

- **Workers' Compensation Costs.** High workers' compensation rates impact the economy in much the same way as high unemployment tax rates. The cost of labor relative to capital is increased, and incentives for labor-intensive businesses to flee are clear.

Workers' Compensation Benefits Per \$100 of Covered Wages

RANK	STATE	WORKERS' COMPENSATION
6	Arizona	0.61
7	Utah	0.68
10	Nevada	0.75
17	Colorado	0.84
26	New Mexico	0.96
43	California	1.21

- **Right to Work.** A right-to-work state means that employees generally are not forced to become labor union members or pay dues to unions. Such worker freedoms offer a more dynamic, flexible workforce, and a more amenable environment for increased productivity and improved efficiency.

STATE	RIGHT TO WORK
Arizona	Yes
California	No
Colorado	No
Nevada	Yes
New Mexico	No
Utah	Yes

- **Unemployment Tax Rates.** The unemployment tax on wages is another burden on entrepreneurs and business. High state unemployment tax rates increase the relative cost of labor versus capital, and provide incentives for labor-intensive businesses to flee from high-tax states to low-tax states.

Adjusted Unemployment Taxes

(Maximum State Tax Rate Applied to State Wage Base and Then Taken as a Share of State Average Pay)

RANK	STATE	UNEMPLOYMENT TAX
1	California	0.88
4	Arizona	1.01
11	Colorado	1.17
34	New Mexico	3.04
39	Nevada	3.61
50	Utah	6.64