



MARCH 2017

MISSION (real)POSSIBLE: PROTECT OUR VETERANS! SUPPORT PREVAILING WAGE LAWS!

Peer-reviewed Studies Conclude Repeal Hurts Veterans And Their Families

Wisconsin Prevailing Wage laws protect and ultimately benefit veterans and their families according to numerous peer-reviewed studies. Veterans gravitate toward careers in the construction industry because **they want to continue to serve their country and their communities.** Veterans want to build safer communities and keep them safe. Prevailing wage laws protect jobs, taxpayers and family-supporting wages.

REPEALING PREVAILING WAGE LAW— “NEGATIVE ECONOMIC IMPACTS” ON VETERANS

Focusing on the construction industry—a recent academic study* analyzing the economic impacts of repealing Wisconsin’s Prevailing Wage law found there **“will be significant costs to gutting prevailing wage for Wisconsin’s veterans.”**

MEPI - STUDY CONCLUSIONS:



1. MORE VETERANS SEEK POST-MILITARY CAREERS IN THE CONSTRUCTION INDUSTRY

- “Veterans are more likely to work in construction than non-veterans”*
- “Approximately 8.3% of all blue-collar construction workers in Wisconsin are military veterans, in line with neighboring states but well above the 6.9% U.S. average.”

2. 2,000 VETERANS’ JOBS WILL BE LOST

- “An estimated 2,000 blue-collar veterans are expected to separate from their jobs in Wisconsin’s construction occupations due to the prevailing wage changes.”

3. \$113 million IN LOST WAGES

- “...the total income of all veterans employed in construction jobs will decline by \$113 million, approximately 400 veterans will lose their employer-provided health plan, and about 200 veteran workers will fall into poverty by 2018.”

* “Prevailing Wage and Military Veterans in Wisconsin: Applied Policy Brief,” Midwest Economic Policy Institute, August 18

| Economic Impacts of Weakening Prevailing Wage on Veterans | Current Value | Projected Value | Change: By 2018 |
|---|---------------|-----------------|-----------------|
| Employed as Blue-Collar Construction Worker | 8,900 | 6,900 | -2,000 |
| Total Wage and Salary Income | \$405 million | \$292 million | \$113 million |
| Total without Health Insurance Coverage | 3,300 | 3,700 | +400 |
| Total Earning Less than the Official Poverty Line | 200 | 400 | +200 |

Source(s): Authors' analysis of Ruggles et al., 2015.

CONCLUSION

Weakening prevailing wage standards **reduces the attractiveness of employment** in a construction occupation for veteran workers. By reducing the number of veterans with employer-provided **health insurance**, worsening veteran **poverty**, and shrinking the market share of veteran-owned construction companies, the January 2017 changes will **increase burdens on taxpayers** while **reducing the incomes** of veteran workers who served their country. Reversing the January 2017 changes or strengthening prevailing wage in Wisconsin, on the other hand, would promote a middle-class, self-sufficient lifestyle for veterans choosing to work in construction.

DON'T TAKE OUR WORD FOR IT

Study Peer Review: Abdur Chowdhury, Professor, Department of Economics, Marquette University

1. "prevailing wage laws do not increase the total cost of construction"
 - a. The belief that reducing wages will reduce costs is based on a simple and incomplete understanding of the construction industry.
 - b. labor costs and benefits are approximately 20% of total costs
2. "prevailing wage laws create a level playing field for local businesses competing with out-of-area or foreign companies for bids"
3. "The prevailing wage laws are...very much a veterans' issue"

**PROTECT OUR WISCONSIN VETERANS—
PROTECT OUR PREVAILING WAGE LAWS**

R E S O L U T I O N

WHEREAS, The American Legion has supported and advocated on behalf of Veterans employment since our founding; and

WHEREAS, Resolution 244 adopted at the 86th National Convention of The American Legion, held in Nashville, Tennessee in 2004, affirms The American Legion's support for veterans preference in federal, state and local government and our opposition to any and all efforts to reduce this preference; and

WHEREAS, Resolution 358 adopted at the 98th National Convention of The American Legion, held in Cincinnati, Ohio in 2016, urges all lawmakers at every level of government to oppose any and all efforts to repeal or circumvent veterans preference in government hiring practices; and

WHEREAS, Resolution 358 adopted at the 98th National Convention of The American Legion, held in Cincinnati, Ohio in 2016, urges all executives at every level of government to enforce veterans preference in their respective hiring agencies; and

WHEREAS, in 2016 the State of Wisconsin established the Council on Veterans Employment in the office of the governor, as described under 14.017 of State Statutes, to advise the governor and state agencies with the recruitment and employment of veterans by State government; and

WHEREAS, Section 2 of 230.042 of State Statutes calls for each State of Wisconsin agency to employ qualified veterans and veterans with a service-connected disability at a percentage equal to or greater than the percentage of veterans and veterans with a service-connected disability in the state civilian labor force, and

WHEREAS, Resolution 334 adopted at the 92nd National Convention of The American Legion, held in Milwaukee, Wisconsin in 2010, establishes the American Legion's position to ensure that veterans receive employment preference from employers who receive grants and contracts from the Federal government and employment preference from employers that receive funding on all Federally assisted projects; now therefore be it

RESOLVED, By The American Legion, Department of Wisconsin Executive Committee in regular meeting assembled in Baraboo, Wisconsin January 22, 2017 that the Department of Wisconsin hereby calls upon the State Legislature to pass legislation which requires State Agencies to adopt such measures as necessary to ensure that veterans and veterans with a service-connected disability receive employment preference so as to be employed at a percentage equal to or greater than the percentage of veterans and veterans with a service-connected disability in the state civilian labor force by employers who receive grants and contracts from State, County and Municipal governments and by employers that receive funding on all State, County and Municipal government assisted projects at wages that are at or above the local market rate, as set by 40 U.S.C. 3142.

