

The logo for 'protectmofamilies' features a stylized graphic of overlapping squares in shades of gray and yellow to the left of the text 'protectmofamilies' in a bold, black, sans-serif font.

# protectmofamilies

## WHAT ARE PREVAILING WAGE LAWS?

*Missouri's Prevailing Wage laws ensure that ALL skilled workers are paid fairly, so employers can't undercut them and drive wages down, hurting our economy. They ensure our schools and roads are built safely, by qualified and skilled workers, not by out-of-state companies or undocumented workers.*

**DEFINITION:** Missouri's Prevailing Wage law applies to all public works projects constructed on behalf of state and local public bodies. It establishes a minimum wage rate that must be paid to workers on such projects in Missouri, such as bridges, roads, schools, and government buildings. The prevailing wage rate differs by county and for different types of work and is the **minimum** prevailing wage rate required for the project. Employees and employers are free to bargain for a higher rate of pay.

## PREVAILING WAGE...

**-KEEPS PAY FAIR AND WORK SAFE.** Missouri's Prevailing Wage laws ensure that ALL skilled workers are paid fairly, so employers can't undercut them and drive wages down, hurting our economy. They ensure our schools and roads are built safely, by qualified and skilled workers, not by out-of-state companies or undocumented workers.

**-KEEPS MISSOURI'S TAX BASE STRONG.** Cutting constructions workers' pay and allowing out-of-state companies to build in Missouri will have a direct effect on tax revenues throughout the state. Lower wages will result in \$28 million less in tax revenues here, meaning more cuts to schools and local communities.

**-IS GOOD FOR ALL WORKERS.** Prevailing Wage laws benefit all Missouri workers, including both union and nonunion skilled trade workers by guaranteeing everyone is paid an equal wage, so companies cannot under-bid a project by paying cheaper wages.

**-ENSURES QUALITY WORK BY SKILLED WORKERS.** Highly-skilled trades are crucial to Missouri's economy. If we repeal the prevailing wage law, it will mean lower wages for workers in skilled trades and cuts in apprenticeship programs, taking young people less likely to enter skilled fields like electricians and carpenters, hurting our economy.

## WHO'S BEHIND ATTEMPTS TO REPEAL OUR PREVAILING WAGE?

Efforts to repeal Missouri's prevailing wage laws are being pushed by big corporations and billionaires who are trying to pad their own pockets at the expense of Missouri workers, lowering wages and hurting the middle class.

**Learn more, get the facts and get involved at [www.ProtectMOFamilies.com](http://www.ProtectMOFamilies.com)**



## FACTS

### REPEALING PREVAILING WAGE WOULD BE BAD FOR MISSOURI'S WORKERS AND ECONOMY

- ✓ If Missouri's prevailing wage law was repealed, residents of Missouri and their families would annually lose between \$216.5 million and \$346.6 million in income.<sup>1</sup>
- ✓ If Missouri's prevailing wage law was repealed, the annual economic loss in income and revenue would be between \$225.3 million and \$360.7 million.<sup>1</sup>
- ✓ If the 25 states with strong/average Prevailing Wage laws were to weaken or repeal their laws, it would result in a total employment decline of 400,000 jobs. The national impact of this reduction in workers' labor income would shrink the economy by \$65 billion and reduce total tax revenues by over \$8 billion.<sup>2</sup>
- ✓ States with weak or no prevailing wage laws currently spend \$367 million more per year on food stamps and Earned Income Tax Credits for construction workers than states with average/strong prevailing wage laws.<sup>2</sup>

### REPEALING PREVAILING WAGE DOES NOT SAVE TAXPAYERS MONEY

- ✓ 75% of recent peer-reviewed studies indicate that construction costs are not affected by Prevailing Wage.<sup>2</sup>
- ✓ Labor costs are a low (and declining) percentage of total costs in the construction industry—approximately 23% in the U.S.<sup>2</sup>
- ✓ For the period 2011-2015, the mean square foot costs of construction in prevailing wage states was \$48.67 lower than in non-prevailing wage states<sup>1</sup>
- ✓ The repeal of the prevailing wage statute in Missouri will not result in any cost savings in school or library construction costs.<sup>1</sup>

### REPEALING PREVAILING WAGE = UNSAFE WORKING CONDITIONS

- ✓ On average, there are 8.5 fatal work-related injuries per 100,000 full-time construction workers in states with strong Prevailing Wage laws. In states without a prevailing wage law, the fatality rate is 12.1 work-related deaths per 100,000 full-time construction workers.<sup>2</sup>

[1] Michael P. Kelsay, Ph.D., *The Adverse Economic Impact from Repeal of the Prevailing Wage Law in Missouri*, April 2016

[2] Frank Manzo IV, MPP; Alex Lantsberg, MCP, AICP; and Kevin Duncan, PhD *The Economic, Fiscal, and Social Impacts of State Prevailing Wage Laws: Choosing Between the High Road and the Low Road in the Construction Industry*, February 2016