

THE LIUNA ADVANTAGE

FOR CONSTRUCTION USERS Prevailing Wage Laws

Prevailing wage laws that require contractors to pay wages and benefits consistent with those of the surrounding community protect the public. A comprehensive study of public construction in Nevada and other states demonstrated that prevailing wage laws:

- Have historically enjoyed bipartisan support;
- Protect the value and quality of public construction;
- Strengthen the productivity, experience, safety, and training of the construction workforce;
- Promote the development of a highly skilled, professional workforce;
- Ensure fair competition among both union and non-union contractors.

The study also refuted many common arguments against prevailing wages:

- Projected savings from prevailing wage repeal are often overstated and miscalculated.
- Savings in hourly labor costs are often consumed by reductions in productivity and increased accidents.
- Substandard wages and benefits increase the burden on publicly funded social services, increasing costs to local and state governments.
- States that have repealed prevailing wage laws *have not* realized substantial savings in public construction, but have destabilized the construction workforce, drained social services, and hurt local communities.

Prevailing wage laws provide governments and taxpayers quality construction at reasonable prices in an environment of fair competition between qualified bidders.

Source: Philips, Peter; Report on the Prevailing Wage Law of Nevada: Its History, Cost, and Effects, University of Utah (unpublished monograph), 2003.

