



**A2Y Chamber Statement on Prevailing Wage
March 23, 2017**

Michigan is one of thirty-one states with a Prevailing Wage law. Prevailing Wage provides a base level wage for state and some local government construction projects. Proponents argue it ensures better and safer work for these projects, along with broader societal benefits by providing a more competitive wage for necessary construction jobs. Critics argue it artificially distorts (inflates) wages paid for by tax dollars. Michigan passed its Prevailing Wage law in 1965, and both supporters and opponents point to different research showing the benefits of either keeping the law in place or repealing it.

There is no consensus on the overall statewide savings or losses of repealing Prevailing Wage. However, its repeal, four years after Right-to-Work, could jeopardize the positive benefits Washtenaw County sees from multiple annual labor group conventions. These conventions bring in roughly \$15M annually to Washtenaw County. This provides restaurants, shops, and other businesses with revenue boosts that help get them through slower summer months, or in some cases, provides them the margin to have a profitable year. More importantly, keeping Prevailing Wage in place will help community build on the success it has had in getting more students to pursue employment in the skilled trades. These include the successful programs at Washtenaw Community College, which has signed several long term contracts on these efforts.

Repealing the Prevailing Wage law would create great uncertainty, both in the net effect on public budgets, and in the unforeseen indirect consequences. The existing paradigm works for our state and our community. Keeping competitive wages for the skilled trades industry will help Michigan keep and attract the necessary workforce to build and repair our infrastructure as our economy grows. The A2Y Chamber asks the Michigan Legislature not to act on legislation designed to repeal Prevailing Wage.