

Alabama Unionization Rates

- In Alabama, 98 percent of the private construction workforce chooses not to join a labor union (86 percent nationally, unionization rates are available [here](#))
- For all private sector employees the union membership in Alabama is 6.9 % and 6.6% nationally.
- The private manufacturing unionization rate in Alabama (12%) is also higher than the national rate (9.7%)

Prevailing Wage Notes

- Prevailing wage laws serve as a costly barrier to entry to many small contractors who will refrain from bidding on public projects paid for by their own tax dollars because of the complex and inefficient wage and work restrictions that come with prevailing wage. Removing this barrier to entry will create greater competition among bidders and reduce costs to taxpayers.
- Prevailing wage laws tilt the scales on public construction projects to unionized contractors that use the union pay scale, despite the fact that only 13% of the construction workforce chooses to join a labor union nationwide.
- Eliminating prevailing wage requirements lowers the cost of doing business for local and state governments creating the opportunity for more projects, more schools, more infrastructure and more employment opportunities for contractors and their employees in the local community.
- Studies have shown that prevailing wage laws can inflate construction up to 38 percent. Eliminating prevailing wage laws would guarantee more construction per dollar spent on important public projects such as schools, roads, bridges, low-income housing, hospitals and prisons.
 - A recent example of this can be found in a story from earlier this week on [repairs to the governor's mansion](#) in Illinois where Pat Newman, an ABC member and Springfield general contractor, presented the state with two estimates on what it would cost to repair the governor's mansion. One estimate was based on his employees being paid their usual rate and the second is based on them receiving the prevailing wage, the prevailing wage law increased the estimated cost of the project by 22 percent or \$350,000.
 - A study commissioned in 2014 by ABC, Illinois, IL State Chamber of Commerce, Illinois Black Chamber of Commerce, and the Illinois Statewide School Management Alliance was conducted by the nonpartisan Anderson Economic Group and found that from 2002 through 2011 the state of Illinois and local governments could have saved an estimated \$1.6 billion on school construction costs with the exemption of prevailing wage.
 - A 1997 Ohio law required the Legislative Budget Office of the state's Legislative Service Commission to monitor and study the effects of the prevailing wage exemption for school projects within five years after the exemption took effect. The Legislative Service Commission (LSC) issued the required report on May 20, 2002 reporting that their estimates on the aggregate savings on school construction from 1997 through 2001 were 10.7%.

- Several studies have called into question the credibility of Davis-Bacon Act wage determinations. A series of audits by outside agencies, as well as an audit by the Department of Labor's Office of Inspector General in 2004, revealed substantial inaccuracies in Davis-Bacon Act wage determinations and suggested that they are vulnerable to fraud.
- Many prevailing wage mandates come with rigid job restrictions that do not match the needs of today's competitive business environment.
- Prevailing wage laws do not improve safety, quality or training. Ensuring jobsite safety is the purview of OSHA and equivalent state agencies. Prevailing Wage laws were not written to address project quality, which is governed by procurement laws, project specifications and bonding requirements. It is not a job training law and does nothing to ensure workers are better trained on public projects.

PLA Notes

- Taxpayers, as the owners of publicly funded construction projects, deserve the best possible product at the best possible price. Numerous studies show that PLA mandates can increase construction costs by nearly 20 percent. Government-mandated PLAs are a special interest handout that taxpayers simply cannot afford.
- All qualified contractors and skilled craft professionals in Alabama deserve the opportunity to compete for projects funded by their own tax dollars. PLA mandates tilt the playing field in favor of contractors willing to agree to construction union bosses' demands.
- A PLA mandate discourages competition from nonunion contractors and their workers by requiring a construction project be awarded only to contractors and subcontractors that agree to recognize unions as the representatives of their employees on that job; use the union hall to obtain workers; obey the union's restrictive apprenticeship and work rules; and contribute to union pension plans and other funds in which their nonunion employees will never benefit unless they join the union.
- PLAs discriminate against the overwhelming majority of the private construction industry that chooses not to join a union
- PLAs discriminate against disadvantaged businesses including women- and minority-owned construction businesses whose workers are traditionally under-represented in unions.
 - To address this ABC has signed a [joint resolution](#) with the National Black Chamber of Commerce opposing PLAs