

# What is prevailing wage?

Informally known as Davis-Bacon wages, *prevailing wage* refers to the minimum wage rates that must be paid to laborers and mechanics performing construction of a facility, project, property, or equipment and, in some cases, alteration or repair. A prevailing wage is the combination of the basic hourly wage rate and any fringe benefits rate, paid to workers in a specific classification of laborer or mechanic in the area where construction, alteration, or repair is performed, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act.