



United Union
Of Roofers,
Waterproofers
And
Allied Workers

Affiliated with AFL-CIO
And Building and
Construction Trades
Department

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RE: Raised Bill 5377

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To the Labor & Public Employees Committee:

Recently, I have heard many CT Politicians say that "people in Connecticut are working harder today and making less money." Raised Bill No. 5377 will significantly hurt working families of Connecticut. In recent studies, it has been proven that states with no or WEAKENED Prevailing Rate Laws pay an average of \$367 million dollars MORE per year on food stamps and Earned Income Tax Credits for blue collar construction workers.

This bill will also invite out-of-state companies to bid work in our state. They will do work with an out-of-state work force. Then they will go back to the state they reside from so they could spend OUR tax dollars to better their own local economy.

Wisconsin just weakened its prevailing rate laws. Research shows that state economy is to decrease by \$1.1 billion, lose over 6,700 total jobs, and lose, over \$40 million in tax revenue from the leakage of construction expenditures to firms in neighboring states.

States like California are lowering their thresholds to \$1,000 dollars to actually strengthen their local economies. All of our bordering states pay Prevailing Rate from dollar one!

Labor comprises only 23% of total construction cost. Research indicates that when construction wages increase, contractors respond by utilizing more capital equipment. Thereby, substituting skilled workers for less-productive counterparts and by reducing material and fuel costs that offset any labor cost.

Studies promising "cost savings" from weakened Prevailing Wage laws rarely undergo academic peer review. Only one such study has been reviewed in the past 15 years. They are rooted in the myth that low-skilled, low paid workers offer the same productivity as highly skilled workers. By focusing exclusively on the wage differences, these studies completely ignore the effect of Prevailing Wage standards on workers productivity. This includes the substitution of high skilled for low skilled workers and capital for labor.

Legislators who repeal or weaken prevailing wage laws are choosing the low road. By weakening prevailing wages laws, the construction skilled shortage is worsened, construction worker poverty is increased, reliance on public assistance is increased, economic activity is reduced, and American taxpayers are forced to foot a larger bill.

Connecticut deserves better. Connecticut taxpayers deserve better. Connecticut Construction workers deserve better. Please reject this damaging bill!