

UMKC study gets national attention

Missouri's prevailing wage law should not be repealed, according to the UMKC economics department

[Fadhel Kaboub](#) Apr. 26 . 2004

Missouri was the 26th state in the union to pass its prevailing wage law (PWL) in 1957, more than 70 years after Kansas which was the first state to pass the law in 1891.

Prevailing wage laws require that construction workers on public projects be paid the wages and benefits that are found by the Department of Labor to be "prevailing" for similar work in or near the locality in which the construction project is to be performed.

Opponents of the PWL claim that it increases the cost of public construction in the State of Missouri, a cost that is ultimately a burden on taxpayers.

The Missouri law has been amended three times, in 1986, 1987, and 1993. This year's legislative session might see a fourth amendment to Missouri's PWL.

A study published in January 2004 by the department of economics at UMKC is now getting increasing attention not only by state legislators but also local media, labor unions, and PWL experts nationwide.

The Kansas City Aurora was the first media to report the publication of the study and its importance to the economy of the state of Missouri (Jan. 26).

Kansas City's business magazine, *Ingram's* has published a four-page article summarizing the key results of the study in its April 2004 issue.

Ingram's has 25,000 subscribers, 84% of whom are senior staff business decision-makers in the Kansas City business community.

Peter Philips, Professor of Economics at the University of Utah, is one of the leading experts on the PWL. He has conducted PWL studies in more than twenty states and has contributed significantly to the academic and policy debate over the PWL.

"The central value of this study is its analysis of the multiplier effect," said Dr. Philips in his comments about the UMKC study at the Western Social Science Association annual meeting in Salt Lake City on Saturday April 24.

Besides several testimonies that the authors of the study have made for Missouri legislators, the study has been presented to several labor and management organizations in the construction industry, and has received national attention. The Sheet Metal and Air Conditioning Contractors' National Association (SMACCNA) has also invited the economics department to present the study next week (May 3) at its annual conference during the Sheet Metal Industry Week in Las Vegas.

The full document of the study can be downloaded from the economics department website at: www.umkc.edu/econ

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