



A STRONG VOICE FOR OREGON'S WORKERS

February 10, 2025

Chair Taylor, Vice-Chair Hayden and members of the Senate Labor and Business Committee,

The Oregon AFL-CIO represents 300,000 workers across Oregon and is a voice for all workers in the legislative process. Thank you for the opportunity to testify on the importance of Oregon's prevailing wage to promote and sustain Oregon's economy.

Prevailing wage is a critical Oregon value: public tax dollars should fundamentally promote jobs with family-supporting wages, health and pension benefits, and programs that commit to meaningfully diversifying the workforce. The economic return on prevailing wage are many but I want to highlight just a few most recently substantiated by LERC's prevailing wage report¹:

- Prevailing wage laws have no effect on the cost of traditional public projects. This analysis takes into account factors that can influence costs, such as project size, project type, number of bidders, and the business cycle.
- An analysis of more than 2,000 bids on public projects found that prevailing wage has no effect on bid competition – and may in fact increase the number of bidders.
- Oregon's prevailing wage rate law increases the chances that in-state contractors will be awarded public projects.
- Prevailing wage laws increase training, boost worker productivity, and reduce injury rates.
- Our law also increases construction worker incomes by 8 percent, with larger effects on low-income and middle-class construction workers.

Given the very clear return on investment for Oregon's economy, there is no logical economic reason to further exempt any public project from prevailing wage. Because we also know that our current prevailing wage law creates 5,400 jobs, improves the state economy by \$752 million, and generates \$35 million in state and local tax revenues every year – and currently that doesn't even include the building of affordable housing.²

While corporate profits are at record highs, far too many Oregon workers are just one pay raise away from actually being able to afford median housing costs. Ultimately, we know that legislators want to build affordable housing and childcare centers where a worker who built that structure doesn't have to utilize it themselves because of low wages and uncovered benefits.

While we appreciate the legislature's efforts to meaningfully address the housing and childcare crises, if we do so in a way that does not support, promote and sustain good jobs, we will never truly solve the problem. We look forward to continuing to partner with you to find a better solution to the problems at hand than what is outlined in SB 1566.

¹ https://bpb-us-e1.wpmucdn.com/blogs.uoregon.edu/dist/a/13513/files/2021/01/FNL_Prevailing_Wage_Report.pdf

² https://bpb-us-e1.wpmucdn.com/blogs.uoregon.edu/dist/a/13513/files/2021/01/FNL_Prevailing_Wage_Report.pdf