



Profiles of the Residential Construction Workforce and the Workers Defense Project

“Texas employs over 10 percent of the total number of construction workers in the United States and so it’s an incredibly vital industry in Texas, but it’s also, we believe, begun to run-a-muck and cause many problems for workers. We have seen in other states, however, that construction jobs can be middle-class jobs. The Workers Defense Project sees the opportunity for construction workers to have good jobs where they can actually own a house and put food on the table.”

-Greg Casar, *Business Liaison, Workers Defense Project*

Quick Facts

- While many jobs in construction offer good benefits, training, advancement opportunities and family supporting wages, some of these jobs have dangerous work environments, wage theft, few or no benefits and little room for professional development.
 - The Workers Defense Project (WDP), a workers’ center in Texas, has a mission to provide low-wage workers, most of whom are immigrant and work in the construction industry, with resources to improve their working and living conditions. By conducting research on the construction industry, forming broad-based coalitions that include industry stakeholders and helping workers organize, WDP aims to change public policies and employer practices in order to improve job quality in the construction industry in Texas.
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Introduction

In 2011, almost 5 million people in the United States worked in the construction industry, according to official employment data gathered from payroll.¹ The industry plays a critical role in economic development, providing jobs and building our nation’s infrastructure. For decades, it also has offered many construction workers a path to the middle class. However, many construction jobs are characterized by low-wages, unpredictable schedules, seasonal employment and few benefits.

¹ Bureau of Labor and Statistics, U.S. Department of Labor, *Occupational Employment Statistics*, 2012, <http://www.bls.gov/oes/> (accessed 7 December 2012).

In 2012, The Aspen Institute’s Workforce Strategies Initiative hosted a roundtable discussion titled *The Housing Market’s Foundation: A Discussion on the Workforce in Residential Construction* as part of a discussion series titled *Reinventing Low-Wage Work: Ideas That Can Work for Employees, Employers and the Economy*. The series brought together academics, workforce development leaders, employers, advocates and philanthropic leaders to explore the challenges of low-wage work as well as strategies for improving low-wage employment.

In this brief, we provide an overview of work in the residential construction industry and profile the Workers Defense Project (WDP), an organization striving to improve job quality in the industry. Our goal is to offer information to those involved in workforce development about the challenges of work in the construction industry and highlight the strategies WDP uses to promote job quality improvements.

Overview of the Residential Construction Workforce in the United States

From 2006 through 2009, employment in residential construction fell by nearly 40 percent—a loss of 1 million jobs.² After considerable losses in construction jobs from the recession, however, construction is now one of the key industries projected to add the most jobs through 2020, as the economy and housing market recover. In this section, we discuss the workforce in residential construction.

The Structure of the Residential Construction Market and Workforce Data Implications

The residential market in construction is characterized by many small contractors who may have only three or four employees.³ The work of building homes often involves a complicated arrangement of contracting and sub-contracting relationships. Large, brand-name home builders often employ project management professionals to manage the overall construction process but rarely employ the carpenters, plumbers, electricians, laborers and others who do the building.

In 2011, only 14 percent of workers in the construction industry were members of unions,⁴ and in the residential market that proportion is likely far smaller. The residential segment of the construction industry is generally not represented by organized labor even in areas with strong union representation in other parts of the workforce. For example, a 2007 report by the Fiscal Policy Institute found that only five percent of residential construction workers belonged to a union in New York City, which is one of the country’s most union dense cities.⁵

Irregular hiring practices and labor law violations also have been documented at a relatively high rate in the construction labor market. Residential construction workers are often misclassified as independent contractors or hired by construction contractors through an informal hiring arrangement known as “paying under the table.” Over 20 percent of residential construction workers in New York in 2007 were “paid off the books” and another 16 percent were misclassified by their employer as independent contractors.⁶ These practices skew the public data referring to employment in the residential construction market because the U.S. Department of

² Ibid.

³ Paul Osterman and Beth Shulman, *Good Jobs America: Making Work Better for Everyone*, (New York: Russell Sage Foundation).

⁴ Bureau of Labor and Statistics, U.S. Department of Labor, *Industries at a Glance*, 2011, <http://www.bls.gov/iag/> (accessed 10 October 2012).

⁵ Fiscal Policy Institute, “The Underground Economy in the New York City Affordable Housing Construction Industry,” (A Fiscal Policy Institute Report, April 17, 2007), http://www.fiscalpolicy.org/publications2007/FPI_AffordableHousingApril2007.pdf (accessed 17 August 2012).

⁶ Ibid.

Labor data often relies on self-reporting by employers. “Paying under the table” and misclassifying employees as independent contractors can mask the true number, demographics, occupations and wages of workers. Below, we use a mix of data from the U.S. Department of Labor as well as research from academics and others studying construction in order to better highlight the workforce of the residential construction industry.

Workforce Size and Occupations

The U.S. Department of Labor Bureau of Labor Statistics estimates that nearly 1.5 million people were employed in construction occupations in residential construction in July 2012,⁷ although given the irregularities described above, this may be underestimated. These workers may be involved in pouring concrete, roofing, plumbing and painting as well as electrical work on new homes, home additions/ alterations or home repair and maintenance. Residential construction firms typically specialize in one of these tasks.

Day laborers are commonly employed in this part of the construction market. Nearly 120,000 people are working or searching for work as day laborers each day in the United States, a 2006 report from the Center for the Study of Urban Poverty at UCLA revealed. The majority of these day laborers are employed by homeowners or construction contractors as construction laborers, gardeners and landscapers, painters, roofers, and drywall installers.⁸

Workforce Demographics

The construction workforce in the United States is comprised primarily of white male workers, with Latino workers representing a growing proportion. In 2011, 9.2 percent of construction workers were female, 5.5 percent were black and 20 percent were Hispanic or Latino.⁹ The median age of construction workers has been increasing, reaching 41.6 years in 2011—an increase from 37.2 in 1985.¹⁰

In contrast, in its survey of day laborers, the UCLA Center for the Study of Urban Poverty found that over 85 percent were born in either Mexico or another country in Central America. Furthermore, 98 percent were male and 66 percent had less than nine years of education.¹¹ A study by the Pew Hispanic Center estimated that in 2008 undocumented immigrants made up approximately 17 percent of the construction workforce. This figure was an increase from 10 percent in 2000.¹²

Wages and Benefits in Construction

Wages in the construction industry can vary widely. Many jobs pay very well. Construction workers earned a median of \$19.15 an hour in 2011, according to the Bureau of Labor Statistics. At the same time, the average hourly wage for some lower-level positions was between \$11.00

⁷ Bureau of Labor and Statistics, U.S. Department of Labor, *Current Employment Statistics*, <http://www.census.gov/cps/> (accessed 7 October 2012).

⁸ Valenzuela, Abel, N. Theodore, E. Melendez, and A. Gonzalez, “On the Corner: Day Labor in the United States,” (Technical Report, UCLA Center for the Study of Urban Poverty, January 2006), http://www.sscnet.ucla.edu/issr/csup/uploaded_files/Natl_DayLabor-On_the_Corner1.pdf (accessed 26 July 2012).

⁹ Bureau of Labor and Statistics, U.S. Department of Labor, *Current Population Survey*, <http://www.census.gov/cps/> (accessed 17 October 2012).

¹⁰ Ibid.

¹¹ (Valenzuela et al, 2006)

¹² Jeffrey Passel and D’Vera Cohn, “A Portrait of Unauthorized Immigrants in the U.S.,” (Pew Research Center, Pew Hispanic Center, April 14, 2009), <http://www.pewhispanic.org/2009/04/14/iv-social-and-economic-characteristics/> (accessed 15 August 2012).

and \$13.00.¹³ Yet, many workers' wages were unreported due to misclassifications and "under the table" working arrangements. Nevertheless, using official data, 18 percent of construction workers can be classified as low-wage—meaning they earn less than two-thirds of the median wage.¹⁴ Wages in the residential market, where there is less union density, have traditionally been lower than those in the non-residential market, with construction workers on the non-residential side earning almost \$4.00 more per hour than those in residential.¹⁵

Given the variety of contracting and subcontracting relationships in residential construction, oversight and enforcement of wage and labor laws, including prevailing wage requirements, can be minimal, further depressing wages. A survey of commercial and residential workers in Austin, Texas found that construction workers earned an average of only \$10 an hour.¹⁶ This figure parallels the estimates for overall day laborers across the United States.¹⁷

Other challenges for low-wage construction workers, particularly those with day labor arrangements, include non-payment of wages and lack of employment benefits. For example, a survey in Austin found that 20 percent of construction workers, many of whom rely on temporary day labor, reported being denied payment. In addition, half of the construction workers who worked more than 40 hours per week reported that they were not paid for overtime, 76 percent lacked health insurance and 87 percent had no sick days.¹⁸

Working Conditions, Safety, and Health

Construction workers often work outside in extreme weather conditions and commonly experience injury. According to the Bureau of Labor and Statistics, construction laborers can experience burns, cuts, falls from ladders and scaffolding, as well as injuries from lifting and carrying heavy objects or materials.¹⁹

While the safety of construction workers has improved steadily for several years, the industry is still plagued by high rates of injury and death. Nineteen percent of fatal occupational deaths in 2010 came from the construction industry, making construction the deadliest work environment. Over four percent of construction workers experienced an occupational injury or illness in 2010, which amounted to nearly 75,000 injuries in the United States,²⁰ according to the Bureau of Labor Statistics. In the construction industry as a whole, the residential sector accounts for a disproportionate number of injuries. Approximately 40,000 residential construction workers are injured on the job each year,²¹ according to the Occupational Safety and Health Administration.

¹³ (Occupational Employment Statistics, 2011)

¹⁴ (Osterman and Shulman, 2011)

¹⁵ (Occupational Employment Statistics, 2011)

¹⁶ Workers Defense Project, "Building Austin, Building Injustice: Working Conditions in Austin's Construction Industry," (A report from Workers Defense Project in collaboration with the Division of Diversity and Community Engagement at the University of Texas-Austin, June 2009), [http://www.buildtexas.org/Building%20 Austin Report.pdf](http://www.buildtexas.org/Building%20Austin%20Report.pdf) (accessed 17 August 2012).

¹⁷ (Valenzuela et al, 2006)

¹⁸ (Workers Defense Project, 2009)

¹⁹ Bureau of Labor and Statistics, U.S. Department of Labor, *Occupational Outlook Handbook, 2012-2013 Edition*, <http://www.bls.gov/ooh/> (accessed 1 October 2012).

²⁰ Bureau of Labor and Statistics, U.S. Department of Labor, *2010 Workplace Illness and Injury Summary*, <http://www.bls.gov/iif/oshsum.htm> (accessed 24 August 2012).

²¹ Bureau of Labor and Statistics, Occupational Health and Safety Administration, U.S. Department of Labor, "Top 5 OSHA Violations in Residential Construction," (Data gathered by Connecticut Department of Public Health), http://www.ct.gov/dph/lib/dph/environmental_health/eoha/pdf/top5oshaviolationposter_8_11_09.pdf (accessed 25 August 2012)

Workforce Projections

As the United States emerges from the recession, home building and improvement projects are expected to increase, alongside commercial and infrastructure projects. The demand for construction workers also will increase. One fourth of the 25 fastest growing occupations from 2010 to 2020 are related to construction.²² Further, as the construction workforce ages, more skilled construction workers will be needed. As the housing sector recovers and more workers are employed in residential construction, it is important to consider the quality of the employment created.

The data just discussed focused on workers in residential construction in the context of the discussion held at The Aspen Institute in 2012. It's important to note, however, that many of the same conditions in residential construction extend into the commercial sector and other parts of the industry. The organization discussed below is engaged in addressing job quality in the construction industry as a whole including the residential and commercial segments.

Profile of the Workers Defense Project (WDP)

WDP is a non-profit and membership-based organization based in Austin, Texas that provides low-wage workers with resources to improve their working and living conditions. The majority of the members are immigrants and work in the construction industry. As a worker center, WDP provides workers with space, legal services and resources to organize and advocate for better jobs and better their lives.

Known in Spanish as Proyecto Defensa Laboral (PDL), WDP was established when volunteers at an Austin shelter, Casa Marinalla, saw the need to empower low-wage immigrant workers to fight workplace abuses. They viewed the theft of wages as particularly detrimental to low-income families, who rely on emergency shelters as a result of workplace injustice. The shelter still serves low-income members of the Austin Latino community by providing housing, food, ESL classes and emergency services. Today, after ten years, WDP has won many substantial legislative victories that have established protections for low-wage worker's economic stability, safety, working conditions and the provision of health benefits. WDP also has helped workers recover nearly \$1 million in back wages.

Industry and Employer Engagement

WDP engages industry stakeholders including contractors, unions, associations and developers in its work. WDP collaborates with like-minded contractors and other industry representatives to advocate for policy and legislative changes at the local and state levels. One of WDP's primary efforts includes helping lead a coalition known as Build a Better Texas (BBT). BBT is a joint effort of honest construction businesses, taxpayers, construction workers and their families, faith leaders, and safety advocates working to build and ensure a strong and sustainable construction industry in Texas.²³ BBT seeks to build an industry and political climate that encourages and rewards high-road business practices and creates a level playing field so high-road employers—who pay their workers well, offer benefits and provide advancement opportunities—can compete against employers who choose not to invest in their workforce. Through BBT, WDP convenes a

²² Bureau of Labor and Statistics, U.S. Department of Labor, *Occupational Employment Projections to 2020*, http://www.bls.gov/emp/ep_table_104.htm (accessed 8 July 2012).

²³ To learn more about Build a Better Texas, please visit <http://www.buildtexas.org/index.html>

wide network of industry and community stakeholders to develop solutions to meet industry needs and create innovative practices that improve construction jobs.

Key partners for WDP in this work include union and non-union entities. One key industry partner for WDP and BBT is the Texas State Building and Construction Trades Council, which works with WDP to advocate for improved job quality in construction. WDP also works with Marek Brothers Inc., a non-union contractor known for providing good living-wage jobs with career and training opportunities.

WDP leverages its connections within the industry to provide training to its worker members. WDP has partnered with unions, such as the Laborers International Union of North America, to offer local construction workers free training in workplace safety.

WDP also plays a role in educating construction contractors. WDP has provided training and workshops to nearly 100 construction contractors on workers' rights and responsibilities. In addition, WDP informs contractors about the potential costs of unsafe working conditions for their businesses as well as about the better quality work produced by offering better jobs. As part of contractor education, WDP conducts "best practices" trainings so contractors can help their businesses prosper.

Recently, WDP's industry engagement and partnerships have spread online. As active bloggers and contributors on the blog Construction Citizen, WDP joins a network of owners, contractors and craftspeople working to improve conditions in the construction industry.²⁴ Through this online medium, WDP is able to discuss critical job quality issues in the industry, galvanize support for its campaigns and broaden its network of industry stakeholders.

Importantly, through its reputation and industry allies, WDP has earned a seat at the table when large-scale construction projects are planned and discussed. This enables WDP to work with developers and other industry stakeholders to influence regulations and requirements on some large-scale construction projects, as well as to ensure living wages are paid and safety requirements are met. In some instances, however, this also means WDP must help monitor these worksites, as discussed in the next section.

Worker Organizing, Legal Action and Workplace Monitoring

Given low-union density in the Texas construction industry and the many workers who are undocumented and hesitant to create a stir, many construction workers find difficulty organizing. WDP organizes workers through grassroots mobilization, a strategy that includes providing workers with opportunities to share common issues and challenges. WDP also offers a 10-week leadership course that develops the leadership skills of construction workers and community members so they can better advocate for themselves. WDP helps workers organize around more than employment issues. It also plays a role in all civic issues by participating in voter drives and election forums.

By providing construction workers with organizing training and supports, workers find strength in numbers to make their voices heard. One success story was a WDP-organized "thirst strike"

²⁴ To learn more about Construction Citizen, visit <http://www.constructioncitizen.com/>

held in front of Austin's City Hall during the summer of 2010. The strikers demanded a city-wide ordinance that guarantees paid rest breaks for Austin's 75,000 construction workers. The strike succeeded. The Austin City Council passed a paid rest breaks ordinance for all construction workers, the first of its kind in Texas.

A large part of WDP's work involves helping construction workers recover lost wages. This was WDP's initial focus when it was founded in 2002. Workers often experience wage theft, whereby they are not paid for their work, refused overtime pay or paid below the legal minimum wage. WDP helps these workers negotiate with employers, obtain legal representation and file claims with local and state agencies. WDP also helps workers who have been injured on the job obtain appropriate medical attention and compensation for their injuries.

Like many WDP members, Fernando experienced wage theft while working for Austin area construction contractors. The middle-aged construction worker, who did not offer his last name, recalled in a written testimonial on WDP's website that he requested WDP's services after a contractor did not pay him \$3,700 for work he had done. "A friend told me about this place where people go who weren't paid. They helped me recover my wages. "\$3,700 was recovered in 15 days," he wrote. "Because of this, I stayed here to help (WDP) since (it) helped me." Fernando and other workers are part of WDP's construction committee, whose members work in construction and, therefore, know the risks and hardships immigrant construction workers face. Their voices are valuable in the Austin immigrant community as they help assure other vulnerable workers that coming forward against workplace injustices is feasible.

To ensure that workers such as Fernando do not succumb to wage theft or injuries, WDP started serving as a monitor on some construction projects. WDP worked with Foundation Communities, an Austin nonprofit, to conduct safety and wage monitoring at the site of the nonprofit's Arbor Terrace development. WDP will also be involved in monitoring the building of a new Apple corporation facility and the Green Water Treatment Plant redevelopment project.²⁵ Particularly in the construction industry, where safety is a large concern, organizations such as WDP provide a promising approach to ensuring a safe work environment by partnering with government agencies, especially at a time when governments face budget constraints and cannot adequately monitor worksites.

Research and Policy Advocacy

In addition to organizing, WDP's extensive research on the Texas construction industry has been a driving force behind its policy advocacy work. For instance, its 2009 report on working conditions in Austin's construction industry, *Building Austin, Building Injustice*, shed light on poor working conditions that violate federal and even state employment regulations. In the private sector, where safety standards are typically more of an issue than in the public sector due to less unionization, WDP's 2009 research prompted an OSHA investigation of nearly 900 safety construction sites within the state, many private. These investigations resulted in close to 1,500 citations and \$2 million in associated fines. The state saw an increase in construction safety inspections of approximately 60 percent, which infers that contractors were incentivized to

²⁵ Nora Anrkum, "Fighting for Justica," *The Austin Chronicle*, September 21, 2012, <http://www.austinchronicle.com/news/2012-09-21/fighting-for-justicia/all/> (accessed 20 October 2012).

provide basic training programs for their workers, benefitting both their business and workers' safety.²⁶

Based on the WDP's research and on-the-ground effort to help workers recover lost wages, WDP helped policymakers alter Texas wage theft laws so prosecution was streamlined and loopholes that allowed employers to commit this crime were closed. Prior to the new laws, wage theft was so widespread, according to WDP, that one in five Austin construction workers experienced it, potentially compounding their economic instability and poverty.²⁷

WDP also works to change local policies. WDP successfully advocated for a city ordinance that requires basic safety training programs on all city-funded construction sites—a victory, at least for public projects. and has been involved in efforts to establish a higher wage on public construction projects in Texas.

WDP's advocacy and policy work also extends heavily into immigration issues. As a member of the National Day Laborers Organizing Network, WDP is involved in organizing to support comprehensive immigration reform that will help protect all workers' rights and stop poor treatment of undocumented immigrants. WDP's success in this area includes the organization of the largest public march in Austin's history in 2006. Drawing over 30,000 marchers, it was designed to bring attention to the need for more just immigration policies. WDP also formed a coalition to that convinced Austin police to stop arresting people who committed misdemeanor offenses, which can lead to deportation, and instead issue less punitive citations that reduce the risk of deportations—an effort WDP believes reduced deportations in the city by 60 percent.²⁸

Worker Education and Training

WDP provides a range of training on leadership, worker organizing and safety. Many Texas construction workers, however, are unfamiliar with their legal rights and responsibilities. WDP has trained over 13,000 low-wage workers about their legal rights, which has helped them improve worksite safety conditions, recover lost wages and improve other working conditions such as providing paid rest breaks.

Additionally, the organization established educational and vocational programs for low-income workers. For instance, it provides adult education courses for Latino immigrants and a youth empowerment program emphasizing leadership development. Adult ESL classes are tailored to develop a vocabulary that participants need to advance in the workplace. Through its industry partnerships, WDP helps some of its members go on to formal construction apprenticeships or additional training opportunities. For example, WDP has collaborated with housing agencies, which build and maintain a great deal of residential units, to help ensure that workers on these projects are trained in safety and paid an appropriate wage. It also helps workers advance to longer-term career opportunities.

²⁶ Workers Defense Project, <http://www.workersdefense.org/about-us> (accessed 23 November 2012).

²⁷ (Workers Defense Project, 2009)

²⁸ Workers Defense Project, <http://www.workersdefense.org/immigration/immigration-2/> (accessed 13 December 2012).

Final Thoughts on Improving Work in the Construction Industry

The construction industry will remain a critical sector of the U.S. economy. Skilled workers are needed to build the nation's infrastructure and replace retiring craftspeople. Yet in many parts of the country, from Texas to New York City, many construction jobs pay little and offer no benefits. In some of the worst cases, workers may not be paid at all and may be exposed to dangerous work environments. Although this brief focuses on the residential labor market, construction job problems spread well beyond. By sharing the work and strategies of the Workers Defense Project, we hope this brief offers workforce development leaders useful ideas for improving low-wage construction jobs in their communities.