

PA HOUSE OF REPRESENTATIVES

House Labor and Industry Committee

**Abraham Amorós – PA Legislative Director
*Laborers' International Union of North America***

TESTIMONY

House Bills 50, 51, 52 and 53

August 16, 2011

Good afternoon, Mr. Chairman and thank you for allowing the Pennsylvania Laborers to present testimony on House Bills 50 through 53. These bills seek to make Pennsylvania a Right-to-Work state which, if passed and signed into law, would immediately weaken the state's economy by cutting workers' paychecks as well as health care and pension benefits.

My name is Abe Amorós and I am the PA Legislative Director of the Laborers' International Union of North America. We represent 30,000 members throughout the commonwealth.

While the phrase "Right-to-Work" may sound like a positive change in a weak economy, the phrase, the concept and the results are anything but. Right-to-Work legislation will suppress wages, cuts health care benefits and makes a decent pension impossible to come by for Pennsylvania workers.

The bills before this committee do hurt working people and their families in Pennsylvania. These bills smack of a hostile ideology against labor unions and are not sound and logical business practices. With the national unemployment figure at 9.1 percent and Pennsylvania's at 7.6 percent, turning the state into a Right-to-Work state not only hurts union workers, but also non-union employees as found in other states.

Roland Zullo, a Research Scientist at the Institute for Labor and Industrial Relation of the University of Michigan, puts Right-to-Work into perspective.

Supporters of Right-to-Work laws advance two major arguments. First, Right-to-Work laws make a state more attractive to investment, and the passage of that law will lead to job growth.

While this may sound attractive to a state that is facing economic hardship, the evidence is in dispute. When making location decisions, businesses rate factors such as the quality of the regional workforce, the regulatory environment, and tax incentives before ever considering Right-to-Work laws. Just ask those doing work in the Marcellus Shale.

The second - and main - argument for Right-to-Work is rooted in libertarian political thought: individuals should not be required to financially support unions – or any collective – against their will.

This “free association” position focuses on demanding a sacrifice from all that benefit from a collective effort.

In the U.S., a workplace becomes unionized when a majority of the employees in a bargaining unit petition for union representation.

This “50 percent plus 1” method of determination almost guarantees the presence of a minority group that did not want a union.

In many instances, a person gains union coverage by accepting employment at a worksite that is already unionized, without ever having the opportunity to vote for or against unionization.

In non-Right-to-Work states, a labor union and employer can agree to a union security clause that requires all covered persons to pay dues to finance collective bargaining activities. In such situations, someone seeking to avoid paying dues to the union has three options: exit their job, convince union leadership to negotiate an open shop, or persuade fellow workers to decertify the union.

Given that the last two outcomes are hard to achieve, the most viable option for dissenters is to work elsewhere. This is where the phrase “Right to Work” comes from. It’s the right to work in a unionized setting, and reap the benefits of collective representation, without having to contribute toward the cost of obtaining those benefits.

I ask members of this committee: Where is the justice in that?

How is it right for those individuals to accrue the benefits that others have paid into without paying their fair share? On its face, Right-to-Work makes absolutely no sense.

In states that have passed Right-to-Work legislation, the wages and benefits of all workers, union and non-union, are lower than national averages. Wages in those states are 3 percent lower, or roughly \$1,500.

Do you know any working family in Pennsylvania that would turn down an extra \$1,500 at the end of the year to help put food on the table, pay their bills or help send their kids to school?

Health care benefits in those states are also 2.6 percent lower.

One reason that the gains by unionized workers spill into the non-union sectors is due to competition. In the presence of a strong regional union movement, employers with a non-union workforce will raise wages and benefits to compete. Ultimately, all workers benefit as do local economies from higher wages.

When unions are weakened, non-union employers will have greater latitude to lower wages, require workers to perform dangerous tasks, work in unhealthy conditions and treat workers without dignity.

This is the real hidden agenda behind Right-to-Work. Right-to-Work allows employers to have more leverage over their employees to continue taking money from the bottom to pad the top.

Right-to-Work legislation is nothing more than a shameless attack on organized labor and an insult to wage earners who struggle every day in trying circumstances to keep a roof over their heads and a decent way of life.

Right-to-Work legislation promotes the notion of “free riders”. Those who stand to enjoy the fruits of collective bargaining also have the incentive of not paying for it in hopes of getting something for nothing. This starves resources and makes labor unions crumble. It is devious - at best - and will be devastating to working people across Pennsylvania.

There isn't a single Right-to-Work state in the country that hasn't experienced problems as a result of suppressed wages, loss of health care benefits and deflated pension plans for its workers.

So why would the Pennsylvania state legislature embrace a faulty concept such as this?

Why would we possibly want to join the ranks of economically distraught states such as Alabama, Louisiana and Mississippi, to name a few?

Oklahoma lost 22,000 manufacturing jobs since it became a Right-to-Work state. This is not what Pennsylvania needs.

A study put forth by the Economic Policy Institute found that the rate of employer-sponsored pensions is nearly five percent lower in Right-to-Work states. If workers in non-Right-to-Work states were to receive pensions at this lower rate, 3.8 million workers would suffer without them.

The study found that non-union workers are also harmed in Right-to-Work states. All workers earn good salaries as non-union contractors provide competitive wages.

Across the board, the depression of wages affects every single person, regardless of gender, race or educational level. Full regression results in states where Right-to-Work laws exist.

Trimming workers paychecks should be the absolute last thing that the legislature should do. Good wages build strong communities by generating more state and local taxes: recycling those hard-earned dollars – for example - in the way of car payments, mortgage payments and groceries as well as goods benefits everyone's bottom line.

We should not take this path of destruction for workers. Members of the state legislature should be more concerned with creating jobs and allowing current laws that support workers to remain in place rather than creating barriers for them which hurt their families.

Right-to-Work legislation drives down wages, financially depresses communities and hurts overall economies. Further, they unnecessarily drive wedges between union and

non-union employees and contractors. At the core, Right-to-Work legislation is unjust and just plain harmful.

In Pennsylvania, workers in the construction industry are facing unemployment rates upwards of 30 percent. Workers cannot afford to lose anymore and this committee should be focusing on helping unemployed workers and their families get ahead rather than squeezing them further with harmful legislation such as this.

The Laborers are opposed to each of the four bills regarding Right-to-Work as they do nothing but hurt workers by taking money from the workers and putting it in the pockets of employers.

The Pennsylvania Laborers pledge to assist the legislature in coming up with programs to promote workers in Pennsylvania. I hope that you can set aside political ideology and an anti-worker sentiment in favor of hard-working Pennsylvanians who are the backbone of our state's economy.

We will continue to support laws and policies that have proven track records of providing good paying and family-sustaining for generations of Pennsylvanians.

Please oppose the adoption of any Right-to-Work bills that hurt workers – whether they are union or non-union.

Thank you.

###