



**TESTIMONY BEFORE THE
HIGHER EDUCATION AND EMPLOYMENT ADVANCEMENT COMMITTEE
LEGISLATIVE OFFICE BUILDING
FEBRUARY 28, 2019**

My name is Michelle Rakebrand and I am Assistant Counsel for the Connecticut Business and Industry Association (CBIA). CBIA is the largest business association in Connecticut and has represented both small and large businesses for over 200 years. We are proud to say that most of our membership is made up of small employers.

CBIA stands in support of SB 435 and SB 274 because both bills address Connecticut's aging workforce problem by incentivizing young people to remain in the state through student loan reimbursement and first-time home buyer savings programs.

One of the biggest economic issues facing Connecticut is the state's aging workforce. We often hear from our members about the difficulties they have finding skilled workers as the baby boomer generation enters retirement. With approximately 10% of Connecticut's workforce projected to retire within the next few years, it's imperative to replenish those retirees with young talent. Both of the aforementioned bills incentivize recent graduates to seek employment opportunities in the state.

SB 435 allows qualifying employers to claim a tax credit equal to 50% of the educational loan payment made monthly on behalf of the employee. With the unemployment rate at an eighteen year low, employers are looking for new ways to attract millennials by offering incentives such as student loan reimbursement. Nationwide, there are nearly 44 million borrowers who collectively owe \$1.5 trillion in student loans, which has made student loan reimbursement programs one of the most popular employee benefits for the incoming workforce. In 2018 CBIA surveyed its members and found that only 3% offer student loan assistance to their employees. Our hope is that *SB 435* will increase that number in an effort to retain more students in the state.

SB 274 requires the Commissioner of Economic and Community Development to establish the Learn Here, Live Here program. The Learn Here, Live Here program allows recent graduates to annually set aside \$2,500 of their state income tax payments segregated into an account and later put towards the purchase of their first home. In a span of five years, a young worker can save \$12,500 to go towards a down payment on a home, which average \$48,500 in the state. Assisting young professionals to save for a downpayment on a house is an incentive that ensures in-state longevity and facilitates growth in the housing market.

CBIA notes that both bills come at a cost due to the loss of tax revenue to the state, and urge legislators to weigh this point carefully given the state's current fiscal climate.

Thank you for your time and the opportunity to testify.