



## THE CONSTRUCTION WORKFORCE PROJECT

# WHAT COULD A PREVAILING WAGE EXPANSION MEAN FOR MINORITY WORKERS AND BUSINESS OWNERS IN NEW YORK'S CONSTRUCTION INDUSTRY?

### **It could limit job opportunities for workers of color.**

Prevailing wage mandates are essentially union mandates – and some of New York City's construction unions have a history of racial discrimination.

Just months ago, six Black members of the Operating Engineers Local 15 union filed a racial discrimination lawsuit against their union bosses, alleging that white workers were getting all the good jobs. Meanwhile, around 75 percent of non-union construction workers in New York City are Black or Latino. New prevailing wage mandates could mean replacing those workers of color with union workers who are more likely to be white.

### **It could limit opportunities for local hiring on new projects.**

Approximately 75 percent of non-union construction workers in New York City actually live in the five boroughs. The same can't be said of union construction workers, who are more likely to live in outside the city or in New Jersey or Connecticut.

Entry-level non-union construction workers can earn at least \$20 per hour, which far exceeds the wages paid for most entry-level jobs in restaurants or retail settings. But if new prevailing wage mandates are put in place, those locally based workers could be replaced by union workers who do not even live in New York City.

### **It could limit opportunities for MWBE contractors.**

New Yorkers agree that we must do more to ensure a fair playing field for minority- and women-owned businesses. It is already much too hard for MWBE contractors to compete in the construction industry.

But prevailing wage mandates increase construction costs by around 25 percent. This could make it even harder for MWBEs to win the new contracts they need to stay in business – and it could turn back the clock on diversity in the industry. Higher costs, unfair penalties and onerous regulations could lock out the minorities and women who deserve a fair shake.

### **It could undermine progress in the construction industry.**

Increasing workforce diversity, local hiring and MWBE participation are top priorities for those who care about the future of New York City's construction industry. A prevailing wage expansion could put them all at risk.

*The Construction Workforce Project is a 501(c)(3) non-profit organization that is focused on supporting the interests of non-union, or merit shop, construction workers in New York City. By investing in policies and programs that focus on the merit shop, we can help ensure a better future for thousands of workers across New York City's communities of color.*