



# News Release

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## **Kevin Duncan, Prevailing Wage Expert, Keynotes ACCNJ Membership Meeting With Presentation on Prevailing Wage Benefits**

EDISON, NJ – Kevin Duncan, PhD, Senior Economist at BCG Economics and Professor of Economics at Colorado State University-Pueblo, headlined the March Membership Meeting of the Associated Construction Contractors of New Jersey (ACCNJ), presenting “The Economic and Fiscal Impacts of Prevailing Wage Laws” to more than 100 ACCNJ contractor members, labor partners and New Jersey legislators at the Doubletree Hotel in Eatontown on March 15, 2016.

Author of an authoritative, comprehensive study of state prevailing wage laws, Duncan reviewed in detail three key consequences of prevailing wages that motivated the study. Prevailing wages, he noted, have no effect on construction costs, but do have a positive impact on state and local economy through local wage protection, and do result in decreased incidence of construction worker poverty, which results in less reliance on public assistance, thereby lowering taxpayer burden.

Duncan emphasized that in states like New Jersey with strong prevailing wage laws, workers are more like to have health insurance and a retirement plan, and taxpayers in those states pay significantly less per year on food stamps and Earned Income Tax Credits. Construction workers in prevailing-wage states, he continued, contribute on average a half-billion dollars more in federal income tax than do construction workers in states with weak or no prevailing wage laws.

Duncan’s study, *“The Economic, Fiscal, and Social Impacts of State Prevailing Wage Laws: Choosing Between the High Road and the Low Road in the Construction Industry,”* published in February, found that 75% of recent peer-reviewed studies showed prevailing wages do not affect construction costs. Authored along with Frank Manzo IV, Policy Director at the Illinois Economic Policy Institute, and Alex Lantsberg, Research Analyst at Smart Cities Prevail, the study states that other studies “promising ‘cost savings’ from repeal of prevailing wage laws rarely undergo academic peer review,” and are based on the “myth that low-skilled, lower-paid workers offer the same productivity as higher-skilled workers...”

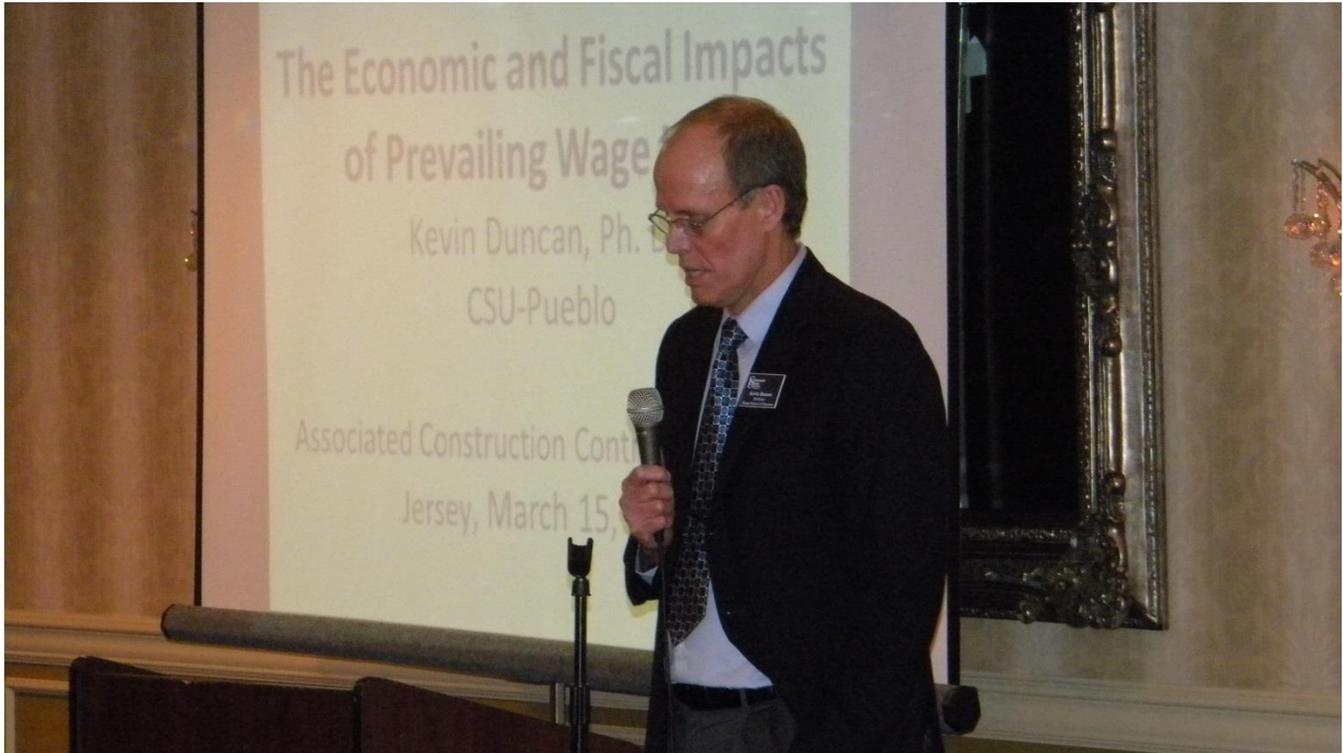
At present, only 25 states still have strong or average prevailing wage laws. He warns that when states weaken or repeal their laws, “about \$900 million in additional construction value is completed by out-of-state contractors,” whose wages and profits are then spent out-of-state.

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### **About ACCNJ**

As the state chapter of the Associated General Contractors of America – the oldest and largest construction association in the nation\* – ACCNJ holds four AGC of America charters: building, heavy, highway and utility. Its 300+ contractor members make ACCNJ the leading construction association in the state and the only organization representing both building and highway contractors in the commercial and public sectors.

\* AGC of America was established in 1918 and represents nearly 30,000 construction firms and suppliers across the nation.



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