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Right-to-work is 'old thinking,' site selector says

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Many politicians in New Mexico are saying passing right-to-work is key to attracting new businesses, but that's increasingly not the case, according to three site selectors in North Carolina, New Jersey and California.

Talent and the cost of doing business are bigger factors, they said.

Right-to-work is "a box businesses check off when they look at sites," Sen. [Sander Rue](#), a Rio Rancho Republican who has pre-filed two right to work bills this year, said. Mayor [Richard Berry](#) has also used similar language to push for state law changes.

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"In the old days, leading up to the mid 1980s, right-to-work was on most checklists of states to include and those to eliminate," site selector Don Schjeldahl of The Don Schjeldahl Group of North Carolina said on Wednesday. "Since 1984, right-to-work has steadily become less and less important as a location factor for most companies to the point now that it hasn't come up on my projects in probably 10 years."

"I believe [right-to-work] is old thinking, and it becomes a factor only because someone is not well informed," he said. Instead, he said, the world has moved beyond the influence of organized labor, and efficiencies have made right-to-work inconsequential. Schjeldahl has worked with Konica, Levi Strauss and American Tool.

[Andrew Shapiro](#), a site selector with Biggins Lacy Shapiro & Co. of New Jersey, said right-to-work can be a factor, just not a major one.

"Yes, it can affect a company's location decision-making, but we need to be careful not to overstate the impact," Shapiro said. "For a relatively few number of clients, right-to-work is of threshold importance. They will refuse consideration of any state that does offer such protections. In a situation such as this, New Mexico...would be eliminated before the search process gets underway. However, for many other clients, right-to-work is but one variable among many that can influence the location decision."

Those variables are usually labor skills and cost, said site selector [James Renzas](#), a principal at The RSH Group Inc. in California.

"Labor legislation is just one of the many factors we consider along with labor skills, availability and cost, so there are very few cases where we would eliminate a state based solely on the absence of a right-to-work law," Renzas said. "Some clients do specifically ask to eliminate these types of states, but we tell them to look more closely at the labor market situation, as some right-to-work states actually have higher unionization rates than non-right-to-work states...Kentucky will likely never be a right-to-work state, and they have been very successful in attracting automotive suppliers, call centers and financial services operations."

Much of the argument for passing right-to-work legislation has focused on New Mexico's recruitment efforts, and some politicians have said it's a barrier to attracting new companies.

However, right-to-work laws may be a bigger factor for manufacturers, Shapiro said. "I guess this is the result of the relatively long collective bargaining legacy in the various production industries, and because rust belt states such as Indiana, Michigan and Wisconsin have recently adopted right-to-work or are considering such. However, it is not uncommon for our so-called 'white collar' clients to insist on including right-to-work as part of their location calculus."

New Mexico, however, does not have a large private union presence in the state, with less than 10 percent of the private workforce unionized. Most of those are in the construction trades and the film business.

"The only benefit I see in becoming a RTW state is the marketing bump. This will be short-lived. Other factors will drive investment decisions in the long run," Schjeldahl said.

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