The Effect of State Prevailing Wage Laws on African-American Employment in Construction

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Abstract

This study sheds light on the debate regarding whether state prevailing wage laws reduce African-American employment in the construction industry. Using data from the Current Population Survey, the study addresses this question by using a two-part statistical analysis to investigate the effect of state prevailing wage laws on African-American participation in the construction industry over a 30-year period from 1977 to 2006. Our central finding is that there is no substantial empirical evidence that prevailing wage laws reduce African-American participation in construction or alter the choice of African-Americans to enter construction occupations.

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Introduction

Prevailing wage laws in the construction industry require that contractors and subcontractors performing on government construction projects pay their laborers and mechanics no less than the wage and fringe benefits that prevail in the private sector within a particular area and trade. Federal projects are governed by the Davis-Bacon Act of 1931; 31 states featured "Little Davis-Bacon" laws covering corresponding state projects as of 2016. Although a considerable body of research has examined the effects of such laws on construction costs, the academic literature on a separate, rancorous debate in the public forum—the inference that prevailing wage laws reduce African-American employment in construction—is conspicuously inder developed.

The current study addresses this question using a two-part statistical analysis of the effect of state prevailing wage laws on African-American participation in the construction industry over a 30-year period. Utilizing individual-level data from the Current Population Survey (CPS) for three distinct time periods—1977-1979, 1994 and 2006—this paper first examines how state prevailing wage laws affect the racial composition of the construction labor force and how this effect may have changed over time. This study extends this work by considering the effect of state prevailing wage laws on the distribution of African-Americans across broad occupational categories, analyzing the

effect of such laws to encourage or discourage the African-American males into construction occupations when compared with blue-collar work, service professions and other fields.

The central result of this research is that there is no substantial empirical evidence that prevailing wage laws reduce African-American participation in construction or alter the choice of African-Americans to enter construction occupations. While some studies have suggested that these laws have had a deleterious effect on African-American employment, these analyses have relied on approaches that failed to properly account for systematic differences between states. As a result, more sophisticated approaches—such as those employed in the current study—fail to corroborate any substantial, consistent relationship between state prevailing wage laws and African-American employment in construction.

Background

The inference that the Davis-Bacon Act of 1931 may have been motivated by racial animus was first advanced in the literature by Thieblot (1975). As a part of the floor debate in the House of Representatives, Rep. Miles Allgood referred to the use of "cheap colored labor" by traveling contractors that put them "in competition with white labor throughout the country" (Thieblot, 1975, pg. 9). More recent papers have further advanced this theory, citing inflammatory comments by Rep. William Upshaw (Bernstein

and Leonard, 2009) and the perceived orientations of the Act's framers (Gallaway and Vedder, 1999). In contrast, Azari-Rad and Philips (2002) emphatically deny that race was a motivating factor in the passage of the Davis-Bacon Act, arguing—among other reasons—that the bill was designed to prohibit the "wretched" labor standards employed by traveling contractors, many of whom used racially integrated work crews. Assertions otherwise, the authors conclude, are myths that have been promulgated by "think tank scholarship," (Azari-Rad and Philips, 2002, pg. 275).

Despite the attention paid to the *intent* of the Davis-Bacon Act, there is surprisingly little empirical, academic research addressing the hypothesized discriminatory effect of prevailing wage laws on African-American employment in construction. Further, most of the existing studies on the topic are methodologically rudimentary. As an example, Keyes (1982) compared the minority unemployment rate in the eight states without a prevailing wage law (at the time) to the national minority unemployment rate for January 1982. Curiously, while the study contends that the results show the discriminatory effect of state prevailing wage laws, the data indicate that half of the states have an unemployment rate above the national average and half have a rate below the national mark. Regardless, given considerable, systematic differences between states, a simple comparison of means is hardly definitive evidence either way.

Research on the potential discriminatory impact of state prevailing wage laws remained dormant until Thieblot (1999). This study used state-level employment data from the 1990 U.S. Census to compare state ratios of (a) the proportion of the construction sector

comprised of African-Americans to (b) the proportion of the all workers who were African-American. The results suggested that African-Americans were more underrepresented in the construction labor force in states with a prevailing wage law, as the ratio in such states (0.64) was far less than in states without such a law (0.91). Further, the study employed a measure of prevailing wage strength originally advanced in Thieblot (1995)—discussed later in this paper—to suggest that the underrepresentation of African-Americans in construction was larger in states with a "strong" prevailing wage law (0.69) when compared to states with an "average" (0.65) or "weak" law (0.62).

In a comment on Thieblot (1999), a subsequent analysis by Azari-Rad and Philips (2003) revealed two considerable concerns that cast doubt on the implications advanced by the former study. First, using Thieblot's methodology and data, the authors of the latter study demonstrated that the representation difference between "have law" and "no law" states was entirely driven by eight Southern states without a prevailing wage law. Second, the authors used 1970 U.S. Census data to demonstrate that African-American representation in construction was highest in states that had eventually repealed their prevailing wage law, indicating that participation differences were likely attributable to something besides prevailing wage laws. In a reply, Thieblot (2003) reiterated his initial conclusions by demonstrating that, within the South, African-American participation in construction was highest in states without prevailing wage laws. Further, the reply used 1970-1990 Census data to show that the African-American representation in construction fared the best among states that had never had a prevailing wage law.

Regardless of the particulars of the above *tête-à-tête*, these studies suffered from a similar flaw as Keyes (1982): by simply comparing means, this approach ignores vast, systematic differences between states that must be accounted for in a worthwhile investigation of the racial impacts of state prevailing wage laws. To those ends, Belman and Philips (2005) used individual-level data on construction workers from the 1994 CPS Outgoing Rotations File to estimate the impact of state prevailing wage laws on the racial composition of the industry. Utilizing a probit analysis featuring race as a binary dependent variable, a simple model—including only the presence and strength of a state's prevailing wage law—indicated a discriminatory effect, as the presence of a law reduced the likelihood of observing an African-American worker by roughly 3.5 percent. However, once further controls were included in the model, the magnitude and statistical significance of the prevailing wage laws dissipated completely, thereby casting considerable doubt on the findings of prior studies that relied on simple correlations (i.e., the comparison of means).[1]

Data and Model

The current study significantly expands the work of Belman and Philips (2005) in two ways. First, this paper examines the effect of state prevailing wage laws on African-

[1] Two other studies examine the effects of prevailing wage laws on construction labor markets. Bloch (2003) found that higher construction wage rates in a city lower African-American employment in construction. Using back-of-the-envelope calculations, the author surmised—but did not explicitly test—that the repeal of the federal Davis-Bacon Act would lead to employment gains for African-Americans. Kessler and Katz (2001) examined the effect of state prevailing wage laws, finding that the repeal of a state's prevailing wage law results in the narrowing of black/non-black wage differentials.

American employment construction at three different points over a 30-year period, thus allowing this study to investigate both recent and historical concerns of discriminatory impact. To accomplish this goal, this study utilizes individual-level data for males aged 18-64 from the CPS Outgoing Rotations File from 1977-79 (merged to provide an adequate sample size), 1995 and 2006.[2]

This paper also advances the academic literature on this topic by utilizing two different estimation approaches to examine the relationship between state prevailing wage laws and African-American employment in construction. The first approach mirrors Belman and Phillips (2005) by using micro-level data to evaluate how these laws influence the racial composition of the construction industry. Using probit estimation, this study employs the following model:

$$(1)\quad Pr(race=African\text{-}American \mid industry=construction)_{ijt} = \beta_0 + \beta_1 PW_{jt} + \beta_2 X_{ijt} + \beta_3 Z_{jt} + \varepsilon_{ijt},$$

where *i* represents an individual in state *j* at time *t.* The PW_{jt} variable represents various measures of a state's prevailing wage law (explained below), while the X_{ijt} and Z_{jt} variables capture individual demographics and state-wide characteristics, respectively. These latter two vectors of control variables are of critical importance given the overly simplistic bivariate approach applied in prior studies on this topic.

[2] The applicable size of the 1995 sample is reduced due to the fact that the CPS suppressed the results of the variable for metropolitan status for a number of months in 1995. Given that metropolitan status was a significant variable in our results, this study chose to remove observations with a missing value—instead of omitting the variable—with the recognition that doing so should not bias our results given the reason for their exclusion (i.e., date surveyed).

While the above model examines those already employed in the construction industry, an alternative approach used in this paper is to examine the effect of state prevailing wage laws on the employment choice of African-Americans. If state prevailing wage laws are a discriminatory barrier to employment in this sector, then legislation should demonstrate deleterious effects in an industrial choice model among African-Americans. Using a multinomial logit approach, this study expands the existing literature by analyzing the following:

$$(2)\ Pr(industry=construction \mid race=African\text{-}American)_{ijt} = \beta_0 + \beta_1 PW_{jt} + \beta_2 X_{ijt} + \beta_3 Z_{jt} + \varepsilon_{ijt},$$

where "industry" is comprised of five categories: construction, blue collar, trade, professional and services. By limiting the sample to African-Americans, this study is thus able to detect how various factors—including state prevailing wage laws—influence vocational choice.

The specification of both models is potentially very challenging as structural models would need to include the broad set of factors influencing the proportion of African-Americans in the construction industry or the proportion of African-Americans choosing a career in construction, a daunting task. However, the legal interpretation of discrimination points toward a model in which the effect of factors, such as prevailing wage, that underlie the deviation of African-American outcomes in construction from those of an appropriate base group. In the case of model (1), this would be the deviation of the proportion of African-Americans employed in construction from the proportion of

African Americans employed in a state or the proportion of African-Americans in the state's population. In the case of Model (2), this would be the deviation of the likelihood of being employed in construction relative to the proportion of white male workers employed in that occupation This approach, closely related to a Box-Jenkins estimation process, alleviates the need to specify the complete set of sources of effects, only those which potentially cause differences in African-American outcomes.

<<<INSERT TABLE 1 HERE>>>

Given that the existing academic literature analyzes both the existence and strength of a state's prevailing wage law and their impact on African-American employment in construction, the definition of the PW_{jt} variable is of critical importance to the current study. To those ends, this study employs the methodology advanced by Thieblot (1995)—and subsequently applied in Thieblot (1999)—that utilizes a point system for measuring the strength of a state's prevailing wage law across five scales: (1) the minimum contract threshold, (2) whether state and local contracts are covered, (3) the enforced wage rate, (4) the breadth of work and occupations covered and (5) "other factors," including state/local resident preferences, administrative and/or compliance requirements and penalties for violation of the law. With scales and point values fully described in Table 1, this study scored each state's prevailing wage law at each of the respective time periods described above (1979, 1995, 2006) to determine whether the law was considered to be "strong" (12+ points), "average" (7-11 points) or "weak" (0-6 points).

<<<INSERT TABLE 2 HERE>>>

As presented in Table 2, scores of state prevailing wage laws of most states remained relatively constant over time, with Massachusetts, New York, New Jersey, California and Hawaii consistently estimated to have the strongest prevailing wage laws. The only substantial cross-period score changes were attributable to the repeal of such laws in 11 states between 1977 and 2006. While these repeals altered the scoring composition over time, the most recent period studied featured 13 states with a "strong" prevailing wage law, 12 with an "average" law, six with a "weak" law and 19 states without a prevailing wage law.

Results

Before turning to more sophisticated analyses, Table 3 examines the racial composition of the construction industry within the sample across the four categories of state prevailing wage laws. At first glance, the results of Table 3 provide a *prima facie* case of the discriminatory effect of state prevailing wage laws. Across all three time periods, states without such a law—or with a weak regulation—demonstrate higher rates of African-American employment within the construction industry. While the gap between the no-law and have-law states has diminished over time, this is may be partially attributable to states switching categories on account of changes to, or the repeal of, their prevailing wage law.

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While the results of Table 3 are generally consistent with the findings of Thieblot (1999), the use of summary statistics to explore race within the construction industry ignores vast, considerable differences across states and, thus, may overlook the actual causal factors explaining this relationship. To those ends, Table 4 presents the marginal effects estimates from probit regressions examining the proportion of African-Americans within the construction industry. For each time period, Table 4 presents three different models: M1 features a state prevailing wage law indicator and individual demographic variables, M2 adds the percentage of the state population that is African-American and M3 adds other state-level controls.

<<<INSERT TABLE 4 HERE>>>

The results of Table 4 paint a consistent picture across the three time periods. Using a simple model (M1), the results suggest that state prevailing wage laws have a statistically significant discriminatory effect on African-American employment in construction, estimated to be between two and seven percent across the three time periods. However, these presumed effects disappear once other state-level factors are considered. In particular, the results of M2 demonstrate that the biggest predictor of the racial composition of a state's construction industry is the racial composition of a state's population as a whole. Once this variable is included in the model, any perceived

discriminatory effect of a state prevailing wage law dissipates. The inclusion of additional state-level variables in M3 does little to affect this conclusion.

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While the results of Table 4 cast considerable doubt on the findings of Thieblot (1999), a secondary hypothesis of that study suggested that stronger state prevailing wage laws would produce more substantial discriminatory effects against African-Americans in construction. To examine this hypothesis, Table 5 replicates the analysis in the previous table but instead provides four different models, each featuring a different measure of a state's prevailing wage law. While Model 1 includes an indicator variable whether a state has a prevailing wage law (i.e., the specification examined in Table 4), Model 2 includes a series of indicator variables denoting whether the state law is strong, average or weak. Model 3 includes a linear variable that captures the point totals representing the strength of the state prevailing wage law. Finally, Model 4 decomposes that point total into its five components as described in the previous section.

The results of Table 5 offer two key conclusions. First, regardless how a state's prevailing wage law is specified in the model, a simple regression model (M1) implies discriminatory effects that disappear when using more sophisticated models (M2 and M3). Further, looking at the results of Models 2 and 3, there exist no evidence to support the hypothesis that "stronger" state prevailing wage models are more discriminatory, as the results fail to demonstrate any statistical link between state prevailing wage laws and

the racial composition of the construction industry in any of the more sophisticated models. While the results of Model 4 are suggestive of statistical significance between some components of the law and African-American representation in the construction industry, these effects are inconsistent across years and categories, with positive and negative coefficients scattered throughout the results. As a result, any suggestion that various components may have a demonstrative effect is inconclusive, at best.

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While the above analyses have examined the racial composition of the construction industry, an alternative approach is to address whether state prevailing wage laws influence the employment choice of African-Americans. Thus, instead of studying the racial composition of males employed in the construction industry, this alternative methodology addresses the incidence of construction employment amongst African-American males. Table 6 provides a summary analysis on the basis of the strength of respondents' state prevailing wage law. This summary approach is suggestive of potential discrimination, as a larger proportion of employed African-American males have historically entered construction in states that do not have a prevailing wage law. Further, the proportion of African-American males entering the construction industry seems to be lowest within states that have the strongest state prevailing wage law. While these differences fluctuate considerably across years, it is reminded that many states changed categories through the modification or repeal of their respective prevailing wage law during this period.

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While the results of Table 6 are suggestive of potential discriminatory effects of state prevailing wage laws, the use of a summary analysis ignores the substantial differences across states that may comprise the actual casual factors explaining this relationship. To those ends, Table 7 presents the estimates of a multinomial logit model featuring a number of individual and state-level factors that may influence the choice of industrial employment for African-American males. Using three variants of the model for each of the three time periods, M1 features only a respondent's demographics and an indicator variable representing his state's prevailing wage law status. M2 builds upon this model by including a series of five variables to the model representing the proportion of non-African Americans employed in each of the five sectors; the insertion of these variables attempts to normalize the choices of African-Americans against those made by the remainder of the population. Finally, M3 includes other characteristics of a respondent's state, specifically of the construction industry and the economy as a whole. The coefficients presented in Table 7 are limited to the construction industry outcome, with employment in the services industry representing the base category.

The results of Table 7 indicate that while state prevailing wage laws demonstrate a statistically significant discriminatory effect in a simple model (M1), these effects disappear in a more sophisticated model (M3). Translating the results to marginal effects, the results of M1 across the three time periods suggest that the presence of a state

prevailing wage laws makes it 2-3 percent less likely that an African-American male would enter the construction industry when compared to the service industry work, an effect that is statistically significant across all three time periods. These discriminatory effects dissipate, however, upon the inclusion of additional state-level controls. In the 2006 sample, any discriminatory effect of state prevailing wage laws disappears upon the conclusion of the proportion of non-African Americans within each of the five industrial outcomes (M2). For the 1977-79 and 1995 samples, these discriminatory effects dissipate upon the inclusion of additional state-level characteristics, such as average earnings per sector and the condition of a state's construction industry. Consistent with prior analysis, the results again suggest that findings of discrimination are the result of overly simplistic statistical modeling.

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Table 8 builds upon this analysis, replicating the multinomial logit estimates with four different specifications of the state prevailing wage law variable. Across all four specifications, there is little support for the hypothesis that state prevailing wage laws have a statistically significant discriminatory effect. The pattern of the results is generally consistent with earlier findings, as simple models demonstrate a statistically significant effect that effectively dissipates with the inclusion of additional state-level controls in more sophisticated models. Simple models provide marginal support for the hypothesis that stronger state prevailing wage laws are more discriminatory, however any strength-related effects also disappear in more advanced models. Finally, while there are some

negative correlates among the state prevailing wage components in Model 4, these are inconsistent across time and category, thereby undercutting any degree of certainty about their long-term effects.

Conclusion

The public debate over state prevailing wage laws has centered on a number of issues. As the academic research has largely focused on the effects of such laws on construction costs, the literature has been conspicuously incomplete in regards to the hypothesis that such laws effectively reduce African-American employment in construction. The current study represents the most exhaustive statistical analysis on this subject to date, using micro-level data and two different methodologies across three time periods to analyze the relationship between race and employment in the construction industry. The results tell a consistent story, as perceived discrimination in simple models completely dissipates upon the use of more advanced statistical approaches. Across methodologies and time periods, there is no consistent evidence supporting the hypothesis that state prevailing wage laws result in discriminatory outcomes.

The results of this study should shed new light on the findings of Thieblot (1999). In particular, that study used state-level summary statistics that resulted in outcomes consistent with the summary results in Tables 3 and 6 of the current study. However, as noted often in this study, a summary approach ignores all other differences between states

that may represent the underlying cause(s) of the differences in racial representation within the construction industry. For example, the results of Table 4 demonstrate that the biggest predictor of the racial composition of a state's construction industry is the racial composition of its population; after sufficiently taking that into account, all effects of a state's prevailing wage law disappeared. In other words, suggestions that a state's prevailing wage law results in empirical discrimination would seem, at best, to rest upon inadequate or incomplete analyses.

While it is hoped that the current study may be the most exhaustive empirical paper on the topic, it is cautioned that this study does not weigh in on the original *intent* of the Davis-Bacon Act of 1931 or subsequent passage of state prevailing wage laws. Further, while this paper has attempted to examine historical discriminatory effects of state prevailing wage laws, data limitations prevented this study from examining the period before 1977-79; as such, this study cannot definitively say that such effects have never existed. Finally, given that this study has been singularly focused on the effects of state prevailing wage laws on employment of African-American males in the construction industry, future researchers are strongly encouraged to examine any and all factors that may hinder or promote minority and female employment in construction.

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Table 1. Measuring the "Strength" of a State's Prevailing Wage Law

Scale #1: Contract Threshold Value	
2 pts:	Project minimum less than $2,000
1 pt:	Project minimum between $2,000 and $50,000
0 pts:	Project minimum above $50,000
Scale #2: Contract Coverage	
3 pts:	State law preempts federal law; higher rate applied
2 pts:	Both state and local projects covered
0 pts:	Only state projects covered
Scale #3: Rate Setting	
8 pts:	Legislatively mandated union wage rate
6 pts:	"Effective" union wage rate
3 pts:	Federal Davis-Bacon wage rate
0 pts:	"Free market" wage rate
Scale #4: Breadth of Work and Occupations Covered	
1-5 pts:	State prevailing wage law inclusions (more than federal law)
0 pts:	State prevailing wage law coverage matches federal law
-1 pts:	State prevailing wage law exclusions (less than federal law)
Scale #5: Other Factors	
-2 to +3 pts:	Factors include preferences to state/local residents, state prevailing wage law compliance requirements, and penalties for violation of law
Total Score:	
12+ pts:	"Strong" state prevailing wage law
7-11 pts:	"Average" state prevailing wage law
0-6 pts:	"Weak" state prevailing wage law

Table 2. List of State Prevailing Wage Law Scores, 1977-79, 1995 and 2006

State	*1979*	*1995*	*2006*	*State*	*1979*	*1995*	*2006*
Alabama	11	0	0	Montana	5	6	8
Alaska	11	11	11	Nebraska	2	2	2
Arizona	0	0	0	Nevada	13	11	11
Arkansas	8	10	9	New Hampshire	12	0	0
California	14	16	17	New Jersey	14	16	17
Colorado	7	0	0	New Mexico	9	9	9
Connecticut	9	8	8	New York	15	16	16
Delaware	8	7	7	North Carolina	0	0	0
Florida	5	0	0	North Dakota	0	0	0
Georgia	0	0	0	Ohio	14	14	11
Hawaii	12	15	15	Oklahoma	2.5	2	0
Idaho	7	0	0	Oregon	10	11	10
Illinois	11	12	14	Pennsylvania	10	10	10
Indiana	11	10	9	Rhode Island	13	12	13
Iowa	0	0	0	South Carolina	0	0	0
Kansas	5	0	0	South Dakota	0	0	0
Kentucky	7	3	4	Tennessee	2	2	2
Louisiana	10	0	0	Texas	5	6	6
Maine	3	3	4	Utah	6	0	0
Maryland	3	4	5	Vermont	0	0	0
Massachusetts	16	17	16	Virginia	0	0	0
Michigan	12	0	12	Washington	12	14	14
Minnesota	14	14	14	West Virginia	14	11	13
Mississippi	0	0	0	Wisconsin	11	11	12
Missouri	12	12	12	Wyoming	8	8	8

Table 3. African-American Percentage of Male Construction Workers, by State Prevailing Wage Law Strength, 1977-2006

Strength of PW Law	*1977-79*	*1995*	*2006*
Strong	3.92%	4.01%	2.76%
Average	3.97%	2.19%	3.35%
Weak	8.07%	3.34%	4.14%
None	11.39%	7.99%	5.34%
Total	6.06%	5.02%	3.99%
Observations	11,161	7,513	14,023

Table 4. Marginal Effects of State Prevailing Wage Law on African-American Employment in the Construction Industry, 1977-2006

	1977-79			1995			2006		
	M1	**M2**	**M3**	**M1**	**M2**	**M3**	**M1**	**M2**	**M3**
State Prevailing Wage Law	-0.070**	-0.005	0.007	-0.046***	-0.006	-0.001	-0.023*	-0.001	0.002
	(3.17)	(0.48)	(1.02)	(3.97)	(0.83)	(0.15)	(2.04)	(0.26)	(0.45)
Education									
No High School Diploma	0.049***	0.035***	0.031***	0.022**	0.013	0.012	-0.003	-0.006	-0.005
	(7.44)	(6.14)	(5.75)	(2.81)	(1.91)	(1.94)	(0.68)	(1.76)	(1.62)
High School Graduate	Base	Base	Base	Base	Base	Base	Base	Base	Base
Some College	0.000	0.004	0.004	-0.009	-0.003	-0.002	-0.007	-0.003	-0.002
	(0.06)	(0.58)	(0.72)	(1.16)	(0.43)	(0.40)	(1.49)	(0.69)	(0.57)
College Degree	-0.028**	-0.022**	-0.021**	-0.020*	-0.014*	-0.011	-0.012**	-0.008*	-0.007
	(3.11)	(2.82)	(2.83)	(2.55)	(1.98)	(1.55)	(2.71)	(1.96)	(1.66)
Age	0.006***	0.005***	0.004***	0.004*	0.004**	0.003*	0.003**	0.002**	0.002**
	(4.85)	(5.53)	(5.07)	(2.52)	(2.65)	(2.47)	(2.67)	(3.14)	(2.97)
Age Squared	-0.000***	-0.000***	-0.000***	-0.000*	-0.000*	-0.000	-0.000	-0.000*	-0.000*
	(4.21)	(4.61)	(4.31)	(1.98)	(2.10)	(1.94)	(1.94)	(2.55)	(2.42)
Married	-0.044***	-0.043***	-0.040***	-0.034***	-0.028***	-0.027***	-0.018***	-0.014***	-0.014***
	(7.27)	(7.48)	(8.56)	(5.26)	(5.03)	(4.97)	(5.85)	(5.50)	(5.28)
Metropolitan Area	0.040***	0.026***	0.020**	0.022*	0.018**	0.015*	0.026***	0.018***	0.016**
	(4.36)	(4.20)	(3.05)	(2.41)	(2.68)	(2.14)	(3.70)	(3.34)	(3.11)
% of State Population: Black		0.004***	0.004***		0.003***	0.003***		0.003***	0.003***
		(9.28)	(12.96)		(10.89)	(9.45)		(13.04)	(8.25)
Union Member			0.004			0.026***			0.013*
			(1.04)			(3.68)			(2.56)

% of State Construction: Union			0.023			-0.000			0.007
			(0.65)			(0.48)			(0.15)
% of State Population: Hispanic			0.001			0.001			-0.000
			(1.38)			(1.62)			(0.77)
State Construction GDP			0.001			-0.004			-0.003
			(0.26)			(0.90)			(1.29)
State GDP Growth, Last 5 Years			0.020			-0.006			-0.046
			(0.67)			(0.13)			(1.28)
State Construction Growth, Last 5 Years			-0.023*			-0.037*			0.051*
			(2.36)			(2.20)			(2.20)
% of State Construction: Residential			0.044***			0.053			-0.010
			(3.41)			(1.69)			(0.50)
Avg. State Income by Occ. (5)	No	No	Yes	No	No	Yes	No	No	Yes
Number of Observations	11,161	11,161	11,161	7,513	7,513	7,513	14,023	14,023	14,023
Pseudo R-squared	0.0800	0.1514	0.1752	0.0584	0.1290	0.1413	0.0299	0.1111	0.1161

*Notes: Absolute value of z-statistic in parentheses. Standard errors clustered on state. Statistical significance as follows: * - p<0.05, ** - p<0.01, *** - p<0.001.*

Table 5. Marginal Effects of State Prevailing Wage Law on African-American Employment in the Construction Industry, Different Measures of PW Law Strength, 1977-2006

	1977-79			1995			2006		
	M1	**M2**	**M3**	**M1**	**M2**	**M3**	**M1**	**M2**	**M3**
Model 1									
State Prevailing Wage Law	-0.070**	-0.005	0.007	-0.046***	-0.006	-0.001	-0.023*	-0.001	0.002
Model 2									
Strong State PW Law	-0.056***	-0.006	0.007	-0.031**	-0.004	0.009	-0.025*	-0.001	0.002
Average State PW Law	-0.050***	-0.017**	0.000	-0.040***	-0.009	-0.002	-0.016	0.006	0.008
Weak State PW Law	-0.023	0.015	0.009	-0.029**	-0.008	-0.004	-0.010	-0.006	-0.003
No State PW Law	Base	Base	Base	Base	Base	Base	Base	Base	Base
Model 3									
State PW Point Total	-0.005***	-0.001*	0.001	-0.003**	-0.000	0.001	-0.002*	-0.000	0.000
Model 4									
State PW Points: Threshold	-0.006	0.000	0.005	0.004	0.003	0.004	-0.010*	-0.006**	-0.010***
State PW Points: Contracts	-0.010	0.008	0.003	-0.020***	-0.005	-0.009	-0.008*	0.001	-0.002
State PW Points: Breadth	-0.006	-0.004	0.002	-0.002	0.002	0.004	-0.003	0.001	0.003*
State PW Points: Rate	-0.004	-0.004**	-0.000	0.001	0.000	0.004*	0.002	0.001	0.003**
State PW Points: Other	0.025*	0.005	-0.004	0.004	0.000	-0.008**	0.003	-0.001	-0.004*
Demographics	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
% of State Population: Black	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes
State and Union Variables	No	No	Yes	No	No	Yes	No	No	Yes
Number of Observations	11,161	11,161	11,161	7,513	7,513	7,513	14,023	14,023	14,023

*Notes: Absolute value of t-statistic in parentheses. Statistical significance as follows: * - p<0.05, ** - p<0.01, *** - p<0.001.*

Table 6. Percentage in Construction Industry, Employed African-American Males, by State Prevailing Wage Law Strength, 1977-2006

Strength of PW Law	*1977-79*	*1995*	*2006*
Strong	6.20%	5.65%	6.00%
Average	7.32%	5.29%	8.76%
Weak	13.08%	5.56%	7.46%
None	12.47%	9.47%	10.07%
Total	9.34%	7.28%	8.27%

Table 7. Factors Affecting Employment in Construction Industry, Multinomial Logit Coefficients (Against Sales as Base Category), Employed African-American Males, 1977-2006

	1977-79			1995			2006		
	M1	**M2**	**M3**	**M1**	**M2**	**M3**	**M1**	**M2**	**M3**
State Prevailing Wage Law	-0.587**	-0.533***	-0.023	-0.565***	-0.442**	-0.316	-0.318*	-0.129	0.072
	(2.81)	(3.18)	(0.10)	(4.25)	(2.58)	(1.15)	(2.10)	(0.69)	(0.36)
Education									
No High School Diploma	0.385*	0.312	0.309	0.565**	0.555**	0.558**	0.419**	0.416**	0.397**
	(2.32)	(1.85)	(1.84)	(3.05)	(2.96)	(2.99)	(2.79)	(2.75)	(2.59)
High School Graduate	Base	Base	Base	Base	Base	Base	Base	Base	Base
Some College	-0.068	-0.031	-0.012	-0.226	-0.211	-0.219	-0.314**	-0.306*	-0.300
	(0.41)	(0.19)	(0.07)	(1.12)	(1.05)	(1.08)	(2.59)	(2.44)	(2.37)
College Degree	-1.386***	-1.427***	-1.431***	-0.925***	-0.902***	-0.892***	-0.780***	-0.777***	-0.768***
	(4.25)	(4.37)	(4.39)	(3.53)	(3.44)	(3.39)	(4.72)	(4.69)	(4.61)
Age	0.101***	0.108***	0.107***	0.188***	0.191***	0.192***	0.141***	0.143***	0.142***
	(3.22)	(3.47)	(3.42)	(4.63)	(4.67)	(4.73)	(4.39)	(4.46)	(4.34)
Age Squared	-0.001***	-0.001***	-0.001***	-0.002***	-0.002***	-0.002***	-0.001***	-0.001***	-0.001***
	(3.49)	(3.74)	(3.71)	(3.94)	(3.98)	(4.03)	(3.66)	(3.75)	(3.66)
Married	0.074	0.044	0.045	0.320	0.315	0.328*	0.267**	0.258**	0.265**
	(0.45)	(0.26)	(0.27)	(1.94)	(1.91)	(1.97)	(2.66)	(2.58)	(2.70)
Metropolitan Area	-0.573*	-0.551**	-0.502*	-0.551***	-0.512**	-0.567***	-0.071	-0.159	-0.160
	(2.19)	(2.61)	(2.33)	(3.56)	(3.14)	(3.61)	(0.45)	(1.05)	(1.08)
% of State Construction: Union			1.433			0.013			-0.113
			(0.80)			(0.84)			(0.06)
% of State Population: Hispanic			-0.049			0.023*			-0.028**
			(1.67)			(2.05)			(2.85)
State Construction GDP			0.176			-0.155			-0.113

			(1.28)			(0.54)			(1.32)
State GDP Growth, Last 5 Years			1.879			-0.038			-0.359
			(1.36)			(0.02)			(0.26)
State Construction Growth, Last 5 Years			0.132			-0.533			2.038*
			(0.22)			(0.79)			(2.37)
% of State Construction: Residential			0.732			2.361*			0.255
			(1.32)			(2.53)			(0.42)
State % Non-Black in Industry (5)	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes
State Avg. Earnings in Industry (5)	No	No	Yes	No	No	Yes	No	No	Yes
Number of Observations	7,232	7,232	7,232	5,178	5,178	5,178	6,762	6,762	6,762
Pseudo R-squared	0.0508	0.0690	0.0737	0.0618	0.0703	0.0743	0.0582	0.0656	0.0683

*Notes: Absolute value of z-statistic in parentheses. Standard errors clustered on state. Statistical significance as follows: * - p<0.05, ** - p<0.01, *** - p<0.001.*

Table 8. Factors Affecting Employment in Construction Industry, Multinomial Logit Coefficients (Against Sales as Base Category), Employed African-American Males, Different Measures of PW Law Strength, 1977-2006

	1977-79			1995			2006		
	M1	**M2**	**M3**	**M1**	**M2**	**M3**	**M1**	**M2**	**M3**
Model 1									
State Prevailing Wage Law	-0.587**	-0.533***	-0.023	-0.565***	-0.442**	-0.316	-0.318*	-0.129	0.072
Model 2									
Strong State PW Law	-1.051***	-0.704***	0.016	-0.543***	-0.284	-0.317	-0.532***	-0.458	-0.457
Average State PW Law	-0.490*	-0.552**	-0.037	-0.724**	-0.557*	-0.593	-0.145	0.028	-0.094
Weak State PW Law	-0.301	-0.311	0.004	-0.463*	-0.394	-0.103	-0.183	-0.178	0.127
No State PW Law	Base	Base	Base	Base	Base	Base	Base	Base	Base
Model 3									
State PW Point Total	-0.068***	-0.053***	0.008	-0.041***	-0.036	-0.030	-0.031**	-0.021	-0.002
Model 4									
State PW Points: Threshold	0.035	-0.070	0.139	0.166	0.212	0.202	-0.252**	-0.278**	-0.256*
State PW Points: Contracts	-0.153	-0.021	-0.004	-0.377*	-0.462*	-0.726***	-0.081	-0.093	-0.117
State PW Points: Breadth	-0.024	-0.004	0.200	0.090	0.148	0.229	-0.014	0.009	-0.003
State PW Points: Rate	-0.111**	-0.100**	-0.189	-0.021	0.019	0.109	0.016	0.063	0.097
State PW Points: Other	0.276**	0.190	0.041	0.079	0.101	0.039	0.067	0.035	-0.022
Demographics	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
State % Non-Black in Industry (5)	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes
All Other State Variables	No	No	Yes	No	No	Yes	No	No	Yes
Number of Observations	11,161	11,161	11,161	7,513	7,513	7,513	14,023	14,023	14,023

*Notes: Absolute value of t-statistic in parentheses. Statistical significance as follows: * - p<0.05, ** - p<0.01, *** - p<0.001.*