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COLORADO'S LABOR PEACE ACT: A BALANCE OF COMPETING FORCES

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ABOUT COMMON SENSE INSTITUTE

Common Sense Institute is a non-partisan research organization dedicated to the protection and promotion of Colorado's economy. CSI is at the forefront of important discussions concerning the future of free enterprise and aims to have an impact on the issues that matter most to Coloradans. CSI's mission is to examine the fiscal impacts of policies, initiatives, and proposed laws so that Coloradans are educated and informed on issues impacting their lives. CSI employs rigorous research techniques and dynamic modeling to evaluate the potential impact of these measures on the economy and individual opportunity.

TEAMS & FELLOWS STATEMENT

CSI is committed to independent, in-depth research that examines the impacts of policies, initiatives, and proposed laws so that Americans are educated and informed on issues impacting their lives. CSI's commitment to institutional independence is rooted in the individual independence of our researchers, economists, and fellows. At the core of CSI's mission is a belief in the power of the free enterprise system. Our work explores ideas that protect and promote jobs and the economy, and the CSI team and fellows take part in this pursuit with academic freedom. Our team's work is informed by data-driven research and evidence. The views and opinions of fellows do not reflect the institutional views of CSI. CSI operates independently of any political party and does not take positions.

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BACKGROUND

At the negotiated middle, Colorado's Labor Peace Act (LPA) of 1947 balances the interests of unions having the right to organize, the individual freedoms of workers, and the public's interest in a smoothly functioning economy.

The issue is of immense importance to all parties. According to union advocates, the benefits of unions include better pay; better benefits for the employee and their family, including retirement benefits; worker protections; and better negotiating power[i]. These benefits can accrue to both the union worker and the non-union worker in right to work (RTW) and right to organize (RTO) states. Other studies have suggested union members may have better mental health[ii].

Others point to the harm unions can cause to the economy, other workers, and union members themselves. Higher pay for some workers may reduce employment for others. Higher union wages reinforce higher cost of living. Unions make it harder to improve productivity – a critical element and predictor of future generations' standard of living – by making it very difficult to fire underperforming workers. States with higher wages and cost of living have higher youth unemployment. Individual workers may receive lower wages than they could negotiate on their own if they were allowed to negotiate with management individually. The effects of these factors accumulate over many years.

One thing that all sides agree on is that the prevalence of unions has individual and economic impacts for everyone, including union and non-union businesses, union and non-union workers, current and future employment, and our overall standard of living.

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KEY FINDINGS

- Over time, if Colorado becomes a full RTO state, the state would expect half of the job growth we have experienced over the past 25 years. By 2040, this means job growth of 5.1% compared to current projections of 10.2%. On net, this equates to 4.6% or 152,000 fewer new jobs (Figure 18).
- Should the unionization rate rise to the average of RTO states, youth and young adult unemployment would rise by 4,700.

As a result of increased unionization, Colorado could expect the youth and young adult unemployment to rise from between 2,050 to 4,700.

- Colorado, with union membership at 6.9%, has the lowest membership rate among RTO states, but slightly above the average of Right to Work (RTW) states (6.3%) (Figure 2). This is indicative of the middle ground Colorado has adopted since passage of the LPA.
- The potential higher earnings of union members disappear or represent only marginal gains when accounting for the "cost push" higher cost of living and union dues in RTO states. The potential 8.9% wage gain for union members is eaten up by higher cost of living of 10.8% and union dues of 2.0%, leaving union members worse off by 3.9%.
- Colorado workers are some of the most highly compensated in the U.S., earning on average $39.20 per hour in wages and $15.54 in benefits. This compares to an average wage for the U.S. of $32.25 and benefits of $14.59. Trying to boost wages in an already high wage/high cost of living state will likely make the cost of living in Colorado rise further above other states.
- Based upon a survey of CEOs, 50% of economic development deals consider a state's RTW/RTO status[iii]. Potential investments may be forgone if the perception of Colorado shifts away from being a state that balances the interests of workers and employers.

INTRODUCTION

Colorado's Labor Peace Act (CLPA) was enacted in 1943 as a balance between union rights and individual worker freedoms[iv]. The CLPA "recognizes that there are three major interests involved, namely: That of the public, the employee, and the employer. These three interests are to a considerable extent interrelated. It is the policy of the state to protect and promote each of these interests with due regard to the situation and to the rights of the others[v]."

The CLPA typically prevents employers from mandating union membership or the payment of union dues as a condition of employment, which generally aligns with right to work (RTW) principles. This provision is why many observers classify Colorado as a RTW state[vi].

Conversely, the CLPA allows union shop agreements, where union membership is mandatory, under a specific and stringent process, which includes a two-stage voting process, where employees must:

1. Vote by a majority to allow unionization.
2. Achieve a supermajority (75% of those voting) to permit a union shop agreement[vii].

The combination of a 75% threshold, no specific right to work law, and the middle ground that the CLPA strikes, are why observers classify Colorado as a modified right to work state[viii], and even as a right to organize (RTO) state.[ix, x, xi, xii]

This report classifies Colorado as a modified-RTW state to be consistent with how most classify Colorado.

Colorado's Place in The Broad RTW & RTO Trend

In looking at Colorado's position as a modified-RTW state, all surrounding states, except for New Mexico, have adopted RTW policies (Figure 1).

A state's classification as RTW or RTO affects whether employees are required to join a union or can choose to do so voluntarily. In RTW states employees are not required to join a union or pay dues as a condition of employment. In RTO states, an average of 13.4% of all employees are union members. In contrast, the average union membership in RTW states is 6.3%.

In Colorado, the union membership rate is 6.9%, which would be the lowest among RTO states. However, it is slightly higher than the average union membership rate in RTW states (Figure 2).

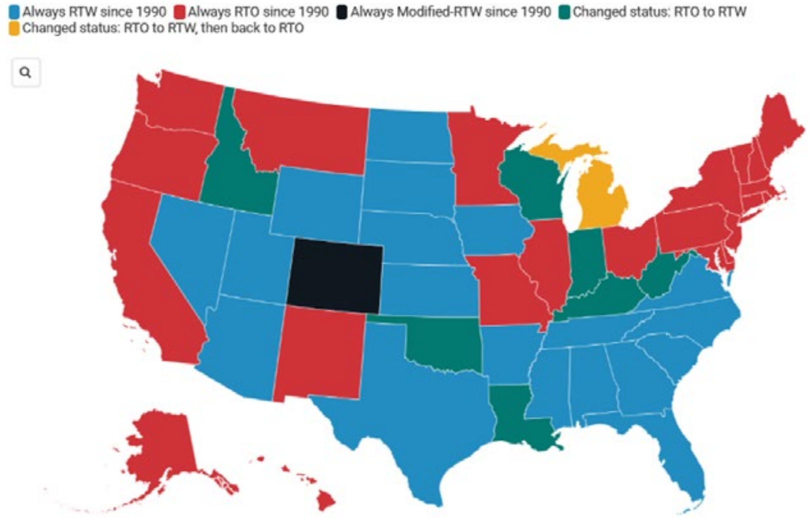
Looking at broader trends, union membership has been declining across most U.S. states. Per the Bureau of Labor Statistics (BLS), 6.9% of employees in Colorado were members of a union in 2023 (Figure 3), placing the state below the national average of 10.0% and down from the 1964 peak of 21.2%[xiii].

The decline in union membership has coincided with a boom in economic growth. Relative to other states, job growth in Colorado on a percentage basis has far outpaced most other states. From 1990 to 2023, Colorado was the sixth fastest growing employment base, up 98.5%. The state was only surpassed by the states of Utah (153.6%), Nevada (150.3%), Idaho (135.9%), Arizona (128.8%), and Texas (103.2%). By comparison, job growth for the RTO states with the highest union membership over the same period was Hawaii (20.4%), New York (22.7%), Washington (72.3%), New Jersey (21.7%), and Connecticut (3.8%).

FIGURE 1

Right to Work (RTW), Right to Organize (RTO), and Changed from RTO to RTW

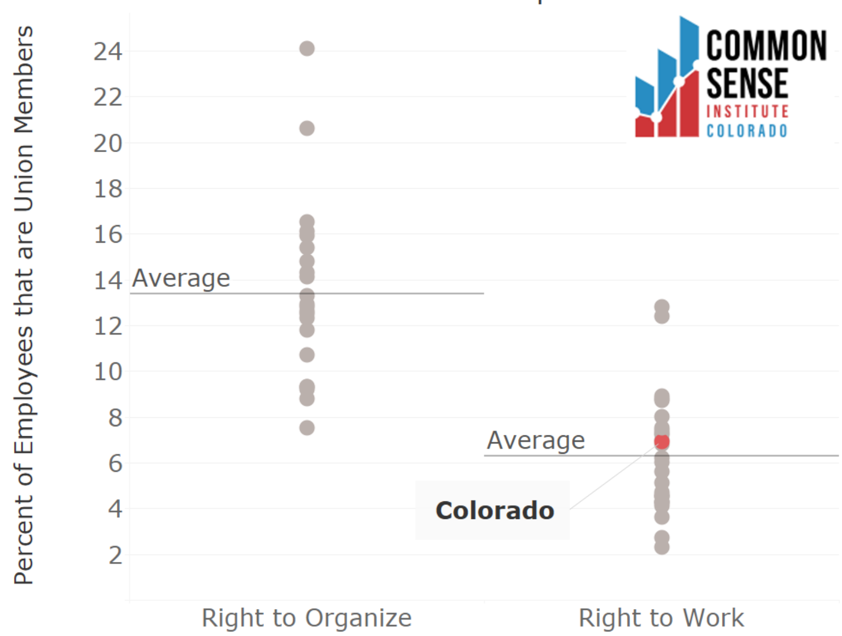
Seven states changed from RTO to RTW since 1990.



Source: NERA Economic Consulting, CSI Research

FIGURE 2

RTW & RTO States and Union Membership



The Issue Matters a Good Deal When Viewed through the Economic Development Lens

The matter of a state being an RTO or RTW state garners attention from businesses and employees. According to a recent poll conducted by Site Selection Magazine, when deciding where to locate, around 50% of respondents indicated that being an RTW state is a "box that must be checked"[xiv]. This means that changing the Labor Peace Act to become solidly an RTO state (rather than a modified-RTW) could impact 50% of potential economic development deals for Colorado.

The fact that RTW and RTO status play an outsized role in economic growth and development is unsurprising. Of course, the issue is one factor in the list of important factors businesses consider when choosing to invest. For economies to grow, many issues are important[xv]. Population growth, (e.g., demographics is destiny[xvi]) and tax burdens are important factors in economic growth. So do geographic location, natural resources and the quality and availability of infrastructure as it affects business location decisions. Other factors include wage levels, regulations and licensing, energy prices, and the weather. Regulations and licensing restrictions have an impact on economic vibrancy, as does the strength and influence of RTW and RTO policy matters.

FIGURE 3

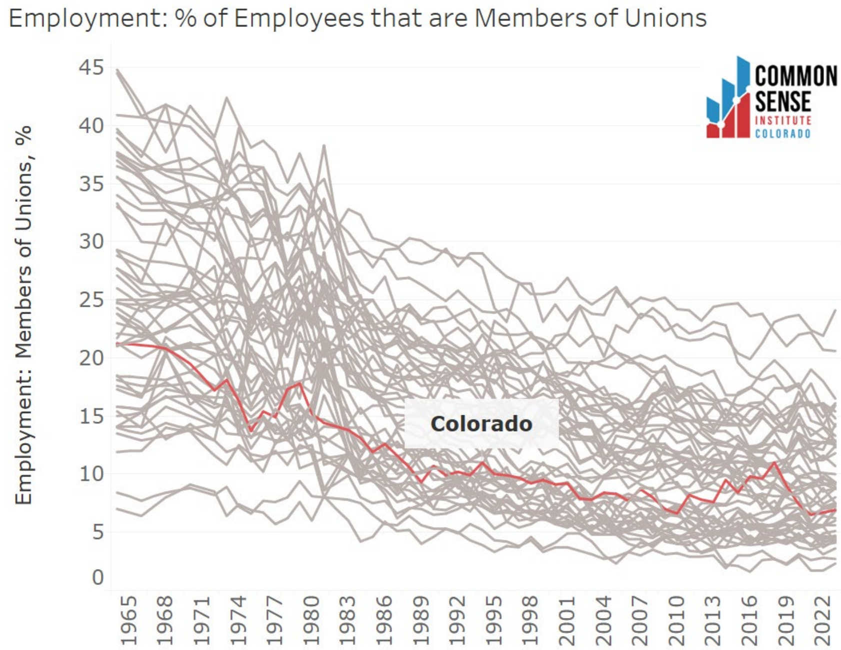
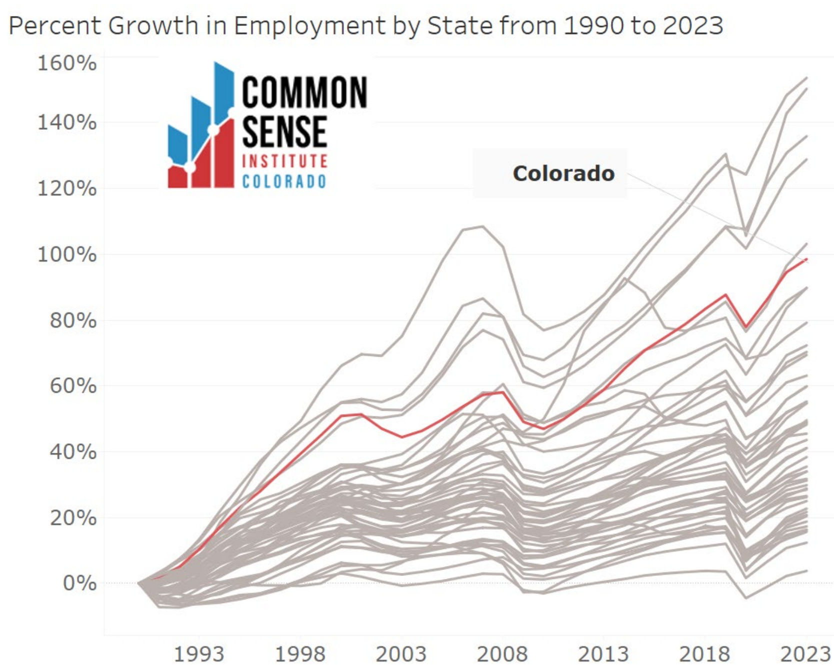


FIGURE 4



Timing Matters

Generally, labor markets in Colorado and around the country are relatively tight[xviii]. At 4.1%, the national unemployment rate has risen marginally but still is relatively low by historical measure. In Colorado, the current 4.3% unemployment rate is also relatively low, although the rate has been rising since August 2022[xix].

Naturally, when labor markets are tight, workers have more negotiating power over their wage rates. This happens regardless of whether unions are present. When economic conditions weaken, workers will be in a less favorable position. Changing the dynamic to one in which wages no longer adapt to market conditions can have far-reaching economic consequences. When businesses are unable to adjust prices in response to economic conditions due to union wage agreements, wages become sticky, and higher unemployment and slower economic recovery can result[xx].

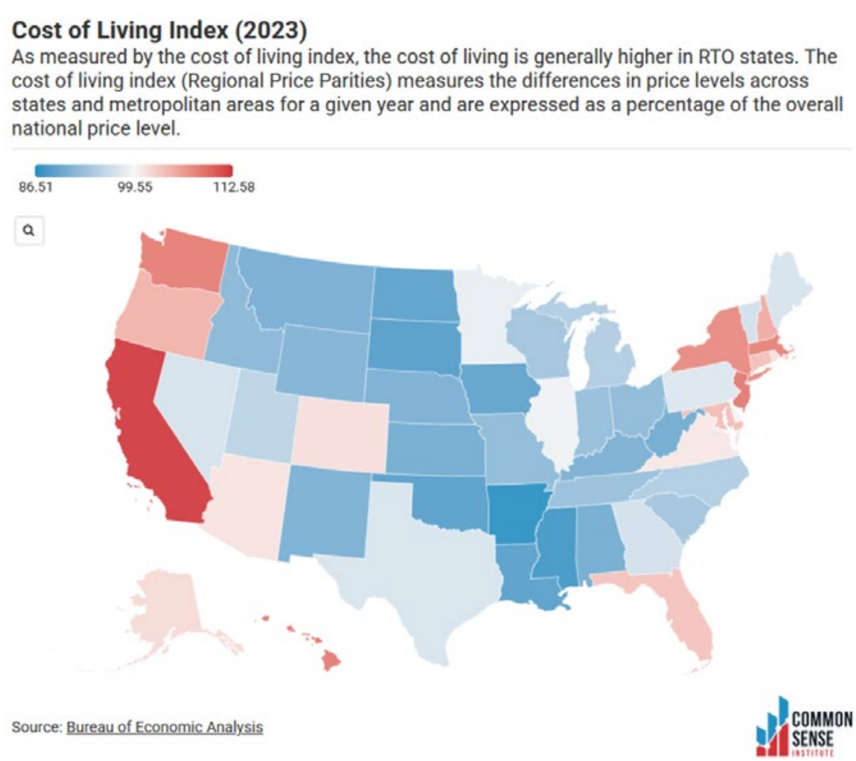
WORKERS' EARNINGS AND COST OF LIVING

On the surface, union members earn higher wages than nonunion members. For instance, a recent update from the BLS suggested that union members in the U.S. earn $173 higher median usual weekly earnings than nonunion members ($1,263 compared to $1,090)[xxi]. Per the Economic Policy Institute[xxii], union members in Colorado may see a boost in wages (after accounting for demographic and certain economic characteristics) of 8.9%; however, a less well studied aspect is whether union members are better off after accounting for the higher cost of living in their respective states[xxiii].

Using information from the Bureau of Economic Analysis, Right to Organize (RTO) states generally have higher median costs of living[xxiv]. Across all 50 states, the difference between the cost of living in an RTO state compared to an RTW state is 10.8%, meaning that it costs 10.8% more to live in an RTO state (Appendix A). The cost of living in Colorado is already 10.4% higher than the median cost of living in a RTW state.

Colorado's Cost of Living is 14th highest in the US[xxv], which is slightly less expensive than Rhode Island and slightly more expensive than Delaware. By way of comparison, California is considered the most expensive state to live in, followed by New Jersey, Hawaii, Washington, and Massachusetts. The most affordable state to live in is Arkansas, with Mississippi, South Dakota, Oklahoma, and Louisiana making up the remainder of the top five.

FIGURE 5



Although wage levels are a major contributor to the cost of living in a state, numerous other factors play a role as well, including tax policy, housing markets, climate, natural resources, regulation, competition, and immigration, to name a few. Inflation and cost of living is, surprisingly, a complex phenomenon of active research. One conclusion is certain: in no instance will higher wages bring down the cost of living over time.

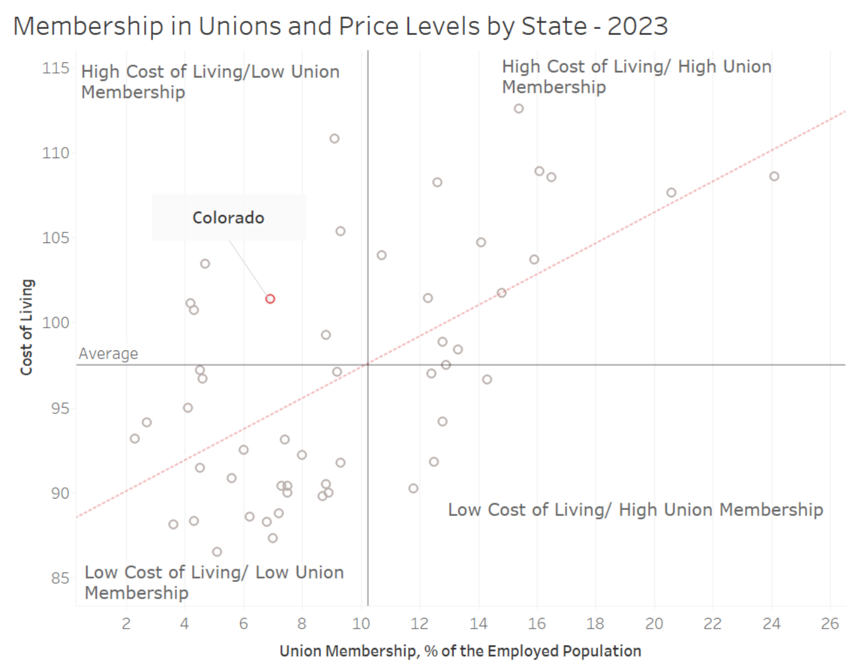
Figure 6 shows the connection between union membership and cost of living. The red line is known as a regression line, indicating the raw relationship between cost of living by state and union membership by state. If the two measures were unrelated, the red line would be completely horizontal. Unsurprisingly, the red line slopes upward at nearly a 45-degree angle, signaling that as a higher percentage of the employed population become union members, the higher the expected cost of living[xxvi]. Colorado is an outlier with a higher-than-average cost of living but lower than average union membership. As one might expect, most states are either in the low cost of living/low union membership quadrant or the high cost of living/high union membership quadrant.

The overall relationship suggests that at least part of the explanation for higher costs of living in some states is higher wages. This suggests policy efforts to increase wages beyond what markets and productivity levels support, leads to higher costs of living.

Wage-driven Higher Costs of Living

Higher cost of living stemming from non-market-driven higher wages can be created by other measures, such as minimum wage policies. As mentioned, Coloradans' wages, on average, are already 22% above the national average[xxvii]. The minimum wage in Colorado[xxviii], at $14.81 per hour for non-tip, non-youth workers is the 11th highest among the U.S. states[xxix, xxx]. At $14.81, Colorado's minimum wage is also the highest among surrounding states (Figure 7).

FIGURE 6



Accounting for Membership Dues

Membership dues are a key issue in collective bargaining[xxxi]. In the U.S., the tax deductibility of union dues was recently limited by the 2017 Tax Cuts and Jobs Act, although for filers who meet the 2% floor requirement and itemize on Schedule A, union dues are still tax deductible[xxxii]. Using information available from the Department of Labor[xxxiii], the typical union dues appear to typically be between 1% and 5%, with an average from a random sample of 3.7% (Figure 8). Examples of local union dues include:

- Teamsters Local 455[xxxiv]: Monthly dues of 2.5 times an employee's hourly rate if an employee earns $12 or more per hour, 2 times an employee's hourly rate if an employee earns $11 or less per hour, and 2.25 times an employee's hourly rate if the employee is a public sector employee. There is also a $2 per month Strike and Defense Fund fee. For the typical worker, the union dues are 1.7% per month of gross wages.
- Colorado WINS[xxxv], the union for state employees, sets its union dues at 1.5% of base pay.
- United Campus Workers Colorado[xxxvi], Local 7799, requires union dues on a sliding scale. Using the $55K to $75K as most representative of wages, the union rate for a worker in this category is 0.6% of gross pay.
  - Under $20k / year: $8 per month
  - $20k - $35k / year: $12 per month (less than full year contract)
  - $20k - $35k / year: $15 per month
  - $35k - $55k / year: $23 per month
  - $55k - $75k / year: $31 per month
  - $75k - $95k / year: $39 per month
  - $95k - $115k / year: $47 per month
  - Over $115k / year: $55 per month
  - Retiree: $10 per month
  - Former Employee: $10 per month

FIGURE 7

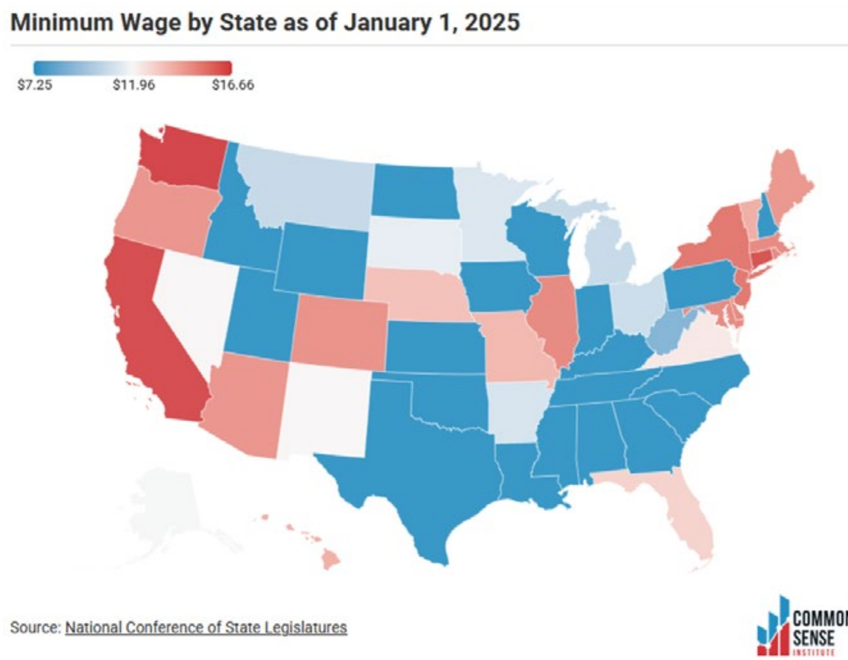
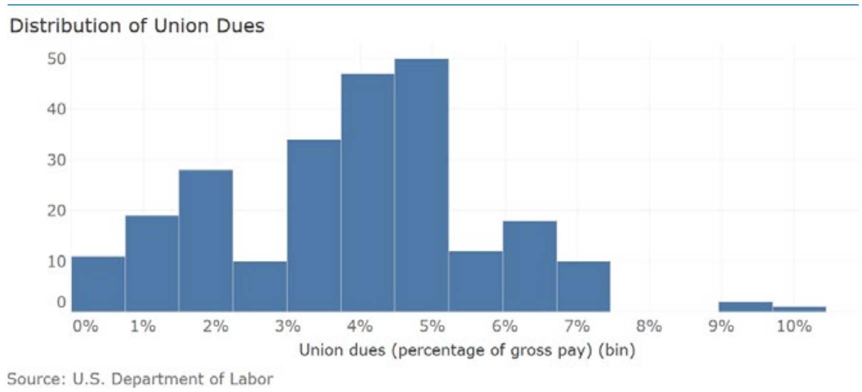


FIGURE 8



Per UnionTrack[xxxvii], the typical union dues are between 1.5% and 3.0%. To be conservative, we assume for modeling purposes the typical union dues to be 2% of gross earnings.

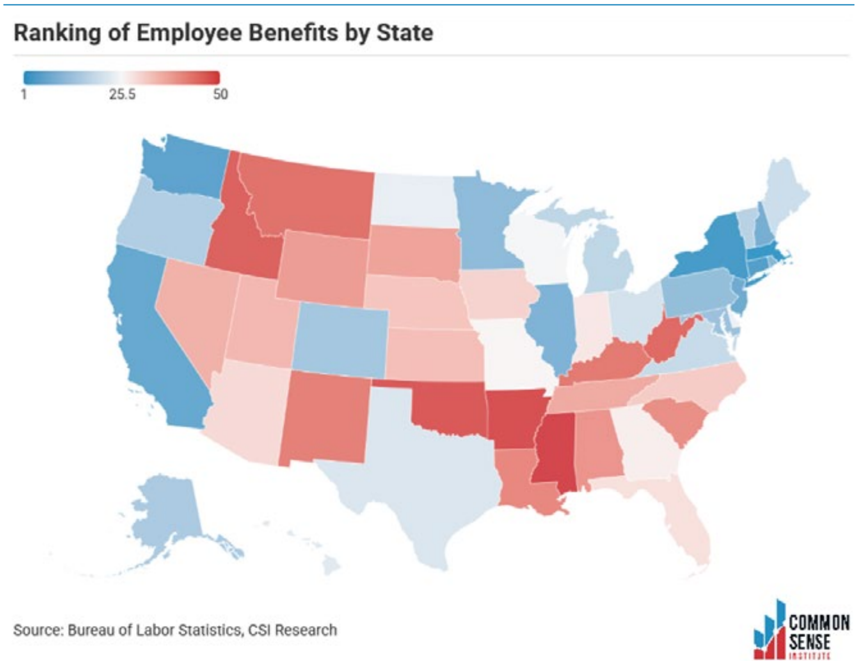
Benefits in Colorado are Some of the Most Generous in the U.S.

Expanding the influence of certain groups in the wage negotiation and employment processes will have a different impact in Colorado than in other areas of the U.S. because Coloradans already have some of the most generous benefits in the country. Using BLS accounting of benefits for employees by Division as an indicator and wages by state as a measure, Colorado has the 13th highest benefits among states.

For context on what an employee is entitled to in Colorado, a full-time employee in Colorado is entitled to:

- Paid sick leave (Healthy Families and Workplaces Act).
  - Employees earn 1 hour of sick leave for every 30 hours worked, up to 48 hours per year.
- Family and Medical Leave Insurance (FAMLI)
  - Beginning in 2024, employees are offered up to 12 weeks of paid family and medical leave, paid for through the FAMLI fee, which is shared on a 50/50 basis between the employer and employee at a rate of 0.9% of the employee's wage[xxxvii]. Colorado's FAMLI policy is the type of benefit a union would negotiate towards for its members.
- Unemployment Insurance
- Workers' Compensation
- Rest periods and breaks
- Minimum wage
  - The Colorado minimum wage adjusts annually. The 2025 minimum wage is $14.81 for the state as a whole, with the highest minimum wage of $18.81 in Denver City/County[xxxix].
- Overtime
  - Overtime pay is required at 1.5 times the regular hourly rate for hours worked over 40 hours.

FIGURE 9

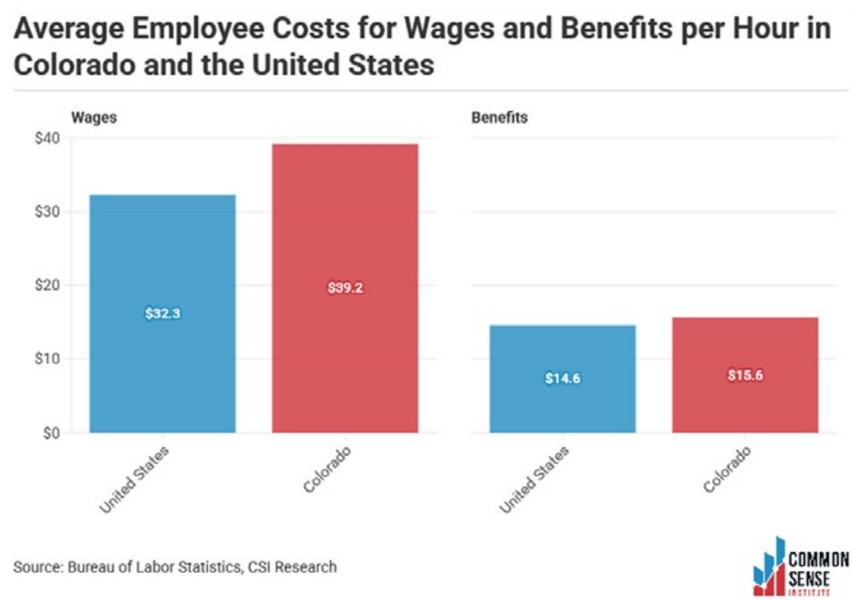


In addition to the legally required benefits, employers often offer generous benefits beyond the legally required benefits, including (these are also components of benefits packages in other states as well):

- Health insurance of three main types – medical, dental, and vision (for medium and large employers, health insurance is a legally required benefit).
- Retirement plans
- Paid Time Off
- Employee assistance and wellness programs such as gym memberships, financial advice, and counseling.
- Cell phone allowance
- Education benefits such as tuition reimbursement
- Remote work and flexible schedules.

When summed up, the available benefits to a Colorado employee averages $15.54 per hour[xl] in addition to the $39.20 per hour the average employee earns[xli]. This is higher than the U.S. average of $32.25 per hour in wages and $14.59 in benefits (Figure 10)[xlii].

FIGURE 10

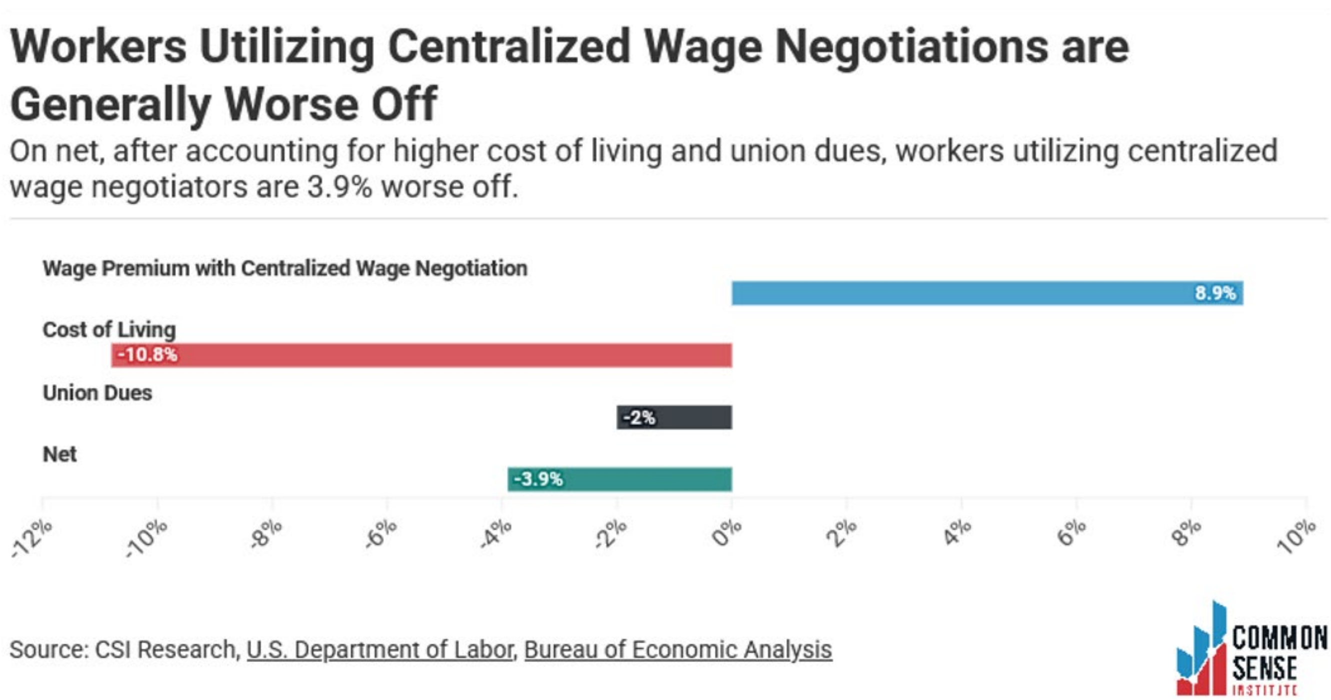


ARE WORKERS BETTER OFF WITH CENTRALIZED WAGE NEGOTIATION?

After accounting for higher wages, higher cost of living, and required union dues, workers whose wages and benefits are negotiated by unions receive compensation that is 3.9% less, as indicated in (Figure 11).

As an example, suppose a worker is earning $60,000 per year. They join a union, and the union negotiates an 8.9% raise. The worker is now making $65,340. The worker then pays their union dues of 2%, meaning their new pay is $64,033. As wage pressure builds across the economy, the cost of living goes up 10.8%. The worker's real wages then become $57,660. The worker's standard of living is now 3.9% worse off.

FIGURE 11



COMPENSATION AND THE INCOME GAP

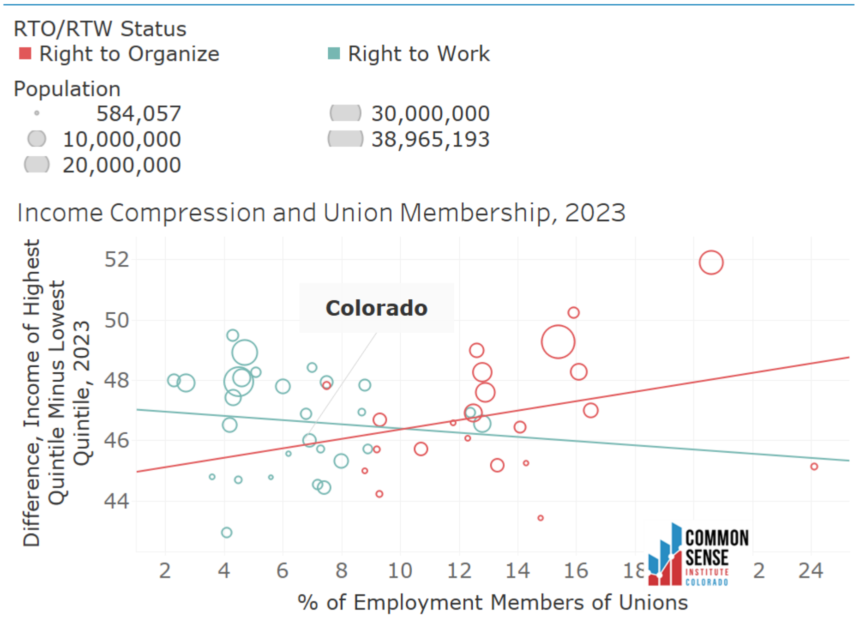
It's understandable to attempt policies with an eye on building the middle class. One theory is that expanding the potential influence of workers' negotiating power may make the income gap between high-income earners and low-income workers less[xliii]. However, further examination of outcomes across states when it comes to RTO and RTW status undermines this theory.

Does Centralized Wage Negotiation Compress the Income Gap?

Using estimates from the U.S. Census Bureau[xliv], Figure 12 shows the relationship between the difference in the share of income earned by the highest earning quintile and the share of income earned by the lowest income quintile and the percentage of the working population that is a member of a union. The red dots show RTO states, and the blue dots are RTW states (including Colorado as a modified-RTW state).

In RTO states, a higher concentration of union membership is associated with higher income inequality. In RTW states, the opposite is marginally true, indicating that there's no correlation between union membership and income inequality.

FIGURE 12

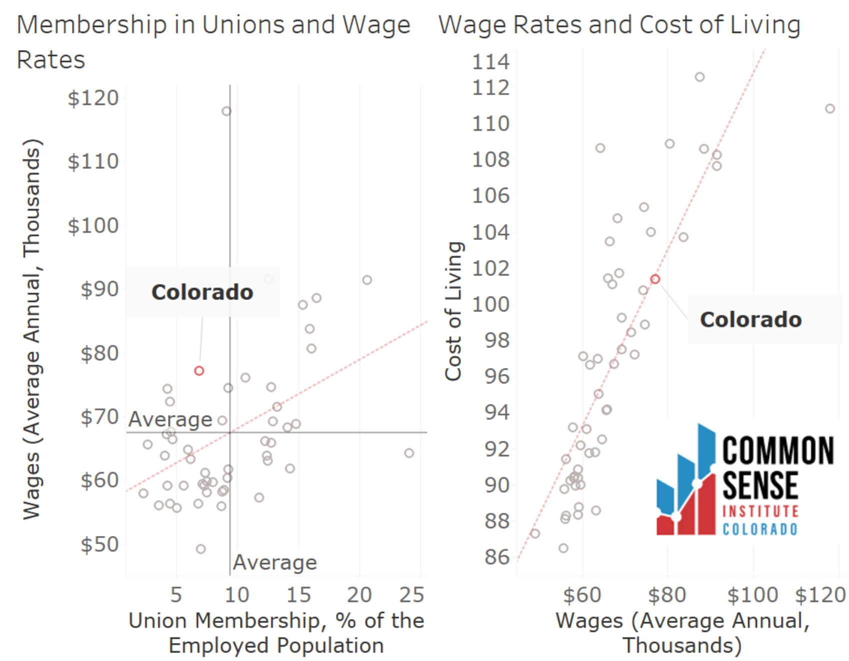


What Does It Means that Colorado is Already a High Wage/High Benefit State?

To date, Colorado has struck a balance between RTW and RTO status. Given that Colorado is already a high wage/high benefit state, making Colorado an even higher wage state will have a different effect than if the state were a low wage/low benefit state. To break down the connection, Figure 13 shows the causation in two views.

The figure on the left is the relationship between union membership and average annual wages, showing that when union membership rises, wages rise marginally. The figure on the right shows average annual wages and cost of living. The figure shows that higher union membership is correlated with marginally higher wages and that higher wages are correlated with higher overall cost of living for everyone.

FIGURE 13



YOUTH UNEMPLOYMENT

Changes to the current balance in Colorado's Labor Peace Act will have an impact on youth employment. Figure 14 and Figure 15 show the youth (aged 16 to 19) and young adult (aged 20 to 24) unemployment rates compared to the prevalence of unions. Colorado (regression line in Figure 14) has a slightly better-than-average youth unemployment rate of 10.4% and a lower-than-average union membership. Young adult unemployment rate in the state is 7.9%, above the national average and higher than what the model would predict (regression line of Figure 15) based on the union membership.

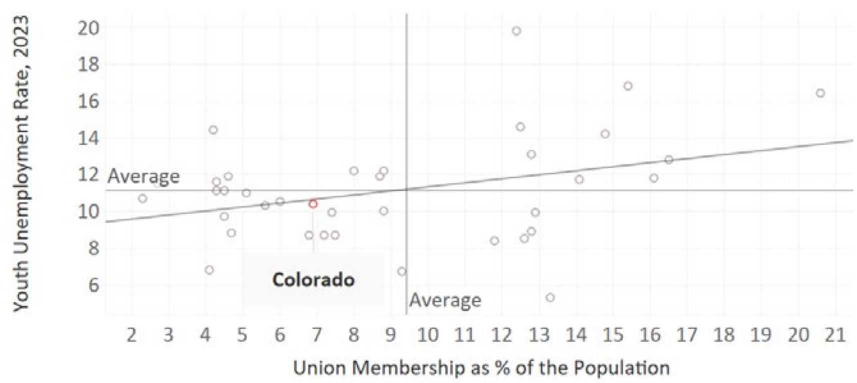
The raw regression correlation coefficient suggests that for every 1% increase in organized labor negotiations over wages, the youth unemployment rate rises 0.22% and the young adult unemployment rate rises by 0.15%.

For Colorado, this suggests that for every 31,000 individuals becoming union members, there are 759 unemployed youth and young adults (aged 16 to 24). Using a five-year average of pre- and post-union membership for states that recently switched from RTO to RTW[xlv], if Colorado opted to solidify itself as an RTO state, the state can expect an increase in union membership of 2.7 percentage points above the current 6.9% and the youth and young adult unemployment to rise by 2,050 individuals.

These figures are confirmed by other research on the relationship between the youth unemployment rate and the prevalence of union membership. For instance, Bertola, Blau & Kahn (2002) found that greater prevalence in wage setting from organized labor groups was associated with drops in the employment of youth and older generation individuals[xlvi].

FIGURE 14

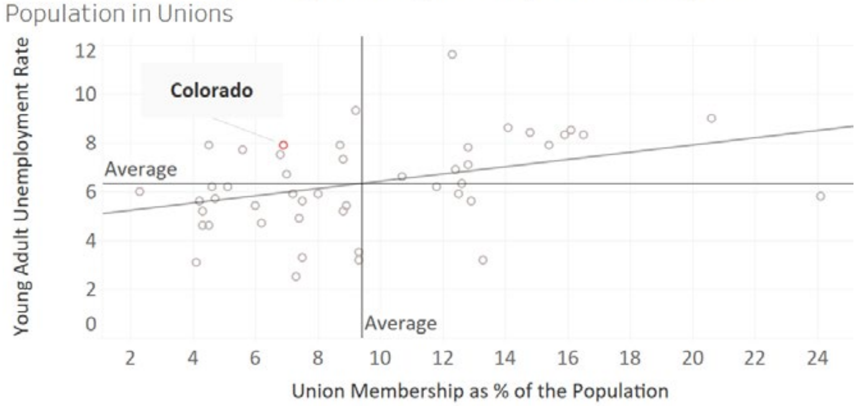
Unemployment Rate, Youth Aged 16-19, and Percentage of the Population in Unions



Sources: Bureau of Labor Statistics, CSI Research

FIGURE 15

Unemployment Rate, Young Adults Aged 20-24, and Percentage of the Population in Unions



Sources: Bureau of Labor Statistics, CSI Research

EMPLOYMENT GROWTH AND RIGHT TO WORK

The number of states classified as Right to Work (RTW) has grown from 19 in 1964 to 27 today[xlvii,xlviii] (Figure 16). The slow change in labor policy makes it possible to compare employment growth between RTW and RTO states.

Figure 17 has three lines. The top red line are states that have always been RTW states. These states saw the highest employment growth, increasing 70% between 1990 and 2023. The yellow middle line are states that became RTW states. Employment in these states grew 56%. Lastly, the bottom blue line represents states that have always been – at least since 1990 – RTO states. RTO states experienced the slowest job growth at 31%[xlix]. Using Regional Economic Models Incorporated's (REMI) baseline job growth from 2023 through 2040 and the BLS' estimates of nonfarm job counts , halving the job growth to 2040 equates to fewer net new nonfarm jobs in Colorado of 152,000 in 2040[li]. Essentially,

FIGURE 16

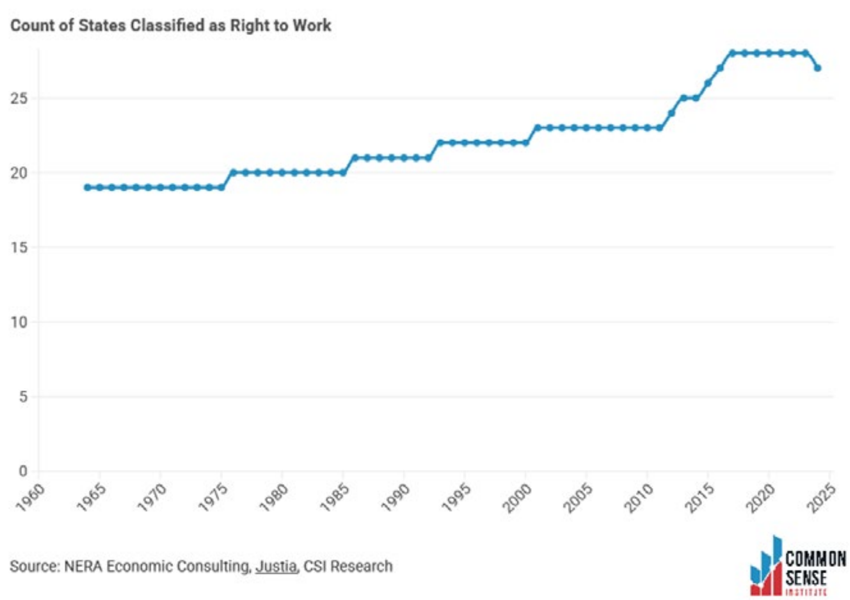
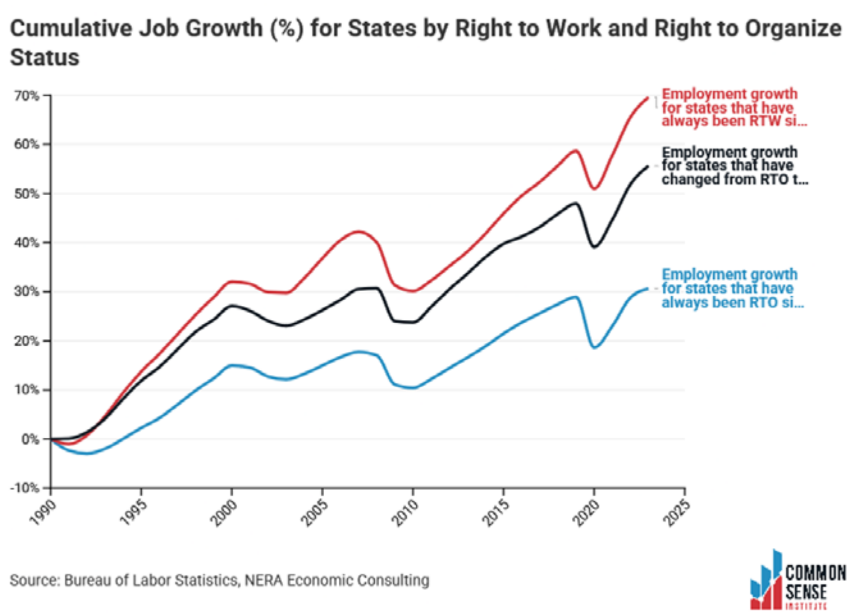


FIGURE 17



over time, if Colorado becomes a full RTO, the state would expect half of the job growth we have experienced over last 25 years.

For details on the classification of each state, please see Figure 1[lii].

Absolute employment growth showed the same effects as mentioned above. States that have always had an RTW policy saw employment growth of 17.0 million from 1990 to 2023, about 2.1 million above the 14.9 million new jobs in states that have always had an RTO policy. Absolute new jobs figures do not consider the population size in states that have always had an RTO policy compared with states that have always had an RTW policy. When accounting for population size, job growth per person for RTW states was almost 16% compared to job growth per person of 10% for RTO states (Figure 19).

FIGURE 18

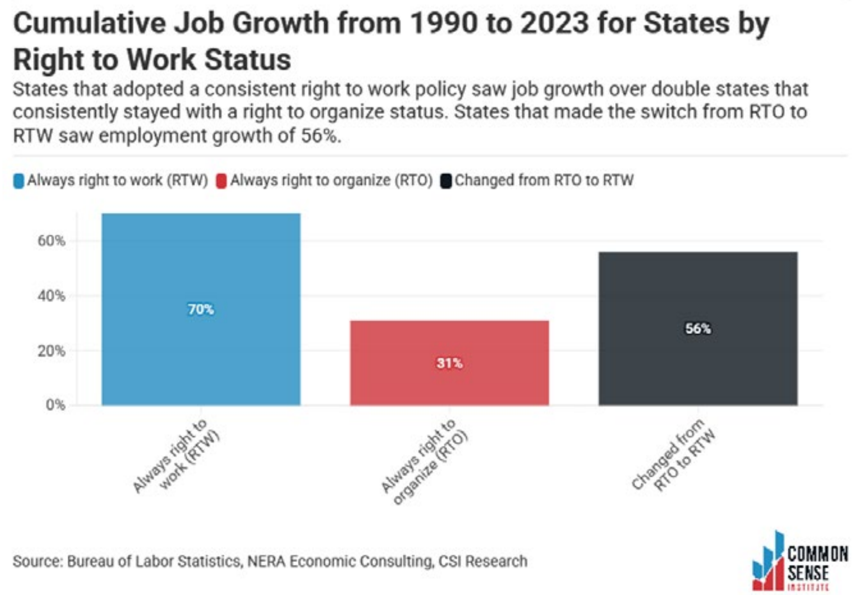
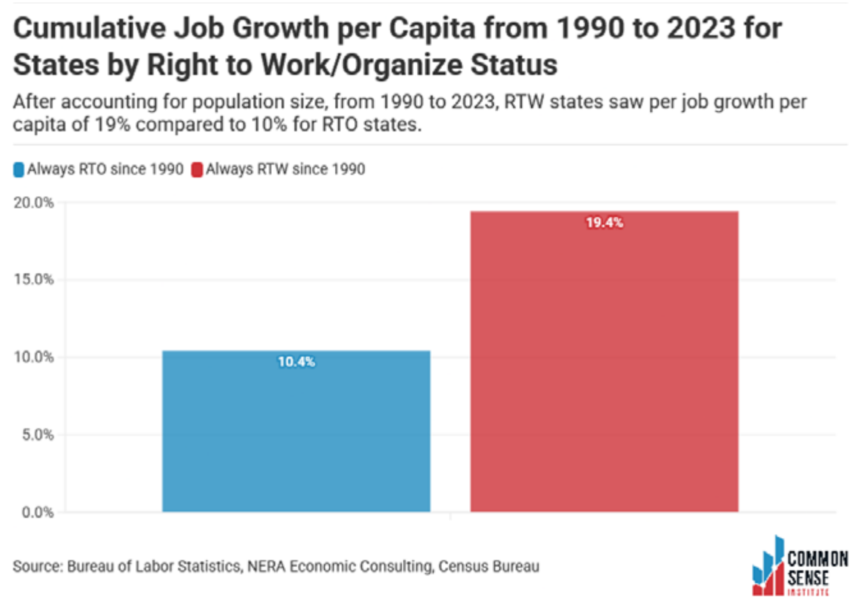


FIGURE 19



THE IMPACT ON THE INDIVIDUAL WORKER

According to union advocates, potential positive outcomes of union organization include better pay; better benefits for the employee and their family, including retirement benefits; worker protections; and better negotiating power. Unions also provide a shift in worker protections by changing the nature of employment from generally at will—an employer may release an employee for any reason—to requiring just cause for termination.

As the data in this report suggests, there are also downside risks to unionization. The dues (and perhaps initiation fees) paid to the union can offset the negotiated salary gains. Unions value seniority over experience and education, creating the risk that a newer employee's job could be usurped by a more tenured employee, regardless of each of their qualifications. Unionization also risks creating an "us versus them" mentality between a company's management and its employees.

Because Colorado is already an anomaly by virtue of its classification as a modified RTW state, its high cost of living, high minimum wage, generous employee benefits, and low union membership, it is fair to expect that shifting to a full RTO state will affect it differently. The risk for employees is that gains achieved through unionization will be nominal relative to what they have already and the increases in cost of living will mitigate these gains further.

THE BOTTOM LINE

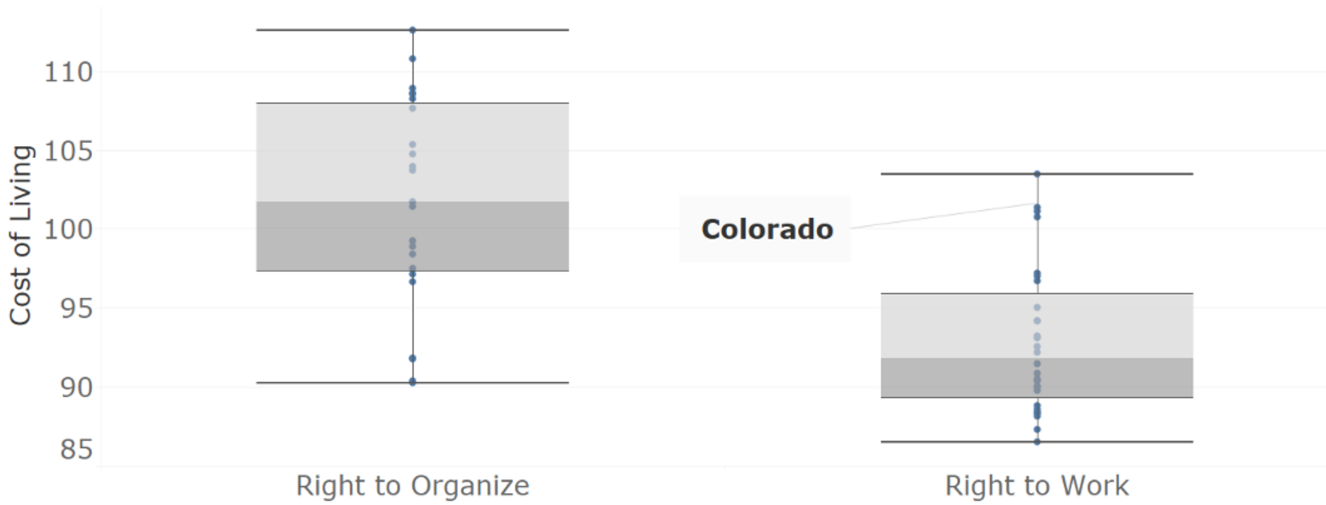
Up to this point, Colorado has adopted a balanced approach when it comes to the competing Right to Work and Right to Organize forces. Changes to the state's long-standing policy will have some benefits for certain workers and economic consequences for everyone, including impacts on current workers, future workers, employment growth, the youth, the income gap, and the broader standard of living of Coloradans.

APPENDIX A

FIGURE 20

Cost of Living by Whether a State is a Right to Work or Right to Organize State

Each dot represents a state by their 2023 cost of living index. The middle point in the gray area is the median. The middle gray bar is higher in right to organize states, indicating generally higher cost of living.



Sources: Bureau of Economic Analysis, NERA Economic Consulting

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ii. https://journals.sagepub.com/doi/abs/10.1177/0022146520945047

iii. Isabel Soto and Thomas O'Rourke, 2021. https://www.americanactionforum.org/research/state-level-costs-of-the-protecting-the-right-to-organize-act/

iv. https://leg.colorado.gov/sites/default/files/images/olls/crs2023-title-08.pdf

v. Ibid, §8-3-102(a)

vi. https://jbakerlawgroup.com/colorado-labor-union-laws-what-you-need-to-know/?

vii. There are three types of shops today and one – closed shops – that were banned with the passage of the Labor Management Relations Act in 1947. The four types include:

1. Closed shops: Employees are required to join the union as a condition of employment. Failure to do so requires the employer to terminate the employee.

2. Union shops: Similar to a closed shop with the difference being that the employer may hire non-union employees. As a condition of employment, the newly hired non-union members must become union members by a set time period.

3. Agency shops: Employees are not required to be union members, but non-member employees must pay union fees. The fees may be partial dues to cover the cost of representing non-members in the bargained unit. In agency shops, the union represents the union members and non-members in bargaining.

4. Open shops: Employees are free to be non-union employees. The employer cannot terminate employees for opting not join a union.

viii. https://www.rmpbs.org/blogs/reality-check/Colorado-Unions

ix. https://www.justia.com/employment/unions/right-to-work-laws-50-state-survey/

x. https://denverlaborlaw.com/2018/07/10/is-colorado-a-right-to-work-state-under-colorado-labor-law/

xi. https://www.findlaw.com/state/colorado-law/colorado-right-to-work-laws.html

xii. https://clockify.me/learn/business-management/right-to-work-states/

xiii. https://www.bls.gov/news.release/archives/union2_01232024.pdf

xiv. Isabel Soto and Thomas O'Rourke, 2021. https://www.americanactionforum.org/research/state-level-costs-of-the-protecting-the-right-to-organize-act/

xv. This is not intended to be an exhaustive list.

xvi. https://www.nordea.com/en/news/chief-economists-corner-demography-is-destiny

xvii. https://www.forbes.com/sites/teresaghilarducci/2022/04/18/is-worker-power-rising-despite-big-union-wins-the-answer-may-surprise-you/

xviii. https://www.bls.gov/charts/employment-situation/civilian-unemployment-rate.htm

xix. https://fred.stlouisfed.org/series/COUR

xx. Mark Bills, Yongsung Chang, and Sun-Bin Kim, *How Sticky Wages in Existing Jobs Can Affect Hiring, American Economic Journal: Macroeconomics* 2022, 14(1): 1-37

xxi. https://www.bls.gov/news.release/archives/union2_01232024.pdf

xxii. https://www.epi.org/publication/right-to-work-states-have-lower-wages/

xxiii. Ibid. The last two regressions reported by the Economic Policy Institute in Table 2 do adjust for measures of cost of living and other state-level factors.

xxiv. Regional Price Parity

xxv. Calendar year 2023 is the most recently available information.

xxvi. The correlation coefficient of the simple ordinary least squares model is 0.91, indicating that a 1% increase in union membership equates to a 0.91 point increase in the cost of living index.

xxvii. Federal Reserve, https://fred.stlouisfed.org/series/SMU08000000500000003

xxviii. https://cdle.colorado.gov/dlss, https://cdle.colorado.gov/sites/cdle/files/info_%231_2025_comps_%26_paycalc_orders_11.18.24_accessible.pdf

xxix. U.S. Department of Labor, https://www.dol.gov/agencies/whd/mw-consolidated

xxx. https://www.ncsl.org/labor-and-employment/state-minimum-wages

xxxi. Simon Jager, Suresh Naidu, Benjamin Schoefer, *Collective Bargaining, Unions, and the Wage Structure: An International Perspective* (2024). https://economics.mit.edu/sites/default/files/2024-12/CollectiveBargaining_JNS_2024.pdf

xxxii. https://www.irs.com/en/are-union-dues-tax-deductible/

xxxiii. https://olmsapps.dol.gov/olpdr/?&_ga=2.141380850.1500577326.1673271090-176283821.1673011123#Union%20Reports/Yearly%20Data%20Download/

xxxiv. https://www.teamsterslocal455.org/how_much_will_i_pay_in_union_dues?

xxxv. https://www.coloradowins.org/join

xxxvi. https://www.ucwcolorado.org/faqs?

xxxvii. https://uniontrack.com/blog/union-dues-myths?

xxxviii. https://famli.colorado.gov/individuals-and-families/how-famli-works/premium-and-benefits-calculator

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xli. Federal Reserve, https://fred.stlouisfed.org/series/SMU08000000500000003

xlii. Bureau of Labor Statistics (December 2024), https://www.bls.gov/news.release/pdf/ecec.pdf

xliii. One such study that made this case is *Right-to-Work Laws, Unionization, and Wage Setting* by Nicole Fortin, Thomas Lemieux, and Neil Llyod (NBER Working Paper Series Number 30098), 2002. https://www.nber.org/system/files/working_papers/w30098/w30098.pdf

xliv. https://data.census.gov/table/ACSDT1Y2019.B19082?g=040XX00US51,50,11,12,53,54,10,15,16,13,19,17,18,40,41,44,01,45,42,48,04,05,49,02,46,47,08,09,06,30,33,34,31,32,37,38,35,36,39,22,23,20,21,26,27,24,25,28,29,72,55,56_010XX00US&moe=false&tp=true&tid=ACSDT1Y2019.B19082

xlv. As an additional source on this estimate, a recent paper from the National Bureau of Economic Research suggested that the decline in union membership for states that switched from RTO to RTW status was 4% (NBER Working Paper 30098). https://www.nber.org/digest/202208/impacts-right-work-laws-unionization-and-wages

xlvi. Guiseppe Bertola, Francine D. Blau & Lawrence M. Kahn, *Labor Institutions and Demographic Employment Patterns*, 2002. https://www.nber.org/papers/w9043

xlvii. Some publications might say there are 26 RTW states. The 27 figure assumes Colorado is a modified-RTW state.

xlviii. Two states, Michigan and Missouri, have gone from being classified as Right to Work (RTW) to non-RTW. In the case of Michigan, the state became an RTW state in March 2013. The Michigan Legislature changed course for the state, with the reversal from being a RTW state having taken place in February 2024. In Missouri's case, signatures and voters overturned the Missouri Legislature's move to become a RTW state in 2017.

xlix. The figures are reported on a percentage growth basis to neutralize any size impact on the results.

l. https://data.bls.gov/pdq/SurveyOutputServlet

li. As its baseline case, REMI projects total job growth from 2023 to 2040 of 10.2%. Halving that results in net job growth of 5.1%.

lii. Michigan became a RTW state in 2013. The Michigan Legislature has since reversed course, becoming a RTO state in February 2024. Missouri's Legislature and Governor passed and signed legislation to become a RTW state in 2017, only to see this effort overturned by voters in 2018.