

# PREVAILING WAGE FAQ

## WHAT IS PREVAILING WAGE?

NJ's Official Prevailing Wage Determinations are issued by the New Jersey Department of Labor and Workforce Development, Division of Wage and Hour Compliance, Public Contracts Section, for specific projects by request of the contracting Public Entity. In New Jersey, rates vary by county and statewide and by the type of work performed.

- [Prevailing Wage Rates on Construction-Related Public Works Projects - General Information](#) (NJ Department of Labor & Workforce Development)

## HOW IS PREVAILING WAGE CALCULATED IN NJ?

The Prevailing Wage Rate Determinations include both the wage and fringe benefits contained in a collective bargaining agreement established for a particular craft or trade on the locality in which the public work is performed. However, only 17.8% of the NJ workforce (which is well above the national average of 10.8%) is represented by a union and therefore the prevailing wage is calculated only using a small subset of NJ's workforce.

- [Current Prevailing Wage Rates](#) (NJ Department of Labor & Workforce Development)
- [Union Membership Rates](#) (US Department of Labor, Bureau of Labor Statistics, 2020)

## WHAT ARE PREVAILING WAGE RATES?

The calculation of prevailing wage not only varies by county, but it varies by trade. Below are some examples of NJ prevailing wage rates for journeymen in specific trades by county. The numbers below are a combination of the employee's wage rate per hour and fringe benefits per hour. The annual totals are calculated on the 2,080-hour work year utilized by the [U.S. Bureau of Labor Statistics](#).

### EXAMPLE CURRENT PREVAILING WAGE RATES IN NJ

#### CARPENTER

Atlantic County: \$81.26 (\$169,020.80/yr)  
Middlesex County: \$81.26 (\$169,020.80/yr)  
Hudson County: \$81.26 (\$169,020.80/yr)

#### BRICKLAYER

Atlantic County: \$78.18 (\$162,614.40/yr)  
Middlesex County: \$78.18 (\$162,614.40/yr)  
Hudson County: \$78.18 (\$162,614.40/yr)

#### ELECTRICIAN (WIREMAN)

Atlantic County: \$93.02 (\$193,481.60/yr)  
Middlesex County: \$90.35 (\$187,928/yr)  
Hudson County: \$91.76 (\$190,860.80/yr)

#### PLUMBER

Atlantic County: \$92.61 (\$192,628.80/yr)  
Middlesex County: \$92.39 (\$192,171.20/yr)

Hudson County: \$93.51 (\$194,500.80/yr)

#### ROOFER

Atlantic County: \$71.80 (\$149,344/yr)  
Middlesex County: \$67.80 (\$141,024/yr)  
Hudson County: \$79.38 (\$165,110.40/yr)

Source: [Current Prevailing Wage Rates](#) (NJ Department of Labor & Workforce Development)

## WHAT DOES THE AVERAGE CONSTRUCTION WORKER CURRENTLY MAKE IN NJ?

According to the U.S. Bureau of Labor Statistics (2019), the average construction worker in NJ earns \$31.04 per hour in wages with an annual salary of \$64,560. This number is the statewide average of all occupations that comprise Construction and Extraction Occupations in the Bureau's occupational employment statistics data. This wage does not account for fringe benefits, however the national average for fringe benefits for construction workers is approximately \$12.52 per hour which computes to an additional \$26,041.60 per year for a total compensation package of roughly \$90,601.60 according to the [Bureau's News Release](#) in December 2020.

NJ has the sixth highest average wage for construction occupations in the U.S., behind only Hawaii, Illinois, Alaska, New York, and Massachusetts. Furthermore, the NY-NJ-PA metropolitan area was found to have the fifth highest employment level in this occupation group, and the Bureau also determined that three separate territories in NJ are among the highest paid metropolitan areas out of 530 metropolitan areas in the country: #5— New York-Newark-Jersey City, NY-NJ-PA, #7—Trenton, NJ, and #10— Atlantic City-Hammonton, NJ.

- [Occupational Employment and Wages](#) (US Department of Labor, Bureau of Labor Statistics, May 2019)

The Bureau of Labor Statistics also produces statistics on other occupations:

- [State Occupational Employment and Wage Estimates New Jersey](#) (US Department of Labor, Bureau of Labor Statistics, May 2019)

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