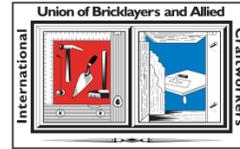*International Union*
of Bricklayers
and Allied Craftworkers

Davis-Bacon and Prevailing Wages

Federal Davis-Bacon law mandates payment of locally prevailing wages on projects funded by the federal government.   In addition, there are a number of states that have "Little Davis-Bacon Acts" or state prevailing wage mandates. Davis-Bacon laws help prevent contractors working on government financed projects from undermining a local area's wages and living standards. Where unions are strong, the prevailing wage is likely to be close to what a local union construction worker makes. Where unions are not strong, the prevailing wage is likely to be less than what union workers earn. In short, the federal Davis-Bacon Act helps ensure that federal contractors pay a fair wage for an honest day's work.

Key Points:

- Prevailing wage laws level the playing-field for contractors, preventing a **race to the bottom** fixated on cutting labor costs.

- Prevailing wages are not the union rates; rather it is the area's prevailing wage rate determined by the Department of Labor after examining both union and nonunion pay.

- Because prevailing wages are a reflection of the typical construction pay in a locality, Davis-Bacon helps maintain the existing standard-of-living for any given locality.

- Wages paid to local workers stay in the community while a greater percentage of wages paid to imported workers are spent outside the local area. The taxes paid on Davis-Bacon wages support schools, public services such as those provided by police and firefighters, and a host of other essential community-based programs.

- By using the area-standard prevailing wage rate, Davis-Bacon offers lifelong careers that provide fair wages and benefits to the local workforce, including the unemployed, underemployed, veterans and minorities.

For 80 years, Davis-Bacon has helped ensure the safest, most reliable and most cost-effective use of federal construction dollars, to the benefit of workers, businesses, and local communities.