

## **PRESS RELEASE**

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### **DELAWARE'S PREVAILING WAGE: CHANGE WE CAN BELIEVE IN**

The state of Delaware can realize significant savings and improve the accuracy of its prevailing wage data by shifting from using Delaware Department of Labor's prevailing wage survey data for state construction projects to wage data collected semi-annually by the DDOL under contract to the U.S. Bureau of Labor Statistics (the OES survey).

The savings from shifting to the OES survey data would be on construction costs, the unemployment fund, and staff time. Using Delaware's FY-11 capital budget the estimated construction savings would be approximately \$19 million for school projects, \$96 million for transportation projects, and \$135 million overall. The funds saved could be used to generate more capital improvements resulting in more construction output, a lower unemployment rate for construction workers, and less strain on Delaware's unemployment fund.

Shifting to the OES survey data would save money and staff time for Delaware's Department of Labor while improving data quality. Compared to the Delaware prevailing wage survey data, the OES has substantially less sample design and response bias, a larger sample size, and fewer methodological errors. Moreover, Delaware taxpayers foot the bill for the state's prevailing wage survey each year, while the U.S. Bureau of Labor Statistics pays Delaware to conduct the OES survey.

The OES survey data more accurately satisfies the state regulatory requirement that defines the prevailing wage as "the average wage paid to similarly employed workers by occupation in the area of intended employment." Use of the OES survey data would establish the market wage by construction occupation in Delaware as the minimum for compensation of labor engaged in capital projects using state funds.

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