

Prevailing Wage Laws, Unions and Minority Employment in Construction
A Historical and Empirical Analysis

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This research provides empirical and historic analysis of two issues current in the debate on prevailing wage laws: that the laws act to exclude minority employees from the construction industry and that such exclusion reflected the original intent of supporters of those statutes. Our legislative history reviews both early state and federal laws leading up to the Davis Bacon Act as well as the 1931 Act. Our current empirical analysis focuses on the “little” Davis-Bacon Acts, state prevailing wage laws in construction. Analysis of the legislative histories and other contemporary documents finds that although prevailing wage laws were intended to limit the use of low wage migrant labor, this effort was not racially motivated. Indeed, several of the original laws were intended to restrict the use of labor from Northern European countries and workers from the upper Great Plains. The empirical analysis uses the 1994 Outgoing Rotation File of the Current Population Survey to consider the effect of prevailing wage laws and union membership on the proportion of African-American workers in the construction labor force. Although there is simple negative correlation between the strength of prevailing wage laws and the proportion of African-Americans in the construction labor force this disappears once the racial composition of state labor forces is taken into account. We conclude that prevailing wage laws were neither intended nor currently act to exclude African-Americans from the construction industry.

The Davis-Bacon Act, which requires that federal construction contractors pay their workers “prevailing wages” 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.

David Bernstein, “The Davis-Bacon Act: Let’s Bring Jim Crow to an End”¹

Introduction.

Long relegated to the realm of administrators and practitioners, federal and state prevailing wage laws have become issues of policy interest and controversy. Revelations of possible fraud in filings and the strengthening of conservative forces in the federal and state legislatures have propelled several efforts to repeal or defund the federal Davis-Bacon Act. The U.S. Department of Labor has felt it necessary to study more secure means of collecting project and establishment wage data. The force of events has also propelled recent attempts to repeal state prevailing wage laws and action by the Supreme Court of Oklahoma overturning one of the oldest prevailing wage laws in the United States.

Until the mid-1970's debate over prevailing wage laws in construction was limited to its effect on project costs and taxpayer expenses. In 1975 Armond Thieblot introduced a new argument, that the Davis Bacon Act was, at least in part, motivated by racial bigotry. Thieblot noted that the issue of race was mentioned explicitly only once during the House debate on Davis Bacon by a Southern Congressman, but Thieblot asserted that thinly veiled allusions to race could be found in other speeches including those of Congressman Bacon.²

In recent years, Thieblot’s initial assertion has been refined and advanced by several conservative

1. David Bernstein, “The Davis-Bacon Act: Let’s Bring Jim Crow to an End,” Cato Briefing Paper, No. 17, Cato Institute, 1000 Massachusetts Avenue, N.W., Washington, D.C., January 18, 1993, Executive Summary.

2. Armond Thieblot The Davis Bacon Act, Industrial Research Unit, Report No. 10, Wharton School, University of Pennsylvania, Philadelphia, 1975, p. 9.

think tanks, notably the CATO foundation and the Institute for Justice.³ Their basic argument is that that prevailing wage statutes discriminated against African-American workers because the higher wages on public projects inclined contractors to pass over lesser skilled workers, such as African-Americans. They also allege that such discrimination was not an unintended by product of the law, but reflected the purpose of the supporters of the Davis-Bacon Act. This interpretation of prevailing wage laws in general and the Davis Bacon Act in particular has received favorable attention from the media and in congress.⁴ But these claims have been supported by plausible arguments and casual analysis rather than careful review of the legislative histories of prevailing wage laws or analysis of the effects of prevailing wage laws on minority employment.

This paper provides both an evaluation of the legislative history of prevailing wage laws in construction, the Davis-Bacon Act and the state and federal acts which preceded it, and new empirical work estimating the effect of state prevailing wages on minority employment. Our evaluation of the historical record finds limited evidence of exclusionary intent toward racial minorities. Such evidence is overwhelmed both by the emphasis on the exclusion of white transient and low wage labor from Northern Europe and the Great Plains, and by the prominence of abolitionists and other individuals with explicit records opposing racial legislation among the supporters of prevailing wage legislation. Our empirical work finds a simple negative correlation between state prevailing wage legislation and minority employment. This disappears once we control for the racial composition of state's labor force. Although it is not possible to conclude that prevailing wage laws could never result in a reduction of minority employment, this research suggests that the public edifice erected upon this argument has been more visible than merited by its intellectual foundations.

Were the Laws Leading Up to the Davis Bacon Act Racist?

3. Institute for Justice lawyers presented arguments on behalf of plaintiffs in seeking the constitutional overturning of the Davis Bacon Act as a racially discriminatory law. *Brazier Construction Co., Inc., et al., Plaintiffs, v. Robert Reich, Secretary of Labor, et al., Defendants*, Civil Action No. 93-2318 WBB.

4. Scott Alan Hodge, "Davis Bacon: Racist Then, Racist Now," guest editorial by Heritage Foundation analyst in *The Wall Street Journal*, June 25, 1990, p. A14; George Will, "It Is Time to Repeal the Davis-bacon Act," syndicated column in many papers, February 5, 1995; Tony Brown, *Black Lies, White Lies: the Truth According to Tony Brown*, William Morrow and Company, Inc., New York, 1995, pp. 304-310.

Competition in post Civil-War construction labor markets segmented along racial lines. Blacks outside the South tended to compete with immigrant labor for unskilled work and tended to be excluded from the skilled trades.⁵ White unions in construction reinforced this pattern of racially segmented competition.⁶ These same construction unions were also important supporters of the National Eight Hour Day Law of 1868. Because this law not only restricted the hours of work on public construction projects to eight hours, but also required that contractors pay their workers the standard daily wage based on ten hour day, it became the country's first prevailing wage law. Given that unions supporting this law also engaged in racially exclusionary membership practices, can it be said that this law was intended primarily or substantially as a barrier against black employment on public works?

The Congressional debate surrounding the National Eight Hour Day Law in 1868 was fought over class lines and not racial lines. For instance, the Abolitionist Republican Senator from Massachusetts argued in favor of the Eight Hour Law by explicitly favoring the rights of labor over capital:

In this matter of manual labor I look only to the rights and interests of labor. In this country and in this age...capital needs no champion;...whatever tends to dignify manual labor or to lighten its burdens, to increase its rewards or enlarge its knowledge should receive our support.⁷

Opponents of the Eight Hour Law felt the market should be allowed to regulate the terms of employment and that the law violated the freedom of individuals to make contracts as they pleased. For instance, Abolitionist Maine Republican Senator Fessenden in opposing the law argued:

5. Only 14 African American masons and bricklayers were reported working in New York City in 1870. Blacks in construction tended to be construction laborers. "The longshoremen and common laborers [in New York City] are outnumbered by foreign competition; but as a general thing, their services as good honest laborers are preferred, and to a certain extent when business is brisk, get their share of employment." The Elevator, March 18, 1870, Vol. V, No. 50, p. 4, col. 1.

6. For instance, in 1869, the National Labor Convention of Colored Men complained: "the exclusion of colored men and apprentices from the right to labor in any department of industry or workshops in any of the States and Territories of the United States by what is known as "Trades Unions" is an insult to God and an injury to us." The [Washington] Evening Star, Wednesday, December 8, 1869 Vol. 34 No. 5224, p. 4 Col. 4.

7. Senate Debates, The Congressional Globe, June 24, 1868, 40th Congress, 2nd session, pp. 3424-3429.

Let men make contracts as they please; let this matter be regulated by the great regulator, demand and supply; and so long as it continues to be, those who are smart, capable, and intelligent, who make themselves skilled workmen, will receive the rewards of their labor, and those who have less capacity and less industry will not be on a level with them, but will receive an adequate reward for their labor [op.cite.]

In his evaluation of this debate historian David Montgomery concluded that the National Eight Hour Law was passed primarily with the support of Radical Republicans, the same political group that pushed the passage of the 13th, 14th and 15th Amendments to the Constitution.⁸ There is no evidence in the Congressional debates that the first prevailing wage law in the United States was primarily or substantially aimed at limiting the labor market options of racial or ethnic minorities.⁹

Nor can the first three state prevailing wage laws, Kansas in 1891, New York in 1894 and Oklahoma in 1908, be construed as racially motivated laws. The Kansas and Oklahoma laws were similar to the National Eight Hour Law. It mandated eight hours to be the legal working day on public construction and it required that contractors pay the common daily wage. The law intended that when the working day was shortened from 12 or 10 hours to 8, the daily wage would not be correspondingly reduced. In summarizing the purpose of the Kansas Act, in *Ashy v. Kansas*, the court case which found the act constitutional, Justice John Harlan, of the U.S. Supreme Court wrote:

When the eight hour law was passed the legislature had under consideration the general subject of the length of a day's labor, without specific reference to the purpose or occasion of their employment. The leading idea clearly was to limit the hours of toil of laborers, workmen, mechanics and other persons in like employment to eight hours, without reduction in compensation for the day's service.¹⁰

If the Kansas law had racial animus as a central motivation, that motivation escaped the notice of the most eminent dissenter in *Plessey vs. Ferguson*, the 1890 case that established the legality of segregation based on the principle of separate but equal public accommodations and services.

8. David Montgomery, Beyond Equality, Labor and the Radical Republicans, 1862-1872, Alfred A. Knopf, New York, 1967, Chapter 8.

9. In California in the mid-1860s, labor unions had two main legislative goals--the exclusion of Chinese immigrants and the eight-hour day. California Republican U.S. Senator John Conness distanced himself from Chinese exclusion but led the fight for the National Eight Hour law. Montgomery, Ibid. p. 315.

10. Quoted in: Oklahoma, Department of Labor, Second Annual Report, Oklahoma City, OK, 1909, p. 327.

The Oklahoma law which was patterned after the Kansas act and passed in 1908 was reported to have the intended effect of setting wage and hour standards not only on public works but in related labor markets.

The Oklahoma Commissioner of Labor stated in 1910:

The eight hour law has been of inestimable value to the laboring men of this state....The common laborer, who was heretofore employed ten and twelve hours per day, is now, under the provisions of this bill, allowed to work but eight hours....The law has not only affected the laborers and those who are dependent upon this class of work for a living, but it has gone further, and in many localities has gradually force railroad companies, private contractors [i.e. private construction] and people of that class to pay a high rate of wages for unskilled labor.¹¹

The primary concern of New York's prevailing wage law was the deleterious effects of cheap, itinerant, foreign and non-local labor on local labor standards.¹² Those who were U.S. citizens were said to have a prior

11. Chas. L Daugherty, Labor Commissioner, Oklahoma Department of Labor, Third Annual Report, Oklahoma City, OK, 1910, p. 327. Like Kansas, the historical record for Oklahoma includes no mentions of issues of race. The primary concern in both states with using public works hours and wage policies to set and improve local labor standards. A typical enforcement case in Oklahoma as reported by the Labor Commissioner follows:

“[Anadarko. May 10. 1908] We were advised that the O'Neill Construction Company had cut the wages on public works at Anadarko from twenty-five cents to seventeen and one-half cents per hour....[C]ontract was taken with the understanding that twenty-five cents per hour should be paid. The work was not progressing as rapidly as necessary to keep the cost within the estimate, hence the contractors tried to take advantage of the situation by reducing pay. After thoroughly discussing the matter before the [city] council and contractor, the wages were restored to twenty-five cents.” (p. 320)

Second Annual Report Oklahoma Labor Commissioner, Chas. L Daugherty, Oklahoma City, OK, August 7, 1909.

No mention of race can be found in the Oklahoma record while the record is replete with hours and wage regulatory issues.

12. The link between cheap foreign labor and cheap domestic labor from other regions of the country was made by a writer from the New York City Bricklayers and Masons' International Union Local No. 47:

“The only difficulty the bricklayers have is the influx of members of their craft from other States and countries to this city which is almost impossible to overcome.”

-New York, Bureau of Statistics of Labor, Thirteenth Annual Report, p. 387.

George D. Gaillard of New York District Council of the United Brotherhood of Carpenters similarly stated:

“I think there should be something done about foreigners coming here in the spring and working during

right to jobs. Foreign labor was described as itinerant, spending little and remitting most earnings back home.

To the extent race was a consideration, union supporters of New York's prevailing wage law and its citizenship corollary had only one race in mind--whites. Unions complained of cheap, itinerant "birds of passage" from England, Canada, Sweden and Denmark.¹³

Of course, cheap foreign labor was not always truly foreign or non-U.S. citizens. Cheap domestic labor also threatened local labor standards.¹⁴ But that cheap domestic labor (at least in the 1890s in New York

the summer and then again returning to Europe in the fall. They come over here and work for less money than the native American, thus depriving him of work.”

-Thirteenth Annual Report, p. 388.

13. For example, Edward F. O'Brien, the Secretary of the Bricklayers and Masons' International Union No. 32 said:

...when business in our trade is brisk, the crowd of masons that come here to work from England is awful. They work during the summer here, live poorly, bank all they get, fill our positions and take all they earn back to England, to come again next summer. (p. 387)

A Brooklyn writer for the Brotherhood of Carpenters and Joiners No. 258 said:

We recommend restriction of immigration, for our trade suffers greatly from foreigners coming here and undermining the American citizens by working for whatever they can get. At the present time you will find that most of the carpenters out of work are citizens of the United States; while those employed are foreigners, especially Swedes...(pp. 387-88).

The Secretary of the Buffalo Brotherhood of Carpenters and Joiners No. 355 said:

We expect that you will do something for us here at Buffalo to prevent the importation of foreign labor, such as Canadians and labor from other States, to take all the employment away from us here at Buffalo. (p. 388)

A Brooklyn writer for the Brotherhood of Painters and Decorators No. 110 commented:

Our wages have been brought down to \$2.75 per day and less, by the amount of foreign labor in the market, mostly Swedes and Danes. (p. 388)

-Thirteenth, Annual Report

14. Mervyn Pratt of the United Tin and Sheet Iron Workers' Association of New York City emphasized that There should be some law which would prevent foreign contractors--I mean contractors from other States--from coming here and taking contracts, as it brings on many troubles. The wages in other places than New York city are certain to be lower than here and they only want the wages and work the hours of the places from which they came.

-Thirteenth Annual Report, p. 535.

state) was white, not persons of color. For instance a writer for the New York City Bricklayers and Masons

International Union No. 34 noted in 1899:

For some years what we term 'birds of passage' came over from Europe in the spring, worked here until fall, and then returned to the old country, but on account of the hard times they haven't been coming over lately. We are now affected by the flood of westerners, and there is an overplus of bricklayers in the city...¹⁵

Was the Davis Bacon Act of 1931 Primarily Motivated by Racial Animus?

David Bernstein argues that racist comments found in the Congressional debate over the Davis-Bacon Act (1931) and preceding related acts (1930 and 1927) prove the Davis-Bacon Act was motivated by racial animus. His interpretation of the Congressional record divides into two parts-- a limited number of statements that directly referred to race and a larger number of statements that he believes are coded references to race.

Bernstein states:

The comments of various congressmen reveal the racial animus that motivated the sponsors and supported of the bill. In 1930, Representative John J. Cochran of Missouri stated that he had “received numerous complaints in recent months about southern contractors employing low-paid colored mechanics getting work and bringing the employees from the South.” [Alabama] Representative Clayton Allgood, supporting Davis-Bacon on the floor of the House, complained of “cheap colored labor” that “is in competition with white labor throughout the country.” Other congressmen were more circumspect in their references to black labor. They railed against ‘cheap labor,’ ‘cheap imported labor,’ men ‘lured from distant places to work on this new hospital’ ‘transient labor,’ and ‘unattached migratory workmen.’ While the congressmen were not referring exclusively to black labor, it is quite clear that despite their ‘thinly veiled’ references, they had black labor primarily in mind.¹⁶

In fact, direct reference to race in the debate over Davis-Bacon was rare. Of the 31 Senators and Representatives who spoke in favor of the Davis-Bacon Act in 1931, Alabama Representative Allgood is the only one to have explicitly mentioned the issue of race. Furthermore, only one of the thirteen witnesses who spoke at Senate and House hearings in that year mentioned the issue of race. Thus, the view that Congressional debate demonstrates that the Davis-Bacon Act was motivated by racial animus relies primarily on the view that proponents of the Act hid their animus with racial code words. In this view, when proponents of the Davis-Bacon Act complained of

15. 16th Annual Report of the New York Bureau of Labor Statistics for 1898, Albany 1899, p. 1042.

16. Bernstein, ibid., p. 3.

cheap, itinerant, foreign, non-local labor undercutting local labor standards, these proponents were using these adjectives as code words for African Americans. A problem with the code word hypothesis is that racial and ethnic discrimination was widely accepted at the time and people, including political representatives, were unlikely to use code words when speaking openly of the ‘problem’ was so acceptable. Another problem is that these same adjectives were explicitly applied to white Europeans in the debate over New York state prevailing wage law. A racial animus interpretation of prevailing wage laws would require that these initiatives and their code words be used primarily or only emerge when the cheap labor is a racial minority.

A third issue with the code word hypothesis as applied to Davis-Bacon is that most, cheap, itinerant labor coming into high wage states in the North was not from the South and, even among itinerant southern construction labor coming north, most were white. Table 1 shows the proportion of all construction activity in each of the high wage states accounted for by contractors either from seven north-west-central states or eight southern states. As a group, contractors the north-west-central states accounted for 8% of the construction activity in these ten high wage states in 1929 while contractors from the southern states accounted for 1% of the construction activity in these 10 northern states. The pattern of activity is partly determined by regional proximity. Illinois which is close to the northwestern states has the highest involvement of contractors from Western states; Pennsylvania which closest to the South has the highest southern contractor involvement. Massachusetts, Connecticut and

Table I.

Importing	Average	Percent of All Construction Activity in Importing		
State	Construction	State Accounted for by Contractors from:		
	Income	North West Central	8 Southern	All Out of Region
NY	\$2,254	7%	0%	28%
IL	\$2,113	29%	1%	66%
NJ	\$2,036	1%	1%	8%
MI	\$1,921	12%	1%	55%
MA	\$1,874	1%	0%	16%
CN	\$1,842	0%	0%	2%

OH	\$1,786	15%	3%	61%
RI	\$1,774	0%	0%	7%
PA	\$1,755	1%	5%	50%
IN	\$1,581	10%	2%	35%
10 States		8%	1%	32%

Source: 1930 U.S. Census of Population, Construction

Rhode Island had little involvement from contractors of either the South or the West. Ohio and New York, states equally distant from the South and the plains states had significantly greater involvement from plains state contractors compared to southern contractors.¹⁷

Furthermore, even when a southern general contractor came north with a work crew, that crew was likely to be composed of both white and African American workers. Construction occupations were racially segregated in the South. A crew, which would require the craftsmen from a variety of construction occupations, would necessarily include workers of both races. Thus, the general contractor would likely bring black laborers and hod carriers and perhaps brick masons. But the same contractor would probably bring white carpenters.¹⁸ If a southern contractor came north with an integrated crew at the proportions typical of the racial composition of the southern construction labor force, then the majority of southern workers coming north would be white.

Table II: Black Construction Workers as a Percent of All Construction Workers in Southern States, 1930

State	African American as Percent of All Construction Workers
Alabama	25%

17. The two regional grouping, eight southern states and seven plains states, had similarly sized construction industries at the time. The labor force in the southern states earned on average around \$1,200 per year and were roughly 20% African American. The plains states workers earned roughly \$1,450 per year and few were African American. Workers in the northern states selected earned around \$1,800 per year and employed few African Americans.

18. For instance, data for Virginia in the 1920s indicate that virtually all construction contractors in that state operated with racially integrated construction crews even though in most cases occupations were racially segregated.

Florida	17%
Georgia	31%
Louisiana	28%
Mississippi	30%
North Carolina	24%
South Carolina	39%
Virginia	15%

Source: 1930 Census of Population, Occupations

Proponents of the Jim Crow interpretation of the Davis-Bacon Act point to an example of an Alabama contractor who came into Representative Robert Bacon's Long Island district around 1926 and built a veterans hospital. This example was mentioned several times in the Davis-Bacon debate and in discussions of earlier related laws. As early as 1927, Representative Bacon complained that this Alabama contractor undercut local labor standards by using cheaper outside labor.

The Jim Crow view assumes that this contractor brought a primarily black labor force with him. Bernstein argues this was a coded complaint against the employment of black workers in Bacon's district.¹⁹ Bernstein relies on a memorandum written by U.S. Commissioner of Labor Ethelbert Stewart in 1928 that characterized the Alabama contractors crew as primarily or essentially black.²⁰ However, in hearings for a predecessor bill, Bacon indicated that the Alabama contractor had brought an integrated crew and that the issue was not race, in any case, but rather the undercutting of local labor standards.²¹ In the 1931 debate over

19. Bernstein, op. cit., p. 3.

20. Stewart wrote:

[the Alabama contractor] brought with him an entire outfit of Negro laborers from the South, housed them in barracks and box cars, permitting no one to see them, that he employed no local labor whatsoever. (Quoted in Bernstein, p. 4)

21. Bacon stated:

...the contractor has also brought in skilled nonunion labor from the South to do this work, some of them Negroes and some of them white, but all of them are being paid very much less than the wage scale prevailing in New York State...

the Davis-Bacon bill itself, Representative Fiorello LaGuardia from New York City described his memory of the Alabama contractor that came to Long Island some five years earlier:

A contractor from Alabama was awarded the contract for the Northport Hospital, a Veterans' Bureau hospital. I saw with my own eyes the labor that he imported there from the South and the conditions under which they were working. These unfortunate men were huddled in shacks living under most wretched conditions and being paid wages far below the standard. These unfortunate men were being exploited by the contractor. Local skilled and unskilled labor were not employed. The workmanship of the cheap imported labor was of course very inferior....all that this bill does, gentlemen, is to protect the Government, as well as the workers, in carrying out the policy of paying decent American wages to workers on Government contracts. [Applause.]²²

Although a small number of racial references can be found in the Davis-Bacon debate and previous, related debates, the principle issue of the debate is the protection of labor standards.²³ There is no question but that between 1868 and 1931 most construction unions were racially exclusionary institutions, and these unions were supporters of prevailing wage laws. But race was not the primary or an essential concern of prevailing wage laws. The line of support for prevailing wage laws drawn from Radical Republican and Abolitionist Senator Henry Wilson in 1868 to anti-Jim Crow Justice John Harlan at the turn of the Century to Progressive Republican Fiorello LaGuardia in 1931 is inconsistent with the Jim Crow interpretation of prevailing wage laws.

Racial Employment Effects of the Davis-Bacon Act.

If this contractor hired no local labor, then the skilled labor would very likely have been white southerners. In any case, Bacon explicitly stated that the issue was not whether the outside labor was black but rather whether the outside labor undercut local union wages and working conditions. When Georgia congressperson Upshaw suggested that the problem was created by the presence of black labor, Bacon responded:

the same thing would be true if you should bring in a lot of Mexican laborers or if you brought in any nonunion laborers from any state.

This response is consistent with the debate around the New York state prevailing wage law thirty years before that sought to reduce the employment prospects of European whites and cheaper labor from western states. Sixty-Ninth Congress, Second Session, House of Representatives, Hearings Before the Committee on Labor, H.R. 17069, Washington, GPO, 1927, pp. 2-4.

22. U.S., Seventy-First Congress, Third Session, *Congressional Record*-House, February 28, 1931, p. 6510.

23. Further evidence on the racial intent of supporters and opponents of the Davis-Bacon Act might be found in the voting pattern of proclaimed segregationists in the House and Senate but the vote was taken by voice and there is no record of who voted for or against the bill. Only one House member spoke against the bill and his dissent was because of the pro-union provisions of the Act.

Whatever the intent of supporters of prevailing wage laws, could it be that these laws nevertheless act to exclude African-American employees from the construction industry? Critics of the law suggest that African-American workers are disadvantaged both by the higher wage required by prevailing wage laws and by the lack of low wage entry occupations other than apprentice. The higher wage makes less skilled and less productive employees unattractive to contractors because the wage level cannot be adjusted to conform to the productivity of such employees. Contractors will prefer higher skilled workers, workers who are overwhelmingly white due to hiring and training practices, and will avoid hiring the lower skilled African-American workers. In addition the only type of employee who can be paid at less than the journeyman rates under current administrative practice is an apprentice. The lack of alternative lower wage positions, such as 'helper' or 'trainee', precludes less skilled workers from being hired onto jobs where they could develop the skills needed to qualify as a journeyman. This restriction on the ports of entry for lower skilled workers acts to exclude African-Americans in particular. Both arguments premise that African-Americans in the building trades and related fields have lesser skills than other workers in construction occupations. This might be due to discrimination in entry to apprenticeship programs, in hiring into jobs for which there is union representation, or a lack of family background in the building trades.²⁴

Empirical research on this issue is scarce. The most sophisticated analysis is provided by Richard Vedder and David Gallaway (1995), who find that federal and state prevailing wage laws increased African-American unemployment and that the proportion of African-Americans employed in construction occupations declined relative to the proportion of white workers in such occupations between 1930 and 1980. The supporting evidence is fundamentally descriptive. As with most descriptive analysis the persuasiveness of the arguments is lessened by the possibility that intervening factors which are not controlled for in the

24. As noted previously in this paper, there is historic evidence of discrimination in acceptance into apprenticeship programs. More recent work by Bilginsoy suggests that such practices have largely been ended (1998). Further, apprenticeship programs provide only half of the trained journeymen in the industry. Other important sources include training in the military, community colleges and on the job training.

descriptive analysis might be the cause of the worsening position of African-Americans in construction.²⁵

The current research investigates an issue at the core of the controversy about prevailing wage statutes, whether such statutes reduce African-American representation in the construction labor force. Our strategy for investigating this issue is to first use descriptive statistics to illustrate the inter-relationship between statutes and the racial composition of the labor force. We supplement this with estimates of five progressively more complete multi-variate models of the racial composition of the construction labor force. These models include factors such as union membership, individual characteristics and occupation which may influence employment in construction. The descriptive statistics illuminate the central features of the relationship of interest; the multi-variate models assure that the effects of statutes have been isolated from those of correlated factors as well as provide statistical tests of the relationship between statutes and racial composition.

Our research finds no relationship between prevailing wage statutes and the racial composition of the construction labor force. There is a simple negative correlation between prevailing wage laws and the probability of observing an African-American in the blue collar construction labor force. Although this is consistent with the views of the critics of prevailing wage laws, it neglects the role of the racial composition of labor supply on the characteristics of the construction labor force. Many of the states which lack prevailing wage laws are in the South and have a large proportion of African-Americans in their labor force. Once we allow for differences in the labor supply between states, there is no evidence of a relationship between state prevailing wage laws and the proportion of African-Americans in construction. This pattern is apparent in our descriptive statistics and across all specifications of the multi-variate models.

This analysis focuses on the effect of state prevailing wage laws on the racial composition of the construction labor force. Analysis of the Federal Davis Bacon Act is difficult as there is little cross sectional or inter-temporal variation in provisions and application of the Act. In contrast, there is considerable variation

25. Richard Vedder and David Gallaway, Cracked Foundation: Repealing the Davis-Bacon Act, Center for the Study of American Business, Policy Study Number 127, November, 1995, p. 23.

between states with respect to both the presence and provisions of state prevailing wage statutes. In 1994, thirty-three states (including the District of Columbia) had prevailing wage statutes which applied to construction, eighteen did not. Among the 33 states with laws there were considerable differences in projects subject to the laws and the formula used to determine the prevailing wage. In some states all construction financed by state and local government is subject to prevailing wages, in other states only state financed construction is subject to this legislation, other states exempt specific types of construction such as schools. Laws also vary in the formula used to determine the prevailing wage: in some states the prevailing wage is the wage paid at least 30% of the construction workers in an occupation and type of work, others use a 50% rule and still others used a mean wage rule. The diversity of “Little Davis-Bacon Acts” suggests that a simple distinction between states which have some law and those which do not is overly restrictive. Further disaggregation of the statutes will better capture the effects of prevailing wage laws on minority employment. Thieblot, one of the more thoughtful critics of prevailing wage statutes, classifies states according to whether their prevailing wage law is 'strong', 'average' or 'weak' and we adopt this approach.²⁶

If the critics of prevailing wage laws are correct, the presence of prevailing wage laws should be associated with a reduced probability of observing an African-American in the blue collar labor force of the construction industry. One approach to measuring this proposed relationship is to examine the relationship between legal regimes and the proportion of African Americans in the construction labor force by state. A complimentary approach is to estimate a micro data model for a sample of construction workers in which the dependent variable is whether the individual is African-American and the explanatory variables include the legal regime. Treatment of race as endogenous is unusual as it has been described as one of the few factors which can dependably be treated as exogenous. Although race is exogenous to the individual, it can be an explicit or implicit criteria for being chosen into a particular occupation or industry, as is the case in the current study.

26. Thieblot, “Impact of Prevailing Rates on Black Employment in the Construction Industry,” expert report submitted on behalf of plaintiffs in *Brazier Construction Company, et al. V. Robert Reich*, *op. cit.* Thieblot uses a two to 17 point system in an earlier work *State Prevailing Wage Laws, An Assessment at the Start of 1995*, Associated Builders and Contractors, Inc., Rosslyn, VA, 1995.

Heywood and Peoples (1994) have considered a similar issue, the effect of deregulation in trucking on the racial composition of the driver labor force, and estimated a model in which race is determined by individual characteristics and legal regimes

Data for this analysis is taken from the 1994 Outgoing Rotation File (ORG) provided by the BLS. These files include individuals who are in the last month of their CPS rotation and who are asked questions about their wages, hours of work, and union membership. We include all individuals who report being employed as a 'precision production' (craft), operative, transportation operative or laborer in the construction industry from the 1994 ORG files of the BLS. There are 5,886 observations in the data set, 5.96% of the employees self report as African-American.

Turning first to our descriptive statistics, we calculate the proportion of African-Americans in the blue collar construction labor force for 50 states and the District of Columbia, group this data according to the strength of the prevailing wage law, and rank the states from those with the fewest African Americans in the labor force to those with the greatest proportion. The relationship between the strength of prevailing wage statute and the proportion of African-Americans in the construction labor force is summarized in the left hand box plot in Figure I and the data in the upper panel of Table IV. The box and whiskers plot is defined so that the center line in the box is the median of the distribution (the proportion of African-Americans in the middle state of the particular legal regime), the lower boundary of the box is the proportion African American for the state at the 25th percentile, the upper line is the proportion at the 75th percentile. The upper and lower ends of the whiskers show the proportion African American for the state which is closest to 1.5 times the inter-quartile range from the 25th and 75th percentiles.²⁷

The left hand box plots depict the proportion of African-Americans in the construction labor force by state. Although the proportion of African-Americans for the median state is similar across legal regimes -- the

27. The box defines the interquartile range of the distribution (IQ). The horizontal lines at the end of the whiskers are the upper and lower observation which is closest to being 1.5 times the interquartile range beyond the 25th and 75th percentile.

proportion of African-Americans at the 75th percentile and whisker-end is higher for the states without statutes than for the states with such statutes. The proportion of African-Americans for the median state ranges from 2.9% in weak law states to 3.4% in strong law states with the median state without laws (3.3%) falling close to the upper end of the range. States with strong laws have a larger proportion of African-Americans in construction in the state at the 25th percentile than do states without laws, but the difference is modest -- 0.7% for states without laws against 2.6% for strong law states.

The more dramatic difference, a difference is consistent with the views of critics of the statute, is apparent at the 75th percentile. Where the state at the 75th percentile has a construction labor force which is 5.6% African American in strong law states, 6.2% in average law states, and 9.7% in weak law states, the state at the 75th percentile of states without laws has a construction labor force which is 14.1% African American. This pattern is also found for the states at the 90th percentile (see table IV), where the proportion of African-Americans in construction in no law states is more than double the percent in average and strong law states. There is a simple negative relationship between prevailing wage statutes and the proportion of African-Americans in construction.

But states vary greatly in the proportion of African-Americans in their population and labor force and we do not expect to observe as many African-Americans in construction in Maine, where only 3% of the labor force is minority, as we do in Mississippi. All else equal, we would expect the proportion of African-Americans in construction to mirror the proportion of African-Americans in the state labor force. The second panel of Table IV depicts the proportion of African-Americans in states non-construction labor force by strength of prevailing wage law. Again, although the proportion of African-Americans in the labor force for the median state is similar across statutory regimes, the proportion of African-Americans in the state labor force is substantially higher for the state at the 75th and 90th percentile for the no law regime states than for the average or strong law regime states. Southern states, states which have a large proportion of African-Americans in both their non-construction and construction labor forces, are particularly unlikely to have prevailing wage laws. And it is these states which compose the 75th and 90th percentiles for the no law regime states in the first

panel of the table and the box plot

We can examine this issue more carefully by taking the ratio of the percent African-Americans in the construction labor force to the percent of African-Americans in the non-construction labor force by state. If the proportion of African-Americans in construction mirrors the proportion in the non-construction labor force, the ratio will be one. If African-Americans are 'over represented' the ratio will be greater than one, less if they are under represented. If state prevailing wage laws reduce African-American representation in construction, this ratio should be systematically lower in states with laws than in states without prevailing wage laws (see the right hand graph in Figure I). What is most striking about Figure I (and the lower panel of Table IV) is, first, the larger variance of the ratio for the non law states relative to the other three regimes and second, the similarity of the ratio at 50th, 75th and 90th percentiles for no law, average law and strong law states. The no law states not only include states with the highest ratio of African Americans in construction to African Americans in the non-construction labor force, they also include the states with the lowest ratios. More apropos to the present question, the ratio for the median strong law state (.70) lies slightly above that for states without laws (.64), while the strong law state at the 75th percentile has a ratio (.92) only slightly below that of its counterpart among the no law states (1.0). Comparison of the average and no law box plots also indicates little systematic difference in the relative representation of African-Americans between these two legal regimes. There is also only a small difference in the ratio between the no law, average and strong law regimes at the 90th percentile.

This analysis suggests that although African-American employees are more prevalent in construction in states without prevailing wage laws, this reflects the larger proportion of African-Americans in those states labor force rather than any favorable influence of the legal regime. States in the deep South do not have prevailing wage laws and this resulted in a simple if spurious correlation between the proportion of African-Americans in construction and the lack of prevailing wage laws. Why might these states lack such laws? In the era when social regulatory laws such as prevailing wage laws were being considered by state legislatures, 1880 to 1960, African-Americans were disenfranchised throughout the South. The denial of the voting rights

to such a large proportion of the working class of these states may have been an insuperable barrier to the passage of prevailing wage laws as well as other progressive labor legislation.

Descriptive statistics are, in the end, not decisive because we do not believe that prevailing wage laws and the racial make up of the labor force are the only factors affecting African-American representation in construction. Other factors may influence employment in construction and may, if not controlled for, mask the true effect of prevailing wage statutes. We address this estimating a four multi-variate models, working from a simple model which only allows for the influence of prevailing wage statutes, to models which better reflect the complexity of the employment decision. Parallel to our descriptive statistics, the initial model includes only the three prevailing wage indicators: strong law, average law, and weak law, as explanatory variables (Model I). Individuals are assigned values for the prevailing wage variables according to their reported state of residence. Again paralleling our descriptive statistics, the next model adds a control for the percent of African-Americans in the non-construction labor force of the state. (Model II)

The third model includes two variables related to unionization, union membership and union density by state, for the construction industry (Model III). Some construction unions have historically acted to exclude African-Americans from membership and from their trade. Although such practices have been determined to be illegal by the courts, unions may still engage in practices which de facto serve to exclude African-Americans from employment in construction. These two measures of unionization control for and measure the effect of construction unionization on African-Americans employment independent of the effects of state prevailing wage laws. Individual characteristics, such as age, education, place of residence and gender may influence the suitability of individuals for employment in construction. The fourth model follows the work of Heywood and Peoples (op.cite.) in adding controls for demographic characteristics and educational attainment (Model IV).

The final model, model V, provides controls for three digit occupation. The argument for racial hiring consequences of prevailing wage laws suggests that such laws systematically favor more skilled, and hence more productive, workers. African-American workers are on the lower end of the skill distribution, so

prevailing wage laws act to exclude them from the industry. But skills in construction are, for the most part, specific to occupations. Those excluded by prevailing laws are excluded because they are on the lower end of the skill distribution for their occupation. To this point coefficients have been estimated without regard to occupation and, as such, combine ‘within’ occupation and ‘between’ occupation effects. This could veil the racial effects of prevailing wage laws if such effects occur entirely within occupations. The addition of controls for occupation resolves this as ‘between’ occupation effects are accounted for by the occupational controls and the non-occupational coefficients capture only ‘within’ occupation effects. Although most econometric research control for occupation at the level of major occupation (23 categories) or, less frequently, detailed occupational (45 classifications) controls, this research uses three digit occupational controls to better delineate the craft structure of the industry.

The models are estimated using probit, but as the error term has both individual and state error components, consistent estimation is more complex than the typical probit. The two component error structure, an implication of inclusion of state level variables in the model, results in an n.i.i.d. error which is correlated across individuals within states. If this were a linear model, OLS estimates would be consistent but inefficient.²⁸ The implications for estimation of a maximum likelihood model are more serious, coefficient estimates are not consistent. This can be corrected with a model which allows for a random state error component. There are several methods of estimating such a model, we utilize Butler & Moffit’s (1982) approach.²⁹ We illustrate the issue of random components by estimating Model I with a conventional probit and the random effects corrected estimator used throughout the balance of the paper. Estimates of the derivatives of the likelihood functions, the non-linear counterpart of regression coefficients, are provided in Table V.³⁰

28. The standard errors obtained from the OLS routine in a typical software package would, however, be wrong, as they are calculated under the assumption of independence of error terms. The correct OLS errors can be obtained by methods typically referred to as robust or White-Huber corrections.

29. Estimation with this procedure can be sensitive to the procedures used for estimation, such as the number of quadratures used, but estimates with this data were stable across variations on the routine.

30. The complete estimates are available from the authors.

Estimates of Model I derived from a conventional probit are found in the first column in Table IV, estimates for a model which allows the state error term are in the second column. The derivatives of the coefficients from the conventional probit are similar across the three classifications of prevailing wage laws. The presence of a law reduces the likelihood of observing an African-American employee by approximately 3.5% without regard to the strength of the law. The coefficients are statistically significant at conventional levels, but the level of significance varies widely, from significant in a 1% one tailed test for strong laws, to 5% in a one tailed test for weak laws, to 10% for average laws. Despite such differences -- but parallel with the descriptive statistics -- the conventional probit estimates of Model I may be taken as supporting the racial exclusion theory.

These results are, however, misleading both with regard to coefficient estimates and statistical significance. Correction for random state effects (column two) has little impact on the estimated effect of the coefficients on weak and average laws, African-American employment is reduced between 3% and 3.8% in the presence of such laws. The standard errors for these two variables are substantially smaller than those in the conventional probit, both coefficients are significant at better than a 1% level. The more striking change is the decline in the estimated effect of strong laws, to one third the level indicated by the conventional probit, and its consequent loss of statistical significance in any conventional test.³¹ The result for the strong law coefficient is at variance with the racial exclusion theory as strong laws should have a more marked exclusionary effects than average or weak laws. The random effects estimates might be interpreted as providing partial support for the racial exclusion theory, but it more clearly illustrates the need to use an appropriate estimator.

Model II adds a variable for the proportion of African-American's in the state's non-construction labor force and our estimates suggest this is a critical determinant of the proportion of such workers in

31. The divergence in the effect of strong laws from that of other laws can be tested by comparing this model to one in which the strong, average and weak coefficients are constrained to be the equal. The hypothesis of equality between the coefficients on the three prevailing wage variables can be rejected in a 1% Wald test.

construction. The derivative of the coefficient on the proportion of African-American in the non-construction labor force is .5002 with a t-statistic of 13.9; a state with ten percentage points more African-American workers in its labor force will have a five percentage points higher level of African-American employment in its construction labor force. As with the descriptive statistics, inclusion of this variable in the model eliminates the relationship between prevailing wage laws and African-American employment in construction. The coefficients on the prevailing wage variables become smaller in magnitude, the point estimates of the derivatives range between -.003 and +.0094; this decline in magnitude causes the coefficients to become non-significant. This result also carries through models III - V, prevailing wage coefficients are never significant in models which include the proportion of African-Americans.

Addition of controls for union membership and union density, model III, do not alter any the estimates. The coefficient on the proportion of African-Americans in the state labor force remains large and statistically significant, those on the prevailing wage law variables continue to have small, non-significant coefficients and the coefficients on union membership and union density by state are also small and non-significant. This outcome, which is maintained in all further estimates, is unexpected given the historic and legal record of some building trades unions with regard to employment of African-American workers. It may reflect the success of legal and institutional efforts to end discriminatory practices. Whatever the source, this research suggests that construction employees who are union members are no less likely to be African-American than those who are not African-American. Further, that the increased bargaining power provided by greater union organization of construction labor markets is not being used to exclude African-Americans from employment in construction.

Model IV, which controls for factors such as age, education and residence, which might influence the suitability of individuals for employment in construction, does not alter the relationship between prevailing wage laws and minority employment. The effect of the proportion of African-Americans in the state labor force remains large, the effects of prevailing wage laws and of union membership and density remain small in magnitude and non-significant. Other important determinants of African-American employment are age and its

square, metropolitan residence, marital status and holding a college degree (see Table VI). Older employees are more likely to be African-American, although the relationship is convex. Considering the effect of age alone, a twenty year old has an 8% probability of being African-American, a thirty year old has a 10.6% probability, a forty the probability is 12.3%, at fifty it is 13.1%. The probability begins to decline between fifty and sixty and at sixty it is 12.9%. One possible source of this pattern are the recent shifts in minority employment in construction, with Hispanics increasingly competing with African-American workers over the last twenty years. Older African-American construction workers, who have ties to the industry, would have remained employed at relatively high rates. But fewer young African-Americans would find employment in construction as Hispanics have moved into the industry (Belman and Bilginsoi, 1997). In addition to age, residence in a metropolitan area increases the probability of an employee being African-American by 1.7%. Being married and holding a college degree both decrease the likelihood of observing an African-American, by 2.3% and 4.2% respectively. Educational attainment other than a college degree has little effect on the racial composition of the construction labor force, a result in keeping with the importance of occupation specific rather than general skill training in the industry (Belman and Bilginsoi, op.cite.).

Model V, the final model in this series, differs from prior estimates in controlling for a fixed effect by three digit occupation. Again, by removing the effects of inter-occupational factors including skill related factors, this model should eliminate any masking of the effects of prevailing wage laws by occupational factors. The thrust of the prior results remains. The cardinal explanatory variable is the proportion of African-Americans in the state labor force, the effects of prevailing wage laws and unionization are small in magnitude and non-significant. Model V suggests varied patterns of racial employment by trade. There are thirty-four distinct trades in this data set including three grades of mechanic, carpet layers, iron workers, electricians, apprentices, and bricklayers (see appendix A for a listing). There is evidence that African-Americans are significantly less likely to be observed in occupations such as construction supervisor, heating-ventilation-air-conditioning, carpenter, electrician, painter, plumber, ironworker, sheetmetal2, welder, operating engineer or material moving operative. Although no simple pattern is apparent in this set of occupations, it appears that

African-Americans are less likely to be employed in licensed occupations (such as plumbing and electrical) and occupations which require formal training (such as operating engineer, electrician and plumber). But, carpenters and welders, occupations which are often self taught or learned on the job, are also less likely to be African-Americans. The estimates also indicate that apprentices are no less likely to be African-American than other construction workers. This cuts against the argument that such positions do not provide ports of entry to construction for African-Americans and is consistent with Bilginsoy's research on apprenticeships. The small number of apprentices in the sample argues against putting too much weight on this result.³²

Conclusion:

A prominent criticism of prevailing wage laws has been that they reduced the employment of African-Americans in the construction industry. This premise has been supported by evidence from legislative records and theoretic arguments about administered wages role as a bar to the employment of the lesser skilled African-American worker. The argument was further buttressed with evidence on discrimination against African-American employees by buildings trades unions.

This paper has addressed both of these issues, providing an overview of an extensive review of the historic record of prevailing wage laws and a statistical analysis of the current relationship between 'little Davis-Bacon' acts and minority employment. We find that, although those involved in passage of prevailing wage laws did have exclusionary intent, the intent was towards low wage, transient workers including, at various times, white Northern Europeans and migrants from the Northern Great Plains. The argument for anti African-American bias in the legislative history of Davis-Bacon itself is, in our view, based on overplaying one Senator's comments, misreading of the record and misinterpretation of the historic circumstances at the time of the passage.

Our empirical research moves away from discussion of intent to one of measurable consequences.

32. The helper classification is of interest as opponents of prevailing wage legislation suggest that the helper category is utilized by African-Americans as a point of entry to the construction labor force. The relationship between employment as a helper and racial status could not be tested as there were few helpers in the data set and since none were African-American it could not be included in the model.

Utilizing a conventional data source and a procedure incorporating a state and individual error component, we find a moderate negative simple correlation between state prevailing wage laws and minority employment in blue collar construction. This correlation is, however, the product of the lack of such laws in the South, the region with the largest proportion of African Americans in its labor force. Once adjusted, the association between prevailing wage laws and minority employment disappears.

The debate surrounding the Davis Bacon Act will continue on other grounds. How the Act effects the cost of public construction, the quality of work done, the amount of training that takes place in construction, the extent to which the law promotes labor standards and encourages collective bargaining, all these issues remain open for debate. However, the proposition that the Davis Bacon Act was primarily or substantially intended to restrict African American access to federal construction work is not supported by the historical record, and the idea that the Davis Bacon Act currently restricts minority access to construction work is not consistent with current racial patterns of employment.

Table IV

Racial Composition of the Construction Labor Force by Type of Prevailing Wage Law

	<u>No Law</u>	<u>Weak Law</u>	<u>Average Law</u>	<u>Strong Law</u>
<u>Percent of African-Americans in Construction Labor</u>				
10 th Pct	0%	0%	0%	1.7%
25 th Pct	0%	0%	1.0%	2.1%
Median	3.3%	2.9%	3.1%	3.4%
75 th Pct	14.1%	9.7%	6.2%	5.6%
90 th Pct	21.9%	16.1%	8.2%	8.5%

	<u>No Law</u>	<u>Weak Law</u>	<u>Average Law</u>	<u>Strong Law</u>
<u>Percent African-American in Non-Construction Labor Force</u>				
10 th Pct	.2%	.1%	1.7%	1.9%
25 th Pct	.7%	1.7%	2.3%	2.6%
Median	4.35%	5.3%	4.8%	6.4%
75 th Pct	20.9%	13.4%	6.8%	11.0%
90 th Pct	29.2%	25.8%	15.3%	11.3%

	<u>No Law</u>	<u>Weak Law</u>	<u>Average Law</u>	<u>Strong Law</u>
<u>Percent African-American in Construction/Percent African-American in Non-Construction Labor Force</u>				
10 th Pct	0	0	0	.24
25 th Pct	0	0	.41	.50
Median	.64	.42	.56	.70
75 th Pct	1.0	.75	.82	.92
90 th Pct	1.25	.90	1.21	1.16

Table IV
Prevailing Wage and Minority Employment
(Likelihood of Observing a Black Employee in a Probit Model)
[Coefficients Reported as Derivatives of the Likelihood Function at Sample Means]

	Model I	Random Effects Models					Model V
		Model I	Model II	Model III	Model IV	Model V	
Weak Law	-.033 (-1.75)	-.0377 (-4.44)	-.0032 (-0.308)	-.0029 (-0.277)	.0065	(-0.659)	-.0058 (-0.643)
Average Law	-.034 (-1.38)	-.0296 (-2.90)	-.0030 (-0.315)	-.0021 (-0.197)	-.0023	(-0.225)	-.0019 (-0.209)
Strong Law	-.038 (-2.32)	-.0090 (-1.27)	.0094 (1.112)	.0111 (0.799)	.0050 (0.381)		.0066 (0.562)
Pct African American			.5002 (13.94)	.5003 (13.92)	.4471 (13.110)		.3946 (12.913)
Union				.0045 (0.468)	-.0011 (-0.175)		.0007 (0.128)
%Union				-.0096 (0.264)	-.0089 (-0.262)		-.0147 (-0.479)

Demographic Controls					X		
Education Controls					X	X	
occupation controls					X	X	X

Percent black is the proportion of African Americans in the non-construction labor force by state. Demographic controls include age and its square, gender, marital status and urban residence. Education variables are qualitative measures of educational attainment indicating some high school high school degree, associate of arts, B.A., M.A., professional degree or PhD. Occupation is controlled for with dummies for three digit blue collar occupations
(.) t-statistics for coefficients.
* - significant in a 10% one tailed test; ** significant in a 5% one tailed test; *** significant in a 1% one tailed test (all tests against of null of zero or positive coefficient).

Table V:

Model IV:

Estimates of the Effects of Prevailing Wage on African-American Employment

Weak	-.00652	Number of obs	=	5883
Law	(-0.657)	Model chi2(17)	=	161.33
Average	-.002270	Prob > chi2	=	0.0000
Law	(-0.225)	Log Likelihood =		
		-1096.9597663		
Strong	.004977			
Law	(0.381)			
% African-American	.447090***			
	(13.110)			
Union Density	-.008926			
	(-0.262)			
Union Member	-.001057			
	(-0.175)			
Age	.004916***			
	(3.735)			
Age ²	-.000046***			
	(-2.934)			
Female	.003944			
	(0.228)			
Metro Resident	.017332***			
	(3.417)			
Married	-.023039***			
	(-3.844)			
Separated, Widowed Or Divorced	-.010232			
	(-1.330)			
Some High School	-.000554			
	(-0.083)			
High School Degree	-.006667			
	(-1.209)			
AA Degree	.007785			
	(0.753)			
College Degree	-.041692**			
	(-2.483)			

More than		.044863
College		(1.446)

*** significant in a 1% two tailed test
** significant in a 5% two tailed test
* significant in a 10% two tailed test

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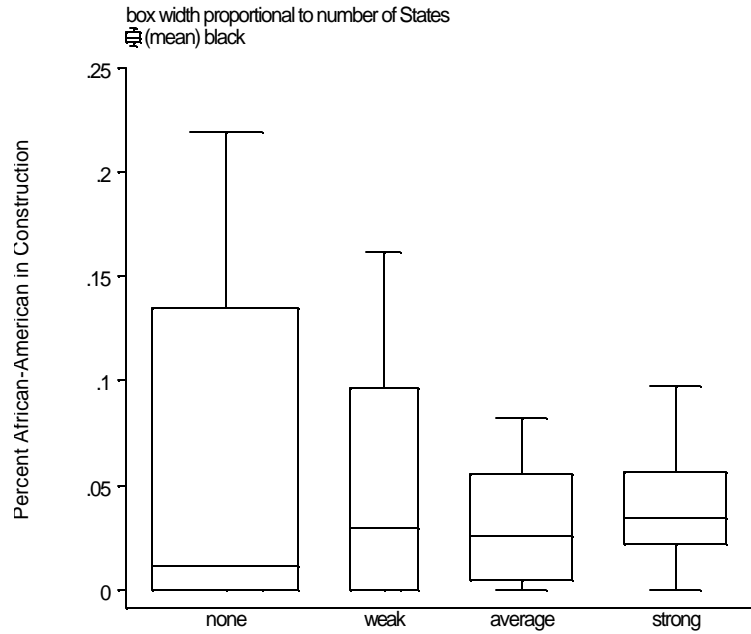
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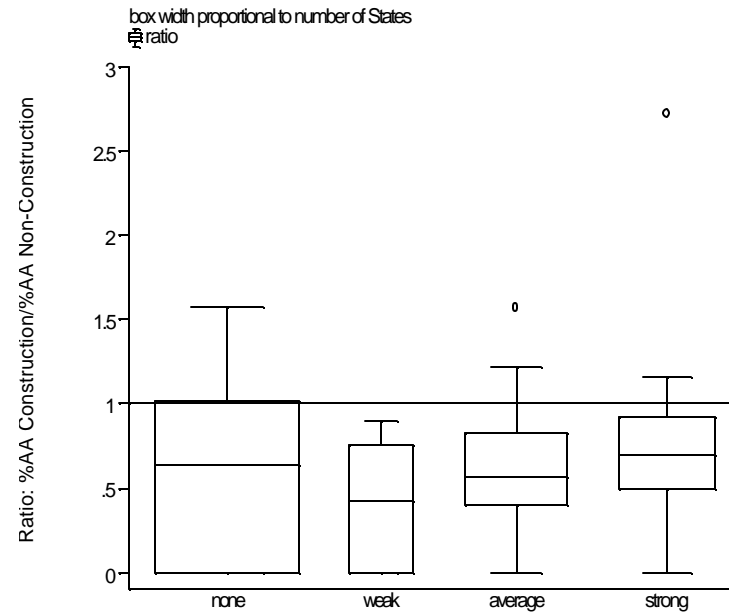
Figure I

Box Plots of Participation of African-Americans in Construction

Percent of African-Americans in the Construction Labor Force (by State)*



Ratio of the Percent of African-Americans in Construction to African-Americans in the Non-Construction Labor Force (by State)



* The construction labor force of the District of Columbia is 78% African-American. This observation has been removed from graph "Percent of African-Americans in the Construction Labor Force" to prevent excessive compression of the scaling.