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**MEMORANDUM**

**TO:** House Labor Committee  
**FROM:** Jonas Peterson, CEO of Southwest Michigan First  
**SUBJECT:** HB 4004 and 4005 (Right-to-Work Repeal)  
**DATE:** March 8<sup>th</sup>, 2023

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Chair Haadsma, members of the House Labor Committee, thank you for the opportunity to testify today. My name is Jonas Peterson and I am the CEO of Southwest Michigan First, a regional community and economic development organization serving seven counties in Southwest Michigan. I am testifying today in opposition to HB 4004 and HB 4005, legislation to repeal Right-to-Work legislation.

At Southwest Michigan First, we lead a subsidiary organization called Consultant Connect, which is one of the largest networks of corporate site selectors in North America. We work side-by-side with hundreds of site selectors in cities such as Dallas, Phoenix, Atlanta, Chicago, New York, and Houston, just to name a few. Through Consultant Connect we have unique insight into the preferences and priorities of top-tier site selectors. Those site selectors consistently tell us being a Right-to-Work State makes Michigan more competitive. They also tell us that States without Right to Work are often not even considered for further evaluation by companies. Without Right to Work, we'll simply miss out on job creation opportunities.

In addition to our firsthand experience, there is overwhelming evidence showing States with Right-to-Work laws are more competitive and residents are better off:

- A Harvard Study from 2021 found that manufacturing employment was 28% higher in Right-to-Work states than the non-Right-to-Work states they bordered.
- According to the Bureau of Labor Statistics, in the nine years prior to Right-to-Work, Michigan's labor force participation was down over 350,000 jobs. In the nine years after the passage of Right-to-Work, Michigan's labor force participation is up almost 91,000 jobs.
- According to a recent study by Area Development, over 75% of site selectors indicated Right-to-Work is either important or very important in their work.

I want to be clear that we're not against unions. Instead, we are for personal choice. We're for giving workers freedom to decide if it is in their best interest to pay union dues. We believe choice is foundational to our democracy. Ultimately, we know choice makes our State more competitive and positively impacts all Michiganders.

We all want a more prosperous future for all Michiganders. In order to make that future a reality, we need more opportunities to land job creation projects, not less. We need more fully employed families, not less. And, we want residents to have more take home pay, not less.

According to a 2021 Reuters article, union dues average 1.5-2% of a worker's take-home pay. During this time when it costs more to buy everything from groceries to feed our families to natural gas to heat our homes, it's important that we give workers the choice to decide how to spend their hard-earned paychecks. Below are a few examples of the union dues burden some families face.

- Example 1: A food service worker making minimum wage will pay on average \$420 per year in union dues.
- Example 2: A production worker making \$15 per hour will pay on average \$620 per year in union dues
- Example 3: A dental assistant making \$20 per hour will pay on average \$830 per year in union dues.

Being a Right-to-Work state has allowed us to compete with not only neighboring states, but states all across the country for large-scale transformational projects. This isn't just about large-scale projects though, being a Right-to-Work state allows us to compete for projects of all sizes.

I urge the members of this committee to vote against HB 4004 and 4005 so that we can continue the good work of making Michigan a place where people and businesses can thrive.