

Illinois study suggests prevailing wage laws help minorities

by Rusty Marks STAFF WRITER Mar 19, 2018
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CHARLESTON — A recent study by an Illinois-based public policy institute suggests prevailing wage laws help improve income disparities between white and minority construction workers.

The study, conducted by the Illinois Economic Policy Institute and University of Illinois at Urbana-Champaign, looked at data from 2013, 2014 and 2015 to try to determine what effect prevailing wage laws had on construction workers, based on race and trades workers were engaged in.

“While prior research has concluded that there is no relationship between prevailing wage laws and the racial composition of the construction workforce, the data clearly shows that these laws help eliminate income disparities between black and white construction workers,” said study co-author and University of Illinois Professor Robert Bruno.

“African-Americans employed as laborers, plumbers, pipefitters, electricians and heavy equipment operators see the largest gains.”

The study can be found at <https://illinoisepi.files.wordpress.com/2018/02/ilepi-pmcr-prevailing-wage-reduces-racial-income-gaps-final.pdf>.

The study, utilizing data from the American Community Survey, examined construction worker earnings by race and trade, comparing the results between states with prevailing wage laws and those without. Overall, the researchers found that prevailing wage laws lift the incomes of African American construction workers by an average of 24 percent, and close the income gap with white workers from 26 percent to just 12 percent.

“Prevailing wage stabilizes minimum wage and benefit standards on public construction projects, benefiting all workers regardless of race or construction trade,” the study concludes. “As long as they can do the work, all workers with the same level of skill proficiency performing the same job duties with the same equipment must be paid the same prevailing wage and benefits package — no matter their race or gender or any other demographic characteristic unique to the individual.

“State prevailing wage laws level the playing field for contractors, preventing them from paying less than the local living wage to any group of workers,” the study suggests. “As a result, state prevailing wage laws raise the incomes of underprivileged groups and reduce overall inequality without having negative impacts on participation in the trades. State prevailing wage laws reduce wage discrimination in construction.”

In 2016, the West Virginia Legislature abolished prevailing wage requirements for public construction projects. Those in favor of eliminating prevailing wage requirements said doing away with the requirements would save the state money.

It is unclear if any money has been saved by eliminating prevailing wage requirements. Few publicly funded projects have been completed in the Mountain State since prevailing wage laws were abolished in early 2016.

“While there is little to no evidence that abolishing our state’s prevailing wage law has saved the state money on public projects, it is clear that the law promotes equality by ensuring that all construction workers get paid a fair wage for their hard work,” said Ted Boettner, executive director of the left-of-center West Virginia Center on Budget & Policy.

“West Virginia needs to boost the share of construction workers in West Virginia that are African American and it needs to reinstate its prevailing wage law to provide a level playing field for all,” Boettner said. “With nearly \$2.8 billion in new road construction projects announced, it is imperative the (Division) of Highways ensures that African-Americans and other people of color are well represented on those projects.”

Garrett Ballengee, director of the conservative Cardinal Institute for West Virginia Policy, was unavailable for comment on Monday.

The Illinois study also compared take-home income for construction trades in prevailing wage states and states with no prevailing wage requirements.

“In states without prevailing wage laws, not a single average skilled craft salary reaches the nationwide average,” the study concluded. “With prevailing wage, at least two crafts exceed this threshold (operating engineers and electricians), while one other falls just short (plumbers, pipefitters, and related occupations).”

“For the largest skilled construction crafts, prevailing wage laws improve incomes by between \$1,800 and \$12,000 per year,” said study co-author and Illinois Economic Policy Institute Policy Director Frank Manzo IV. “These laws clearly have the effect of reducing poverty and giving more blue-collar workers of all races a chance to join the middle class.”