

Compilation of Articles Against Prevailing Wage Laws

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Background and Introduction

Definition of Prevailing Wage Laws

The federal Davis-Bacon Act and the state prevailing wage standards require construction contractors working on government funded projects to pay their employees wages no less than the average wage paid in their occupation by private contractors in the locality. The first prevailing wage statute was passed by the state of Kansas in 1891. Laws applying to federally funded contracts were passed in 1931 under the Davis-Bacon Act. In the following years, several states passed their own laws paralleling the Davis-Bacon Act. Currently, California law mandates that prevailing wages be to be paid to any employee working on government projects with a value of \$1,000 or more. San Diego has passed an ordinance approved by the court to free the city from having to pay prevailing wage on local construction projects.

Prevailing wage laws were enacted to maintain community wage standards, support local economic stability and to protect the taxpayers from sub-standard labor on state and federal projects. Prior to the introduction of this law, out-of-state contractors could hire itinerant laborers at low wages to win federal contracts by bidding lower than local companies could afford. The intent of prevailing wage laws were to set clear parameters to ensure contractors bid on public projects on the basis of skill and efficiency, and protect wage levels under the competitive bidding system.

For the past few decades, these laws have been under scrutiny for several reasons, including fraudulent wage reporting to artificially inflate set prevailing wage rates, the purported unfairness to small businesses, and the claim of bias toward unionized companies. Indeed, some states and cities have repealed their local prevailing wage laws, with conflicting reports stating the benefits and losses. Assuredly, the debate is ongoing, with opposition on both sides.

Arguments Against Prevailing Wage Laws

- ◆ Surveys used to state the impacts of prevailing wage repeal are dated and unreliable. Current studies show that there is a significant cost savings to municipalities without prevailing wage mandates.
- ◆ Prevailing wage laws limit the ability of smaller businesses to compete for public construction projects since government-mandated wage ordinances take away an employer's right to negotiate wage rates. The Act also imposes burdensome regulations for work practices, wages, and paperwork requirements that discourage the vast majority of the nation's contractors from competing for federal construction projects.
- ◆ Prevailing wage laws are a principle reason why minority workers are under-employed in the construction trade. It discriminates against minorities, women and dislocated workers -- new entrants into the industry -- because of the often inflated wage and stringent work rules associated with the Act.
- ◆ Removing Davis-Bacon restrictions would eliminate the competitive bias toward big, union corporations, and improve opportunities for local minority companies and workers to compete for government construction jobs. Because Davis-Bacon serves to benefit a very small, special interest sector of government contractors, it has been called union welfare.
- ◆ Although there is a decline in paid wages, this is caused by a shift to a semiskilled construction labor force, whereas contractors cannot utilize highly-trained journeymen for work that is better suited to semi-skilled workers
- ◆ The entire construction industry today is dedicated to continuous training. When Davis-Bacon was enacted, in the 1930s, union apprenticeship was the primary form of training. There is no support for the belief that the industry will abandon its commitment to training if Davis-Bacon is repealed.
- ◆ Proponents of prevailing wage laws often state that occupational injuries in construction rise where state prevailing wage laws are repealed. The Davis-Bacon Act was never intended to improve job safety. OSHA and other federal and state employment standards are designed for that purpose. OSHA's report "Analysis of Construction Fatalities -- The OSHA Data Base 1985-1989" reveals that open shop contractors have superior safety records with fewer fatalities than union shops.

Articles Against Prevailing Wage Laws

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2. **The Davis-Bacon Act: An Appraisal of Recent Studies**
Industrial & Labor Relations Review - Goldfarb, Robert S.; Morrall, John
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The Review of Economics and Statistics - Fraundorf, Martha; Farrell, John P; Mason, Robert
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Report to the 1990 West Virginia Legislature - University of West Virginia College of Graduate Studies School of Business and Management
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Government Union Review - Thieblot, Armand J.
25. **Wage Subsidies Debated**
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Against #1

Author(s): Thieblot, A J;

Title: **The Failure of Arguments Supporting Prevailing Wage Laws and a New Evaluation of the Benefits of Repeal**

Source: *Government Union Review*; Reston; Fall 1995 V16, Issue 4, pg 1

Abstract: A much reported recent study, *Losing Ground: Lessons from the Repeal of Nine "Little Davis-Bacon" Acts*, authored by Peter Philips, Garth Mangum, Norm Waitzman, and Anne Yeagle, claims that repealing the Davis-Bacon Act would cost more in lost taxes than could be saved in lower construction expenditures, and would result in more construction injuries and deaths. It is argued that those claims are unsupported. The facts support savings in excess of \$1.5 billion annually to the federal government, and possibly fewer construction injuries, by repealing Davis-Bacon. States with prevailing wage laws would also realize significant savings from repeal. Aggregate savings from eliminating all prevailing wage laws could exceed \$4 billion a year.

Against #2

Author(s): Goldfarb, Robert S.; Morrall, John F., III;

Title: **The Davis-Bacon Act: An Appraisal of Recent Studies**

Source: *Industrial & Labor Relations Review*; Ithaca; Jan 1981 V34, Issue 2 pg 191

Abstract: The Davis-Bacon Act, essentially unchanged since its 1931 passage, sets a minimum wage for workers on construction projects in which federal funds are involved. It was the first federal minimum wage program for nonfederal workers. The Act requires payment of "prevailing" wages in the project locality, as determined by the Department of Labor. The Act was intended to protect local contractors from those who would bring in cheap nonlocal labor. The authors argue that the Act is tailored and the provisions effectively locks out non-union bidders, who lose their cost advantage to the requirements. The Government Accounting Office charges that the Act raises the cost of construction, it is impossible to administer effectively, and that economic conditions are such that the Act is no longer necessary. While studies to date have had faults, it seems clear to the authors that the Act is not justifiable on cost efficiency grounds. This raises the unanswered question of whether the Act is justified when the size of the equity benefit of transfers from taxpayers to construction workers is compared with the size of the efficiency cost.

Against #3

Author(s): Thieblot, A J;

Title: **A New Evaluation of Impacts of Prevailing Wage Law Repeal**

Source: *Journal of Labor Research*; Fairfax; Spring 1996 V17, Issue 2, pg 297

Abstract: A study claims that repeal of the Davis-Bacon Act, the federal prevailing wage law covering construction of public works, would cost more in lost taxes than could be recovered in lower construction expenditures and would also result in an increased number of construction injuries and deaths. Those claims are not supported by the facts. Indeed, the opposite is true. The facts support savings to the federal government from repeal of Davis-Bacon in excess of \$1.5 billion annually, and, if anything, a lower rather than a higher frequency of construction injuries. Furthermore, states still having prevailing wage laws would also realize significant savings from repeal. Aggregate savings from eliminating all prevailing wage laws could exceed \$4 billion a year.

Against #4

Author(s): Fraundorf, Martha Norby; Farrell, John P.; Mason, Robert;

Title: **The Effect of the Davis-Bacon Act on Construction Costs in Rural Areas**

Source: *The Review of Economics and Statistics*; Cambridge; Feb 1984 V66, 1 pg 142

Abstract: The US Davis-Bacon Act of 1931 requires that workers on federally contracted construction projects be paid the prevailing wage rate for the class of work being performed in the locality of the construction. The present study develops an econometric model to assess the cost impacts of the Davis-Bacon Act. Construction costs are determined by project scale, technical characteristics, building type, geographical region, and applicability of Davis-Bacon provisions. Data were gathered on 215 construction projects through personal interviews with contractors working on non-residential buildings in rural areas. Approximately half of the projects were subject to the act. Analysis revealed that compliance with the act raised construction costs by 26.1%, primarily due to higher wage rates and differences in work assignments. Contractors operating under the act experienced relatively little cost impact, due to reporting requirements and lessened competition, and did not attempt to offset major cost impacts by substituting other inputs for labor.

Against #5

Author(s): Kessler, Daniel P.; Katz, Lawrence F.
Stanford U, Hoover Institution, and NBER; Harvard U and NBER

Title: **Prevailing Wage Laws and Construction Labor Markets**

Source: *Industrial and Labor Relations Review* V54, Issue2 (January 2001): 259-74

Abstract: Prevailing wage laws, which require that construction workers employed by private contractors on public projects be paid wages and benefits at least equal to those "prevailing" for similar work in or near the locality in which the project is located, have been the focus of an extensive policy debate. The authors, analyzing Current Population Survey data and Census data, find that the relative wages of construction workers decline slightly after the repeal of a state prevailing wage law. However, the small overall impact of law repeal masks substantial differences in outcomes for different groups of construction employees. Repeal is associated with a sizable reduction in the union wage premium and an appreciable narrowing of the black/non-black wage differential for construction workers.

Against #6

Author(s): University of West Virginia College of Graduate Studies School of Business and Management

Title: **The 1990 West Virginia Prevailing Wage Law Study**

Source: *Report to the 1990 West Virginia Legislature*

Abstract: This paper reviews West Virginia's prevailing wage law in 1990, enacted in 1933 and reenacted in 1961. The study finds that there is no solid methodology existing within the state Department of Labor to determine what the true prevailing wage should be in the state. This results in a wide range of rates, and the high dollar figure associated with prevailing wage has brought them under scrutiny. The authors opinion that there is little doubt that the prevailing wage law is closely related to the union movement and that this support was also at least partially responsible for its enactment. The authors conclude that the absence of prevailing wage laws would not cause wage exploitation by government contractors, and raise serious doubts that the laws are needed for the purpose expressed by their proponents. The study concludes that prevailing wage determinations tend to set wages at the union rate and therefore results in increased labor costs.

Against #7

Author(s): Thieblot, Armand J.

Title: **Proliferating Semi-Skilled Job Titles in Construction: An Unheralded but Serious Problem for Prevailing Wage Administration**

Source: *University of Baltimore Proceedings and Publications*

Abstract: In 1982, a coalition of Merit Shop contractors and unaffiliated observers convinced federal legislators to include a provision in Davis-Bacon regulations recognizing the existence of semi-skilled categories of workers in the construction industry called “helpers,” and authorizing the issuance of “prevailing rates” for them. This seemed an entirely reasonable modification, given the changes taking place in employment practices in construction, but these provisions have failed to be implemented by the Department of Labor’s difficulty in defining the “helper” term. The author argues that rules allowing semi-skilled on-the-job training encourage rather than discourage upward mobility and should be implemented. This would eliminate the need to pay high wages mandated by prevailing wage for a low-skilled position and, in turn, would help alleviate the high costs of construction inherent in prevailing wage work, as well as allow entry-level employees into the workforce. The Department of Labor claims to have made a good-faith effort to implement helper regulations, but was thwarted by the imprecision of the job of the “helper” job title, which is not found in the classic taxonomy of construction jobs. The author finds serious reservations about this and provides several points showing that the DOL’s argument does not hold up under scrutiny.

Against #8

Author(s): Vedder, Richard

Title: **Michigan's Prevailing Wage Law and Its Effect on Government Spending and Construction Employment**

Source: *Mackinac Center for Public Policy*- Sept 1999

Abstract: The author argues that repealing a state law that establishes wage rates for workers on state construction and renovation projects could save more than \$400 million in annual state and local government and school costs, according to the Mackinac Center for Public Policy. Center researchers in 2002 found that the "prevailing wage" law inflated government-funded construction costs by \$421.2 million, or approximately 10 percent. Savings on building costs from repeal of the prevailing wage would more than make up for that shortfall, without a tax increase and without any reduction in services to Michigan citizens. Defenders of the prevailing wage law believe the law guarantees workers on government contracts receive good wages, and that the law promotes safety and quality of construction. But when Ohio exempted public school districts from prevailing wage in 1997 a survey of district officials showed little difference in quality.

Against #9

Author(s): Gamrat, Frank Ph.D., Senior Research Associate
Allegheny Institute for Public Policy

Title: **Prevailing Wages: Costly to State and Local Taxpayers**

Source: *Allegheny Institute for Public Policy Report#02-02* - February 2000

Abstract: The author's central argument is that prevailing wage laws existing at both the federal and state levels and are responsible for increasing the cost of government. The consequence of forcing non-union contractors into paying their employees union scales wages has cost taxpayers billions of dollars nationwide each year. The study compares construction costs in four states: Oregon, Ohio, Michigan, and Pennsylvania and shows that prevailing wages are on average 25-40% higher than free market wages. The real difference occurs with fringe benefits, which compound the problem by adding additional tax burdens onto non-union contractors. With prevailing wages higher than free market wages, many non-union contractors simply pass on government projects. This leads to less competition and higher costs for government construction, which are ultimately borne by the taxpayer. Making the prevailing wage law an option at the school district level, has resulted in substantial savings for Florida (which ultimately led to the statewide repeal), Ohio and Michigan. Average savings were about 10%.

Against #10

Author(s): Bradbury, John C.; Dudley, Susan E.
Regulatory Studies Program Research Associate

Title: **Regulatory Studies Program Comments on Department of Labor, Employment Standards Administration, Wage and Hour Division Procedures for Predetermination of Wage Rates**

Source: *Regulatory Studies Program of the Mercatus Center*

Abstract: The Regulatory Studies Program finds that prevailing wage requirements do not offer net benefits to society, but rather reflects a transfer from low-skilled and low-wage workers to skilled and union workers. Not only are these benefits small in comparison to the taxpayer costs of the program, they are likely to come at the expense of employment opportunities for young and minority workers, who tend to be less represented among skilled union journeyworkers. To become a union journeyworker, one must enroll in union apprenticeship programs, which are restrictive and often have questionable educational requirements. In nonunion firms, workers are often trained on the job without such strict separation of duties. Because Davis-Bacon requires workers to be placed in recognized categories, however, nonunion contractors must exclude categories of workers within which young and minority workers tend to predominate.

Against #11

Author(s): A J Thieblot;

Title: **Race and Prevailing Wage Laws in the Construction Industry: Reply to Azari-Rad and Philips**

Source: *Journal of Labor Research*; Fairfax; Winter 2003 V24, Issue 1, pg 169

Abstract: A reply is presented on Hamid Azari-Rad and Peter Philips' "Race and Prevailing Wage Laws in the Construction Industry: Comment on Thieblot" (2003). This reply responds to Azari-Rad and Philips with new evidence reinforcing the previously asserted relationship: black employment ratios in construction are better in states that do not have prevailing wage laws than in states that do, and they lessen as the strength of those laws increase. Furthermore, prevailing wage law repeal has apparently benefited black employment opportunities in the construction industries of the states where it has occurred.

Against #12

Author(s): O'Connell, John F.

Title: **The Effects of Davis-Bacon on Labor Cost and Union Wages**

Source: *Journal of Labor Research*; Fairfax; June 1986 V7 Issue 3, pg 239

Abstract: The Davis-Bacon Act (D-B) requires that construction workers on federally funded projects be paid at least the "prevailing wage" in a particular geographic area. According to the author, two issues that have been overlooked in the debate over the Davis-Bacon Act are analyzed:

1. The wage distribution is important in determining the labor cost effects of Davis-Bacon.
2. Davis-Bacon determinations will not only increase covered workers' wages, but it will also enhance the union's strength in collective bargaining.

The simultaneity between wage determinations and the union wage effect is examined by means of a 2-stage procedure. It is argued that Davis-Bacon wage determinations have truncated the wage distribution and thereby increased the average wage in covered construction. The more positively skewed the distribution, the greater the effect on costs. It appears to the author that Davis-Bacon declarations increase the ability of unions to extract higher wages even though they control small percentages of the local labor markets.

Against #13

Author(s): Thieblot, Armand J.

Title: **A Review of State Prevailing Wage Laws**

Source: *Associated Builders and Contractors*; Rosslyn, VA; 1995

Abstract: The author summarizes the state of prevailing wage law in all US states in 1995 and presents the history of the initial passing, repeal, and reinstatement, if applicable. The author finds many faults with prevailing wage law and set forth some suggestions on how to correct it. Of particular importance is the California law, which has statutes for “helpers” and in particular, San Diego has passed an ordinance approved by the court to free the city from having to pay prevailing wage on local construction projects.

Against #14

Author(s): Lowell E Gallaway; Richard K Vedder;

Title: **Prevailing Wages as Perceived by the Kentucky Legislative Research Commission**

Source: *Government Union Review and Public Policy Digest*;
Vienna; 2002 V20, Issue 3 pg 1-10

Abstract: In 1931, in the midst of the Great Depression, the US Congress passed the Davis-Bacon Act, a law that requires contractors to pay "prevailing wages" on construction projects undertaken for the federal government. This legislation led to the passage of "little Davis-Bacon Acts," or "prevailing wage" laws, in over 40 states, including Kentucky. The report of the Kentucky Legislative Research Commission on prevailing wages provides a rather thorough indictment of the policy of mandating such wages for publicly financed construction projects. As such, it offers an excellent summary of the case against prevailing wages and their tendency to restrict people from operating in a free market where they would otherwise be able to allocate resources and use production factors most efficiently. Thus, prevailing wages retard job creation and lead to slower economic growth.

Against #15

Author(s): Billingsley, K. Lloyd
Pacific Research Institute

Title: **Happy New Year, Sacramento Style**

Source: *Capitol Ideas* - January 4, 2002 Vol. 7, No. 1

Abstract: The prevailing wage, set by the state Department of Industrial Relations, is always interpreted as the union wage according to the author. Low-cost housing activists affirm that use of prevailing wage will raise the cost of housing from 15 to 30 percent. The law that will cause this increase, SB975, signed by Gov. Gray Davis in October 2001. This law is a subdivision of the federal Davis-Bacon Act, a measure from the 1930s that mandates union labor, under the "prevailing wage" doctrine, on all government projects. Davis-Bacon is a primary reason that everything built for the government is expensive. As a matter of policy, all public projects should be open to bids from all companies, not just unionized companies. The company with the lowest bid, regardless of ethnicity, gender, race or union affiliation, should get the job.

Against #16

Author(s): Bolick, Clint

Title: **The Revolt Against the Davis-Bacon Act**

Source: *The American Enterprise*, Jan-Feb 1997 v8 n1 p78

Abstract: Mostly opinion with not too much factual data, the author states that contractors are revolting against the Davis-Bacon Act labor law. This results in the isolation of non-union builders from the government jobs and raises the costs to taxpayers. The law also destroys job opportunities for low-skilled workers and allows them to work only after receiving training. The author makes great leaps to affirm that the Davis-Bacon Act was built on a racial agenda and that this perpetuates to this day. He puts forth individual companies that have felt the effects of prevailing wage mandates. The fight against this act has united minorities and conservatives into a potent alliance.

Against #17

Author(s): Kovach, Kenneth A.;

Title: **Should the Davis-Bacon Act Be Repealed?**

Source: *Business Horizons*; Greenwich; Sep/Oct 1983 V26, Issue 5, pg 33

Abstract: The Davis-Bacon Act of 1931 corrected a serious labor abuse caused by a huge federal construction program and a chaotic labor market. Unscrupulous contractors were winning government contracts by employing unskilled laborers at exploitive wages. Under current economic conditions, the author states that the Act is no longer viable and effective, although organized labor and the Department of Labor defend the Act. Due to the "prevailing wage" clause, the Davis-Bacon Act artificially raises the cost of 22% of the construction projects undertaken in the US. The effect of the law has been to protect unionized contractors and unions, rather than to protect local contractors. The Act results in more than \$200 million in administrative and compliance costs being incurred annually. The Davis-Bacon Act has outlived its usefulness since other laws now guard against wage losses, exploitation of workers, and adverse working conditions.

Against #18

Author(s): George, Charles;

Title: **Why I Avoid Government Contracts**

Source: *Inc*, Boston; Jun 1982 V4, Issue 6 pg 11

Abstract: When G2S Constructors Inc., a general contracting company, was started in 1978, it was decided that the firm would avoid public works projects as much as possible and concentrate instead on the private industrial market. The decision was made not because public works jobs are not profitable, but because in order to accept public projects it would have to comply with the Davis-Bacon Act, and the company is unwilling to do so. The 1931 Davis-Bacon Act requires contractors to pay prevailing wages, as determined by the US Dept. of Labor, on nearly all projects that are funded, in whole or in part, with federal money. Projects costing less than \$2,000 are exempt. The wage standards frequently bear no resemblance to actual market conditions and are strongly biased toward union rates, which are the highest wage rates in most areas, rather than the prevailing or average ones. The Davis-Bacon Act reduces a company's ability to work with maximum efficiency. The author suggests that repeal of the act would greatly improve the business climate for small contractors.

Against #19

Author(s): Hodge, Scott Alan;

Title: **Davis-Bacon: Racist Then, Racist Now**

Source: *Wall Street Journal*; New York; Jun 25, 1990 pg A14

Abstract: Scott Alan Hodge urges repeal of the 1931 Davis-Bacon Act, which requires contractors on federal construction projects to pay "prevailing wage." Hodge says the law was intended to shut out black construction workers when it was passed and is still having that effect on minorities.

Against #20

Author(s): Washington Research Council

Title: **Prevailing Wage Laws Mandate Excessive Costs**

Source: *Washington Research Council Website*

Abstract: The report states that Washington State's law requiring construction firms to pay their workers "prevailing" wages when working on public projects needlessly inflates the costs of those projects. The research council estimates that but for the prevailing wage law, for every eight schools that districts now build, they could build a ninth for no extra cost. Builders and architects experienced with building schools in Washington and Idaho, which has no prevailing wage law, figure that prevailing wages increase construction costs by 10 to 15 percent. This range is consistent with cost-inflation estimates in other states saddled with prevailing wage laws. Washington taxpayers have strongly expressed their desire for frugal public spending. The prevailing wage law overcharges taxpayers and contributes to the public's perception of state mandated inefficiency. It is the council's opinion that the Legislature should repeal the law.

Against #21

Author(s): The Buckeye Institute

Title: **The Buckeye Institute's Handbook for Ohio Policy Makers**

Source: *The Buckeye Institute's Handbook for Ohio Policy Makers*

Abstract: The handbook is divided into five subject matters, education, labor, fiscal policy, land use, and health care, and each section includes an overview of recent Buckeye Institute research and recommendations for market-oriented solutions. The logic behind prevailing wage legislation is based primarily on two fundamentally flawed premises — competition is harmful and an artificially set higher wage increases skills and productivity. Just the opposite was found in Michigan, where prevailing wages reduced construction sector employment and lowered worker output. The idea behind the prevailing wage was to protect local construction labor from lower wage itinerant workers whose contractors were winning projects by placing lower bids. Not surprisingly, the state pays union wages that are approximately 18 percent higher than market rates. Such rates amount to an additional \$80 to \$236 million in state construction costs for Ohio taxpayers.

Against #22

Author(s): Benstein, David

Title: **The Davis-Bacon Act: Let's Bring Jim Crow to an End**

Source: *Yale Law School Publications* - 1993

Abstract: In the author's opinion, the Davis-Bacon Act was passed by Congress in 1931 with the intent of favoring white workers who belonged to white-only unions over non-unionized black workers. The act continues to have discriminatory effects today by favoring disproportionately white, skilled and unionized construction workers over disproportionately black, unskilled and non-unionized construction workers. The author covers the historical background, pre and post WWII, states the impact, and some recent reforms. Generally opinion.

Against #23

Author(s): Marsico, Ron
Pennsylvania State House Representative 1998

Title: **Prevailing Wage is an Anchor on the Economy**

Source: *Working Paper*- 1998

Abstract: The author, a state representative in Congress at the writing of the paper, states that the final outcome of prevailing wage laws is higher state and local government costs. The current prevailing wage rates for public construction projects force taxpayers to pay non-market wages to contractors. So in effect, prevailing wage is price setting, and results in higher costs for the taxpayer. He proposes a solution of increasing the threshold to \$25,000. He also recommends making the prevailing wage optional. If it were an option, he insists, school districts, local governments and taxpayers could save between 50 and 30 percent on construction projects. The prevailing wage law has long outlived its original intent of assuring fair wages. Still, union advocates would have people believe that prevailing wages are fair to workers; however, they are anything but fair to taxpayers. Prevailing wage is not a union issue: it's a taxpayer issue.

Against #24

Author(s): Thieblot, Armand J.

Title: **Fraud Prevalent in Prevailing Wage Surveys**

Source: *Government Union Review*; Reston; 1998

Abstract: The Davis-Bacon Act, passed in 1931, and similar state prevailing wage laws require contractors on government-sponsored construction projects to pay their workers at least the rates prevailing for similar work in the locality where it is to be performed. The act did not specify how prevailing rates should be acquired or determined. A paper, evaluating the degree of structural fraud in the wage-setting process, is based on a detailed review of a 1995 Davis-Bacon wage determination survey for building construction in Montgomery County, Maryland - one of 3,200 counties in the US entitled by the rules of Davis-Bacon to its own wage survey. The paper shows that its bizarre results could not be accidental. There can be little question but that wage determinations as now performed by the Department of Labor are shot through with fraud, at least with structural fraud. They produce a proportion of union-level prevailing rates that is clearly impossible to arrive at by honest means.

Against #25

Author(s): Anonymous

Title: **Wage Subsidies Debated**

Source: *ENR*; New York; Sep 19, 1994 V233, Issue 12, pg 14

Abstract: The Davis-Bacon Act was enacted in 1931 to prevent deterioration of wages on Nonunion contractors claim that state prevailingwages have become distorted in California due to union job-targeting subsidies. In addition, they have filed yet another lawsuit challenging a city imposed union-only project agreement that affects private work in Cincinnati, Ohio.