

Repealing Prevailing Wage Could Cost Wisconsin Taxpayers \$336 Million

Written by Wisconsin Assembly Democrats

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<http://newiproggressive.com/images/stories/S5/road-construction-worker-s5.jpg>



New report from the Midwest Economic Policy Institute examines impacts to the salaries of construction workers in Wisconsin.

MADISON – Legislative Democrats joined contractors and labor industry groups today to react to a new study that found a full repeal of prevailing wage could cost Wisconsin taxpayers more than \$336 million annually. The report also found that veterans would be hit hard by Gov. Walker's plans to repeal prevailing wage. Overall, veteran's wages could decline by as much as \$113 million by 2018.



"The men and women who build our roads, bridges and buildings here in Wisconsin are vital to our communities and our economy. We need to make sure that we keep common-sense policies in place so that someone who works hard to build safe roads for our children is paid a fair wage," said Assembly Democratic Leader Peter Barca (D – Kenosha). "I've heard my colleagues across the aisle say repeatedly that they want to give people a hand up not a handout. Repealing prevailing wage does the exact opposite of that as it actually assures more workers will need government assistance. I'm amazed that Republicans believe that when

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someone works 40 hours a week, 52 weeks a year, they should have to depend on FoodShare just to feed their family. This report should be a game-changer that makes my GOP colleagues reconsider this damaging policy. That's not the Wisconsin way forward. It's a gigantic step backward."



"Gov. Walker and Republicans have spent the last six years cutting workers' wages, eliminating workplace protections and outsourcing Wisconsin jobs," said Senate Democratic Leader Jennifer Shilling (D – La Crosse). "This study proves what we have all come to know in Wisconsin. Gov. Walker's policies are bad for workers, bad for families and bad for veterans. Democrats are committed to raising family wages, protecting Wisconsin jobs and making sure everyone who works hard has the chance to get ahead."

The recent report from the Midwest Economic Policy Institute (MEPI) examined the impacts to the salaries of construction workers in Wisconsin. According to the study, the average construction worker's salary could be cut from \$51,000 a year to less than \$29,000. MEPI found that cutting the salaries of Wisconsin construction workers would leave more workers dependent on safety-net programs like FoodShare, low-income tax credits and health care subsidies.

"You get what you pay for. That saying is true when it comes to Wisconsin's roads, bridges and buildings," said Matt Bell, president and owner of US Vet General Contracting. "I'm lucky enough to work with folks every day who served our country in the armed forces. When they come back home, they are willing to work hard for Wisconsin too. They pull long hours to build safe, reliable hospitals and facilities. They do quality work and they should be able to earn a living wage. Repealing prevailing wage will let cut-rate, out-of-state companies swoop in and make a cheap bid for work that could have gone to a Wisconsin company. We need to do what's right for our workers and our veterans; we need to keep prevailing wage."

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MEPI also found that repealing prevailing wage would disproportionately hurt Wisconsin's veterans. According to the Wisconsin American Legion, veterans often seek jobs in the construction industry after they leave active service. Approximately, 2,000 veterans are likely to separate from their jobs by 2018 as a result of the repeal of prevailing wage, according to the study. It could also result in a decline in veterans' wages of \$113 million by 2018. More than 200 veteran construction workers would earn less than the federal poverty line.

Based on the most conservative estimates, MEPI still found that Wisconsin construction workers could see a cut of more than \$7,000 a year from their paychecks. That's \$600 less in each monthly budget to support a family of four.

The full report from the Midwest Economic Policy Institute is available [here](#) .