



CONNECTICUT AFL-CIO

56 Town Line Road, Rocky Hill, CT 06067

860-571-6191

fax: 860-571-6190

Presentation before the Labor and Commerce Committees
October 27, 2009

John Olsen President
Connecticut AFL-CIO

What steps must be taken to grow jobs and grow the economy?

Our focus should be on the creation and maintenance of good paying jobs to stimulate growth of the middle class, the bedrock of a vital economy. For those struggling in poverty, a job that pays a living wage is the ladder to the middle class. In this current economic crisis, the creation of jobs is critical. We should take a lesson from the Great Depression when the construction of the Hoover Dam was accelerated to create more jobs and was finished two years ahead of schedule.

In addition to immediate relief in this economic crisis, our state needs to develop a comprehensive long-term economic strategy that grows good paying jobs – one that addresses our problems with high-energy costs, transportation, an aging workforce and the high costs of health insurance.

Manufacturing has been the economic engine in Connecticut's history and it should continue to be if we are going to have a vital economy. The loss of good paying manufacturing jobs is devastating. From September 2004 to September of 2009, the state lost a net total of 31,000 jobs (non-farm employees) state-wide. Of those, an estimated 25,700 were in manufacturing according to the Bureau of Labor Statistics. This trend cannot continue if we are to grow our economy and create or maintain good paying jobs.

Here are some specific recommendations -

1. Our state needs to look at areas of manufacturing strength and potential growth. We need to commit to developing industries which may require patience and an eye toward long term development. Significant opportunities exist in the following areas:

- Fuel cells: Our state has 13% of global employment in this technology. In the next 10 years fuel cells are expected to employ 250,000 to 300,000 workers world-wide. That could mean 30,000 jobs for our state if we secure the industry here. (source: Grow Jobs CT, www.growjobsct.org)

PRESIDENT

John W. Olsen

EXECUTIVE VICE

PRESIDENT

Salvatore Luciano

SECRETARY-TREASURER

Lori J. Pelletier

EXECUTIVE SECRETARY

Leo Canty

GENERAL VICE

PRESIDENT

Brian Petronella

VICE PRESIDENTS

John A. Altieri

Linda Armstrong

Tammie Botelho

Thomas Bruenn

Peggy Buchanan

Wayne J. Burgess

Peter S. Carozza, Jr.

Everett Corey

Ben Cozzi

Dik Days

Kenneth DelaCruz

John Dirzius

Mark Espinosa

Bill Henderson

James Howell

Clarke King

Elizabeth Kuehnel

Thomas Ledoux

Mike Livingstone

Dwight Loines

Kevin Lynch

Steve Matthews

John McCarthy

Jeff Merrow

Jean Morningstar

Charles Page

Sharon M. Palmer

Steven Perruccio

Michael Petosa

Ronald Petronella

Robert Proto

Carmen Reyes

Robert Santo

Edward Sasso

Ray Soucy

Paul Wallace

Kurt Westby

Thomas Wilkinson

- **Optics and Photonics:** Connecticut has 3,700 people working in the field of optics and photonics and everything from lasers to lcd screen technology ranking CT 4th in the nation in optics and photonics. (source: Grow Jobs CT)
- **Renewable energy:** Connecticut needs to tie expansion of renewable energy and economic development together wherever possible to produce Connecticut based jobs. For example, our state could manufacture components, such as solar panels, that could be used in delivering renewable energies. Possibilities for renewable energy exist in fuel cells, solar and wind.
- **Biomedical instruments**
- **Aerospace.**

2. **Support for growing business:** Our commitment to growing the economy could include support for growing jobs by:

- Offering appropriate tax incentives or breaks with a guarantee on job creation and maintenance with “clawback” if there is a failure to meet targets.
- Helping start up and small business companies to develop by cutting red tape, eliminating delays on permits, and assistance with patent protection.

3. **Training and Education:** We need to increase our support for training and education which is essential to creating a skilled workforce and addressing the problem, particularly in manufacturing, of the aging workforce. We need to impart the knowledge and skills to a younger generation or we will lose our ability to compete in the future. Specifically, our state should emphasize:

- Investment in Vocational/Technical education that is tied to future and current job needs.
- Job Funnels and Worker Reinvestment, life long learning and skill development.

4. **Project Labor Agreements – also called Community Workforce Agreements:** Any economic strategy should require a commitment to Project Labor Agreements that lead to “on time and on budget” projects and that ensure use of a local workforce.

5. **Reining in Health Insurance Costs:** As labor, we have long recognized the problem that companies cannot compete in the global market because of rising health insurance costs. Passage of Sustinet was important first step in addressing this crisis and support for national health care reform that reduces costs is critical. Continuing the focus on reining in health insurance costs must be a high priority – it is good for business and for Connecticut’s residents.

6. Support for Workers' Rights: In order to create good paying middle class jobs, support for a worker's right to organize and engage in collective bargaining is essential. It is a fact that the majority of unionized workers have health insurance and pensions and they make, on average, 28% more than their non-unionized counterparts. Low wage jobs don't sustain working families. Low wage jobs end up as a cost to society when workers have no choice but to turn to food stamps and other services to support themselves and their families. Any economic recovery and long term growth will depend on the creation and maintenance of jobs that pay a living wage, and offer dignity and respect on the job.