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Right to Work and the Recent Election

At the time of the presidential election in November there were 26 states with a right to work (RTW) law in place. Three states had recently joined the RTW ranks in the years since the 2012 presidential election: Michigan in 2013, Wisconsin in 2015 and West Virginia in February of 2016. Prior to Michigan's entry into the list of RTW states, the most recent to join was Indiana in February 2012. When Oklahoma signed on back in 2001, 16 years had passed since Idaho voted to become RTW in 1985. Amazingly, over the last four years since 2012 more states enacted RTW than in the previous 49 years dating back to 1963.

How is this related to the election? Twenty four of the twenty six RTW states voted for Trump. Only two RTW states, Nevada and Virginia, voted for Clinton. Trump carried 30 states by picking up six non RTW states, Pennsylvania, Ohio, Kentucky, Missouri, Alaska and Montana.

Now there are news reports that Kentucky and Missouri, having voted for Republican majorities in both legislative chambers as well as the governorship, will be moving quickly to pass RTW in those states and bring the total RTW states to 28.

Something is definitely happening across the middle of the country. Ohio, Illinois and Minnesota will be the only three Midwestern states that do not have RTW protection for employees. All states having a Pacific shore line are non RTW along with all Northeastern states including Maryland, Delaware and Pennsylvania.

One wonders if Ohio with its Republican legislature and Governor will follow its neighbors to the South and West and enact RTW bringing the total to 29. Then too, New Hampshire's government is now under Republican control. Local news accounts suggest Republican legislators in New Hampshire will push again in 2017 to enact RTW. Several attempts have failed in the past because of vetoes or lack of adequate legislative support. Thirty RTW states would be a nice number.

After the 2016 elections Republicans will take control of both governorships and legislatures in 25 states in January. This count is up from only ten states under Republican control prior to the 2010 elections. Five states that are RTW have mixed

party control, 21 are Republican controlled. Only six states now have Democrat control of the legislature and the governorship, down from 17 in the period before the 2010 elections. This is a massive shift in the political divide that has been accompanied by more conservative approaches to governance in a large number of states.

The recent additions and prospective pickup of two more RTW states suggest significant change in attitudes toward free market operations in the interior of the country. The ramifications for a stronger pace of investment and startups in areas of the nation long beset by downsizing and factory closings are quite dramatic.

The fact that 24 of 26 RTW states voted for Trump is important. After all with the help of Missouri, Kentucky, Pennsylvania, and Ohio, the Electoral College vote count was well over the 270 needed. The RTW bloc, if you will, was definitely looking for some policy approaches far different from the last eight years. RTW and conservative economic prescriptions would seem to go hand in hand.

The recent wave of new RTW laws is a very positive sign that voters have become weary of public sector unions driving government costs and taxes higher than they need to be and usurping management prerogatives. RTW will also act as a check on private union boss greed if Trump's plan to bring back jobs from other countries begins to take hold. There are now so many states all over the country with RTW that geographic opportunities for investors will be greatly enhanced.

We have argued for years that Pennsylvania should enact RTW legislation. As the number of states with RTW grows and if per chance Ohio joins the group, Pennsylvania would be under great pressure to do so as well. It is not likely to happen in the next couple of years. But it is time for renewing the effort to get the topic moving as a major strengthening of free market economics in the Commonwealth. Industries and companies in New York and New Jersey could be ripe for the picking. No need for them to go to the Carolinas, Tennessee, Georgia or Indiana.

Jake Haulk, Ph.D., President

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Allegheny Institute for Public Policy 305 Mt. Lebanon Blvd.* Suite 208* Pittsburgh PA 15234 Phone (412) 440-0079 * Fax (412) 440-0085 E-mail: aipp@alleghenyinstitute.org