



Chairman Derek E. Davis
Vice-Chair Kathleen Dumais
Members
Economic Matters Committee
House Office Building
6 Bladen Street, Rm. 21
Annapolis, MD 21401

February 4, 2020

HB163 Labor and Employment - Labor Organizations – Right to Work

Position – Unfavorable

Dear Chairman Davis and Members of the House Economic Matters Committee,

The Baltimore Washington Construction & Public Employees Laborers' District, LiUNA opposes House Bill 163, Labor and Employment - Labor Organizations – Right to Work.

This bill does the exact opposite of its title. Instead of protecting the rights of workers, so-called “Right to Work” legislation is solely designed to strip away the rights of both workers and employers to collectively bargain and enter into agreements over wages and benefits. In states where it has passed, the only “rights” this type of legislation has served to create is the “right” for people to benefit from voluntary agreements between management and labor, without having to contribute to the efforts that made the agreement possible.

Beyond the philosophical arguments for and against, pragmatically speaking, Right-to-Work laws only serve to lower the quality of life of all workers through lower wages, less access to healthcare, and higher rates of workplace fatalities.

According to Census Bureau statistics, states with Right to Work laws have lower wages, driving down average incomes by 12%¹, and creating 14% less in median household income.²

¹ <https://www.bls.gov/cew/datatoc.htm> - by industry, annual averages, 2014

² <http://www.census.gov/data/tables/time-series/demo/income-poverty/historical-income-households.html> - Table H-8A, Median Household Income by State - 2 Year Average

The Henry J. Kaiser Family Foundation reports that 3.5% more workers under 65 in right-to-work states live without health insurance as compared to collective bargaining states.³ And 5.2% fewer private sector employers in these states offer health insurance than employers in collective bargaining states,⁴ especially those with less than 50 employees.⁵

Finally, according to economic research done by the University of Michigan's Institute for Research on Labor, Employment, and the Economy, occupational fatality rates in the construction industry were 34% higher in right-to-work states compared to collective bargaining states.⁶

It's no accident that there's a direct correlation between the 28 Right-to-Work states and the 28 poorest states with the lowest household income. Twenty-three of them are Right-to-Work states. It's also no accidents that eight out of the ten states that rely most heavily on federal aid are Right-to-Work states.

No matter how you slice the data, on average wages in Right-to-Work states are lower than wages in non-Right-to-Work states. If Right-to-Works becomes a reality in Maryland, it's the taxpayer – from the employee to the business owner – who will be on the hook to cover that income gap. And it will be the taxpayer who will have to fund health insurance for working families that would lose coverage. That's just bad for the economy.

Ultimately, pro-worker policies are the best strategy for increasing economic activity by raising worker incomes, creating health-security for working families, and increasing worker safety.

Please look at the facts and spend time with the data. Compare the education and poverty levels between these two groups of states. Understand the slower levels of economic growth, and why these poorer states struggle to pay for their own infrastructure. Realize why so much of their populations are dependent upon public assistance. Right-to-Work is bad for middle class families. It's bad for workforce development. And it's bad for Maryland.

We urge the Committee for an unfavorable report on House Bill 163. Thank you.

³ <http://kff.org/other/state-indicator/nonelderly-0-64/?currentTimeframe=0>

⁴ <http://kff.org/other/state-indicator/percent-of-firms-offering-coverage/?currentTimeframe=2>

⁵ <http://kff.org/other/state-indicator/firms-offering-coverage-by-size/?currentTimeframe=2>

⁶ Zullo, Richard. Right-to-Work Laws and Fatalities in Construction. Institute for Research on Labor, Employment, and the Economy, Univ. of Michigan, March 2011. http://www.bollettinoadapt.it/old/files/document/11618zullo_03_11.pdf