

AT A GLANCE

The Davis-Bacon Act allows union and non-union contractors to compete for federal construction jobs on equal footing. According to the U.S. Department of Labor, the law stipulates, “contractors or their subcontractors are to pay workers employed directly upon the site of the work no less than the locally prevailing wages and fringe benefits paid on projects of a similar character.” Wage rates are determined by the U.S. Department of Labor through surveys of local conditions. State prevailing wage laws, sometimes referred to as Little Davis-Bacon Acts, were created to better reflect specific earning levels to be paid.

Critics of the Davis-Bacon Act and state prevailing wage laws often claim the legislation creates an unfair advantage for union workers. But if union workers have any advantage, it is only that they are on average, better trained, safety-oriented and more productive. Such quality workmanship results in savings and timely results. Prevailing wage regulations provide some assurance against cost overruns and downstream maintenance costs.

Primary responsibility for administration and enforcement of prevailing wage regulations goes to the agency that granted funds, loans or grants for the project. Concerns about the current system for wage determination are being addressed at this time.

The Davis-Bacon Act and state prevailing wage laws:

- Encourage the development of a highly skilled, well-paid workforce
- Raise safety and productivity standards
- Help pay for the health care needs and future retirement of the workers
- Offer much-needed financial protection to workers
- Gives men and women of all religions and ethnicities the chance to receive fair wages

Repeal of prevailing wage regulations can actually:

- Cause construction costs to rise
- Decrease levels of worker wages, benefits and training
- Increase numbers of worker injuries, project change orders and cost overruns
- Increase worker turnover
- Make it harder to retain workers for long-term careers

The Davis-Bacon Act and state prevailing wage laws benefit our economy by helping communities maintain an experienced workforce. When workers have healthier incomes, they are more likely to spend it buying goods locally and improving their homes. As the money circulates through the community, property values go up. Local spending also means more money goes to local taxes. It is clear these laws help America’s workers and their communities.