely untrue.

In an eye-opening syndicated column published in mid-April, Heritage Foundation visiting fellow and senior CNN economic analyst Stephen Moore called the public’s attention to the fact that, just since October 2016, nationwide mining-sector employment had expanded by 35,000, or nearly 6%.

Mr. Moore persuasively argued that this expansion, “following years of painful layoffs in the mining industry,” shows that job-creating investors responded almost immediately and positively to the election of Donald Trump as President.

During the 2016 campaign, Mr. Trump promised again and again to lift the Obama Administration’s “killer” mine



CREDIT: JIM WATSON, AP/GETTY IMAGES

**Surrounded by Pennsylvania mining employees, President Trump signs his deregulatory “Promoting Energy Independence” Executive Order. Mining-sector jobs have rebounded rapidly during his administration’s early months.**

regulations, and since he took office he has begun to keep that promise.

“It turns out that, after all, elections do have consequences,” wrote Mr. Moore, who cited as additional evidence for his proposition the recent strong emergences from bankruptcy of Peabody Energy, the nation’s largest coal producer, and Arch Coal.

### **In West Virginia and Kentucky, UMWA Bosses Have Been Held Accountable**

“The forced-dues-paying miners whose hard-earned money was requisitioned by UMWA kingpins to help elect Barack Obama in 2008 represent only a small fraction of the unionized workers across America who have been sold out by Big Labor political schemers,” said National Right to Work Committee President Mark Mix.

“Union chiefs always claim, in public, that the politicians they are bankrolling with workers’ conscripted money will support policies to enhance those workers’ job security and help them improve their living standards.

“But in many, if not most, cases, such Big Labor claims turn out to be false once the union-label politicians are installed in office.” Mr. Mix added that many workers whose jobs depend, directly or indirectly,

on the financial viability of the mining industry were active in recent successful efforts to enact Right to Work laws in West Virginia and Kentucky.

“Even though mining is still an important source of employment in the Mountain and Bluegrass States, Organized Labor has relentlessly backed politicians who appear determined to kill off the industry and the hundreds of thousands of jobs it sustains,” he said.

In February 2016, after pro-Right to Work West Virginia legislators overrode Big Labor Democrat Gov. Earl Ray Tomblin’s veto to make their state the 26th to ban forced union dues and fees, Washington *Post* reporter Lydia DePillis acknowledged that they had done it “with the help of union [rank-and-file] votes.”

Mr. Mix concluded: “It is good that Big Labor bosses in states like West Virginia and Kentucky have been held accountable by ordinary workers and other citizens for pouring vast sums of forced-dues money into the campaigns of regulation-happy, job-destroying politicians.

“Unfortunately, in 22 states, where nearly half the nation’s workforce resides, federally imposed compulsory financial support for Big Labor remains the law of the land.

“Committee members won’t be satisfied until all American employees enjoy Right to Work protections.” 

# No Justification For Forced Dues

Continued from page 8

last year was \$42,814, more than \$2400 higher than the forced-unionism state average.

## Compulsory Unionism Obviously Isn't a Formula For Prosperity

National Right to Work Committee President Mark Mix said that no one ought to be surprised by the Institute's findings.

"The forced-union-dues system foments hate-the-boss class warfare in many workplaces," he noted.

"It helps Big Labor impose and perpetuate counterproductive and costly work rules.

"And union bosses funnel a large share of the forced dues and fees they collect through this system into the campaigns of Tax & Spend, regulation-happy state and local politicians.

"Undoubtedly, this is an important reason why 'Tax Freedom Day,' the day every year when America's breadwinners have finally earned enough money to cover their entire tax burden and can start working for themselves, came 14 days sooner, on average, in Right to Work states than in compulsory-unionism states this year."

(See page four of this Newsletter edition for more information about the Right to Work and "Tax Freedom Day, 2017.")

Mr. Mix observed that it is only logical that, in states where forced union dues and fees are still permitted, workers and other residents would end up with less real purchasing power.

"Cost of living-adjusted U.S. Commerce Department data confirm that's exactly what happens," he added

## Big Labor Propagandists Ignore or Understate Cost of Living's Impact

Many statistics regarding incomes in Right to Work and forced-unionism states cited by Big Labor propagandists ignore regional cost-of-living differences completely.

For example, even though the U.S. Bureau of the Census has since 2011 regularly calculated and published state data measuring poverty adjusted for geographic differences in housing costs, Big Labor and its allies *never* reference these data, which show poverty is lower in Right to Work states than in forced-

unionism states.

Instead, forced-unionism apologists publicly mention only another BOC poverty index that simply ignores large interstate variations in the cost of housing and other necessities.

"Union bosses and their allies on university faculties and in pro-Big Labor 'think tanks' understand that, if they adequately accounted for geographic differences in living costs, their data would show living standards are higher in Right to Work states," said Mr. Mix.

"No wonder analyses comparing wages in Right to Work states and forced-unionism states published by the Big Labor-funded Economic Policy Institute routinely 'under-compensate for the effect of living costs on wages,' as a 2015 Heritage Foundation paper demonstrated."

## Restoring Employees' Personal Freedom Is Primary Purpose Of Right to Work Legislation

"There is no half-way plausible economic or moral justification for keeping on the books any federal or state laws that authorize the firing of employees for refusal to pay dues or fees to an

unwanted union," Mr. Mix continued.

"Responsible elected officials should be fighting for repeal of all such forced-unionism laws.

"Passage of national Right to Work legislation [H.R.785 and S.545] would be a major step in the right direction."

H.R.785 and S.545, introduced in the U.S. House by Reps. Steve King (R-Iowa) and Joe Wilson (R-S.C.) and in the Senate by Sen. Rand Paul (R-Ky.), would eliminate all the provisions in the National Labor Relations Act and the federal Railway Labor Act that authorize forced union dues and fees as a job condition.

"When forced-dues repeal becomes law, private-sector employees in all 50 states will have the freedom to choose as individuals whether or not to join or pay dues to a union, without facing job loss as a consequence of their decision," Mr. Mix explained.

"Restoring the personal freedom of millions of American employees is the direct and primary purpose of H.R.785 and S.545.

"To do this, it isn't necessary to add one word to federal law.

"And not just cost of living-adjusted per capita personal income data, but also an array of other major economic indicators of prosperity and growth, indicate that enactment of King-Wilson-Paul would benefit employees economically even as it protected their free association." 🗣️



Heidi Shierholz and her fellow staffers for the Big Labor-funded Economic Policy Institute routinely "under-compensate for the effect of living costs" when comparing wages in Right to Work states and forced-unionism states.

CREDIT: TERESA KROGER/TWITTER

# Workers and Other Americans Are ‘Made Poorer’ *Residents of Forced-Dues States Hurt by Higher Living Costs*

Economists who wish to compare living standards among various countries routinely use purchasing power parity (PPP) in their calculations.

As the *Economics Online* web site explains, PPP is a means of determining the relative value of currencies based on “the quantity of the currency needed to purchase a given unit of a good, or common basket of goods and services.”

PPP thus means equalizing “the purchasing power of two currencies by taking into account . . . cost of living and inflation differences” between the countries that use those currencies.

One problem with PPP rates is that they are difficult to calculate with precision. By comparison, official exchange rates are always available.

But there is a wide consensus that PPP rates, imperfect as they are, enable researchers to make a much more reliable assessment of a country’s relative living standards than do official international exchange rates.

## ‘Shouldn’t We Be Using’ PPP ‘When We Compare New York To, Say, Illinois’?

Of course, even within a single country with a single currency, the purchasing power of that currency can differ greatly.

Economists who use PPP to compare living standards among various countries should also logically try to control for intranational, regional differences in purchasing power.

Financial journalist and former Reuters editor Felix Salmon, now a senior editor with the television cable and satellite news and satire channel *Fusion*, once put it this way:

“[I]f PPP makes sense -- and it does, in many ways -- then shouldn’t we be using it when we compare New York to, say, Illinois? The purchasing power of the U.S. dollar varies widely from state to state -- is there some way of incorporating that into statistics?”

Indeed, for many years now, employees considering relocation to another state and businesses seeking to hire capable out-of-state employees have consulted interstate cost-of-living indices that are calculated and published four times a year by the Missouri Economic Research and Information Center (MERIC).

MERIC is a state government agency



CREDIT: DAWN DES BRISAY/LONGSHORE SHIPPING NEWS

**Union monopoly bargaining and forced union dues foment hate-the-boss class warfare. They also help Big Labor impose and perpetuate counterproductive and costly work rules. Lower employee purchasing power is a logical consequence.**

with no ax to grind on the Right to Work issue.

Its indices factor in housing, food, utilities, transportation, health care and other miscellaneous consumer goods and services.

For nearly a decade and a half, the National Institute for Labor Relations Research has used MERIC’s indices to make apples-to-apples comparisons of wages, salaries, and other forms of income in Right to Work and forced-unionism states.

## In 2016, Not One of the 14 Most Costly States to Live In Had a Right to Work Law

MERIC’s annual data for 2016 show that, among the 14 states with the highest overall cost of living last year, not one has a Right to Work law barring the termination of employees for refusal to pay dues or fees to an unwanted union on

the books.

But all of the nine lowest-cost states, and 15 of the 17 lowest-cost states, were already Right to Work last year.

(In 2016, 26 of the 50 states protected employees from forced union dues and fees.

This year, Kentucky and Missouri became, respectively, the 27th and the 28th Right to Work states.)

When 2016 disposable personal income (personal income minus taxes) data, as reported by the U.S. Commerce Department’s Bureau of Economic Analysis (BEA), are adjusted for differences in living costs, the results show that seven of the eight highest-ranking states have Right to Work laws.

Meanwhile, six of the eight bottom-ranking states lack Right to Work laws.

Overall, the Institute found that the average cost of living-adjusted disposable income per capita in Right to Work states

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