



## Why Protecting Prevailing Wage Matters

In 1931, Congressman Robert Bacon and Senator James Davis set the federal standard for public construction projects, achieving support from American workers and employers alike, in their sponsorship of the appropriately titled *Davis-Bacon Act*. The intent was to provide a level playing field for contractors to compete for work based on wages that prevailed in the area, instead of slashing workers' wages to win work. The overwhelming objective of creating that level playing field, where skills, productivity and craftsmanship can be evaluated fairly in the context of a fundamental wage standard for those efforts, is as relevant now as it was when this law was enacted. The necessity to protect prevailing wage laws in the state of New Jersey is especially significant today, when an economic downturn can lead to unfair competition. Furthermore, one could argue that the architects of that policy believed that the government should use its place in the market to enhance the welfare of workers and their families.

### **PREVAILING WAGE LAWS:**

1. Provide enhanced societal benefits through higher wages and better workplace safety
2. Provide increased government revenues
3. Provide expanded apprenticeship training programs to enrich economic opportunity through all segments of the community
4. Provides for greater access to health care and retirement benefits
5. Provides for lower future maintenance and repair costs on projects

Furthermore, as analysis on this issue becomes more refined, the evidence finds that prevailing wage regulations do not inflate the costs of government construction contracts. This is a critical point in the evolution of this debate and one that must be shared with elected officials and end users. In 2001, a study done by the Construction Labor Research Council in partnership with the United States Federal Highway Authority found that, ***“Skills and productivity, not differences in wage rates, are the critical determination of bottom line labor costs.”*** This statement underscores what union contractors have known all along, a skilled workforce and efficient company management will always bring the job in right the first time. Union contractors are committed to that concept. The union contractor has always set the standard as the framers of the construction industry in our state. By employing a skilled and safe workforce, with fair wages and benefits, union contractors and their carpenter partners, promote a prosperous community and sustained economic growth. Both of which, are key components to a thriving state's economy.