



MEMO

To: Interested Parties

From: Construction Workforce Project Director of Advocacy Clark Peña

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Here's Why a Prevailing Wage Expansion Would Be Bad News For New York's Minority- and Women-Owned Businesses

With state budget negotiations under way, lawmakers are discussing the possibility of expanding prevailing wage requirements to include all private projects that receive public funds. However, instituting these new requirements would have serious negative economic ramifications—particularly for working families in New York. First, expanding prevailing wage would eliminate jobs, especially for the workers of color and the minority-owned businesses who rely on them most. Additionally, a prevailing wage expansion would significantly limit affordable housing opportunities in New York's already-strained housing market.

As an advocacy group for New York's non-union, open shop workforce, the Construction Workforce Project (CWP) is reminding New Yorkers how any prevailing wage will sabotage hard-earned employment and housing opportunities. Each morning this week, CWP will highlight a reason why including a prevailing wage expansion in the state budget could have long-lasting, adverse repercussions.

Reason #2: MWBE

An expansion of prevailing wage requirements would stifle Minority and Women-Owned Business Enterprises (MWBE) and favor politically connected union bosses. MWBEs would, frankly, find the [increase](#) in construction costs prohibitive as a result of the union-backed policy.

You do not have to take our word for it—the [NAACP](#) New York State conference agrees, saying, “Advancing this legislation would undermine the State Legislature’s progressive agenda by taking good jobs and opportunities away from workers of color and MWBEs in New York’s construction industry.”

Under a prevailing wage expansion, construction costs are anticipated to [rise](#) by 23 percent in New York City, 20 percent in Long Island, and 15 percent in the Hudson Valley. This added cost will surely favor large, wealthy, and sophisticated contractors over MWBEs.

Simply put, a prevailing wage expansion would halt the advancement of MWBEs and effectively [block](#) people of color from bidding on New York construction contracts.