

**REPEAL DAVIS-BACON ACT**

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**TOPLINE:** Repealing the Davis-Bacon Act would reduce construction costs, expand job and income opportunities, and ensure taxpayers receive more bang for their buck.

**BACKGROUND:** The Davis-Bacon Act is a 1931 law that requires contractors on federally funded construction projects to pay at least the local “prevailing” wage. While the law has lost its [discriminatory intent](#) against black workers, its reliance on collectively bargained wage and benefit rates effectively discriminates against non-unionized construction companies and the [89% of construction workers](#) who are non-unionized.

The Davis-Bacon Act and the 71 active related acts collectively apply to an [estimated \\$217 billion](#) in federal and federally assisted construction spending per year and provide minimum-wage rates for an estimated 1.2 million U.S. construction workers. Davis-Bacon drives up federally funded construction costs [by an estimated 9.9%](#). This is because the Department of Labor (DOL) uses its own [contrived](#) calculations of “prevailing wages” instead of actual market wages. For example, market-based wage surveys from the Bureau of Labor Statistics (BLS) show that wages for cement masons are [\\$36.95](#) per hour in Nassau-Suffolk, NY, but Davis-Bacon wages are [\\$51.97 per hour](#) (41% above market wages) and Davis-Bacon benefits add \$33.56 per hour—totaling about \$171,000 in annual compensation for cement masons.

In 2023, the Biden administration finalized an [812-page](#) “updated” Davis-Bacon rule that added insult to injury with more than [50](#) significant changes, including using new and less accurate wage-determination criteria and expanding the number of jobs and workers covered by the Davis-Bacon Act.

**Action Items (Congress and Administration):**

- Congress should **repeal the Davis-Bacon Act**.
- Short of full elimination, the DOL should **apply [more accurate](#) wage and benefit determinations** using the BLS’s vastly superior surveys.

**How It Would Make Life More Affordable:**

- Eliminating the Davis-Bacon Act would save taxpayers about [\\$21.5 billion](#) annually, while also reducing upward pressure on non-federally funded construction costs.
- This would increase competition and expand opportunities for smaller construction companies and the 89% of construction workers who are not unionized.

**Related Legislation:** Davis-Bacon Repeal Act ([S. 4477](#), [H.R. 8602](#)).

**BOTTOMLINE:** Perhaps more aptly described as Destroying-Building Affordability, the Davis-Bacon Act, which drives up prices and restricts competition, must go.