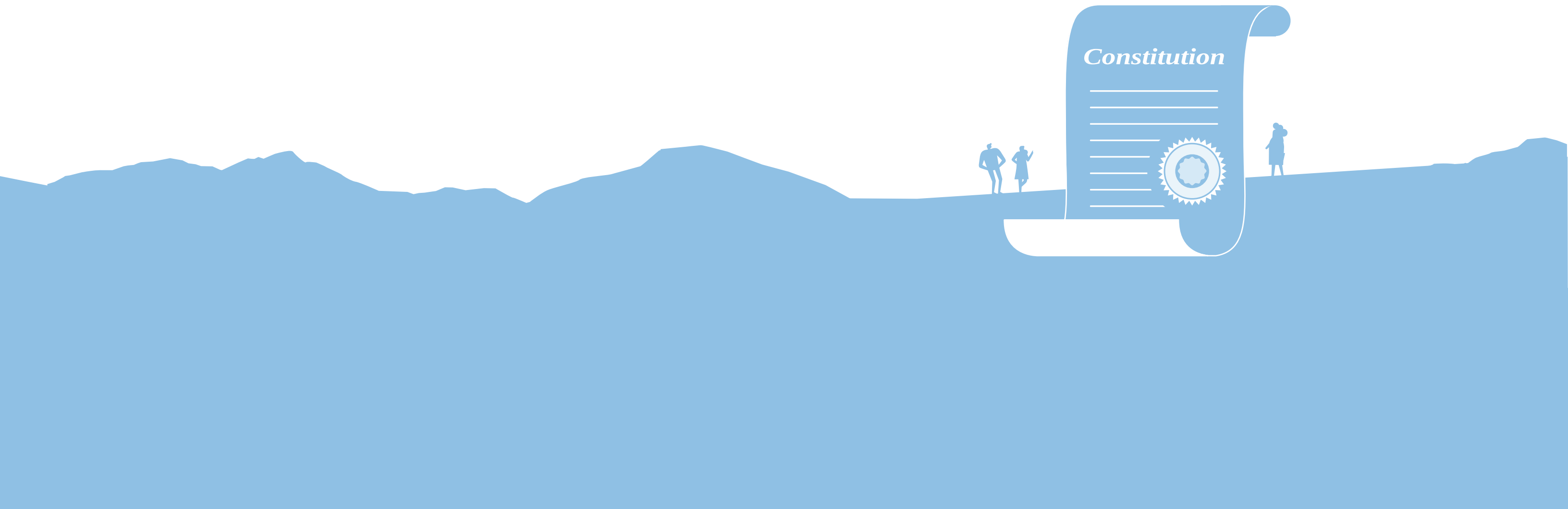
The High Stakes of Proposal 3: What Vermont Voters Should Know Before Changing their *Constitution*

by Stan Greer



Voters Must Choose Whether to Give the Go-Ahead to Unions' Preemptive Strike on Right to Work

Ordinary Vermonters have several reasons to be dissatisfied with the economic status quo in their state. For many years, employment growth has ranked near the bottom of the 50 states. Per capita disposable income, adjusting for the relatively high cost of living in Vermont compared to other states, is well below average. State and local taxes consume a higher share of personal income in Vermont than in all but three other states.

When one considers such dismaying facts, it isn't surprising that, from July 1, 2024 through July 1, 2025, the last year for which U.S. Census data are available, **Vermont's population fell by more proportionally than any other state's.**

Top union officials and politicians claim that stronger unions will fix Vermont's affordability woes and protect Vermonters. A sweeping measure known as "Proposal 3," or "Prop 3" for short, appearing on the ballot in November, is being sold as a way to protect employees' right to collectively bargain.

What voters are not being told is that **Proposal 3 guts Vermonters' ability to ever enact a Right to Work law or curtail the monopoly privileges of government unions.** Vermont labor policies already strongly favor union officials over the individual freedom of employees as well as the interests of businesses and other taxpayers. Unlike many states, Vermont has no Right to Work law on the books prohibiting the termination of employees for refusal to pay dues or fees to a union they don't wish to join.

According to data assembled by economists Barry Hirsch, David Macpherson, and William Even, just over 46% of government-sector employees in Vermont are subject to "exclusive" union representation in the workplace. That's a full 10 percentage points above the national average.

Prop 3 proponents insist, however, that the state must permit the firing of employees who refuse to join or financially support a union, while empowering government union bosses to bargain with elected representatives or their appointees over how civil servants are compensated and managed. Prop 3 would enshrine these policies in the Vermont Constitution. Unfortunately, the best available evidence does not indicate that constitutionalizing forced union financial support and union monopoly bargaining in the public sector would make Vermonters better off. In fact, **the recent experience of Illinois, which four years ago became the first and, so far, the only state to adopt a similar constitutional amendment, suggests Prop 3 will make the Green Mountain State worse off**, while also making it far more difficult for citizens to set things right.

1. As a Compulsory-Unionism State, Vermont Has Little Employment Growth, High Cost of Living, and a Heavy Tax Burden

Vermont has much to offer–natural beauty, four-season recreation, small communities, and a quality of life that should make it an attractive place to live and raise a family. Yet the numbers tell a troubling story.

Over the course of the last year for which U.S. Census Bureau data are available, Vermont's percentage population decline was greater than any other state's.[1] This is partially due to the lowest birth rate in the country and the second oldest population resulting in a loss of approximately 10,000 workers a year. However, we also know that we are losing workers and working families to states with more promising opportunities.

Why are Americans substantially more likely to move from Vermont than to Vermont? A paucity of good job opportunities is undoubtedly one important factor.

Nationwide, despite historically slow growth in the American labor force, private-sector payroll employment grew by 12.6% from 2015 to 2025.[2] Meanwhile, in Vermont, **the number of private-sector jobs *fell* by 0.6%. It was one of just three states with negative private-employment growth over the decade.**[3]

Using the broadest possible gauge of employment doesn't make Vermont look substantially better. According to the U.S. Labor Department's household survey, which includes public-sector workers and the self-employed as well as those who work in the private sector, employment in the Green Mountain State grew by 0.0% from 2015 to 2025,[4] compared to 9.8% nationally.[5] Just two states performed worse than Vermont by this measure.

1 U.S. Census Bureau (BOC) web site, "State Population Totals and Components of Change: 2020-2025."

2 U.S. Bureau of Labor Statistics (BLS) web site, "Employment, Hours, and Earnings — National."

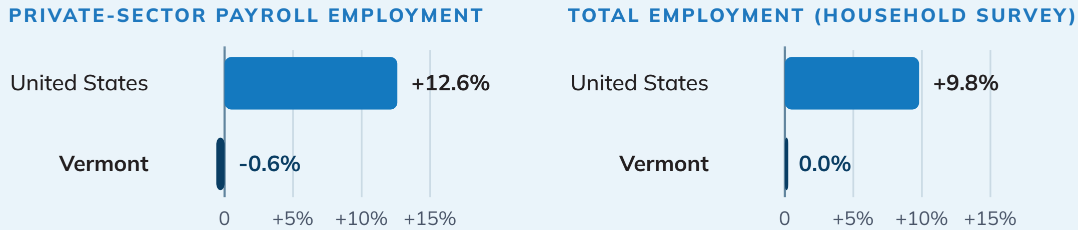
3 BLS web site, "Employment, Hours, and Earnings — State and Metro Area."

4 BLS web site, "Local Area Unemployment Statistics."

5 BLS web site, "Labor Force Statistics From the Current Population Survey."

FIGURE 1

Vermont's job market has flat-lined: employment growth, 2015–2025



Sources: U.S. Bureau of Labor Statistics, Current Employment Statistics (national and state) and Local Area Unemployment Statistics / Current Population Survey. Percentage change, 2015 to 2025. Vermont was one of only three states with negative private-sector growth; only two states did worse on total employment.

In addition to an employment market that has flat-lined, Vermont suffers from costs for housing, groceries, utilities, and health care that are all substantially above the national average. According to the most recent available annual cost of living data series furnished by the Missouri Economic Research and Information Center (MERIC), a state government agency, **the overall cost of living in Vermont last year was 13.5% higher than the national average. Just nine states out of the 50 were less affordable than Vermont.**[6]

When state differences in the cost of living as measured by MERIC are factored into the U.S. Commerce Department data for personal income[7] in the 50 states, Vermont's disposable income per capita last year was $58,110, ranking Vermont 42nd in the nation.

One important additional factor making Vermont an expensive place to live is the cost of government. According to the Tax Foundation, 13.6% of Vermonters' income, on average, or $7,958 per resident per year, goes towards paying taxes for state and local government. Vermont's combined state and local tax burden per capita is more than $1,000 higher than the U.S. average in dollar terms, and higher as a share of income than in every other state except for New York, Connecticut and Hawaii.

+13.5%	$58,110	$7,958
VERMONT COST OF LIVING VS. NATIONAL AVERAGE — ONLY 9 STATES LESS AFFORDABLE	COST-ADJUSTED DISPOSABLE INCOME PER CAPITA — 42ND IN THE NATION	STATE & LOCAL TAXES PER RESIDENT PER YEAR — 13.6% OF INCOME, 4TH HIGHEST SHARE

6 MERIC Cost of Living Data Series, "2025 Annual Average Cost of Living."

7 U.S. Bureau of Economic Analysis (BEA) web site, Regional Data, "State Annual Disposable Personal Income Summary."

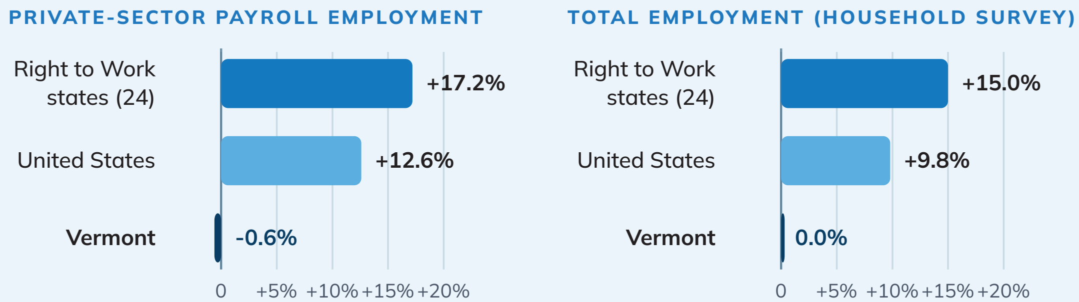
2. There's Ample Reason to Believe Compulsory Unionism Contributes to Vermont's Poor Employment Market

Vermont desperately needs more job opportunities and more workers and should be pursuing policy reform that boosts job creation while also helping raise residents' real, spendable incomes. However, the data shows that Prop 3 will do just the opposite.

From 2015 to 2025, **private-sector employment in the 24 states that had Right to Work laws throughout the entire decade[8] grew by 17.2%, or nearly twice as much as in the 23 states that do not have Right to Work protections.** Over these same 10 years, total employment as measured by the U.S. Labor Department household survey grew by 15.0% in Right to Work states, nearly triple the percentage growth for non-Right to Work states. Nine of the top 10 states for 2015-2025 gains in total employment have Right to Work laws.[9]

FIGURE 2

Right to Work states out-grew the nation — and left Vermont far behind, 2015–2025



Sources: U.S. Bureau of Labor Statistics; National Right to Work Committee "Right to Work States Timeline." Right to Work group is the 24 states with Right to Work laws in force for the entire decade. Private-sector growth in the 23 non-Right to Work states was roughly half the Right to Work rate; total-employment growth was roughly one-third.

A 2023 paper[10] by Duke University economist Matthew Lilley for the nonpartisan Manhattan Institute cited research he had previously done with fellow economist Benjamin Austin when they were both Harvard graduate students to make the case that the strong correlation between Right to Work status and superior job creation is not an accident.

To factor out the substantial differences between Right to Work states as a group and forced-unionism states as a group with regard to "population demographics, education, economic

8 See "Right to Work States Timeline" on the National Right to Work Committee web site for a list of all of the current 26 state Right to Work laws and the year and date each law took effect. See also Footnote 3.

9 "Pro-Forced Dues Politicians Will Feel the Heat," *National Right to Work Newsletter*, June 2026 edition. See also Footnote 4.

10 "Workers, Wages and Economic Mobility: The Long-Run Effects of Right to Work Laws."

and social history," etc., Lilley and Austin focused their attention on "adjacent pairs of counties" in different states where one county has Right to Work protections for employees and the other does not.

The Lilley-Austin analysis showed that Right to Work laws boost overall employment substantially. Right to Work's impact is particularly strong in the manufacturing sector, which has a long history of heavy unionization. Specifically, the two economists found a "3.23 percentage-point increase in the manufacturing share of employment" on the Right to Work side of the border among the 373 neighboring counties they analyzed.

> **"This difference is substantial, equivalent to a 28% increase in manufacturing employment."**
>
> MATTHEW LILLEY, MANHATTAN INSTITUTE

As Lilley concluded in his paper for the Manhattan Institute, "This difference is substantial, equivalent to a 28% increase in manufacturing employment" in Right to Work counties relative to their non-Right to Work neighbors. Vermont's manufacturing employment decline since 2000 has been roughly 1½ times the national percentage decline.

Other scholars focusing on business investment decisions rather than employment growth per se have reached similar conclusions regarding the economic impact of Right to Work laws. For example, a thoroughly documented article[11] coauthored by an international team of finance specialists and published last year in the *Journal of Banking and Finance* reported that, **by adopting Right to Work laws, states increase their venture capital, or VC, investment by 68–82%.**

As the coauthors explained in a précis of their article, VC investment puts "the funds of institutional investors and wealthy individuals into new projects with high growth potential." As prior research shows, VC "enhances innovation, improves productivity, and fosters strategic alliances between firms."

9 of 10	**+3.23 pts**	**+68–82%**
TOP STATES FOR 2015–2025 TOTAL EMPLOYMENT GAINS HAVE RIGHT TO WORK LAWS	MANUFACTURING SHARE OF EMPLOYMENT ON THE RIGHT TO WORK SIDE OF 373 COUNTY BORDERS — A 28% INCREASE	INCREASE IN VENTURE CAPITAL INVESTMENT AFTER STATES ADOPT RIGHT TO WORK LAWS

3. Union Special Privileges Linked to Lower Real, Spendable Incomes

In addition to the evidence showing that compulsory unionism as it is currently permitted in Vermont impedes the creation of good-paying jobs, there is considerable

11 Helena Sarkodie, Michael O'Connor-Keefe, Kwabena Boasiako, Justin Nguyen, and Bernard Tawiah, "Right to Work Laws and Venture Capital Investment."

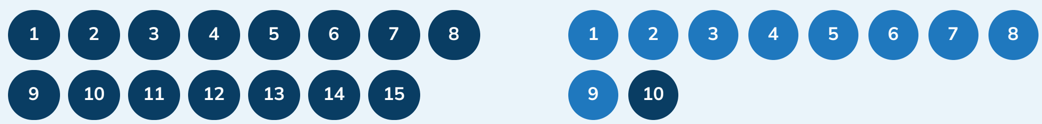
evidence that compulsory unionism is associated with higher costs for employees, business owners, and other citizens.

A quick review of the MERIC "2025 Annual Average Cost of Living" report cited above[12] shows that **not one of the 15 highest-cost states has a Right to Work law. Meanwhile, nine of the 10 lowest cost-of-living states protect employees' Right to Work.**

FIGURE 3

Where the cost of living is highest, Right to Work is absent — and vice versa (2025)

The 15 highest-cost states | The 10 lowest-cost states



0 of 15 have a Right to Work law — all 15 are forced-unionism states

9 of 10 protect employees' Right to Work

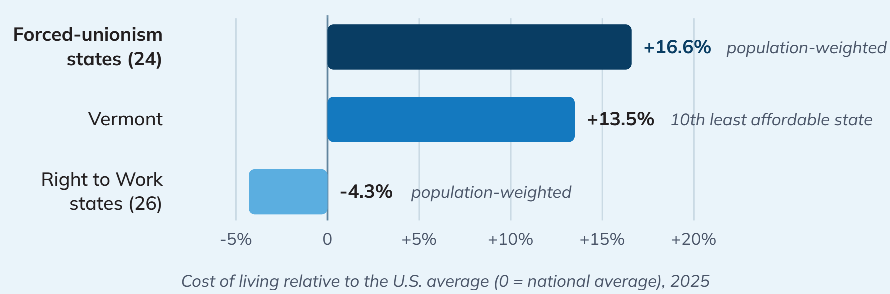
Right to Work state · Forced-unionism state

Source: MERIC, "2025 Annual Average Cost of Living" (state rankings); National Right to Work Committee. Each circle represents one state in the ranking group.

A National Institute for Labor Relations Research analysis of the MERIC data showed that, last year, the 24 forced-unionism states combined had a population-weighted cost of living 16.6% above the national average. The 26 Right to Work states combined had a cost of living 4.3% below the national average.[13]

FIGURE 4

Forced-unionism states cost more to live in — Vermont included



Sources: MERIC, "2025 Annual Average Cost of Living"; National Institute for Labor Relations Research analysis (population-weighted state groups). Zero equals the national average.

When the average disposable income in each of the 50 states is adjusted to account for the

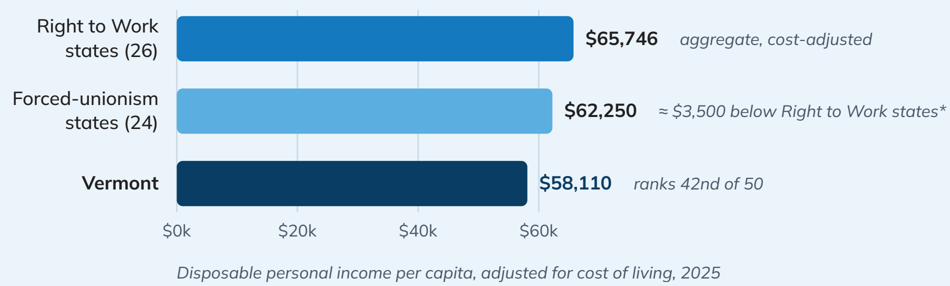
12 See Footnote 6.

13 "Lower Cost of Living Fosters Higher Incomes," *National Right to Work Newsletter*, April 2026 edition.

regional cost-of-living differences identified by MERIC, **residents of Right to Work states in the aggregate took in $65,746 per capita last year. That's nearly $3,500 higher than the forced-dues state average.** While MERIC's cost-of-living indices are not perfect, their rough accuracy is confirmed by U.S. Census data showing that Americans in their "peak-earning" years (aged 35-54) have long been far more apt to move out of a forced-dues state and into a Right to Work state than vice versa. People don't routinely flee states where they are better off to settle in states where they are worse off![14]

FIGURE 5

After adjusting for living costs, Vermonters keep less than residents of Right to Work states



*Sources: U.S. Bureau of Economic Analysis, State Annual Disposable Personal Income Summary; MERIC cost-of-living indices; National Institute for Labor Relations Research. *Forced-unionism figure is approximate, derived from the report's finding that Right to Work states' per capita income is "nearly $3,500 higher" than the forced-dues state average.*

As a team of scholars led by economist Richard Cebula observed in a 2017 article[15] for the *Journal of Entrepreneurship and Public Policy*, it makes intuitive sense that Right to Work, along with other public policies defending individual freedom in employment, would "elevate the efficiency of labor market transactions" in the production and distribution of goods. It is also plausible that such enhanced efficiencies would "reduce the overall cost of living in each state."

After conducting a study that controls for economic and quality of life factors, the authors reported that the empirical evidence "strongly suggests" that the overall cost of living in each state as of 2016 "is inversely related to labor market freedom" as gauged by Right to Work status and a handful of other factors.

14 "Family Breadwinners Flee Forced-Dues States," *National Right to Work Newsletter*, October-November 2026 edition.

15 Richard Cebula, James E. Payne, Donnie Horner, and Robert Boylan, "The Impact of Labor Freedom on Geographic Cost of Living Differentials."

4. States Fostering Government Union Power Have Significantly Higher Tax Burdens

Early this year, Big Labor-backed legislation (H.B1263 and S.B.378) that would have forced virtually all state and local public employers in Virginia to recognize government unions as civil servants' monopoly-bargaining agents ran into unexpectedly stiff opposition despite the fact that Democrats elected with union officials' assistance control all the reins of power in Richmond.

In addition to grassroots Right to Work opposition, a key reason why H.B.1263/S.B.378 became highly controversial and was ultimately vetoed by Democrat Gov. Abigail Spanberger is that local Democrat elected officials across the Old Dominion joined with their GOP counterparts in condemning the legislation as fiscally irresponsible.

For example, Democrat Babur Lateef, the school board chairman in Prince William County, a northern Virginia jurisdiction Kamala Harris carried by a whopping 18 percentage points in 2024, came out strongly against the legislation. In an interview, Lateef told WJLA-TV that, if signed into law, mandatory monopoly bargaining would be "the single largest tax increase in Virginia history . . . ." Moreover, it would "bankrupt local governments and bankrupt school divisions."[16]

> **"The single largest tax increase in Virginia history . . . ." It would "bankrupt local governments and bankrupt school divisions."**
>
> BABUR LATEEF, PRINCE WILLIAM COUNTY SCHOOL BOARD CHAIRMAN

As National Right to Work Committee President Mark Mix noted in a March op-ed for the *Virginian-Pilot*, annual data gauging the share of public servants who are unionized by state,[17] along with data on total state-local tax burdens as a share of income,[18] showed Lateef was correct:

"In 2022, the most recent year for which such data are available, **among the 17 states with the most public employees under union monopoly control, state and local tax combined consumed 12.7% of personal income. That's 32% higher than the average for the third of states where government union bosses wielded the least coercive power at the time."**[19]

16 Nick Minnock, "Gov. Spanberger Amends Collective Bargaining Bill Amid Virginia Tax Hike Concerns," WJLA-TV (Arlington, Va.), April 14, 2026.

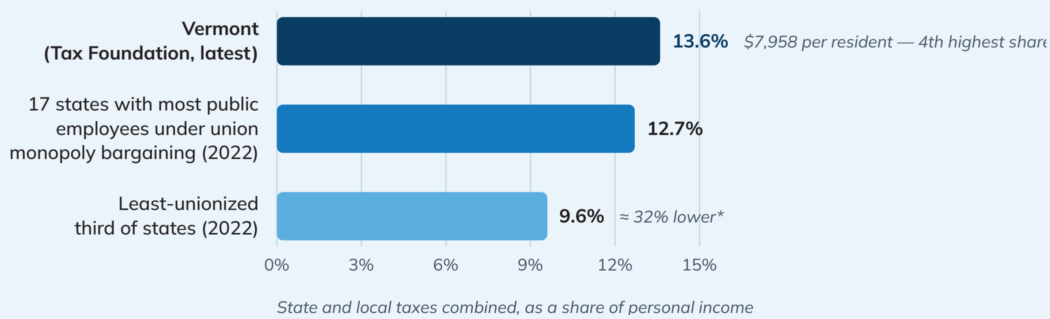
17 Barry Hirsch, David Macpherson, and William Even, "Union Membership, Coverage, and Earnings From the CPS."

18 See Footnote 8.

19 "Handing Government Unions More Power Breaks Governor's Promises," March 11, 2026.

FIGURE 6

More government union power, heavier tax burden



*Sources: Hirsch, Macpherson and Even, "Union Membership, Coverage, and Earnings From the CPS"; Tax Foundation state-local tax burden data; Mark Mix, Virginian-Pilot, March 11, 2026. *Least-unionized figure is approximate, derived from the finding that the 12.7% burden is "32% higher" than that group's average. Vermont figure is the Tax Foundation's most recent estimate.*

A decade ago, a team of researchers for the Heritage Foundation published a study using several different research models to assess the impact of state policies authorizing and promoting "exclusive" union bargaining in the public sector on government spending. They concluded that state laws foisting union monopoly bargaining on all types of state and local workplaces result in **"an additional tax and spending burden of $2,300 to $2,900" a year "on an average family of four."**[20]

There are no credible studies showing that all that additional government spending results in better public services for state and local taxpayers. Indeed, a landmark 2018 analysis found that more coercive power for government unions is associated with worse learning outcomes for students attending K-12 public schools.[21] This is relevant in Vermont, which has the second highest per pupil spending with the fastest declining results.

$2,300–$2,900
ADDITIONAL ANNUAL TAX AND SPENDING BURDEN ON AN AVERAGE FAMILY OF FOUR FROM MANDATORY PUBLIC-SECTOR MONOPOLY BARGAINING (HERITAGE FOUNDATION)

2nd
VERMONT'S RANK IN PER-PUPIL K-12 SPENDING — WITH THE FASTEST DECLINING RESULTS

+32%
HIGHER STATE-LOCAL TAX BURDEN IN THE 17 MOST UNION-CONTROLLED STATES VS. THE LEAST-UNIONIZED THIRD

20 Geoffrey Lawrence, James Sherk, Kevin Dayaratna, and Cameron Belt, "How Government Unions Affect State and Local Finances: An Empirical 50-State Review," April 11, 2016.

21 Stan Liebowitz and Matthew Kelly, "Fixing the Bias in Current State K-12 Education Rankings," CATO Institute Policy Analysis, November 13, 2018.

LET ILLINOIS SERVE AS A WARNING

The Prairie State's Downward Trajectory

Between 2000 and 2022, the inflation-adjusted expenditures on Illinois's government pensions soared by a flabbergasting 584%. Nevertheless, as of 2021, the pension system had $533 billion in unfunded pension obligations.[22] What happened next?

Instead of doing right both by beleaguered taxpayers and active public employees who expect to be able to retire one day, Illinois politicians engineered the November 2022 passage of Illinois's Amendment One, which constitutionalized the pro-government union monopoly Illinois Public Labor Relations Act (IPLRA) of 1983, in addition to private-sector forced union dues and fees. **Amendment One has encouraged politicians to be even more irresponsible.**

Just last year, for example, the Illinois Legislature and Gov. J.B. Pritzker signed into law H.B.3657 at the prompting of union bosses. It added $11 billion in new liabilities to Chicago's police and fire pension systems, which were already the worst funded in the nation, with "no new revenue to pay for them," as Austin Berg of the Illinois Policy Center noted[23] at the time.

According to an October 2025 analysis for the Cato Institute's Fiscal Transparency Project, **Illinois now ranks fourth highest in the nation for state government debt per capita, and #1 for state pension debt per capita.**[24]

While the detrimental fiscal consequences of enshrining monopolistic government unionism in Illinois are already evident, the extent of the damage done to representative government in the state may not be clear for decades. According to the Illinois Policy Institute (IPI), more than 350 state laws could eventually be overridden because of Amendment One if and when government union officials succeed in negotiating contract provisions that contradict these laws.[25]

+584%	$533B	+$11B	350+
INFLATION-ADJUSTED GROWTH IN GOVERNMENT PENSION SPENDING, 2000–2022	UNFUNDED PENSION OBLIGATIONS AS OF 2021 — BEFORE AMENDMENT ONE PASSED	NEW LIABILITIES ADDED TO CHICAGO POLICE AND FIRE PENSIONS BY H.B.3657 (2025), WITH NO NEW REVENUE	STATE LAWS THAT COULD BE OVERRIDDEN BY UNION CONTRACT PROVISIONS UNDER AMENDMENT ONE

22 Rachel Greszler, "Amendment One Would Cement Fiscal Train Wreck Into Law," Heritage Foundation commentary, November 7, 2022.

23 "Chicago Is on the Verge of Collapse," *City Journal*, August 25, 2025.

24 Mariana Trujillo and Jordan Campbell, "Report Ranks Every State's Debt, From California's $497 Billion to South Dakota's $2 Billion," October 23, 2025.

25 Mallee Smith and Hannah Schmid, "How Illinois Politicians Allow Government Unions to Rewrite State Law," April 6, 2023.

5. Refusal of Other States to Put Proposal 3-Like Measures on the Ballot Should Concern Vermonters

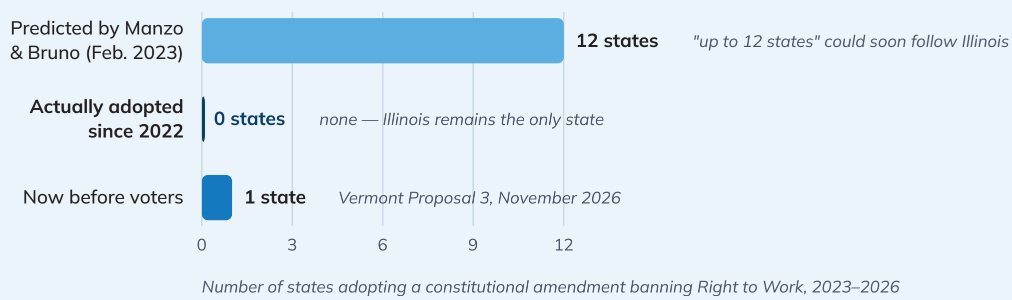
A few months after Big Labor succeeded in engineering the adoption of Illinois's constitutional ban on Right to Work protections for employees, academics Frank Manzo and Robert Bruno predicted up to 12 states could soon give the nod to similar measures.[26]

More than three-and-a-half years later, not a single additional pro-forced union dues state constitutional amendment has been adopted. In fact, Vermont's Prop 3 is the first time since 2022 such a measure has even come before voters.

Even in deep-blue California, a measure including a prohibition on Right to Work statutes known as Senate Constitutional Amendment Seven died in committee in 2023.

FIGURE 7

The predicted wave never came: forced-unionism amendments since Illinois (2022)



Sources: Frank Manzo and Robert Bruno, "How the Workers' Rights Amendment Passed in Illinois," Illinois Economic Policy Institute, February 28, 2023; California Senate Constitutional Amendment 7 (died in committee, 2023); Vermont Proposal 3 (November 2026 ballot).

The fact that even elected officials in deep-blue California ultimately opted not to bring a Proposal 3-like measure before voters should concern Vermonters. As tight as union bosses' grip over the Green Mountain State already is, they and their political friends in Montpelier are counting on voters to grant their consent to making Big Labor even more powerful. But voters will have the final say.

26 "How the Workers' Rights Amendment Passed in Illinois," Illinois Economic Policy Institute Political Analysis, February 28, 2023.

Proposal 3 is not fundamentally a referendum on whether Vermonters support unions.

Vermont workers already have statutory rights to organize and bargain collectively. The question is whether those protections should be placed in the Constitution in a way that would significantly restrict the ability of future legislatures to change labor policy, including by adopting Right to Work protections.

Prop 3 takes away employees' right to choose, reduces Vermont's ability to compete to attract businesses, workers and investment, while likely increasing taxes and cost of living for all.

All of this, Vermont cannot afford.

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