Press Release

State-Level Costs of the PRO Act

PAULINA ENCK | AUGUST 13, 2021

The Protecting the Right to Organize (PRO) Act will empower unions while imposing significant economic harm—with particular challenges for right-to-work (RTW) states, finds Director of Labor Market Policy Isabel Soto and Thomas O'Rourke in a new analysis. Specifically, the analysis looks at which RTW states would be hit the hardest should the PRO Act become law. If enacted, the PRO Act would carry substantial economic impacts for right-to-work states resulting in significant job loss, potentially double digit loss in economic growth of businesses, and negative impacts on small businesses and workers.

Soto and O'Rourke's key points:

> - *Three major PRO Act provisions – repealing RTW, reclassifying independent workers as full employees, and broadening the joint-employer standard – would bring significant economic costs.*
> - *Between 2000 and 2015, RTW states saw a 13.3 percent increase in the number of businesses while non-RTW states only saw 4.1 percent growth in businesses.*
> - *The PRO Act's independent worker reclassification provision alone could cost as much as $57 billion nationwide.*
> - *The PRO Act's joint-employer changes would cost franchises up to $33.3 billion a year, lead to over 350,000 job losses, and increase lawsuits by 93 percent.*
> - *State-by-state analysis of these provisions indicate that the right-to-work states that would be most negatively affected by the PRO Act are Arizona, Florida, Georgia, Indiana, Louisiana, Nevada, North Carolina, South Carolina, Texas, Tennessee, and Virginia.*

Read the analysis