

The Truth  
About  
Right-To-Work  
in  
Wisconsin.



**INTRODUCTION:** Any number of polls and statistics have been posted, publicized and bantered about from both sides of Wisconsin's Right-To-Work debate, but one critical component in all of this conversation has to-date been overlooked: This is not a union vs. non-union issue. This is not a public-sector vs. private-sector issue.

### **This is a Wisconsin business issue.**

More than 400 businesses employing nearly 120,000 skilled and highly trained tradespeople have collectively signed on to oppose this legislation.

#### **Here's why:**

- The Right-to-Work issue is a prime example of government intruding in private-sector business and private-sector contracts. It is contrary to conservative principles and the government has no reason to be involved in the work of these businesses at all.

#### **Government involvement in private business is contrary to conservative principles.**

- Wisconsin's long tradition of strong management and labor relationships in the construction sector and the Professional Trades has resulted in a collaborative and cooperative arrangement that helps to create project efficiencies through a reliable, skilled and nimble workforce.

#### **RTW would undermine this relationship and diminish its effectiveness.**

- Construction businesses large and small rely on the consistent competencies of this workforce to ensure the highest quality work, jobsite safety, reliability and cost management for public and private projects throughout Wisconsin. Tradespeople voted to contribute a portion of every paycheck – totaling in excess of \$30 million – to fund world-class training centers throughout the state.

#### **RTW would open job sites to those with less training and less experience, compromise industry standards and generate inefficiencies across the board.**

- Governor Walker has said, "we don't have a jobs problem we have a workforce problem." But the Professional Trades is one sector of the economy that is best prepared to accommodate new and growing businesses.

#### **RTW would inhibit the state's ability to attract businesses that fuel its economic engine with career-building, family-supporting jobs. RTW would also hinder access to the training that professional tradespeople need; skills for the jobs of today and tomorrow.**

- There is no solid evidence that Right-to-Work stimulates economic or employment growth. In fact, overwhelming evidence suggests that job growth in Right-to-Work states is generated by an influx of businesses paying lower wages, which only serves to dilute buying power and diminish the structure of the middle class.

#### **RTW would undermine an established standard of quality work for fair compensation and compromise the substantive expectation of excellence among the Professional Trades.**

- Right-to-Work issues create unnecessary tension in the work environment by eroding trust among peers; those who do not belong to the unions but benefit from their bargaining power are seen as free-riders. This inhibits teamwork and creates discord where there needs to be trust. It further pits private businesses and labor against one another. Professional Trades are private organizations that bring value to their members and to the private businesses they serve.

#### **RTW would create undue tension between working peers on the job sites. This undermines a system of trust and cooperation that has benefitted employers and employees for generations.**

- Workers in the Professional Trades must rely on one another to be well trained, knowledgeable and highly skilled in the use of heavy machinery, tools and best practices on job sites. The training and best practices developed and funded by the Professional Trades sets industry standards and helps to ensure consistency and build trust among workers. This creates safer and more efficient job sites.

**RTW would put at risk a standard of quality that the Professional Trades have come to expect and rely on from within their ranks. Cost-efficiencies generated through workforce consistency would be compromised, ultimately increasing the construction spend for public and private projects.**

**BUT IF YOU NEED STATISTICS, CONSIDER THESE FACTS OF NOTE:**

• The economic climate in most Right-to-Work states that are doing well is influenced by factors outside of RTW initiatives, including no- or low income taxes, a lower overall tax burden and/or a more favorable regulatory climate than exists in Wisconsin.

• A study recently conducted by Dr. Abdur Chowdhury, professor of economics at Marquette University recognizes Right-to-Work as a non-starter in fueling the economies of states in which it has been implemented.

Some key findings of the Dr. Chowdhury's study include:

- ◆ The **net loss in direct and indirect income** to Wisconsin workers and their families would range **from \$5.84 to \$7.23 billion annually.**
- ◆ The economic **loss in Wisconsin income taxes is estimated between \$234 and \$289 million annually.**
- ◆ Wages are lower in RTW states than states where collective bargaining is the norm.
- ◆ RTW increases gender and racial wage inequality.

• Right-to-Work laws are likely to promote lower wages and reduce the chances for employer-sponsored health insurance and pensions. **While RTW sounds like it could be a positive initiative, in reality the only opportunity it provides for workers is to earn lower wages and fewer benefits.**

• **WMC's own 2014 survey revealed that just 15 percent of business executive respondents were in favor of Right-To-Work legislation. That's hardly a resounding majority.**

• In its November 2014 issue, *Site-Selection* magazine, a national publication for economic development professionals, posted the 10 most important criteria for business location as identified by site selectors from across the U.S. Not surprisingly, a Right-to-Work business climate did not make the top 10 list, but things like transportation infrastructure, existing workforce skills and utility infrastructure—all factors influenced by the Trades Professionals and their associated organizations – did.

**Attracting and retaining businesses and jobs creation decisions are not positively influenced by a Right-to-Work business climate. Rather, the most important factors influencing those decisions are founded in the Professional Trades.**

**CONCLUSION:** Construction contractors and the nearly 120,000 trades professionals they employ rely on an established compensation system that is a key component in ensuring project cost efficiencies, workforce quality, workforce safety and a fair wage. These components are vital not only to retaining Wisconsin's stellar private-sector construction model, but are cited by economic development professionals as key factors in attracting new business and new jobs.

Right to Work compromises each of these, infringes on the rights of private businesses and is a detriment to Wisconsin's overall economy and tax base.

**THINK ABOUT THIS:** A private-sector trades professional receives no taxpayer subsidy for health care, no pension subsidy and no training subsidy because his/her wages and benefits are negotiated through a standing contract. **We simply cannot advocate for private-sector employees to make less money, but Right to Work will do just that.**

## **Right to Work is Wrong for Wisconsin**