

Lies About Prevailing Wage Laws—and the Truth

When They Say...	We Say...
<p><i>Prevailing wage laws are Depression-era requirements for wage subsidies. The free market should determine wages.</i></p>	<p>The free market in localities determines local wage standards. Prevailing wage laws just ensure they're not undercut by unscrupulous contractors who want to low-ball bids with unskilled labor. Prevailing wages for various building trades professions are determined by what workers in a community are paid for doing that type of work.</p>
<p><i>Ending prevailing wage laws would create jobs.</i></p>	<p>Nonsense. That's exactly what they said about NAFTA, trade with China, Wall Street deregulation and tax cuts for the rich—and we've seen how false that was. This is another lie designed to cut workers' wages.</p>
<p><i>Prevailing wage laws keep unskilled laborers, including minorities and women, from getting a start in construction.</i></p>	<p>No. Prevailing wage laws prevent these workers from being exploited by unscrupulous contractors. And because of special wage provisions for participants in federal- or state-approved apprenticeship programs, prevailing wage laws encourage public work contractors to sponsor these programs, which are subject to affirmative action requirements and provide training opportunities for women and minority workers.</p>
<p><i>Prevailing wage laws increase what taxpayers spend for public construction projects.</i></p>	<p>Not true. Opponents have tried for years—unsuccessfully—to make this case. An extensive study of research on the subject found no evidence that prevailing wage laws increase costs. In fact, by ensuring skilled workers do the work, prevailing wage laws can increase productivity and reduce the time it takes to complete the project. After conducting a major review of research on prevailing wages in 2008, the Economic Policy Institute concluded that “a growing body of economic studies finds that prevailing wage regulations do not increase government contracting costs.”</p>
<p><i>Prevailing wage laws are nothing more than union welfare programs.</i></p>	<p>Way off base. Prevailing wage laws apply to union and nonunion workers on a construction project. States and localities set the prevailing wage rate based on union wages, the average construction wage in the area or a combination of both.</p>