

Racialized Impacts of the Davis-Bacon Act: New Evidence From Linked Census Data

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Fighting for Freedom Symposium

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Building Trades Unions and Race: A Brief History

- Post-Civil War: 100k/120k skilled construction craftsmen in the South were Black
- Reconstruction – Early 20th Century:
 - Discrimination in labor laws
 - Discrimination in vocational schooling
 - Discrimination in union membership policies
 - Violence
- By 1890: Whites made up a majority of skilled construction workers
- By 1910: only 15% of the South's Carpenters were Black
- By 1929: only 600 of the 340k members of the Carpenters union were Black

Building Trades Unions and Race: A Brief History

- In the South: many Black workers gave up the building trades
- In the North: immigration slows, influx of Black “unskilled” laborers
 - New threat to White / unionized / “skilled” tradesmen



“The immigration of the Southern [Black worker] into our city is a growing menace.”

– Edward Mason, Sec. of East St. Louis AFL Central Trades & Labor Union

Building Trades Unions and Race: A Brief History

“[Black workers] ... have been able to depress the market here and there, in Chicago, Pittsburgh, Cleveland, and elsewhere, to an extent sufficient to cause bitter complaint from the white unions which commonly bar them membership...”

- Sterling and Harris (1931)

The Davis-Bacon Act (1931)

- 1927: contractor from AL won a bid to build a Veteran's Bureau hospital in Long Island, NY
 - Brought a crew of Black laborers from the South
 - Cong. District of Rep. Robert Bacon (R-NY)
- Bacon introduced HB1709: "A Bill to Require Contractors and Subcontractors Engaged on Public Works of the United States to Comply With State Laws Relating to Hours of Labor and Wages of Employees on State Public Works"

The Davis-Bacon Act (1931)

- Publicly, Bacon denied racial animus...
- ...But evidence from Congressional hearings that the bill was racially motivated
 - Emil Preiss (Electrical Workers No. 3, NYC): “the class of mechanics they are using out there today is an undesirable element of people”
 - William Green (AFL president): “colored labor is being brought in to demoralize wage rates”

The Davis-Bacon Act (1931)

- Officially set wages on construction jobs using $> \$2k$ of federal funding based on the local “prevailing wage”
 - In any area in which construction labor was $\geq 30\%$ unionized – wages had to be paid on the union scale
- Economists can't say anything definitive about the *intent* of the law...
 - ...But would like to say something about its effects
- Davis-Bacon Economics (in theory):
 - No economic benefit to hiring non-union labor
 - Contractors only have an incentive to hire skilled (White) union laborers
 - Most efficient to recruit directly through segregated AFL locals
 - Negative impacts on non-union (Black) workers

The Davis-Bacon Act (1931)

- Still officially on the books – has been amended several times
- 26 states have passed their own “little Davis Bacon” prevailing wage laws – mostly in the North
- Today, approx. 20% of all construction projects in the U.S. are covered by the DBA, affecting > 25% of all construction workers
 - Grew dramatically during New Deal era and WWII

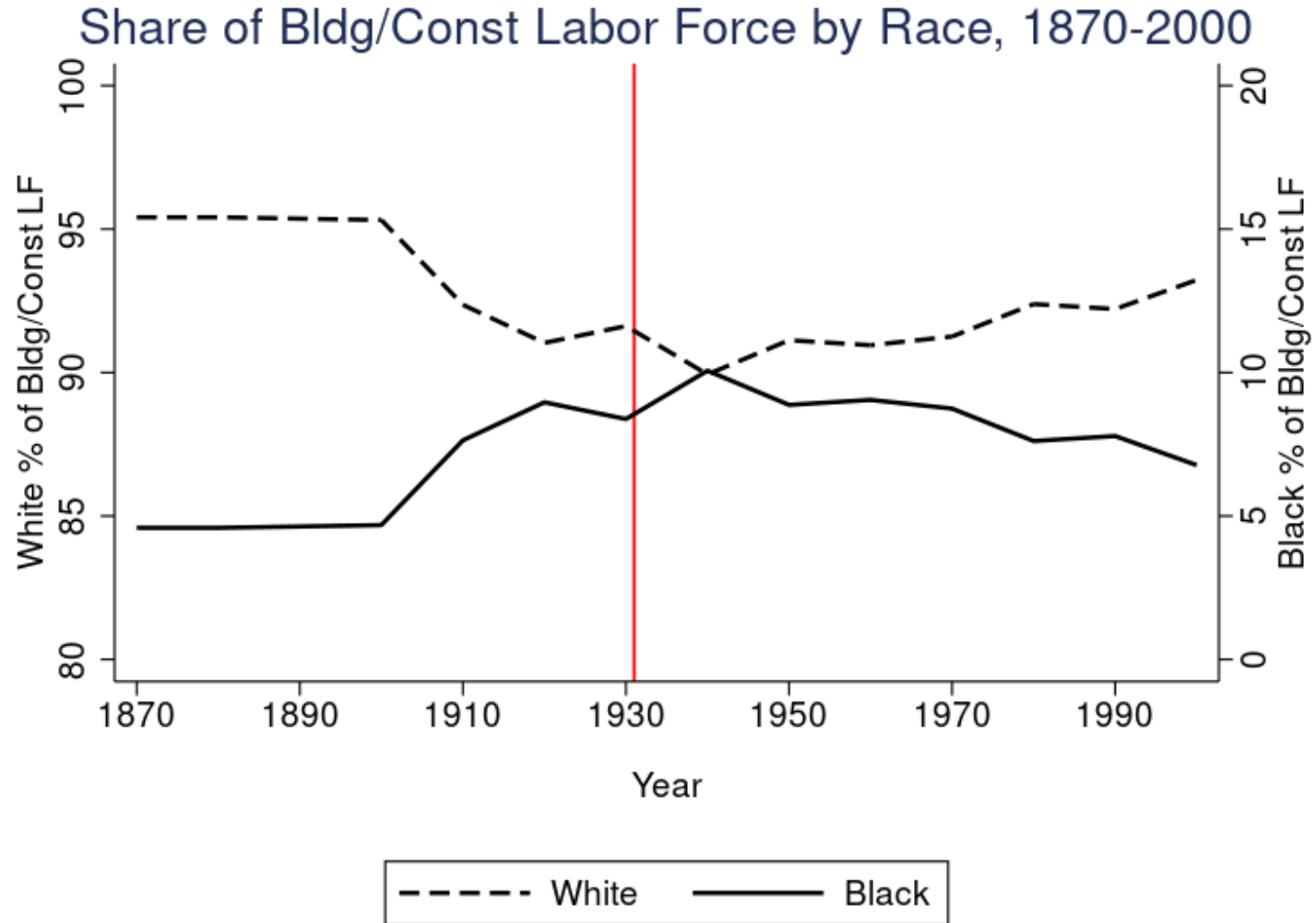
Research Questions

- How did the Davis Bacon Act impact Black construction workers across a range of individual-level outcomes?
 - Today: (preliminary) results
- How did the Davis Bacon Act shape local economies over time?
 - In-progress

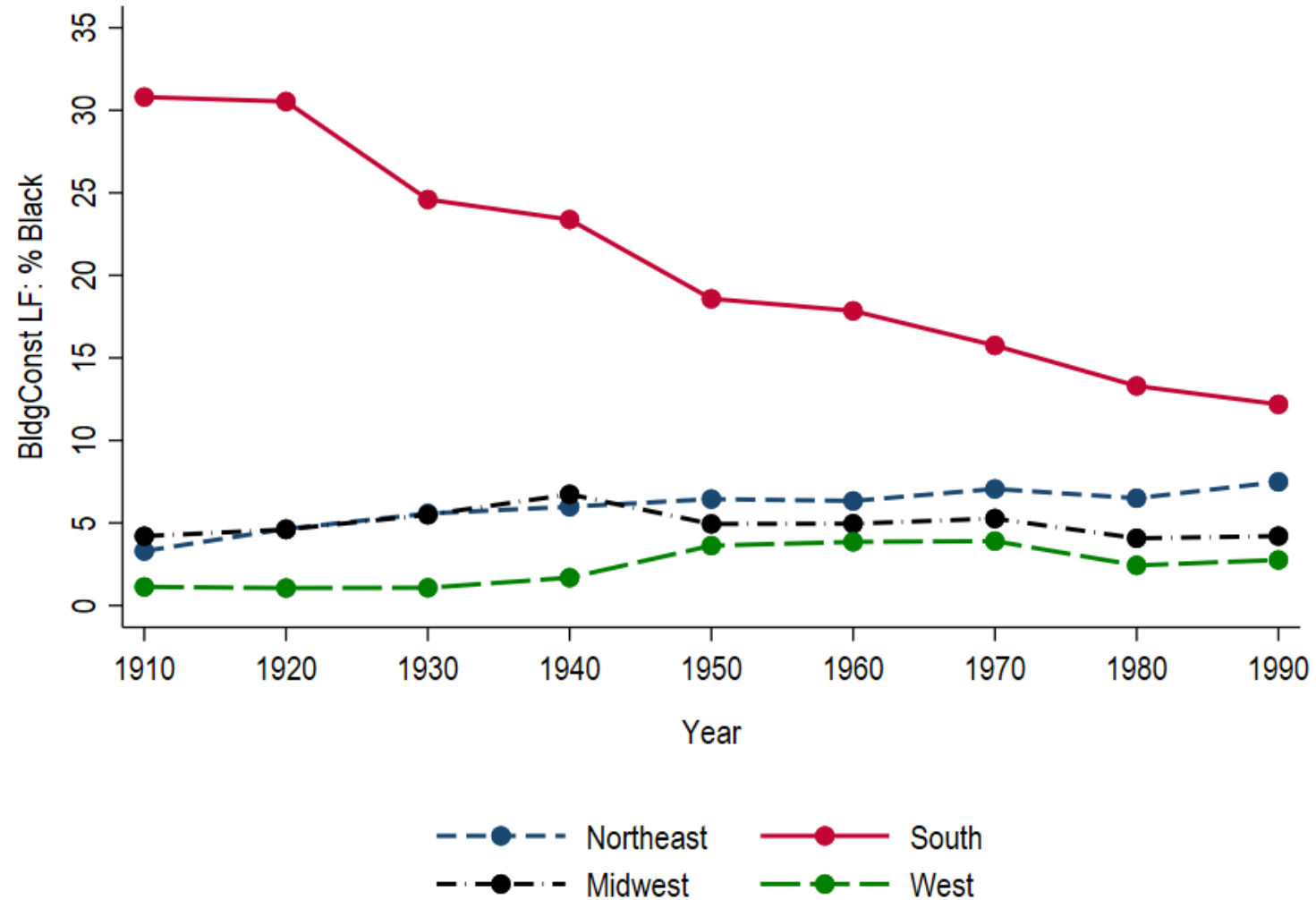
Proposed Contributions

- Advance frontier of literature on the impacts of Davis-Bacon
 - Draw on novel data: linked individual-level records from historic Censuses
 - Historical approach: study impacts of federal law's passage
 - Expanded set of outcomes
- Explore the wide-ranging historical effects of labor market institutions (unions) on economic mobility, opportunity
- Supply new evidence on how policy decisions + economic structures contribute to structural racism and inequality

Descriptive: Black Share of Building/Construction LF



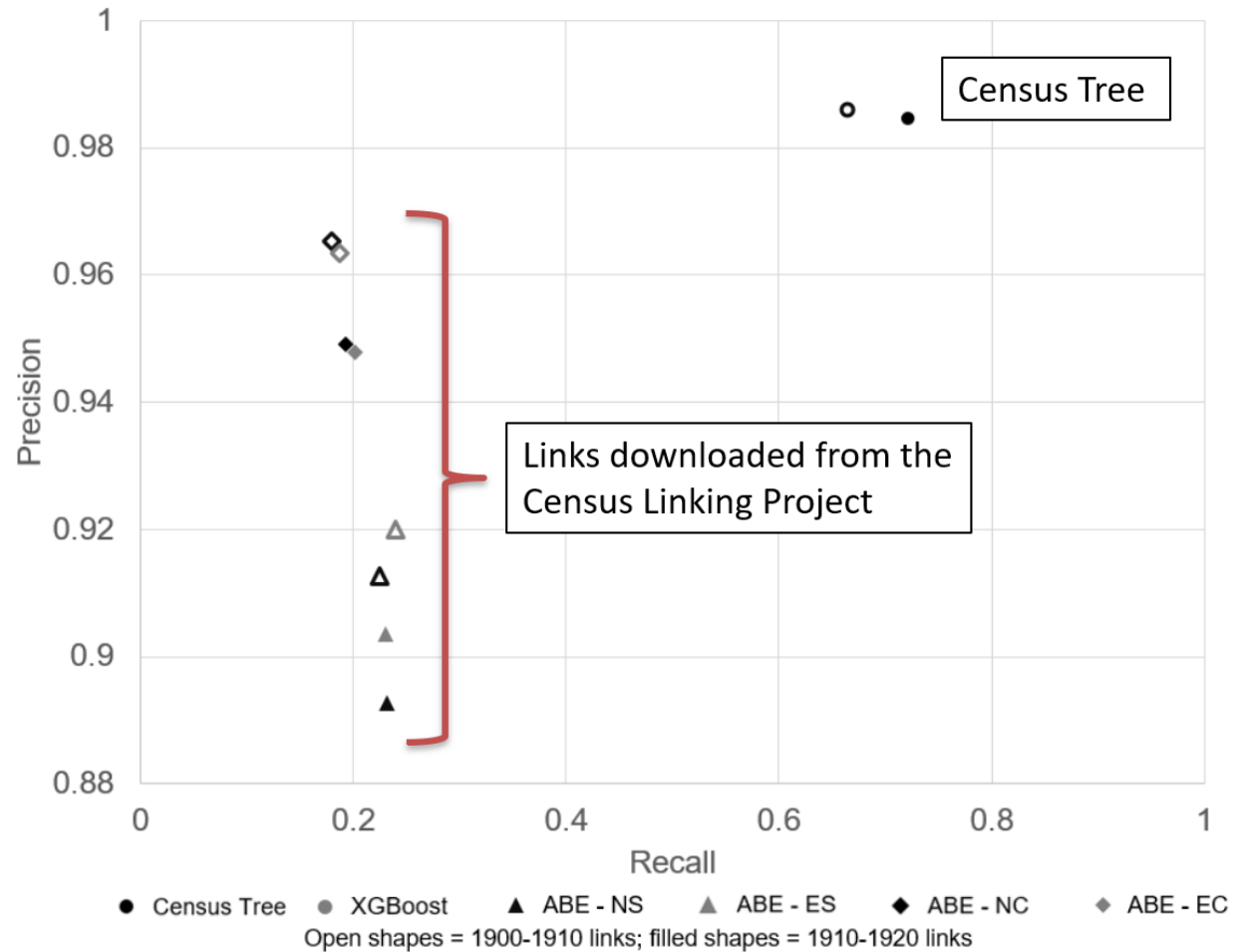
Descriptive: Black Share of Building/Construction LF



Data

- Linked U.S. Decennial Censuses, 1920-1940
 - Part of the Census Tree project (Buckles et al., 2023)
 - In a nutshell: using millions of user-provided links from FamilySearch.org to train a matching algorithm, apply that algorithm to individual Census records
 - Huge performance improvements for linking women, non-Whites

Precision and Recall



Empirical Strategy

- Compare changes in individual outcomes for:
 - Treatment Group (=Black Construction workers in 1930) vs.
 - Control Groups (=White Construction workers in 1930, Black workers in other industries in 1930)
- Sample: treatment/control group workers aged 16-44 in 1930
- For now: all outcomes from 1940
- Linked 63.5% of all workers employed in bldg/const in 1930 to a 1940 record
 - Whites: 65.8%; Blacks: 39.3%
 - Still linked approx. 65k Black individuals!

Baseline (1930) Summary Statistics

	Black BldgConst	White BldgConst	Black Mfg	Black TransComms
% Male	0.956	0.963	0.920	0.983
Age	31.45	32.10	29.73	31.89
% Married	0.700	0.700	0.694	0.757
% Urban	0.658	0.594	0.607	0.692
% Homeowner	0.257	0.490	0.229	0.277
Earnings Score	55.22	74.51	62.57	59.10
N	64809	1085310	202228	95598

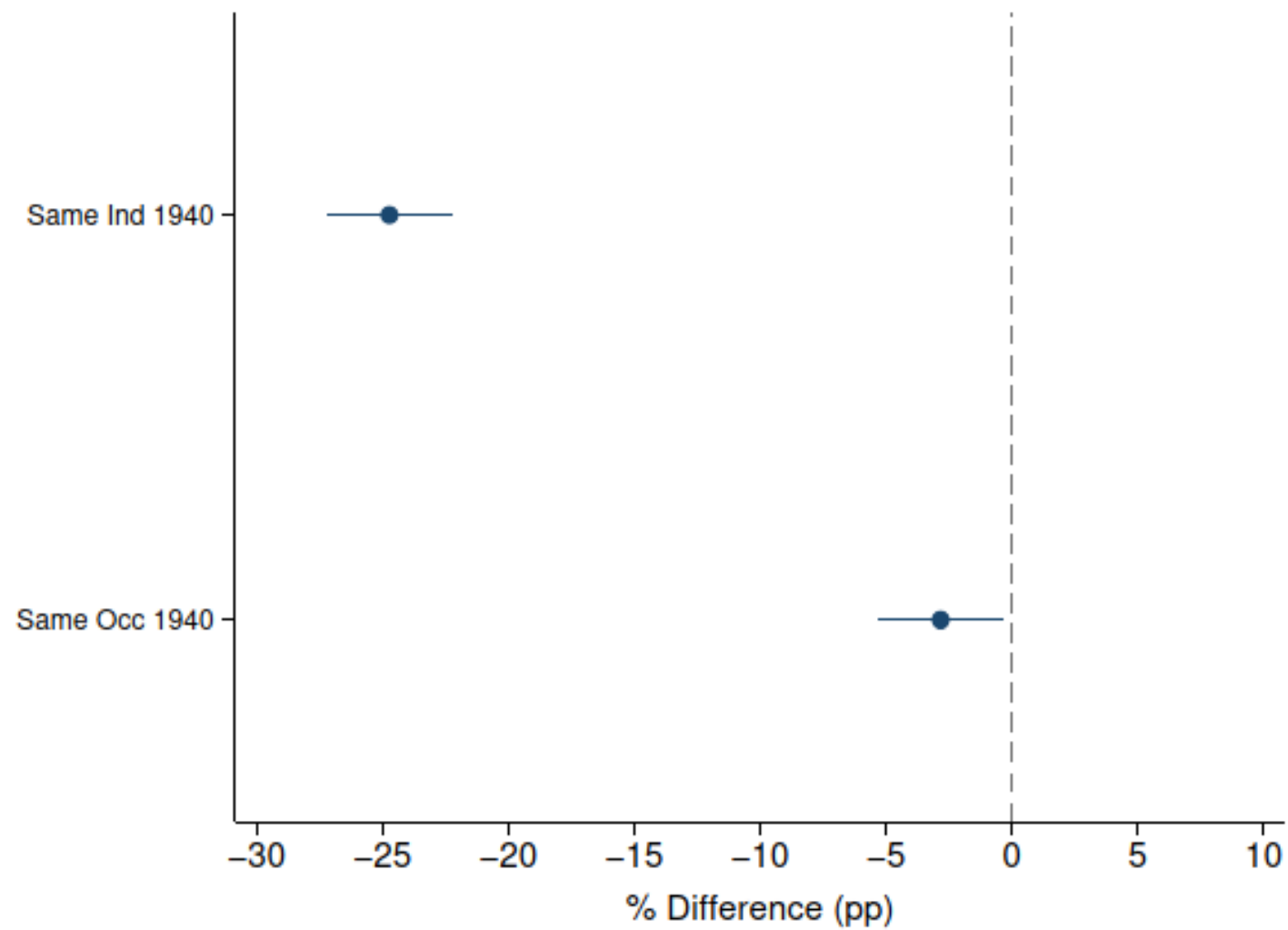
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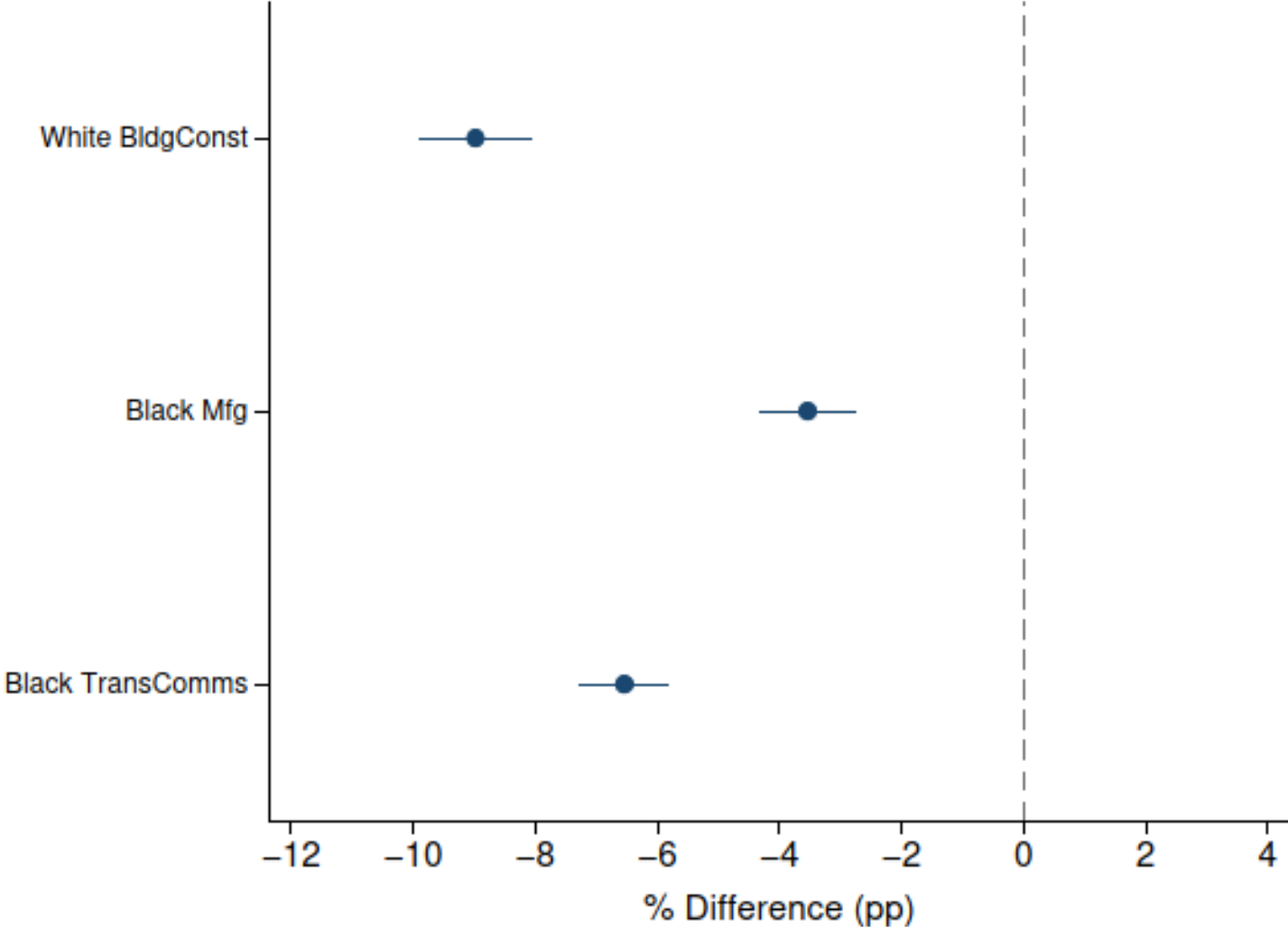
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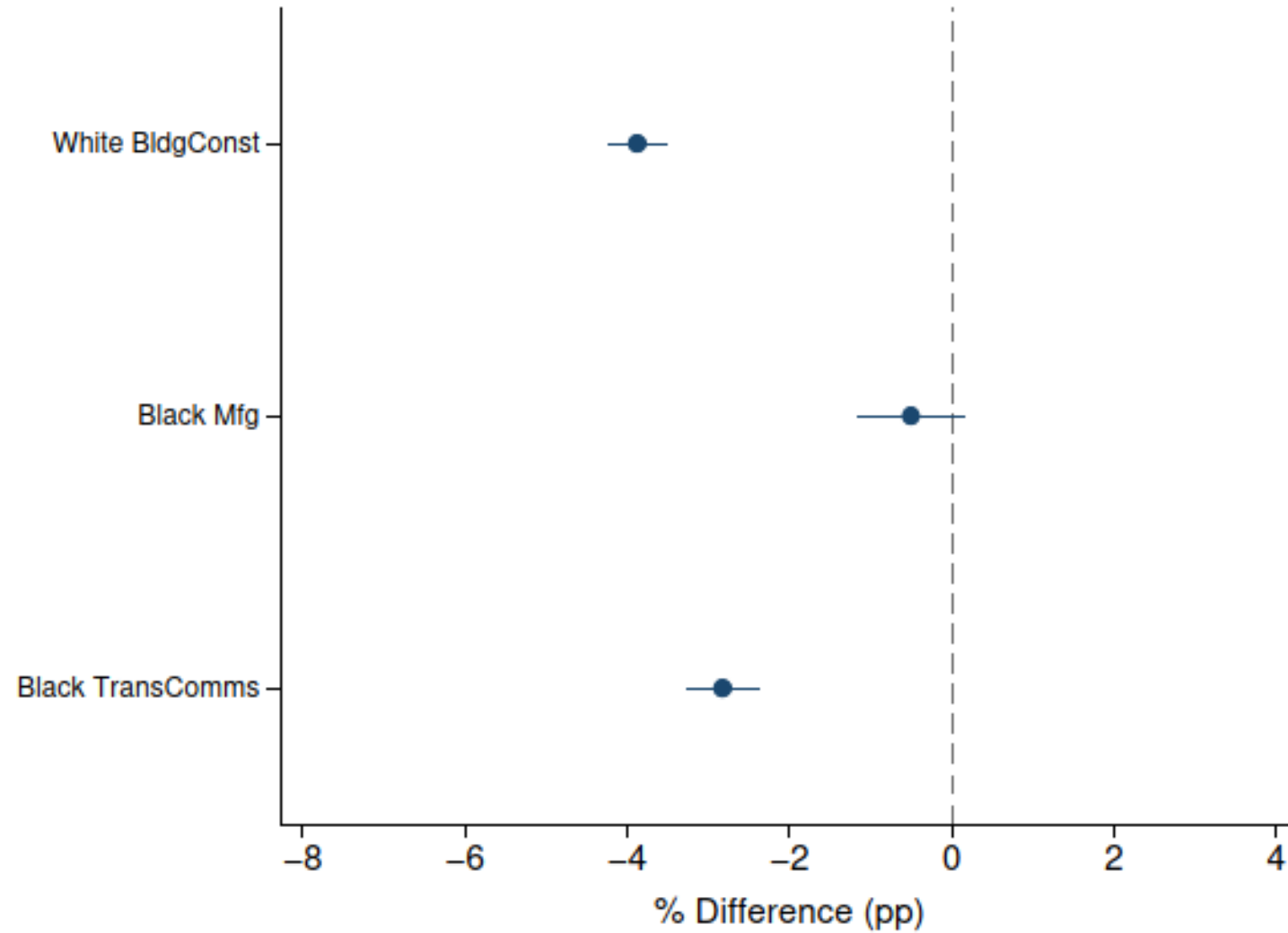
Effects on: Industry/Occupation



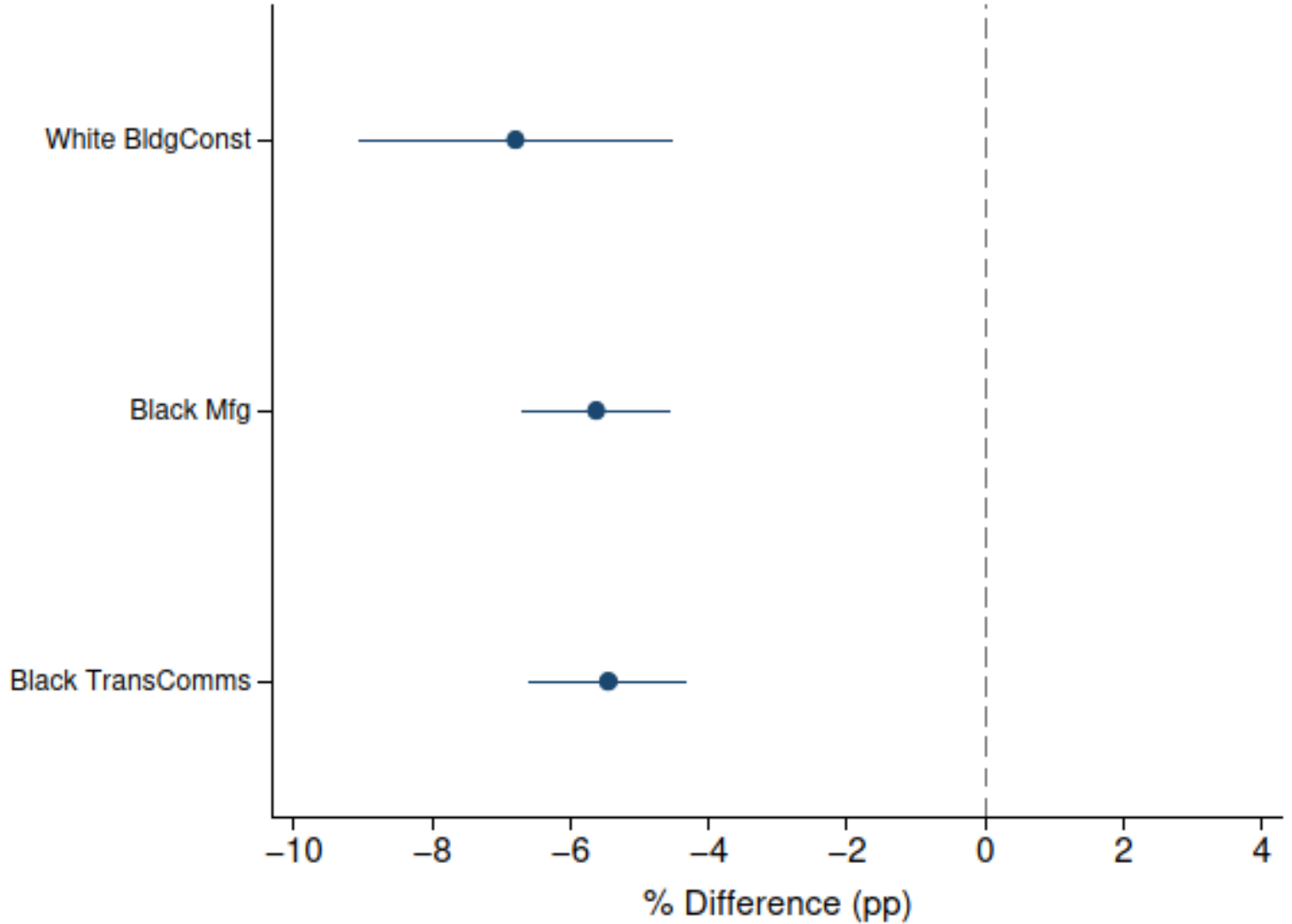
Effects on: Employment



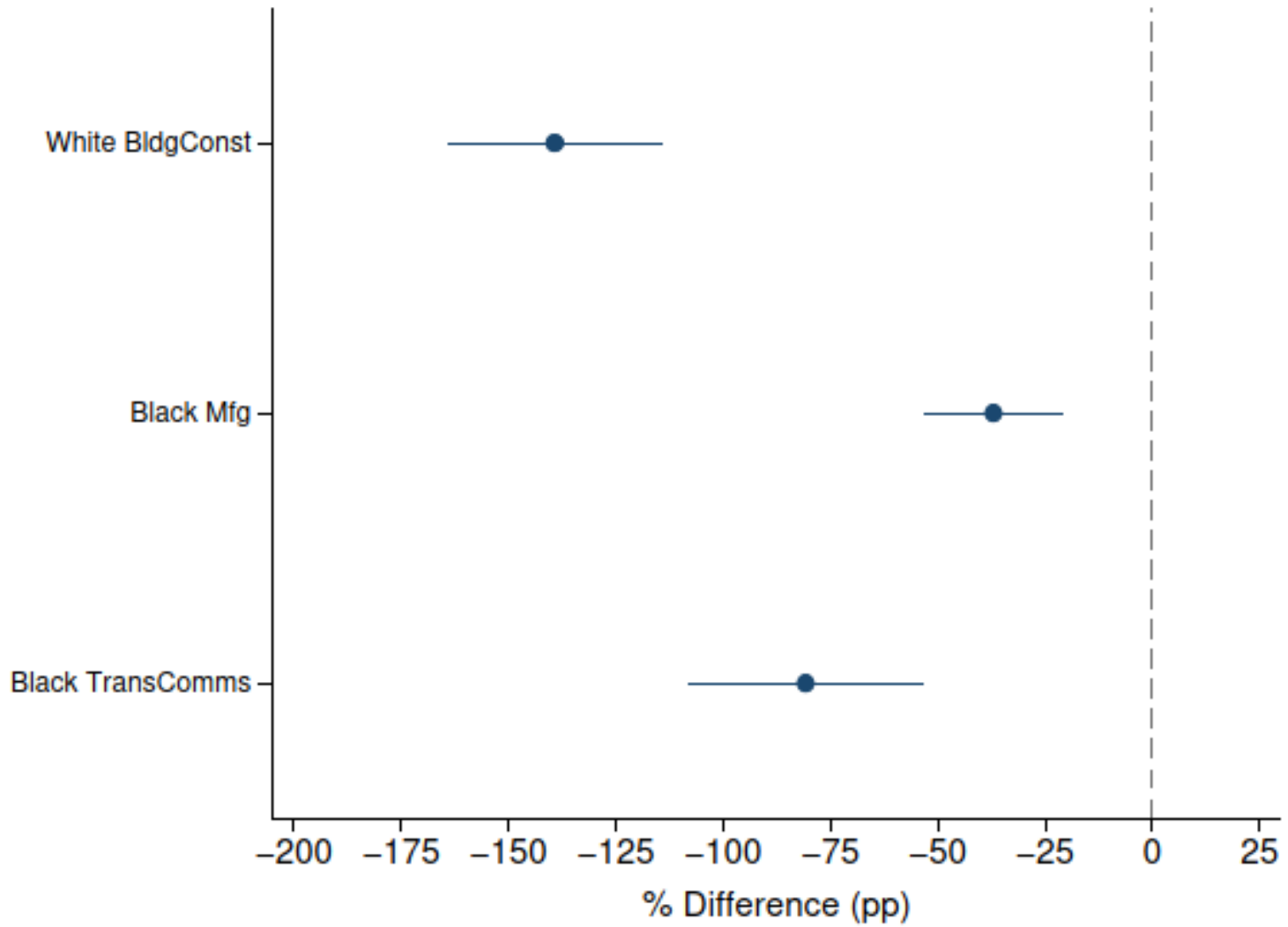
Effects on: Labor Force Participation



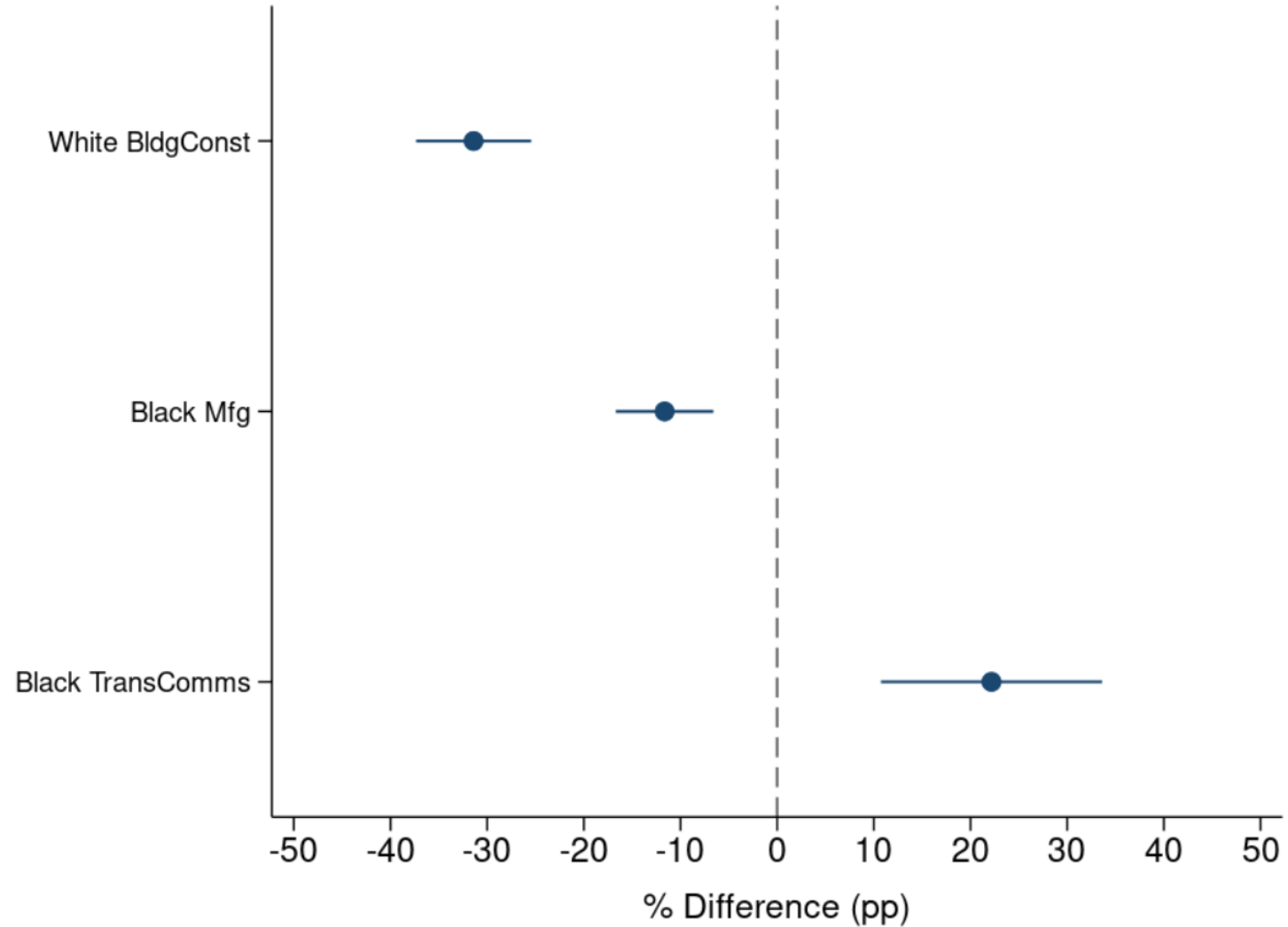
Effects on: Migration



Effects on: Earnings



Effects on: Marital Status



Summary

- Black building trades workers experienced economic dislocations due to Davis Bacon
 - More likely to have switched industry / occupation
 - Less likely to be employed, in LF
 - More likely to have migrated
 - Decline in relative (imputed) earnings
 - Mixed results for marriage
- Robustness to various control groups suggests it's the *interaction* between race/industry that matters
- Davis-Bacon created winners (White, unionized workers) and losers (Black, unorganized workers)

Next Steps

- Explore “equilibrium effects”
 - Where did displaced Black workers go?
 - Selection
- Analyze longer-run outcomes
 - 1950 Decennial
 - Intergenerational effects
- Examine place-level impacts

Thank You!

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