THE IMPACT OF OREGON’S PREVAILING WAGE RATE LAW

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WHY DO PREVAILING WAGE LAWS EXIST?

Description:
Local minimum wages for different types of skilled construction work on public construction projects

Purpose:
To create a level playing field for contractors by ensuring that taxpayer dollars reflect local standards for compensation, craftsmanship, and safety
Oregon's Prevailing Wage Rate Law increases the market share of in-state contractors by **12 percent.**

PREVAILING WAGE BOOSTS PRODUCTIVITY

Boosts enrollment in apprenticeship programs by **8%**

<table>
<thead>
<tr>
<th>Geography</th>
<th>Active Apprentices in FY2019</th>
<th>Construction and Extraction Workers in May 2019</th>
<th>Apprentices Per 100 Construction and Extraction Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oregon</td>
<td>10,436</td>
<td>87,280</td>
<td>12.0</td>
</tr>
<tr>
<td>Washington</td>
<td>18,442</td>
<td>169,600</td>
<td>10.9</td>
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<tr>
<td>Idaho</td>
<td>2,411</td>
<td>42,890</td>
<td>5.6</td>
</tr>
</tbody>
</table>

CONSTRUCTION IS NOT LOW-SKILLED WORK

Construction joint labor-management apprenticeship programs require 30% more training than public universities.

JOINT LABOR-MANAGEMENT APPRENTICESHIP PROGRAMS IN OREGON

7,000 hours

PUBLIC UNIVERSITIES IN OREGON

5,400 hours

Oregon’s Prevailing Wage Rate Law delivers pathways into the middle class.

Prevailing wage increases blue-collar construction worker incomes by 8 percent, with larger impacts on low-income construction workers (11 percent).

PREVAILING WAGE STRENGTHENS THE ECONOMY

Oregon's Prevailing Wage Rate Law has positive economic impacts.

Prevailing wage saves or creates 5,400 jobs and boosts the economy by $752 million.

PREVAILING WAGE = BEST VALUE FOR TAXPAYERS

- Use of skilled workers controls construction costs and ensures that projects are completed safely, on time, and on budget.

- 83% of academic studies conducted since 2000: Prevailing wage has no impact on public construction costs.

- Labor costs as a share of total construction costs: 25% in Oregon.
PREVAILING WAGE IMPROVES BID COMPETITION

Oregon's Prevailing Wage Rate Law is associated with **19 percent** more bid competition.

Oregon could consider strengthening its Prevailing Wage Rate Law.

Total construction worker incomes would rise by $100 million and state tax revenues would increase by $10 million.

STRONG OREGON BUILT WITH PREVAILING WAGE

1. Levels the playing field for local contractors
2. Attracts and retains skilled workers
3. Promotes ladders into the middle class
4. Provides great value for taxpayers
5. Builds quality infrastructure and strong communities
THANK YOU!

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