

# PUBLICATION

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## Increase to Federal Construction Minimum Wage May Mean Little

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**It has been widely reported that during his State of the Union address the President will announce a plan to issue an executive order requiring construction workers on federal projects be paid a minimum wage of at least \$10.10 an hour.**

While at first blush this announcement sounds bold and will no doubt spark significant debate along the political spectrum, the announced change may actually have minimal impact on contractors performing work on federal construction projects.

According to the [Bureau of Labor Statistics](#), in 2012 the mean hourly wage for construction laborers, likely [the lowest paid workers on a construction project](#), was \$16.58 per hour while the median hourly wage was \$14.42 per hour. Hourly wages in states and metropolitan areas with the highest concentration of construction laborer jobs all exceeded the proposed change to minimum wage. Only the bottom 10% of construction workers in 2012 made less than the \$10.10 per hour minimum wage to be proposed this evening.

At least in the construction industry, it appears most workers already earn more than the newly proposed hourly minimum wage.

If you have any questions about this or other construction issues you may be experiencing, please contact [Baker Donelson's construction practice group](#).