



Good morning. I'm here on behalf of Working Vermont a coalition of many of the public and private sector unions in Vermont. We are here in support of S.23 because an increase in Vermont's minimum wage is important to working families and our economy. I'd like to discuss a few of the key reasons why we strongly support this bill.

Productivity

While I'm certainly no economist there are certainly credible economic theorist that posit that higher minimum wages will lead to high productivity. By way of example I can highlight the work that we did a few years back to increase our prevailing wage statute for state funded construction. This concept, which has had strong bi-partisan support over many years, has been supported by numerous studies that have demonstrated that productivity, efficiency and quality increases as a result of paying individuals increased wages. For instance, by paying higher wages in the construction industry, firms are able to attract higher skilled workers, workers that stay for longer period of times, and are able to increase output and quality. Furthermore, we have seen evidence showing prevailing wage jobs do not end up costing more despite higher wages, as work gets done more efficiently with fewer errors, fewer change orders etc. These same principles apply to higher wages in other industries, where workers feeling more supported, more invested in their work, will provide greater productivity to firms offsetting any possible increase in costs.

Tax benefits

In the last few years, we have seen one of the largest redistribution of wealth in our country's history. Weather it's the 20% deduction for the pass through provision; the lowering of the highest tax brackets for individual incomes; or the significant lowering of corporate tax rates to 21%. Theses are benefits that have flowed to businesses large and small without much, if any benefit flowing to low-wage workers. For example, we didn't see, an increase in earned income tax credit; any increase in federal benefits assisting workers such as overtime protection; no increase in federal minimum wage etc. The timing of your legislation is perfect, as many businesses will have the benefit of these tax changes and will have the ability to redistribute some of that new found tax money to workers who will then put much of that money back into Vermont's economy.

Competition

Many Vermont businesses are already paying these wages or close to them now and yet they are now being forced to compete with businesses, particularly large multi-national corporations that don't. We see this legislation as leveling the competitive playing field for those Vermont businesses that are already doing the right thing for their workers and Vermont's economy.

For these reasons Working Vermont strongly supports S.23 and looks forward to working with the legislature to help it become law.

Respectfully,

Working Vermont
Vermont State Employees' Association
Vermont-NEA
International Brotherhood of Teamsters
Vermont Troopers Association
AFT Vermont
United Nurses and Allied Professions
Vermont Building & Construction Trades
Professional Firefighters of Vermont
United Association of Plumbers, Fitters, Welders and HVAC Service Techs

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