

*Immediate Release*

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## **West Virginia’s Prevailing Wage Law is Smart Business, Good for Workers** *Report Shows W.Va. has Lower Construction Costs than Non-PWL States*

[Charleston, WV] – West Virginia lawmakers considering a repeal of the state’s long-standing prevailing wage are trying to solve a problem that doesn’t exist and it could hurt working families and our local economy. This according to a report out today “West Virginia’s Prevailing Wage: Good for Business, Good for Workers,” by the West Virginia Center on Budget and Policy.

West Virginia’s prevailing wage has been in place since the 1930’s and provides a minimum wage and benefit level for construction workers working on public projects. Lawmakers see elimination of this standard as a way to save the state money, allowing contractors to cut wages in order to lower their bids on state construction projects. While this might sound like a good plan on the surface, in reality, West Virginia’s construction costs are already lower than its neighboring states including Virginia, which does not even have a prevailing wage law.

“The evidence clearly shows that West Virginia’s prevailing wage law is not only a good deal for the state’s construction workers, but for the taxpayers as well,” stated Sean O’Leary, fiscal policy analyst at the West Virginia Center on Budget and Policy and author of the report. “When it comes to public construction, you get what you pay for. Research consistently shows any hypothetical cost savings from paying lower wages is lost to lower productivity.”

Thirty-two states, including West Virginia, set a prevailing wage for state-funded construction projects. These wages ensure that jobs are given to qualified workers from the community. These good-paying local jobs increase worker productivity while boosting the area’s economy.

### **Here are the report’s key findings:**

- Multiple academic studies have shown that prevailing wage laws do not raise public construction costs; instead the impact of higher wages on costs is compensated by the positive effect on productivity.
- West Virginia’s school construction costs are lower than its surrounding states, including Virginia, which does not have a prevailing wage law and Ohio, which exempts school construction from its prevailing wage law.
- Claims by opponents about the costs of West Virginia’s prevailing wage law are implausible and based on hypothetical assumptions, ignoring actual experience, evidence and data.
- Construction workers in West Virginia work an average of 1,760 hours per year. Using wage rates from the Occupational and Employment Statistics data rather than the current prevailing wage rates would result in poverty-level incomes for many construction occupations.
- The repeal of prevailing wage laws leads to less workforce training, less experience in the workforce, higher injury rates, lower health and pension coverage, and lower wages.

Repealing the state’s prevailing wage will harm an economy that is still recovering from the Great Recession. Forcing skilled, trained laborers to work for close to minimum wage will push even more West Virginia working families to the poverty line, making them rely on programs like food stamps just to get by.