

Oklahoma, Maine, Migration and “Right to Work”: A Confused and Misleading Analysis

By the Bureau of Labor Education, University of Maine (Spring 2012)

The recent article released by the Maine Heritage Policy Center (MHPC), “The Case for Right-to-Work in Maine: Examining the Evidence in Oklahoma” (1/23/2012),¹ attempts to make a case for the supposed benefits of a right-to-work (RTW) law in Maine, by discussing the case of Oklahoma’s RTW law, and then presenting a number of statistics on migration to Oklahoma, and from Maine to RTW states.

However, a closer examination of this report reveals that it is based on highly questionable and misleading assumptions, and its assertions are based on incomplete data.

1) Out-Migration from Maine To RTW States? -- A misuse of statistics

The MHPC report attempts to show that Maine people are “voting with their feet” for right-to-work laws by migrating to RTW states in larger numbers than to non-RTW (“free bargaining”) states, in a supposed parallel to Oklahoma. These statistics are entirely meaningless, for several reasons:

a) There is absolutely **no information** or evidence about the **motivations** driving the migrations to either Maine or to Oklahoma. There are no data whatsoever based on asking people WHY they moved. Furthermore, there is no consideration of the possibility that such migration (to Oklahoma or from Maine) might be driven by other factors such as being in a warmer climate, housing affordability, retirement, etc., since the RTW states are disproportionately southern and/or warmer states.

b) Without having statistical controls for other possible variables which impact on migration, there is no way of ascertaining which factors are most important in driving (or attracting) out-migration from Maine. It makes just as much sense (or just as little sense) to hypothesize that warmer **average state temperatures** are attracting migration from Maine to RTW states. In fact, IRS data on migration show that among the top 10 states with the largest net out-migration with respect to Maine, the seven right-to-work states were all among the warmest states in terms of average state temperature (see Table One).² Florida alone – the nation’s hottest state – was the highest state in “net out-migration” from Maine, but there were still substantial numbers of people moving from Florida to Maine (in the other direction) as well. North Carolina and Texas, second and third in net out-migration, are also very warm (#13) and very hot (#4), respectively, in average temperature. In addition, several states in close geographic proximity to Maine (especially New Hampshire, Massachusetts, and New York) received high numbers of Maine migrants, although they are “free bargaining” states, NOT “right to work.”

Also, without having **age breakdowns**, for example, it is impossible to know how much of Maine’s out-migration was constituted by retirees looking to relocate in a warmer climate (e.g., Florida), or by young people seeking employment and career possibilities which may be hard to find in Maine, for reasons having nothing to do with right-to-work laws.³

c) The authors of this paper are making giant assumptions which are not supported logically by their data, such as **confusing an apparent correlation with a causal relationship.** A “**spurious correlation**” is the misleading appearance of a relationship between two factors (e.g. ice cream

¹ Maine Heritage Policy Center, “The Case for Right-to-Work in Maine: Examining the Evidence in Oklahoma”. 1/23/2012.

² Internal Revenue Service, SOI Tax Stats - Migration Data, U.S. Population Migration Data, 2008-2009. These data are based on tax filings. <http://www.irs.gov/taxstats/article/0,,id=212683,00.html>

³ In a recent presentation by the Census Bureau, for example, the primary reasons for migration among states in 2010-2011 were housing-related (44.9%), family-related (27.9%) and employment-related (18.5%). U.S. Census Bureau, “Migration Data from the U.S. Census Bureau”, Webinar presented on November 15, 2011.

consumption and urban crime rates) which is actually due to some other factor influencing both variables (in this case, temperature.) Hot weather is associated both with increased ice cream consumption and with higher urban crime rates. But there is no actual causality between these two factors. This kind of misleading analysis – confusing an apparent correlation with causality -- is also what is happening in the Maine Heritage Policy Center paper.

d) There are other recent Census Bureau data on state-to-state migration which do **not** support the assertion that Mainers are “voting with their feet” by going to RTW states predominantly. Based on American Community Survey one-year estimates for 2010, there were **19,776** total people who moved from Maine to **free-bargaining (FB)** states, and **12,433** people who moved from Maine to **RTW** states (see Table Two).⁴ The five states which received the most people moving from Maine (see Table Three, below) include both RTW states and FB states. Given that one of the largest recipients of Maine’s out-migration, Florida, is a major retirement haven for Northerners across the U.S., there is no evidence in these data that RTW laws per se, or RTW economic environments, are attracting flocks of Mainers. In fact, the nearby states of Massachusetts and New Hampshire are among the top five destination states.

Table Three: Numbers of people migrating from Maine to various states, top five destination states:

<u>ACS Survey Estimate, 2010 (U.S. Census)</u>	<u>IRS Migration Data, 2008-2009: Data on tax filers</u>
1) Florida: 5,497 (RTW)	1) Massachusetts: 2,063 (FB)
2) Massachusetts: 4,666 (FB)	2) Florida: 1,943 (RTW)
3) New Hampshire: 3,242 (FB)	3) New Hampshire: 1,816 (FB)
4) New York: 2,270 (FB)	4) New York: 824 (FB)
5) North Carolina: 2,259 (RTW)	5) California: 768 (FB)

Here are some other misleading statements and speculations contained in the report, with critical comments.

2) ***“The single most effective policy, [to aid the economy] that won’t cost the state a dime in revenue, would be to enact Right-to-Work (RTW) in Maine.”*** (p. 1) This assertion is misleading and simple hyperbole. There are numerous studies showing that having right-to-work laws do **not** help state economies, and in fact, often undermine them through lower wages for employees in right-to-work states. Similarly, the MHPC suggestion that RTW “leads to both greater employment and higher wage growth”, citing a study by W. Robert Reed, has been completely refuted by other empirical evidence showing lower wages among workers in RTW states. (See relevant studies by the Economic Policy Institute, for example, including a rigorous multivariate analysis on the wage penalty of RTW laws.)⁵

3) In the MHPC paper, Chart 1 is presented as evidence that that the growth in Gross Domestic Product per manufacturing job in Oklahoma, from 2003-2010, is evidence of the success of right-to-work laws. Again, there is absolutely no evidence to support this assertion. The change in GDP over time is undoubtedly due to many complex factors, and there is no way of knowing whether being RTW was one of the reasons for this growth over time.

4) Similarly, MHPC Chart 3, showing net migration to Oklahoma from 1995 to 2008, is used to suggest that Oklahoma’s RTW law is at least one cause of the increase in migration after 2003. Again, this is complete speculation. There is no empirical analysis of potential causal variables to back this up.

For all of these reasons, this “analysis” by the Maine Heritage Policy Center should be treated as a collection of unsupported hypotheses and speculations, but nothing more than that.

⁴ <http://www.census.gov/hhes/migration/data/acs/state-to-state.html>; analysis by the Bureau of Labor Education.

⁵ Elise Gould and Heidi Hierholz, “The Compensation Penalty of ‘Right-to-Work Laws; Economic Policy Institute, 2/17/2011. www.epi.org/page/-/old/briefingpapers/BriefingPaper299.pdf

Table One: Top Ten States with Greatest Net Out-Migration from Maine to Other States, 2008-2009; Right-to-Work Status, and Average State Temperature Ranking

<u>STATE</u>	<u>Number of Filers, IRS</u>			<u>Right-to-Work or Free Bargaining?</u>	<u>Average State Temperature, Rank in U.S.</u>
	<u>From Other States to Maine (In-migration)</u>	<u>From Maine to Other States (Out-migration)</u>	<u>Net Migration</u>		
Florida	1,352	1,943	-591	RTW	1
North Carolina	314	612	-298	RTW	13
Texas	357	612	-255	RTW	4
California	602	768	-166	FB	12
Massachusetts	1,919	2,063	-144	FB	35
Colorado	209	325	-116	FB	39
Georgia	201	312	-111	RTW	5
Virginia	481	590	-109	RTW	17
South Carolina	140	245	-105	RTW	8
Arizona	208	311	-103	RTW	10
(New York)	758	824	-66	FB	37
(New Hampshire)	1,838	1,816	22	FB	42
(Vermont)	367	315	52	FB	44
(Rhode Island)	247	187	60	FB	27
(New Jersey)	300	196	104	FB	22
(Connecticut)	633	448	185	FB	29
MAINE	0	0	0	FB	48

A negative number for "net migration" indicates that Maine lost more people to a state than it received from that state. The numbers for "out-migration" (from Maine to other states) indicate that Massachusetts, Florida, and New Hampshire were the largest destinations for Mainers leaving the state. (Other nearby states were also included for comparison. While New Hampshire ranked low on net migration, there was a large amount of both in-migration and out-migration between ME and NH).

SOURCES:

- 1) Migration Data: Internal Revenue Service, SOI Tax Stats - Migration Data, U.S. Population Migration Data, 2008-2009. <http://www.irs.gov/taxstats/article/0,,id=212683,00.html>
- 2) State Average Temperature Rankings: "Average Annual Temperature for Each U.S. State"; <http://www.currentresults.com/Weather/US/average-annual-state-temperatures.php>

NOTE: These IRS data on migration are based on tax filings, and are likely to somewhat underestimate migration among people who are less likely to fill out tax returns (e.g., very low-income and elderly). The number of filers can be used as a rough approximation for number of households.

(Table One for BLE Paper, "Oklahoma, Maine, Migration and 'Right to Work': A Confused and Misleading Analysis."

Table Two: Out-Migration from Maine to "Free Bargaining" and "Right-to-Work" States, ACS Estimates, 2010

Origin State: MAINE	
Current Residence	Estimate
Alabama	97
Alaska	574
Arizona	241
Arkansas	0
California	1,796
Colorado	532
Connecticut	528
Delaware	294
D. C.	76
Florida	5,497
Georgia	0
Hawaii	89
Idaho	202
Illinois	55
Indiana	30
Iowa	0
Kansas	0
Kentucky	0
Louisiana	162
MAINE	N/A
Maryland	53
Massachusetts	4,666
Michigan	645
Minnesota	172
Mississippi	0
Missouri	171
Montana	76
Nebraska	0
Nevada	0
New Hampshire	3,242
New Jersey	95
New Mexico	94
New York	2,270
North Carolina	2,259
North Dakota	0
Ohio	291
Oklahoma	298
Oregon	0
Pennsylvania	1,621
Rhode Island	447
South Carolina	603
South Dakota	0
Tennessee	84
Texas	1,318
Utah	148
Vermont	824
Virginia	1,494
Washington	717
West Virginia	0
Wisconsin	448
Wyoming	0

Free-Bargaining States	
Moved to	Estimate
Alaska	574
California	1,796
Colorado	532
Connecticut	528
Delaware	294
D. C.	76
Hawaii	89
Illinois	55
Kentucky	0
Maine	N/A
Maryland	53
Massachusetts	4,666
Michigan	645
Minnesota	172
Missouri	171
Montana	76
New Hampshire	3,242
New Jersey	95
New Mexico	94
New York	2,270
Ohio	291
Oregon	0
Pennsylvania	1,621
Rhode Island	447
Vermont	824
Washington	717
West Virginia	0
Wisconsin	448
TOTAL FB	19,776

Right-to-Work States	
Moved to	Estimate
Alabama	97
Arizona	241
Arkansas	0
Florida	5,497
Georgia	0
Idaho	202
Indiana	30
Iowa	0
Kansas	0
Louisiana	162
Mississippi	0
Nebraska	0
Nevada	0
North Carolina	2,259
North Dakota	0
Oklahoma	298
South Carolina	603
South Dakota	0
Tennessee	84
Texas	1,318
Utah	148
Virginia	1,494
Wyoming	0
TOTAL RTW	12,433

SOURCE: U.S. Census, 2010 American Community Survey One-Year Estimates, State-to-State Migration Flows, Out-Migration from Maine.
<http://www.census.gov/hhes/migration/data/acs/state-to-state.html>

