

PROJECT LABOR AGREEMENTS DELIVER BETTER OUTCOMES IN THE CONSTRUCTION INDUSTRY

An analysis of construction projects from the Port of Seattle between 2016 and 2023—including airports and seaports—shows that project labor agreements (PLAs) promote competition amongst contractors, control construction costs, and deliver superior workforce development outcomes over projects completed without PLAs.

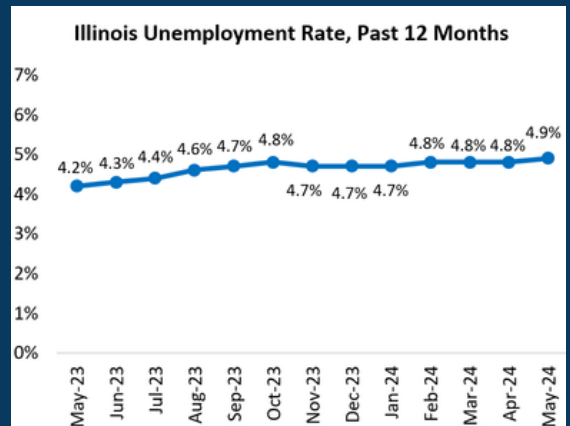
The study, *The Impact of Project Labor Agreements on Competition, Costs, Apprenticeships, and Diversity: Evidence from Port of Seattle Projects*, by the Illinois Economic Policy Institute and the University of Illinois at Urbana-Champaign was a first-of-its-kind. The study revealed that PLAs promote contractor competition, control costs, and deliver superior workforce development outcomes compared to non-PLA projects.

Data from 95 projects showed that PLAs neither hindered bid competition nor increased overall costs. Instead, PLA projects were often awarded below estimated costs, had smaller bid disparities, and saw higher utilization of apprentices, including women and people of color.

A new rule from the Treasury Department and IRS emphasized PLAs as a best practice to meet the IRA's wage and apprenticeship standards on clean energy projects. Ultimately, PLAs enhance project efficiency and workforce diversity.

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ILLINOIS ECONOMIC INDICATORS



Jobs added (rank), May-23 to May-24 = **+43,900 jobs (19)**

State unemployment rate (rank), May-24 = **4.9% (48)**

Average private sector wage (rank), May-24 = **\$33.28 (20)**

Private sector wage growth from May-23 to May-24 (rank) = **+0.8% (49)**

Illinois Flash Index (as of June-24) = **102.5**

RECENT OP-EDS:

- Child tax credits are powerful policy tools proven to reduce child poverty and boost economic activity. **Illinois lawmakers have approved a tax credit** for low-income families with children under age 12. Beginning in 2024, Illinois families earning up to \$47,000-\$63,000 annually will be eligible for this tax credit. While this initiative is commendable, Illinois could further alleviate the "**Great Affordability Crisis**" affecting many families by expanding the credit to include middle-class households, as seen in states like Minnesota and Vermont.
- **Project labor agreements (PLAs) positively impact construction projects**, benefiting businesses and taxpayers by enhancing cost efficiencies and workforce diversity. PLAs have been used since the 1930s on major projects like the Grand Coulee Dam and are currently employed in various large-scale projects, including NFL stadiums. Recent research finds that PLA-covered projects attracted 16% more bidders and were more likely to be completed under the original cost estimates. These projects also employed more apprentices, particularly from underrepresented groups, addressing the construction industry's long-term workforce needs.



O'HARE MODERNIZATION COULD GROW ECONOMY NEARLY \$20 BILLION

A new report reveals that the O'Hare 21 modernization program will create nearly 100,000 jobs by 2033 and generate more than \$2 in economic return for every dollar invested.

The report, titled *Cleared for Takeoff: The Economic Impacts of Completing the O'Hare 21 Modernization Program*, highlights several significant benefits upon the program's completion. These include boosting revenues at Chicago O'Hare International Airport by \$280 million annually, growing the Chicago metropolitan economy by over \$500 million per year, and increasing state and local tax collections by more than \$60 million annually.

Launched in 2018 as an \$8.5 billion initiative, the O'Hare 21 project encompasses constructing a new Global Terminal, expanding concourses, upgrading runways, and enhancing various transit systems. In May, the City of Chicago and major airlines [agreed on terms](#) to begin construction.

Already, runway improvements and other completed projects at O'Hare have reduced flight delays. The full completion of the modernization project is expected to support long-term growth at the airport, including a 20% increase in passenger numbers by 2030. Additionally, the project is projected to create 1,600 permanent jobs, including 400 positions directly at the airport and another 600 jobs with airlines, restaurants, retail establishments, and contracted service providers.

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