

Davis-Bacon

The Davis-Bacon Act mandates payment of local prevailing wages on projects funded by the federal government. It prevents competition for federal construction contracts from artificially depressing local labor standards. Studies show, however, that such a race to the bottom does not substantially cut public construction costs, but worker skills, experience and motivation drop dramatically.

Subverting prevailing wage laws often leads to shoddy construction and substantial cost overruns. Under prevailing wage laws, contractors are forced to compete on the basis of who can best train, best equip and best manage a construction crew – not on the basis of who can assemble the cheapest, most exploitable workforce—either locally or through importing labor from elsewhere.

A Davis-Bacon wage usually is *not* a “union” wage. The Davis-Bacon prevailing wage is based upon surveys of wages and benefits actually paid to various job classifications of construction workers in the community, without regard to union membership. Higher wages and skills result in greater productivity and lower cost. Productivity is so much greater among high-wage, high-skill workers that projects using them often cost *less* than those using low-wage, low-skill workers due to repairs, revisions and lengthy delays.

Driving wages down will not help to balance the federal budget. It is essential to account for the spin-off economic benefits of maintaining prevailing wages. When workers’ incomes go down, they have less to spend on purchasing goods and making investments. When businesses close or cut back as a result, tax revenues to the federal government decline and social expenditures rise. Corporate interests and their advocates in Congress oppose Davis-Bacon because they want to cut workers’ paychecks and pocket those pay-cuts as profits.

The Davis-Bacon Act improves local economies. Federal construction projects help local economies, as do prevailing wage laws. That’s because workers spend part of their income in their local community, at local shops and restaurants, and pay local taxes, which re-circulates throughout the economy.

Davis-Bacon results in increased productivity. Construction workers in states with prevailing wage laws are more productive. For example, data from the *Census of Construction* shows that added value per worker in states with prevailing wage laws is 13% to 15% higher than in states without prevailing wage laws.

Building Trades Members are encouraged to tell their elected officials to support Davis-Bacon and fight against efforts to repeal or undermine this essential worker protection.