

Prevailing Wage Laws ... And what they mean to New York State

Unionized construction workers in New York State are highly skilled and extensively trained. They build the schools in which we educate our children, they build the roads and bridges that take us from Massena to Long Island, and they build the communities that are the foundation of our economy. They volunteer their time at little league fields, city parks, churches and Boy Scouts. They help out at Habitat for Humanity and Double H Hole in the Woods. They are the men and women who build our state, and they earn the PREVAILING WAGE.

It is critical that contractors do not attempt to undermine local wage standards in order to pocket excess profits. New York construction workers need work, but they also need to support their families. Prevailing wage laws help to ensure a decent standard of living for union and non-union workers alike. Furthermore, the prevailing wage law fosters quality, cost-effective construction and a stable economy in our communities.

Without prevailing wage laws, publicly funded building projects would cost New York State tax payers more. Why?

- Construction projects would be less predictable.
- We would not have a highly skilled dependable workforce to turn to.
- Contractors would have higher workers' compensation premiums.
- Community standards would fall and residents would lose buying power.

Prevailing Wage History:

The Federal Prevailing Wage Law, the Davis-Bacon Act of 1931, established the requirement to pay prevailing wages on federally funded projects. Republican sponsors James Davis and Robert Bacon had the foresight to recognize something needed to be done to provide market stability to an industry that is inherently unstable. The government also recognized the need to protect itself from problems created by shoddy work and deplorable working conditions by contractors who were bidding and winning publicly funded jobs on the premise of cheap labor that they could import from across the nation. By establishing a local wage standard on public projects, contractors were forced to compete for work based on wages that "prevailed" in the area. Eventually, quality work and labor standards began to take form.

Did you know???

The first prevailing wage law passed in Kansas in 1891 by Republican lawmakers who recognized the need to steer the Kansas labor market in a positive direction, creating high-skilled, high-wage construction jobs. What happened when – 100 years later – they repealed their prevailing wage law??

- From 1987 to 1991, construction wages fell across the board by 11% in public and private sector construction jobs.

So construction costs went down, right? NOPE.

But why? Because along with the drop in wages, came a drop in productivity and skills and a higher rate of injuries.