

HB 2419: Prevailing wage and collective bargaining agreement policy analysis

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Applying observed WA state CBA impacts to an affordable housing project in Oregon

Example Affordable Housing Project – Cost Impact of Adopting CBA rates in Oregon

Trade Name	Total Journeymen Hours Worked	Percent of Labor Hours	Average Wage per Hour (OR average, 2021)	WA State Average Wage Increase (2018 to 2019)	Increased labor cost under CBA rates compared to PWR
ASBESTOS WORKER/ INSULATOR	1,241	1%	\$52.77	21%	\$ 13,435
BRICKLAYER/STONEMASON	747	0%	\$41.20	19%	\$ 5,717
CARPENTER	67,246	36%	\$41.83	8%	\$ 226,594
CEMENT MASON	5,197	3%	\$36.29	56%	\$ 105,223
DRYWALL TAPER	1,046	1%	\$40.42	5%	\$ 2,110
ELECTRICIAN	17,468	9%	\$42.90	15%	\$ 109,357
ELEVATOR CONSTRUCTOR	901	0%	\$56.92	3%	\$ 1,672
GLAZIER	2,512	1%	\$42.10	71%	\$ 75,366
IRONWORKER	11,393	6%	\$39.10	17%	\$ 77,541
LABORER	13,126	7%	\$30.80	4%	\$ 15,504
LANDSCAPE LABORER	3,132	2%	\$19.92	247%	\$ 153,890
PAINTER	11,935	6%	\$29.72	30%	\$ 106,584
PILEDRIVER	1,537	1%	\$42.87	11%	\$ 7,356
PLASTERER & STUCCO MASON	1,226	1%	\$39.09	55%	\$ 26,228
PLUMBER/PIPEFITTER/STEAMFITTER	11,286	6%	\$43.88	31%	\$ 155,402
POWER EQUIPMENT OPERATOR	10,419	6%	\$46.26	2%	\$ 9,975
ROOFER	2,968	2%	\$30.66	67%	\$ 61,119
SHEET METAL WORKER	14,899	8%	\$34.90	13%	\$ 68,696
SOFT FLOOR LAYER	4,381	2%	\$31.86	20%	\$ 27,744
SPRINKLER FITTER	2,268	1%	\$37.77	40%	\$ 34,156
Total Hours Across All Trades	184,925		\$ 39.15		\$ 1,283,670

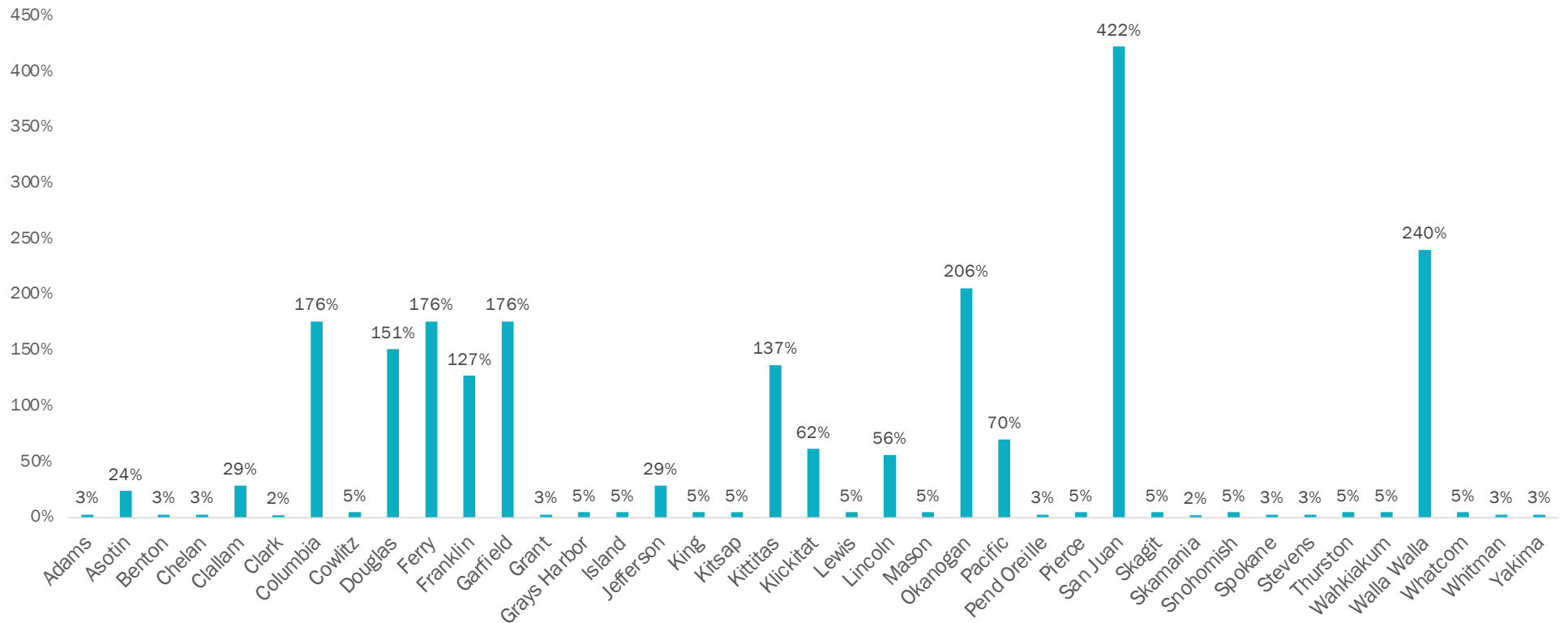
Note: Assumes the same impact in Oregon as observed in Washington state from 2018 to 2019, calculated as the simple average of all county level impacts

Sources: 1) Washington State Department of Labor and Industry <https://secure.lni.wa.gov/wagelookup/>,
 2) <https://www.oregon.gov/boli/workers/Prevailing%20Wage%20Rate%20Books/january-1-2021-pwr-rate-book.pdf>
 3) Contractor provided data from recently constructed 200 unit affordable housing project in Portland

Increased Labor Cost	17.7%
Labor Share of Construction Cost	55%
Total Project Cost Impact	9.8%

Prevailing wage rate increases under a CBA vary by trade and County in WA

Example Trade – Cement Masons hourly wage increase by County
 Prevailing wage rate change from 2018 to 2019 (after moving to a CBA approach through SB 5493)



Source: Washington State Department of Labor and Industry <https://secure.lni.wa.gov/wagelookup/>

Prevailing rates in the context of Oregon incomes

- The average hourly rate (weighted by job hours) for the example affordable housing project in Portland was \$39.15 per hour using 2021 statewide average PWR for all zones in Oregon
- The annual equivalent full time pay for \$39.15 per hour is \$81,100
- Hourly prevailing wages were calculated using the most conservative assumptions, and did not include additional zone differential distance pay, or overtime hours
- The 2019 median household income in Oregon is \$67,058
- A worker earning \$81,000 a year would be in the 84th percentile statewide

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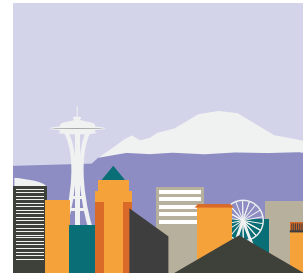
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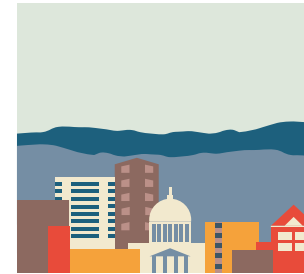
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