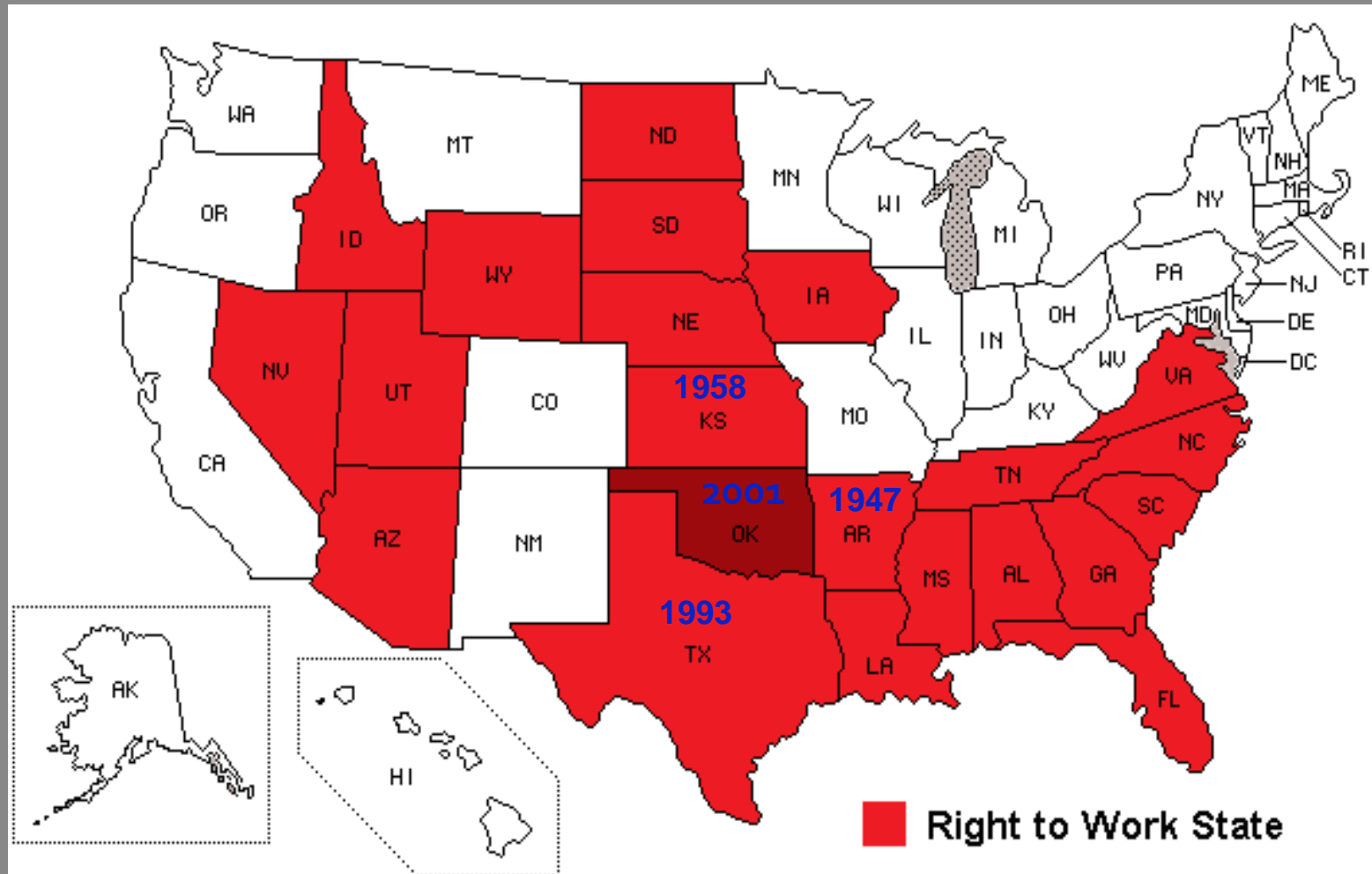


Right-to-Work Legislation and Promises of Job Creation: Lessons from Oklahoma

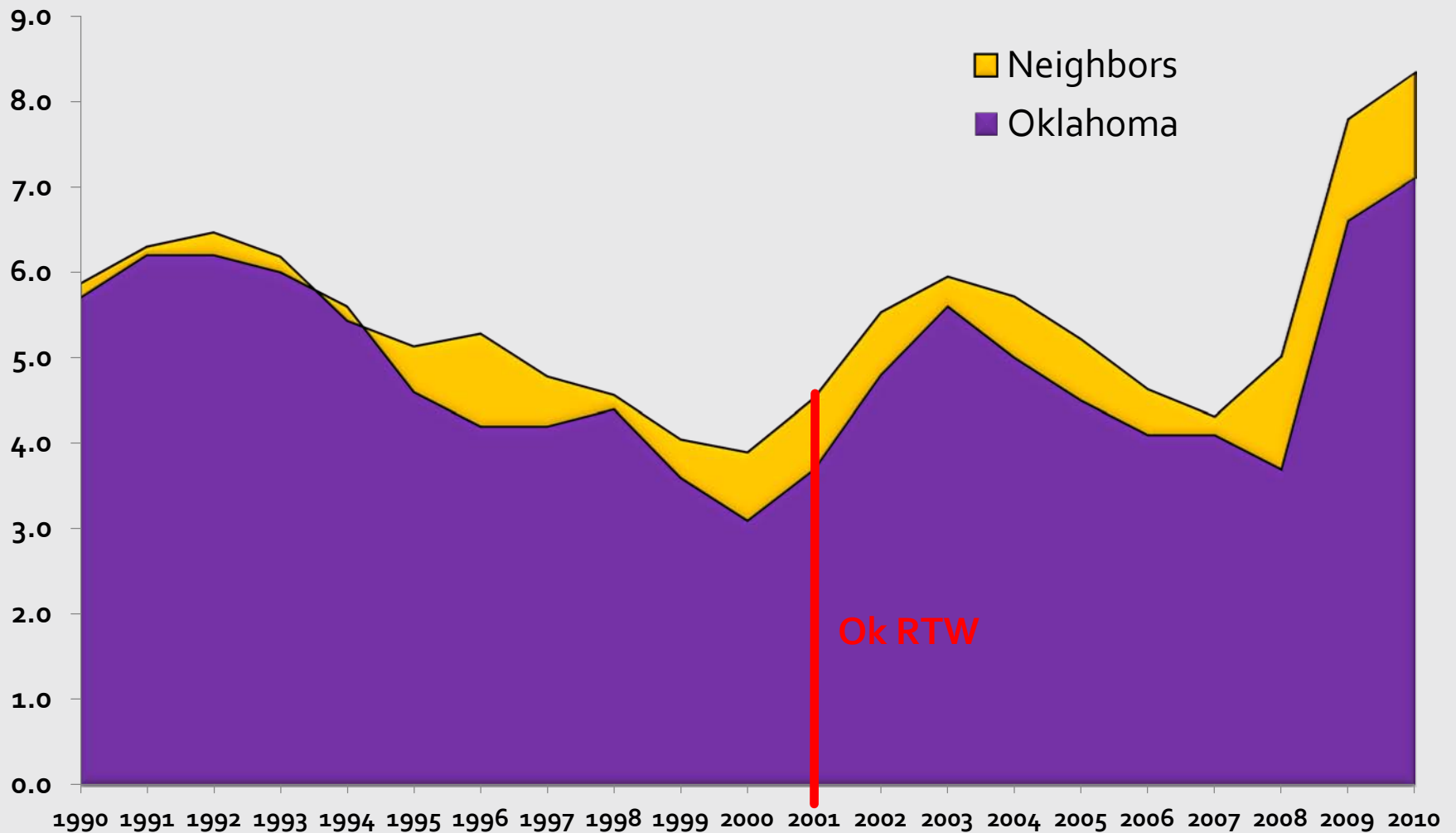
Labor & Employment Relations Association
64th Annual Meeting
January 7, 2012
Chicago, Illinois

Sylvia A. Allegretto, PhD
Co-chair: Center on Wage & Employment Dynamics
Institute for Research on Labor & Employment
University of California, Berkeley

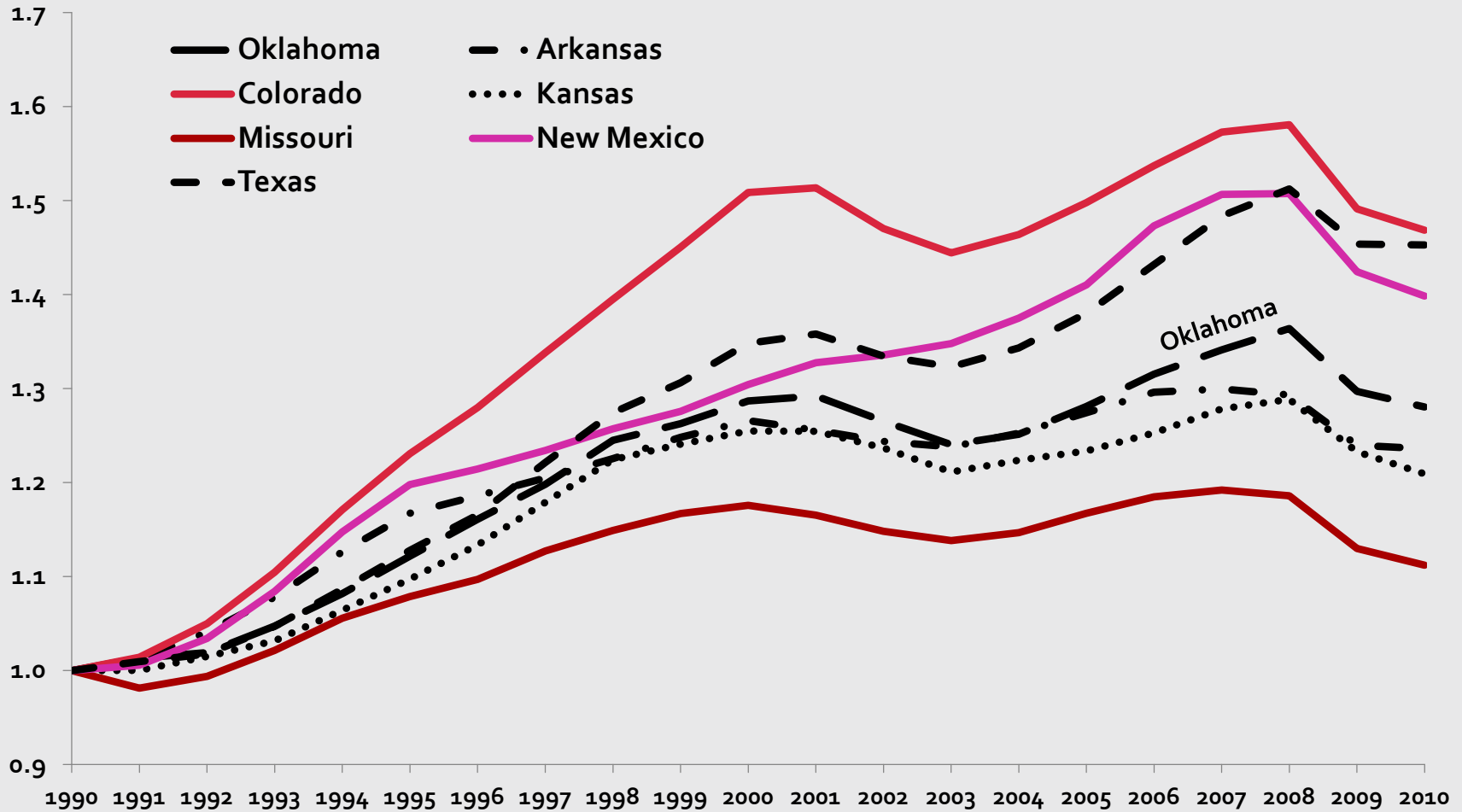
22 Right-to-Work States



Unemployment rates



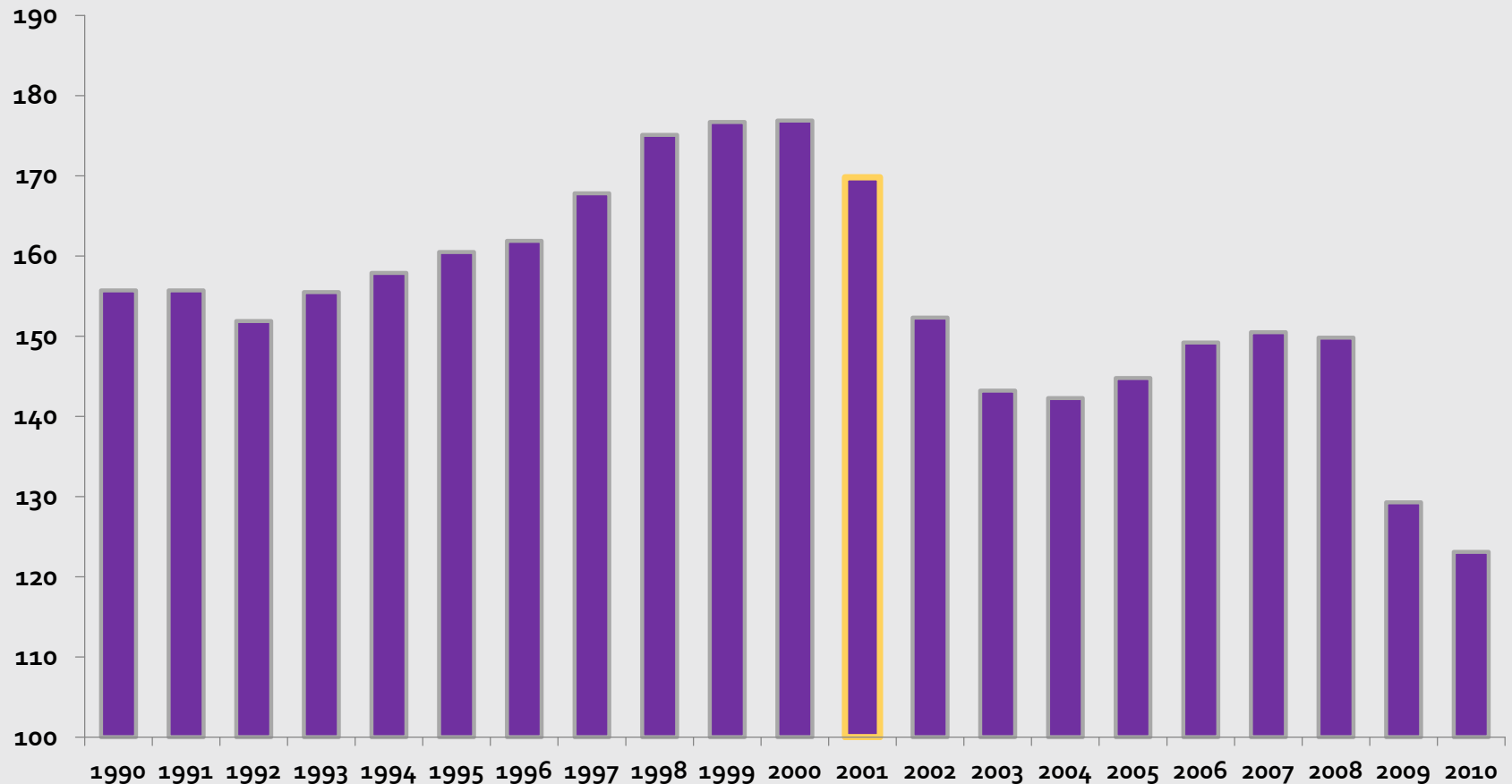
Growth of Private Sector Employment



Source BLS CES Private Sector Employment.

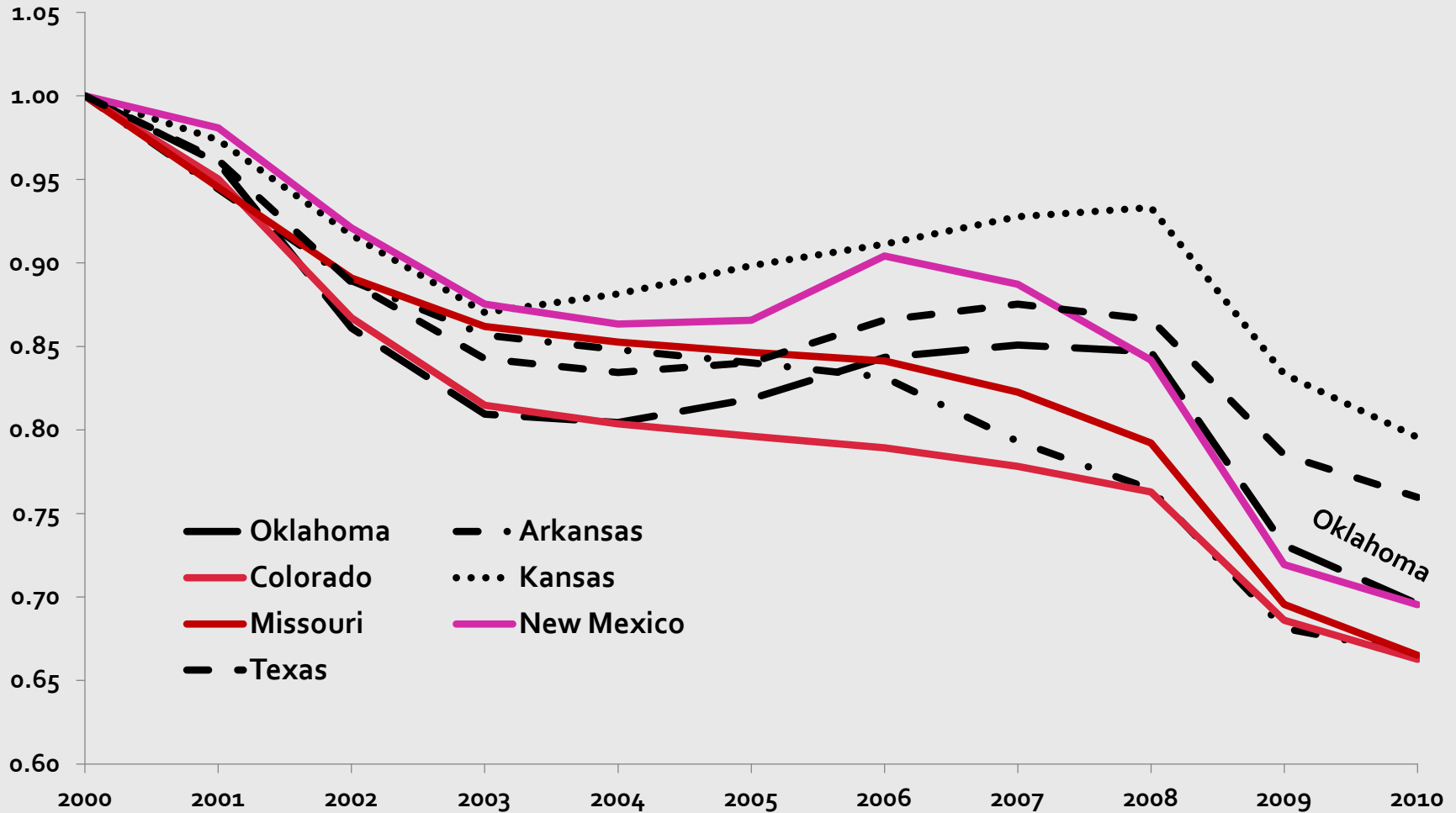
Allegretto LERA 2012

Manufacturing Employment in OK



Source: BLS CES Manufacturing data for Oklahoma.

Growth of Manufacturing Employment



Source: BLS CES Manufacturing Employment.

Allegretto LERA 2012

Empirical Analysis of OK & RTW

- DATA: QCEW 1996-2006
 - Payroll data, covers 98% of workers
 - County level data
- SPECIFICATION: Fixed Effects
 - County and time FE
 - State linear trends
- REGRESSIONS: Three Sets
 - 1. All U.S. counties
 - 2. Only counties in OK & six surrounding states
 - 3. OK & contiguous county-pairs
 - Add a county-pair time specific control

All U.S. County Sample

	(1) ln(Emp)	(2) ln(Man)
OK -3 years	0.011***	0.015***
	(0.003)	(0.005)
OK -2 years	-0.016***	0.050***
	(0.002)	(0.005)
OK -1 year	-0.009***	0.077***
	(0.003)	(0.006)
OK RTW adopted	-0.004	0.026***
	(0.003)	(0.006)
OK RTW +1 year	-0.010***	-0.019***
	(0.003)	(0.007)
OK RTW +2 year	-0.015***	-0.001
	(0.002)	(0.007)
OK RTW +3 year	-0.024***	-0.022***
	(0.002)	(0.005)
Observations	131194	113435

OK & Surrounding State Sample

	(3) ln(Emp)	(4) ln(Man)
OK -3 years	0.008 (0.007)	0.017 (0.026)
OK -2 years	-0.0010 (0.011)	0.070* (0.038)
OK -1 year	-0.004 (0.010)	0.102** (0.040)
OK RTW adopted	-0.015 (0.010)	0.048 (0.049)
OK RTW +1 year	-0.019** (0.008)	-0.001 (0.049)
OK RTW +2 year	-0.025*** (0.008)	0.023 (0.042)
OK RTW +3 year	-0.030*** (0.006)	-0.007 (0.024)
Observations	30233	23890

OK & Contiguous County-Pairs

	(3) ln(Emp)	(4) ln(Man)
OK -3 years	0.005 (0.019)	0.043 (0.050)
OK -2 years	-0.014 (0.029)	-0.010 (0.059)
OK -1 year	-5.46e-05 (0.030)	0.088 (0.059)
OK RTW adopted	-0.031 (0.040)	0.042 (0.127)
OK RTW +1 year	-0.025 (0.040)	-0.048 (0.111)
OK RTW +2 year	-0.011 (0.037)	0.033 (0.127)
OK RTW +3 year	-0.002 (0.037)	0.051 (0.115)
Observations	4779	3065

Wrap up

- No indication of positive employment effect
 - Many more important factors
 - Workforce development, education, migration,
 - Highway Act, Civil Rights
 - RTW way down on the list of firm location
- What is the evidence of RTW?
 - Reduces wages for union & non-union workers
 - Lowers likelihood that workers get employer provided healthcare or pensions

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