



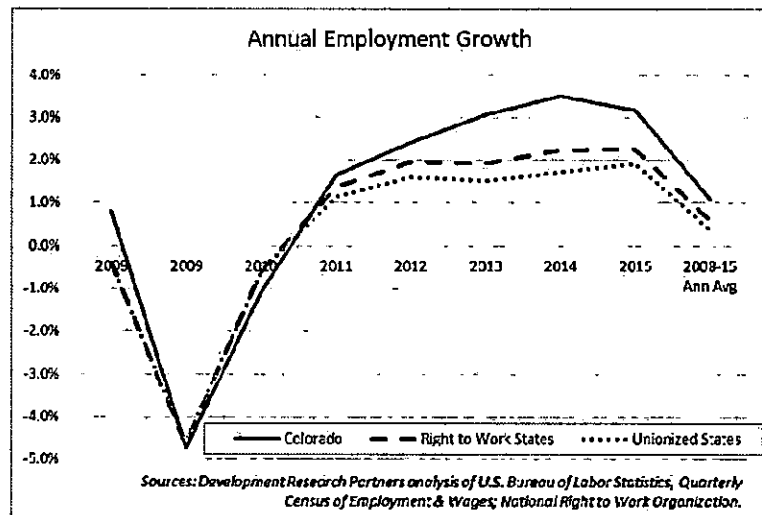
Development Research Partners

Patricia Silverstein Testimony, SB17-055, March 15, 2017

Colorado's unique modified right-to-work status, established by the Labor Peace Act, has supported one of the nation's most robust economies. Our state has consistently ranked in the Top 10 of job creation, business climate, entrepreneurship, and innovation. From an economics standpoint, there are two potential reasons for changing the state's right-to-work status. That is, a change may be warranted if either employment growth and/or wage growth would likely be stronger if Colorado became a right-to-work state. The Quarterly Census of Employment & Wages data for the period from 2008 - 2015, which is the latest year available for this data series, suggests that neither of these results is likely.

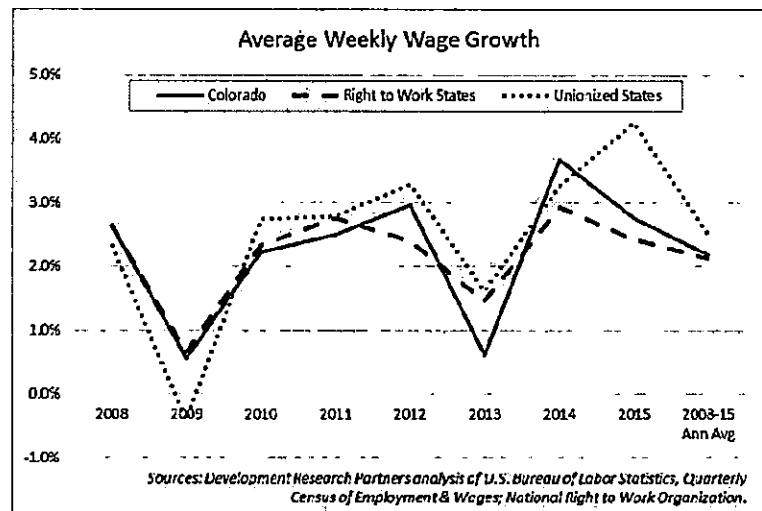
Employment Growth

Colorado ranked fifth out of the 50 states for employment growth in 2015, with the addition of 76,700 new jobs or a 3.2 percent employment growth rate. As the Annual Employment Growth chart shows, since the Great Recession, right-to-work states have generally posted a higher annual employment growth rate than unionized states. From 2008 to 2015, Colorado employment increased an average of 1.1 percent per year, which is greater than both the right-to-work states (0.6 percent) and the unionized states (0.4 percent).



Wage Growth

Colorado's average weekly wage of \$1,042 in 2015 ranked as the 12th highest average weekly wage in the country. Further, the state's average weekly wage in 2015 was higher than all 25 of the right-to-work states, with the exception of Texas (\$1,044) and Virginia (\$1,044). As the Average Weekly Wage Growth chart demonstrates, unionized states generally post a higher annual increase in the average weekly wage than right-to-work states. Colorado's average weekly wage growth of 2.2 percent per year from 2008 to 2015 was greater than the right-to-work states (2.1 percent) and was 0.3 percentage points lower than unionized states (2.5 percent).



As Colorado wage growth has been slightly higher than the right-to-work states and employment growth has been stronger, the data suggests that a change in the state's Labor Peace Act would not have a positive influence on our economic activity. I respectfully request that you vote against Senate Bill 55.