

Iowans' Right to Work Threatened

Freedom of Iowans at Stake

Iowans enjoy many freedoms. Beyond constitutional freedoms, our citizens also have vital economic freedoms that people in some other states don't have. Iowans have the freedom to choose where they work and earn their paychecks. Since 1947, every citizen of our state, based on their own abilities and talents, can work wherever they choose. It's Iowa's Right to Work law that gives Iowans this freedom.

What does Right to Work really mean? It means that no individual should be forced to join a union or pay dues or fees to a union in order to get or keep a job. Iowa is one of 22 states in the country that enjoys this freedom.

Iowa's Right to Work Law

Iowa Code sec. 731.4 UNION DUES AS PREREQUISITE TO EMPLOYMENT -- PROHIBITED.

It shall be unlawful for any person, firm, association, labor organization or corporation, or political subdivision, either directly or indirectly, or in any manner or by any means as a prerequisite to or a condition of employment to require any person to pay dues, charges, fees, contributions, fines or assessments to any labor union, labor association or labor organization.

Any new law that forces a free individual to pay any kind of tribute to a union is a repeal of Iowa's Right to Work law. Any new law that requires a free individual to pay any kind of fee to a union is forced unionism.

Don't be fooled by soft-pedaled phrases such as "fair share", "agency fees", or "fees for service". Various proposals have surfaced that are in contradiction to the Iowa's Right to Work law because they compel an individual to pay tribute and affiliate with a labor union against their free will. Any law requiring a "fee" to a labor union is just another way to require "dues" to a labor union.

Any way it's phrased, the outcome is that working Iowa families lose their freedom to choose where they work and they will lose economic freedom by having their wages garnished by unions. Take home pay for working families will be cut. Unions would be allowed to take their "fees" just like taxes out of wages before a working Iowan even receives their paycheck.

Myths About Union "Benefits"

Supporters of “fee” legislation claim that it isn’t a repeal of Iowa’s Right to Work Law. The foundation of the Right to Work law is that you should not have to support a union if you do not want to. Any change in the Right to Work law that compels union support is a REPEAL of Right to Work.

Supporters of these fees argue that non-union members receive benefits from the unions and, therefore, should be required to contribute to the costs of those benefits. However, this argument is flawed in several different areas:

- Unions have voluntarily chosen to represent non-union members. Unions fought for, and received, the authority to be the exclusive representation for a bargaining unit. They knew at that time that this would include some non-union members – yet they still advocated for this power.
- Unions are still not required to represent non-union members. The US Supreme Court has ruled that unions may choose to represent only union members. Unions rarely choose this option, however, because it would mean that they have to give up their exclusive representation status....meaning others could negotiate for themselves, depriving unions of their monopoly status and sole bargainer in that workplace.
- Union services are not necessarily “benefits”. The unions assume that they provide benefits to members and non-members alike. However, many argue that these so-called benefits are not really benefits at all. Many non-union members believe that they could better negotiate their own benefits packages and achieve better results than the union.
- Such “benefits” were not received; they were forced on non-union members.

Unions asked for the ability to represent all persons, whether or not they were union members. Seventy years later they are complaining that they represent non-union members, calling them “free-loaders” for receiving services and benefits they never asked for in the first place.

Of course, at any time, unions could choose to represent only members – but that would mean giving up their monopoly on exclusive representation. So they continue to choose to represent non-union members.

So, who really has the choice? The unions who can choose whether or not to represent non-members? Or, the non-member who is forced to accept the union representation? It simply adds insult to injury to force the money from their pocketbook as well.

Don’t be fooled: forcing employees to pay fees to a union for benefits they did not ask for is a repeal of Iowa’s Right to Work Law.

Agency fees in Iowa by the numbers

By David Denholm

The adoption of any “fee” law would be a huge boon to the unions. Almost 29,000 Iowa workers who are forced to accept union monopoly representation have exercised their right to not support a union. With union dues averaging about \$500 a year, this could put an additional \$15 million in the unions’ coffers.

An agency fee law would be an enormous political payoff to a few powerful union officials at the expense of Iowa workers. But the pain wouldn’t be evenly distributed. **Iowa public employees – school teachers, firefighters and police officers – would bear the brunt.** You see, even though only one in six jobs in Iowa are in government, almost 19,000 of the 29,000 employees who have chosen not to become union members are public employees.

David Denholm, president of the Public Service Research Foundation, an independent nonprofit organization that studies unions and union influence on public policy.

Damage to Iowa’s Economic Development Efforts

This backdoor repeal of Iowa’s Right to Work law with forced unionism is bad for Iowa’s economic future, bad for jobs and bad for working families. Economic Development progress made in recent years with the Grow Iowa Values Fund, Job Creation tax credits, and the Venture Capital Fund of Funds will be circumvented if Iowa adopts forced unionism legislation. It could also have a chilling affect on Iowa’s workforce attraction efforts.

PHH Fantus, the nation’s leading business relocation consultant reports that at least 50% of all businesses looking to relocate or expand eliminate non-Right to Work states from consideration.

Similarly, Insight Research Corporation, one of the country’s other dominant competitors in corporate relocation research, reported that 90% of their clients looking to build new facilities and create new jobs will not even consider states that do not have a Right to Work law.

Samuel K. Lee, KPMG Business Site Consultant, Chicago: For Iowa to be considered (for business development) based on your business climate and tax climate, “you better keep your Right-to-Work law”.

Many Iowa local economic development offices highlight Iowa's Right to Work law as one of the "Advantages of Doing Business in Iowa." Repealing Right to Work would put Iowa at a competitive disadvantage.

Dr. Barry Poulson -- a past president of the North American Economics and Finance Association and also a professor of economics at the University of Colorado -- a forced unionism state -- compared household incomes in 133 metropolitan areas in Right to Work states with those of 158 metropolitan areas in non-Right to Work states.

Dr. Poulson's study concluded that the 2002 average real income for households in Right to Work state metro areas, when cost of living was factored in, was \$4,258 more than in non-Right to Work state metro areas.

The 22 Right to Work states have enjoyed much better economic growth in the new economy than non-Right to Work states:

Rate of Job Growth (1994-2004)*

Right to Work states 65% faster than non-right to work states

Private-sector non-farm employment growth (1995-2005)*

Right to Work States: 20.2%

Non-Right to Work States: 11.3%

Percentage Growth in Manufacturing Establishments (1982-2004)#

Right to Work States: +4.5%

Non-Right to Work States: -9.3%

Percentage Growth in Value Added by Manufacturer per Production Worker (1999-2004)#

Right to Work States: 39%

Non-Right to Work States: 29%

Percentage Growth in Construction Employment (1995-2005)*

Right to Work States: 46%

Non-Right to Work States: 37%

Percentage Growth in Number of People Covered by private Health Insurance (1995-2005)#

Right to Work States: 11.9%

Non-Right to Work States: 4.4%

Percentage Growth in Number of Children Covered by private Health Insurance (1995-2005)#

Right to Work States: +9.3%

Non-Right to Work States: -0.5%

Growth in real personal income (1995-2005)*

Right to Work States: 37%

Non-Right to Work States: 26%

Consumer purchasing power (Right-to-Work States v. Non-Right-To-Work States)^

Right to work state citizens pay less on average for food, housing and health care

Right to work state average family has \$2,800 more in real purchasing power

* = US Department of Labor, Bureau of Labor Statistics

= US Department of Commerce, US Census Bureau

^ = George Mason University Economic Department

This article is presented a by a broad coalition of individuals and organizations committed to defending lowans' Right to Work including the Iowa Association of Business and Industry; National Federation of Independent Business – Iowa; Master Builders of Iowa; Associated Builders and Contractors of Iowa; and Iowa Motor Truck Association.