

THE IMPACT OF OREGON'S PREVAILING WAGE RATE LAW

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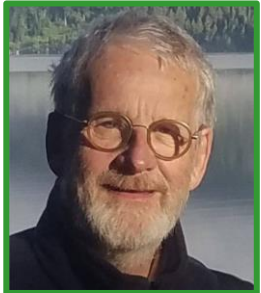
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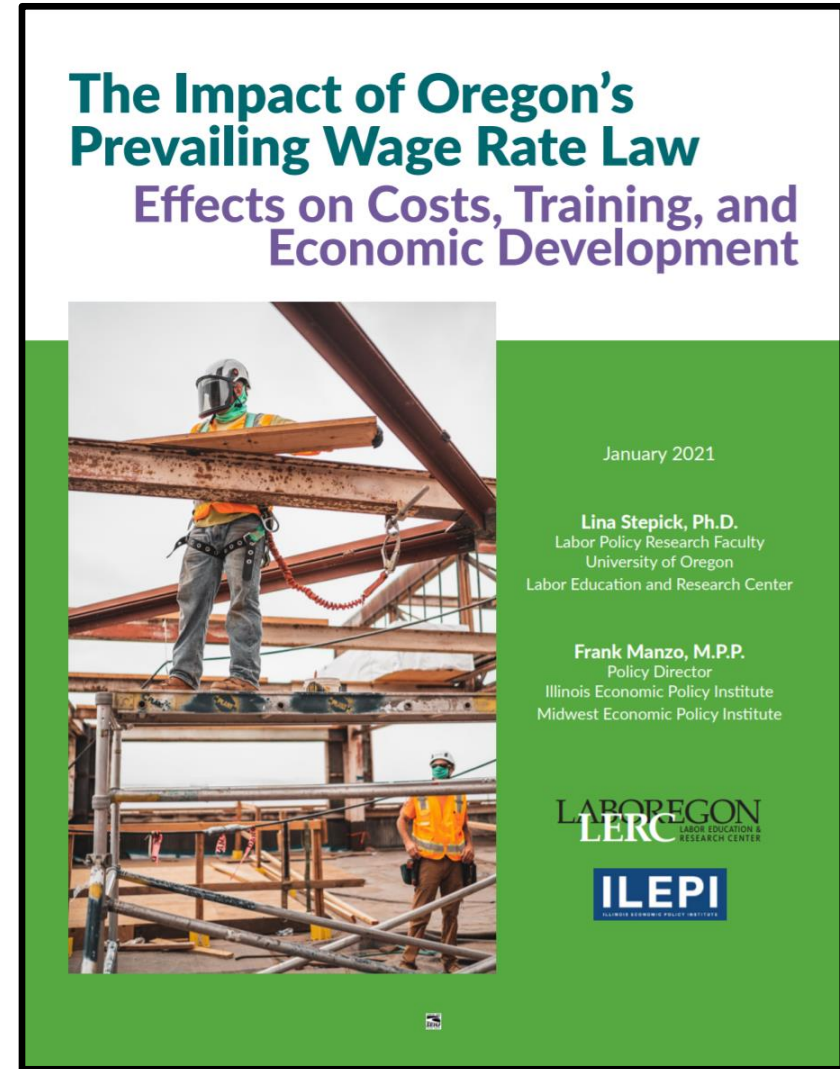
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WHY DO PREVAILING WAGE LAWS EXIST?

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

PREVAILING WAGE LEVELS THE PLAYING FIELD

Oregon's Prevailing Wage Rate Law
increases the market share of in-state
contractors by **12 percent.**



Source: "The Impact of Oregon's Prevailing Wage Rate Law: Effects on Costs, Training, and
Economic Development," January 2021, Frank Manzo IV, MPP, and Lina Stepick, Ph.D.

PREVAILING WAGE BOOSTS PRODUCTIVITY



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

Geography	Active Apprentices in FY2019	Construction and Extraction Workers in May 2019	Apprentices Per 100 Construction and Extraction Workers
Oregon	10,436	87,280	12.0
Washington	18,442	169,600	10.9
Idaho	2,411	42,890	5.6

Source(s): U.S. Department of Labor Education and Training Administration's "Data and Statistics" ([DOLETA, 2020](#)) and U.S. Department of Labor Bureau of Labor Statistics' "Occupation Employment Statistics: May 2019" ([BLS, 2019](#)).

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**

Source: "The Impact of Oregon's Prevailing Wage Rate Law: Effects on Costs, Training, and Economic Development," January 2021, Frank Manzo IV, MPP, and Lina Stepick, Ph.D.

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PREVAILING WAGE EXPANDS THE MIDDLE-CLASS

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



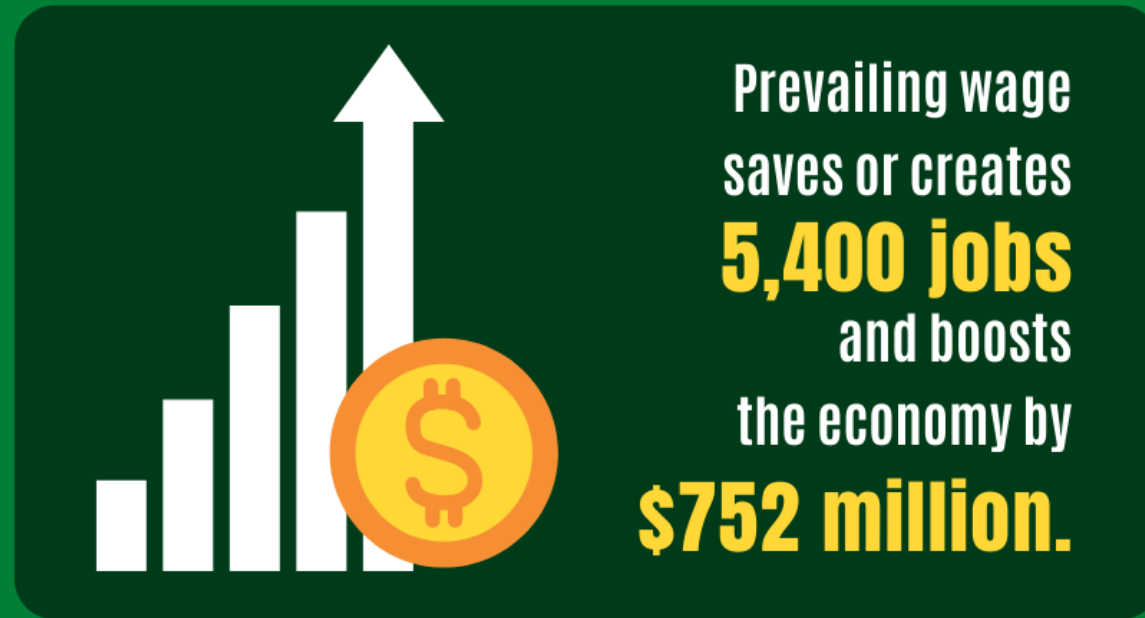
Prevailing wage increases blue-collar construction worker incomes by **8 percent**, with larger impacts on low-income construction workers (**11 percent**).

Source: "The Impact of Oregon's Prevailing Wage Rate Law: Effects on Costs, Training, and Economic Development," January 2021, Frank Manzo IV, MPP, and Lina Stepick, Ph.D.

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PREVAILING WAGE STRENGTHENS THE ECONOMY

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



Source: "The Impact of Oregon's Prevailing Wage Rate Law: Effects on Costs, Training, and Economic Development," January 2021, Frank Manzo IV, MPP, and Lina Stepick, Ph.D.

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.



Source: "The Impact of Oregon's Prevailing Wage Rate Law: Effects on Costs, Training, and Economic Development," January 2021, Frank Manzo IV, MPP, and Lina Stepick, Ph.D.

WASHINGTON'S STATE PREVAILING WAGE LAW

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.

Source: "The Impact of Oregon's Prevailing Wage Rate Law: Effects on Costs, Training, and
Economic Development," January 2021, Frank Manzo IV, MPP, and Lina Stepick, Ph.D.

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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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