Latinos in Construction:

Breaking Barriers, Building Hope
Latinos in Construction: Breaking Barriers, Building Hope

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The National Council of La Raza (NCLR) - the largest national Hispanic civil rights and advocacy organization in the United States - works to improve opportunities for Hispanic Americans. Through its network of more than 300 affiliated community-based organizations (CBOs), NCLR reaches millions of Hispanics each year in 41 states, Puerto Rico, and the District of Columbia. To achieve its mission, NCLR conducts applied research, policy analysis, and advocacy, providing a Latino perspective in five key areas - assets/investments, civil rights/immigration, education, employment and economic status, and health. In addition, it provides capacity-building assistance to its affiliates who work at the state and local level to advance opportunities for individuals and families.

Founded in 1968, NCLR is a private, nonprofit, nonpartisan, tax-exempt organization. Headquartered in Washington, DC, NCLR serves all Hispanic subgroups in all regions of the country. NCLR has operations in Atlanta, Chicago, Los Angeles, New York, Phoenix, Sacramento, San Antonio, and San Juan, Puerto Rico. For more information, please visit www.nclr.org.
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I. Introduction

The landscape of the American workforce has changed. Today, Hispanics* are the largest minority group in the U.S., accounting for 14% of the total U.S. population and a similar share of the total American labor force. This development reflects significant demographic growth for Latinos since the early 1990s, and an increased presence of Latinos in all areas of employment, including the construction sector.

Although construction, after agriculture, is the most common field in which Latinos are employed, not enough is known about the experience of Latinos in the different segments within the construction field. Through this paper, the National Council of La Raza (NCLR) contributes new knowledge to employment research on Latinos. Indeed, this paper is part of NCLR’s broader effort to identify employment sectors with promising career pathways, in order to maximize the contributions of Latinos to the labor force and increase the economic mobility and status of Hispanics. It is also intended as a tool to expand a base of knowledge and strategic thinking about Latinos in construction, a dynamic industry requiring multiple layers of basic, technical, and professional skills.

To gain a comprehensive view of Latinos and construction, the following resources and approaches were used:

- Interviews with NCLR staff members, NCLR affiliate leaders, and construction professionals
- A limited literature review and analysis of print and Web-based information and statistics

While some sections of the paper relate to all construction-related occupations, other segments focus attention on particular occupational categories (e.g., construction laborer; small business owner). This paper by no means exhausts all aspects related to Latinos in the construction industry; it intends, rather, to present major issues and promising approaches to enhance the status of Hispanics in this critical industry.

* The terms “Latino” and “Hispanic” are used interchangeably by the U.S. Census Bureau and throughout this document to identify persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, and Spanish descent; they may be of any race.
The paper seeks to accomplish four goals:

1. To document the status of Latinos in the construction industry.
2. To assess the construction industry from a Latino perspective in terms of workforce development challenges, career pathways, and opportunities for small business ownership.
3. To highlight concerns for Latinos in construction, as well as promising practices that can enhance their status.
4. To identify gaps in the industry with respect to the experience and status of Latino workers which can be addressed through research, public policy, and program efforts.

II. Latinos in the U.S.: Population Highlights and Economic Impact

Latinos are a diverse population, in terms of both ethnic and racial composition and history in the U.S. Mexicans constitute the majority of Hispanics (64%), and Puerto Ricans are the next identifiable subgroup in terms of proportion of the overall Hispanic population (approximately 10%). The population also includes about 3% each of those of Cuban, Salvadoran, and Dominican origins, while the remainder are of Central American, South American, or other Hispanic/Latino origin. Latinos vary greatly by a number of social and economic characteristics, including country of origin, educational levels, recency of immigration, and occupational, demographic, and language profiles.

Latinos have been a part of the American landscape for generations. While there are a number of states, such as California, Texas, New York, Colorado, and Florida, that traditionally have had a strong Latino presence, dramatic growth in the Hispanic population has occurred throughout the country, including in “nontraditional” states such as North Carolina and Georgia.

According to the U.S. Census Bureau, the Latino population numbered 41.3 million persons as of July 1, 2004. One in seven Americans is of Hispanic origin. Among the states, New Mexico has the highest proportion of Hispanics (43%) in comparison to the total state population and California has the largest number of Latinos (12.44 million). Other states not traditionally associated with the Hispanic community are now home to large numbers of Latinos. States with the most robust Latino growth rates between 1990 and 2002 were North Carolina (544%), Georgia (410%), Arkansas (396%), Tennessee (350%), South Carolina (286%), Nevada (281%), Alabama (266%), Kentucky (238%), Minnesota (220%), and Nebraska (195%). Among these states, those with the largest Hispanic populations were Georgia (516,530), Nevada (462,690), and North Carolina (444,463). In North Carolina, specifically, the Hispanic population is expected to increase by an additional 238% over the next 50 years. Florida, California, and Texas are projected to experience the highest growth rates between 2000 and 2030.

Although approximately half of the population growth in the past decade was due to new immigration, recent data show that natural increases now account for more of the share of the growth in the Hispanic population than does immigration; 88% of Hispanics under 18 were born
In the U.S., in addition, Latinos are a young population and half of Hispanics are under the age of 25. The nation’s future economic and social stability will, therefore, be determined largely by the well-being of Hispanics.

Dramatic increases in the size of Latino communities are also recognized by mainstream businesses and organizations, particularly in regions with large emerging Latino communities. For example:

- The chamber of commerce of Nashville, Tennessee reports that in 2000 the Hispanic population in Davidson County - composed primarily of Cubans, Puerto Ricans, and Mexicans - grew from approximately 8,000 in 1990 to 45,550 in 2000. Local businesses and organizations are now beginning to respond to the needs, interests, and preferences of this new Latino customer base.

- According to the Selig Center for Economic Growth at the University of Georgia, North Carolina, Georgia, and Tennessee were “among the top ten emerging states, as ranked by the rate of growth of Hispanic buying power during 1990-2001.” Moreover, “Latino workers in the Memphis area have a total economic impact of $1,020,000,000 and 35,972 jobs... Of the $570.8 million that they earned in 2000, we estimate that Latino workers paid at least $85.6 million in payroll/income taxes... and approximately $12.3 million in local and state taxes... The multiplier impact of these expenditures of $359.6 million by local Latino workers... [results] in another $664.0 million spent locally by workers and businesses that benefit from Latino workers in the Memphis economy.”

- Census data show that Latinos residing in Nevada - the majority of whom work in three industries, including construction - earned $3.45 billion in direct wages. “Non-native Hispanic immigrants [held] 152,635 jobs in Nevada [and] created another 85,525 jobs.” Almost $3 billion in taxes was generated in 2001 by the Latino labor force. Media reports indicate that “immigrant Hispanics pump as much as $20 billion into Nevada’s economy a year, contributing to the vitality of the nation’s fastest growing state.”

Overall Hispanic purchasing power, according to the Selig Center, is now estimated at $686 billion dollars and is expected to exceed $992 billion in 2009. Latino workers are contributors to the economy through productivity, taxes, and significant purchasing power. Demographic shifts mean that the future growth of major U.S. industries, such as construction, depends on their ability to respond and adapt to demographic changes, and create viable employee recruitment and career ladder programs to fill their workplace needs.

## III. The U.S. Construction Industry

Research suggests that the construction industry is a complex sector that includes multiple players and sources of employment. The industry is broad and inclusive of several fields which in and of themselves are large enterprises meriting public attention and research.

The construction industry is highlighted by numerous factors, including the following:

- Construction careers are varied and include occupations such as construction laborer/helper; roofer; bricklayer; welder; carpenter; plumber; electrician; heating, ventilation, and air conditioning
(HVAC) mechanic; foreman; operations engineer; project manager; and business owner.

- In 2004, seven million Americans were employed in the construction industry, which represented 5% of nonfarm payroll employment. In addition, the industry “is the largest and fastest source of employment growth among goods-producing industries.”

- Educational preparation of workers in the industry varies, although there is a tendency for workers not to have formal advanced schooling or high levels of educational attainment, in part because of the large need for “production workers.” For example, slightly more than one-third (35%) of construction workers had some postsecondary education compared to half (56%) of the total workforce.

- “Of construction production workers, in 2000, 25% had less than a high school diploma, 47% had a high school diploma, and 28% had some postsecondary education.”

- While construction workers’ earnings vary according to seasonal workloads - changes in weather and other factors - average hourly wages are higher for those of private non-supervisory or production workers ($19.21 per hour in January 2005) when compared to seasonally adjusted wages ($15.88 per hour).

Occupational fields in the construction industry require employees with diverse skill sets, as well as formal and informal education and training experience. Vocational/technical certification, apprenticeship training, and/or undergraduate or graduate degrees are needed in many construction positions. Future human resource needs in the construction industry will be determined by multiple factors including population growth, the economic well-being of local communities, and individual consumer buying power and interests. These factors influence the number and kind of orders for construction of homes, health care facilities, roads and highways, schools, energy facilities, and retail businesses. In 2004, spending on private and public construction, according to the U.S. Department of Commerce, was at a seasonally adjusted annual rate of $789 billion and $242.8 billion, respectively.

IV. The Latino Construction Workforce: Characteristics and Key Challenges

A. Overview

Latinos constitute about 12% of the U.S. workforce. Industries in the United States with the highest proportions of Latino workers are agriculture (37%) and construction (17%). The Latino construction workforce grew from approximately 342,000 persons in 1980 to almost 1.4 million in 2000. Between 1980 and 1990, Latinos experienced a 150% increase in construction employment, compared to 120% for the overall Hispanic labor force. Recent research shows that jobs in the construction field generated more than half of the total increase in employment for Hispanic workers in 2003. As of the first quarter of 2004, the overall Latino construction workforce was estimated to be 2.15 million.
A profile of Hispanic construction workers shows that:

- **A notable share of Latinos works in construction.** In 2000, one in eight (12.5%) employed Hispanics worked in the construction industry - a total of 1.4 million workers.22

- **Of these, Latinos are overrepresented in laborer and production positions.** One in five (21%) Latino construction workers is a laborer, compared to one in ten (10%) of all construction workers.23 In 2000, Hispanics made up 18% of the workforce in construction production occupations, even though Hispanics have a 15% share of all types of construction employment.24

- **Wages for Latinos in construction are higher, on average, than for Latinos in other fields, but they are lower compared to wages of non-Latinos in construction.** The real mean weekly earnings of Hispanic construction workers was $527 in 2003 compared to $502 for Hispanics overall and $752 for non-Hispanic construction workers.

- **The aging of the current workforce overall, as well as robust growth and youthfulness of the Hispanic population, have significant implications for the construction industry.** Recent information suggests that in the next five years, Hispanics may represent almost one-half of construction industry employees.25 In particular, the share of workers nearing retirement may represent an opportunity for Latino workers to fill these positions. Occupational areas in crafts in which there may be the largest need for human resource replacements are boilermakers, bricklayers, equipment operators, and pipe fitters/plumbers.26 “For most crafts, 8% to 11% of workers are 55 or older . . .The [increase in the number of] older workers in the industry will lead to greater numbers of retirements throughout the 2005 to 2015 period.”27

Specific characteristics of the Latino construction workforce are reflected in the following:

- **Geographical Diversity.** The size of the Latino construction workforce generally reflects Latino population counts and growth trends in the U.S. as a whole. In New Mexico, for example, Latinos constitute 43% of the total population while Latino construction workers account for 48% of all construction workers in that state.28 Regional data show that almost half (47%) of Hispanic construction workers can be found in the South, while about two in five (39%) are in the West. Fewer than one in ten Hispanic construction workers are in either the Midwest (6%) or the Northeast (8%).29 These data are a sign of the demand for workers, especially in the South.30

- **Age.** As in other industries, Hispanic workers in construction are younger, on average, than other American workers. Research shows that the median age for Hispanic construction workers is 33 compared to 39 for non-Hispanic workers. One-fifth of Hispanic workers are less than 25 years old compared to one-tenth of non-Hispanic workers.31

- **Gender.** Men hold most of the jobs in the construction industry. Only about one in 25 (4%) construction workers is an Hispanic woman - including administrative support (clerical) positions - compared to one in ten (10%) non-Hispanic women.32

- **Immigration.** Attention to the subject of immigrants and the construction industry is necessary for a number of reasons. While most Latinos are native-born, many are immigrants.
Both documented and undocumented immigrants are employed by large and small construction companies. The construction industry - as well as other industries that do not require high levels of education and/or pay low wages - depends on these workers to meet their human resource demands. According to the Center to Protect Workers’ Rights (CPWR), the nonprofit research arm of the Building and Construction Trades Department, AFL-CIO, 70% of Hispanic construction workers in 2000 were born outside the U.S. and 57% were not U.S. citizens as of 2000. CPWR also reports that 32% of the Hispanic construction workforce speaks only Spanish at home. Furthermore, documented and undocumented immigrants make up a large segment of construction workers injured or killed on the job. Documented and undocumented reports on illness, injury, and fatality rates led the Occupational Safety and Health Administration (OSHA) to begin “tracking the immigration status of workers injured or killed on the job.”

Union Membership. Union membership has been noted to be higher among construction workers (14.7%) than among those in the private sector (7.9%). By contrast, Latinos who work in the construction industry are less likely than non-Hispanics to belong to a union. Data show that in 2000, 13% of Hispanic wage-and-salary workers were union members compared to 21% of non-Hispanics. Overall, 19.4% of the 7.2 million wage-and-salary construction workers were union members in 2000.

B. Challenges for Latino Workers in the Construction Industry

Research conducted for this paper revealed three particular areas of challenges and concerns for Latino workers in construction: injuries, illnesses, and fatalities.

Recent data show that U.S. injury/illness rates for all occupations dropped 31% from 1992 to 2000 and fatality rates decreased by 2%. However, for the same period, Hispanic fatality rates increased 11.6%. By 2002, the fatality rate for Spanish-speaking construction workers had increased to 20% of the workforce. Moreover, the fatality rate may, in fact, be greater given the likelihood of unreported deaths of undocumented workers from Latin America. In numerous cases, injuries to undocumented workers are not likely to be reported by construction businesses.

In addition, the Bureau of Labor Statistics (BLS) reports that the overall incidence of construction-related fatalities in private industry decreased by 35% between 1992 and 2001 and by almost 40% in the general construction industry. By contrast, “fatalities among [the Latino population] increased 67%.”

Additional information of significance relates to:

Injuries. Musculoskeletal disorders - including most sprains and strains - are the most common type of nonfatal injury in construction. In 1999, sprains and strains resulted in lost workdays for 72,371 construction workers, according to an analysis of the BLS.* These and

* These data appear to conflict with data from the U.S. Army Corps of Engineers, which supervised 66 million to 68 million work hours yearly by contractors in the United States in 1996-2000 and reported a rate of nonfatal injuries with days away from work of one-fourth or less of the BLS rate for construction. This suggests the need for additional analyses.
other injuries, including bone fractures, often have short- and long-term impact on a worker’s health, personal and family finances, and overall quality of life. Moreover, there is a concern of underreporting of nonfatal injuries for Latinos, especially for those who are day laborers or undocumented workers.41

- **Illnesses.** Many illnesses that affect those in the construction industry take years to surface. These include various types of lung problems, diseases caused by exposure to crystalline silica in dust, tuberculosis, and asthma. For those working on tunnel and highway construction projects, carbon monoxide poisoning is also a concern.42 Other illnesses include hearing loss; research indicates that “the average 25-year-old carpenter has the hearing of a 55-year-old.”43

- **Fatalities.** BLS data show that the number of Latino fatalities in construction more than doubled from 104 in 1992 to 277 in 2000 - a 166% increase. OSHA reports that in 2001, construction-related accidents accounted for 31.5% of Latino worksite fatalities, up from 20.3% in 1992.”44 In fact, according to OSHA, “The number of [overall] fatal work injuries among Latino workers went up from 730 in 1999 to 815 in 2000 [largely due to] . . . a 24% jump in construction fatalities involving Latino workers.45

As noted above, data show that Latinos are overrepresented among occupational fatalities; in 2002, 15% of all workers who died were Hispanic, although Hispanics constituted less than 13% of the workforce that year. U.S. Department of Labor (DOL) data from 2002 also show that fatalities among Hispanic workers in all industries fell for the first time in seven years.46 That year; however, OSHA reported that, “25% of fatal workplace incidents in the U.S. involved either workers who did not speak English or a supervisor unable to communicate with employees.”47 Although not all Latino construction workers are Spanish speakers, statistics indicate the need for continued examination of this issue in light of today’s multilingual society.

According to the U.S. Hispanic Contractors Association, the safety of the Latino construction worker is at risk due to his/her strong desire to work and need to earn a living. Fearing deportation or job loss, undocumented workers may assume tasks they know to be unsafe. In particular, workers with language barriers are often not trained on safety procedures. Supervisors at many construction sites do not speak Spanish and, therefore, are unable to communicate task assignments or provide guidance to ensure the safety of Latino workers and others at construction sites.48 Other factors that contribute to injuries, illnesses, and fatalities of Latino construction workers include unfamiliarity with equipment used in the U.S.; lack of awareness regarding the safe use of tools, machinery, and vehicles; and, particularly for undocumented workers, the tolerance to endure injury or illness given their personal and family’s financial needs.

**C. Approaches to Reducing Injury, Illness, and Fatality Rates**

Both the government and private sectors have begun to address the serious problem of injury, illness, and fatality rates among Latino construction workers. Several noteworthy efforts include:

- **Spanish-language training materials** delivered by native-language speakers; weekly or periodic safety meetings and training sessions in Spanish; and, “worker-to-worker observations . . . to supplement formal classroom safety training.”49
Bilingual testing programs (BTP) which “allow employees to demonstrate proficiency and the ability to communicative effectively in their non-native language. One BTP provides employees who demonstrate language proficiency an achievement award of $1,000. In that program employees must pass a series of tests (English for Spanish-speaking employees and Spanish for English-speaking employees) in human resources, safety, and general and customer service. Skill may be demonstrated at five proficiency levels: elementary, limited working, general professional, advanced professional, and functionally native. Tests are administered by an independent company. To qualify for the achievement award, the employee must achieve general professional proficiency and be able to communicate (speak, not write) with sufficient vocabulary and structure.”

Federal government and other efforts to address Latino issues. One example is the DOL Hispanic Summit on Occupational Safety and Health held in July 2004 which brought together more than 500 representatives from government, community and faith-based organizations, nonprofits, industry, academia, and organized labor to share practical safety and health information, present success stories, and discuss gaps in communication, training, and outreach for Hispanic workers in the United States. Similar activities include the Hispanic Construction Forum held in Raleigh, North Carolina in 2004, which “was presented entirely in Spanish . . . and [involved] many Hispanic news publications and community organizers as well as the Mexican consulate” and a Spanish-language safety training session for Hispanic workers in construction and farming sponsored by the Houston Home Builders Association and the Houston OSHA area office.

Hispanic Workers Task Force. In 2002, OSHA founded the Hispanic Workers Task Force which established a 24-hour toll-free number (800-321-OSHA) with Spanish-speaking operators available for eight hours each day; a Spanish-language OSHA Website (www.osha.gov) for construction employers and employees; and a resource list of OSHA employees fluent in the Spanish language.

Alliance formed in 2002 between OSHA and the U.S. Hispanic Contractors Association to plan and implement outreach and communication tools that promote safe work conditions for Hispanic construction workers. Some efforts focus on construction business compliance with OSHA standards while others concentrate on expanding safety and health training resources in Spanish.

Grants for research and programs in this area, including a recent DOL grant to study English-language proficiency levels required of Hispanic workers by various employers. HMA Associates, Inc., a Latina-owned firm based in Washington, DC, will conduct the study in collaboration with the U.S.-Mexico Chamber of Commerce. Additionally, 26 Susan Harwood Training Grants with an Hispanic component were awarded in 2004 to organizations and educational institutions that will “provide Spanish-language safety and health training programs targeted for hard-to-reach workers,” including those in the construction industry. One of the 26 grants was awarded to the National Safety Council (NSC) for the purpose of conducting a ten-hour safety and health training for Hispanic workers in the roadway construction industry.
- **Spanish-Language Safety Information.** The OSHA Training Institute offers employers Spanish-language safety and health videos and literature, as well as contact information for OSHA regional and area offices, and ten regional English-as-a-Second-Language coordinators. The coordinators assist employers with outreach training and consultation on compliance and serve as outreach liaisons to the OSHA Hispanic Workers Task Force. Spanish-language information pertinent to employees and employers is also offered online and through a telephone hotline.

State government agencies are also taking steps to curb the rate of injury, illness, and fatalities among Latinos. For example, in 2005 the North Carolina Department of Labor (NCDOL) sponsored five free safety construction forums at various locations throughout the state. The forums were conducted in Spanish primarily for the purpose of helping to reduce construction fatality rates. In 2004, the Department, “investigated a total of 35 construction fatalities, 18 of which involved construction workers struck by equipment. Another 10 fatalities resulted from falls. Nine of the 35 employees were Hispanic.” As noted by Eddie Allen, co-chair of the NCDOL construction special emphasis program which organized the forums, the Department chose, “to focus on the areas that cause the most fatalities. These forums are an opportunity for employees and employers to hear from safety experts and gain valuable insight into reducing construction fatalities and injuries.”

Nonprofit organizations are also contributing direct efforts to reduce the rate of Latino construction injuries and illnesses. The Associated General Contractors (AGC) (www.agc.org) has produced and makes available an extensive series of Spanish-language training materials. AGC offers more than 30 Spanish-language videos and CD-ROMs in addition to many more safety-oriented educational booklets, on-site training modules, and posters. Topics covered in videos, for example, are: Face and Face Protection, The Best Strategy: Personal Protective Equipment, Back to Back: Back Injury Prevention, Breathing Easier: Basics of Respiratory Protection, On Your Guard: Power Tool Safety, Putting It All Together: Scaffold Safety, Trenches Excavation Safety for Workers, and Health Hazards in Highway Construction Safety.

A novel approach was launched in October 2005 by the El Paso, Texas, chapter of the Associated General Contractors. Eighteen neighborhood billboards focused on construction safety were posted in English and Spanish throughout El Paso, a city with an Hispanic population of 78%. The outreach campaign was a collaborative effort between AGC, JDW Insurance, T&T Staff Management, and the American Society of Safety Engineers.
V. Entry and Mobility for Latino Workers in the Construction Industry

The following section examines ways in which Latinos enter the construction industry: as workers and owners. Other significant avenues into the construction industry for Latinos include social and familial networks, and unions, although exploration of these issues is beyond the scope of this paper. More research is needed on these aspects of the experience of Latinos in the construction industry.

A. Career Pathways and Mobility

The existence of career pathways and opportunities for mobility would help to break down some barriers faced by workers in the construction industry. However, there is a major absence of systematically-derived information on construction career pathway and mobility programs for the Latino community, including career entry programs for Latinos in all construction occupations, and career mobility of the existing Latino construction workforce. In general, information on Latino construction workers suggests that career mobility, as achieved, is on a horizontal rather than vertical plane and greater information is needed to understand the factors related to this stagnation, including wages, skill and education levels, and demand.

In the absence of data, anecdotal information may be considered on Latino construction workers who aspire to move up from lower paying positions. Ed Hicks of the Memphis Business Journal observed, for instance, that, “The first wave of workers to Memphis brought mostly laborers, who worked with framing, brick laying and concrete, but the workforce has matured somewhat. Now more Hispanics have worked their way into insulation crews, heating and air conditioning and wiring.”

A representative of an NCLR affiliate in Northern California remarked that some agricultural workers move into the construction industry in which better paying occupations are available. Elizabeth Aguilera refers in her article “A Wealth of Diversity in a Valley of Riches” to an immigrant who, “left Mexico in the mid-80’s to harvest fruit in the U.S., first in Phoenix and then in Hotchkiss [Colorado]. While picking applies in Hotchkiss, he met a man who owned a hotel in Aspen. When the season was over in 1989, he traveled to Aspen to work in housekeeping . . . He made the switch from full-time cook to full-time carpenter five years ago after working his way up and training on construction sites during summers and while doing part-time work.”

Programs are needed to assist individuals in developing new skill sets which result in promotions and better paying positions. Brad Sant, Vice President of Safety and Education for the American Road and Transportation Builders Association, stated at the 2005 Annual Meeting of the Construction Writers Association that employers can, “offer mentoring opportunities to Hispanic employees, who could then be trained to become future foremen and supervisors.”
Mentoring is one tool offered by Irene Ramirez, Assistant City Engineer for the City of El Paso, Texas. As the second-in-command in her department, Ms. Ramirez exemplifies the value of hard work, intelligence, and perseverance in a primarily male-dominated career field. Her career pathway began in 1982 soon after her college graduation and placement as a traffic engineer working on the municipality’s road designs and speed limit requirements. She moved to the city’s overall engineering department operation in 1984 and was promoted in 1984 to a Civil Engineer III position after achieving licensed engineering status. Her subsequent promotion to Engineering Section Chief in 1989 was followed 12 years later by an appointment to Assistant City Engineer.

Ms. Ramirez, a second-generation U.S. citizen and first-generation college graduate, mentors high school students with whom she shares that, “Engineering is not easy work, but it is satisfying.” Ramirez encourages other construction professionals to mentor students, particularly Latinas who may not otherwise consider careers in the construction industry. She lets students know that, “There’s a lot of opportunity in the construction field. Whether you’re going to the field or management, Latinas shouldn’t be intimidated. Know your stuff...and succeed.”

Research for this paper suggests that community-based organizations (CBOs) play an important role in assisting with mobility for workers in construction and other fields. CBOs have a direct connection to communities and potential workers, so they are often the first point of contact for potential workers in different industries. Moreover, they can collaborate with private- and public-sector partners to create greater opportunities for Latinos and help to respond to industry needs, as well as shape workforce programs.

B. Workforce and Economic Development

Intermediaries – Program and Advocacy Models

Several NCLR affiliates are implementing workforce development programs and approaches to prepare Latino workers for diverse jobs in the construction field. These efforts are geared to providing job training and employment preparation; increasing employment opportunities and placements; and facilitating career pathways for individuals to move into new career fields or different industries.*

Programs are tailored especially to individuals who are unemployed or seeking better paying positions. As the research has documented, partnerships among community-based organizations, education institutions, and employers are key to planning and executing effective programs. Below are descriptions of three workforce development models being implemented by NCLR affiliates. These models show potential for adaptation and replication in communities throughout the U.S.

Calexico Community Action Council (CCAC) - California

CCAC is based in Calexico, a border town with a population of 30,000, situated adjacent to Mexicali, Mexico whose population exceeds 1,000,000. In 1966, a few local citizens envisioned an approach to assist local residents with low incomes. Their vision to provide education and

* Other examples of intermediaries include One-Stop Career Centers, industry associations, and other nonprofits.
workforce development training and other services laid the foundation for CCAC. CCAC was formally established in 1968. In 2002, CCAC developed a construction workforce training program that has evolved into an electrical apprenticeship program. The school was approved in February 2005 as a candidate for accreditation by the Western Association for Schools and Colleges (WASC). CCAC hopes to receive full accreditation for the construction and building trades program in 2007. Under the current program, students will soon be eligible to apply for government-subsidized grants offered through Pell and other financial assistance programs. CCAC’s candidate status from WASC leveraged another opportunity: Valley Independent Bank (now Rabo Bank) founded the CCAC loan program. The program provides students enrolled at CCAC with a 7% interest rate, a deferred payment plan, and the opportunity for both parties - students and bank - to establish a business relationship with potential short- and long-term benefits.

More than 300 students between the ages of 18 and 55 have graduated from the CCAC vocational school, which is open to low-income individuals eligible to live and work in the U.S. Students have included migrant farmworkers, displaced farmworkers from fallowed farmland, high school dropouts, juvenile delinquents, and former state and federal prisoners. As noted by Enrique G. Alvarado, CCAC Compliance Supervisor and OSHA-certified safety trainer; “These are people who want to improve their lives. We here at CCAC seek to make a difference by encouraging them to achieve. By doing so, we continue the legacy of the Council’s founders, people whose memory we honor today.”

Students are required to complete a minimum of 30 hours of OSHA-approved safety training in addition to courses in mathematics, blueprints, and other vocational skills training areas. The school offers an electrical apprenticeship program complemented by “soft skill” training in communication and employment skills, as well as training in ten trade areas including plumbing, carpentry, HVAC, drywall, and cement.

The vocational school’s overall student retention rate is 90%. Approximately 5% of the student enrollment has been female, all of whom have successfully completed the construction apprenticeship program. Key ingredients to the success of this program are personal attention, a commitment to student achievement, and a passionate determination to assist individuals. CCAC’s impact on individuals may be gauged, in part, by the success of students such as one CCAC graduate who was unemployed upon entering the electrician training program. The graduate now works as a construction crew supervisor for an electrical contractor. He and his wife own a home in Calexico where they and their children reside.

CCAC’s role in workforce development is particularly relevant and needed given a California regulation which became effective in January 2005. All individuals, including those with many years of direct electrical work experience, are required to pass a standardized, PC-based test in order to work as a General Electrician. Individuals with this designation are authorized to install fire/life safety systems, voice data and video installations, etc. The three-hour timed test may be taken by computer in English and/or Spanish. A similar test is required of those who wish to have a career as a Residential Electrician. CCAC and other vocational and/or education institutions thus play a critical role in assisting current and potential electricians to prepare for the standardized test and develop basic personal computing skills. California currently has nine authorized test sites.
Community colleges may be authorized as additional test locations. The cost for taking one exam, $175.00, likely poses a challenge to individuals with limited financial resources.

In addition to apprenticeship training, CCAC also operates an industrial park housing a business incubator facility. Over the past 25 years of its existence, CCAC has assisted more than 1,000 enterprises with a variety of business development resources (e.g., guidance, mentoring, and financial counseling assistance), as well as space for offices, conference rooms, and warehouses.

The CCAC electrical apprenticeship program and business incubator center provide the local community with critical resources. The value of CCAC will continue to be assessed by its impact in the Calexico area, as well as through a new initiative in Yuma, Arizona. CCAC will work with local leaders to establish a program modeled after the CCAC electrical apprenticeship program in Calexico. The pilot program will therefore serve as a test site to gauge the potential to replicate CCAC programs in urban and rural areas.

**El Centro, Inc. - Kansas**

The misclassification of workers is an area of focus for El Centro in Kansas City, Kansas. Major efforts have been undertaken by the organization to better inform construction workers of their rights and the practice of some companies - including construction businesses - to classify individuals as “subcontractors” rather than as full-fledged employees. As noted by Melinda Lewis, Director of Policy and Advocacy at El Centro, misclassification results in many losses.

- Misclassified workers do not build Social Security reserves.
- Misclassified workers who are injured are not covered by workers’ compensation, medical insurance, or a sick leave plan.
- Misclassified workers are not covered under minimum wage or overtime laws.
- State and federal governments do not collect income taxes and incur the health care costs of workers without medical coverage.
- Construction companies that do not misclassify workers may lose business due to more competitive bids of companies which routinely misclassify workers and incur lower employee benefit expenses.63

El Centro has partnered with other organizations including the Carpenter’s District Council of Kansas City and Vicinities and the Tri-County Labor Council, the latter of which serves Northeast Kansas. Two community forums at churches were conducted to inform individuals about worker misclassification and worker rights and responsibilities. El Centro and other organizations are working to encourage the Kansas state legislature’s adoption of legislation against worker misclassification. In addition, El Centro refers clients, as needed, to the U.S. Department of Labor’s Wage and Hour Division which has the authority to conduct investigations of construction companies. Measures such as these may be replicated in areas where misclassification occurs. The reported rate of incidence may be quite significant. For instance, “During the years 2001-03, at least one in seven, or 14%, of [Massachusetts] construction employers [were] estimated to have misclassified workers as independent contractors.”64
Hispanic Economic Development Corporation - Missouri

The Hispanic Economic Development Corporation (HEDC) of Kansas City, Missouri serves approximately 115 new clients each year. Roughly 15% of those served are Latino-owned construction companies or individuals aspiring to establish construction enterprises. HEDC assists these businesses and individuals by providing information and guidance on starting and managing a construction business, and information and technical assistance in pricing bids.

As Erika Ramirez, Manager of Business and Economic Development, states, “Owning a business is not right for everyone.” However, knowing how to manage a business is critical for the individual seeking to establish a business. HEDC provides information on regulatory compliance, licensing, permits, minority/women business certification, marketing, and bid development. Ramirez states that one of the most critical services HEDC offers is information and technical assistance in developing bids. “Bids are usually developed with consideration to labor and materials. They are sometimes, however, developed without respect to indirect costs such as insurance, taxes, depreciation of equipment, and marketing. We work with construction business owners to better assure their bids reflect both direct and indirect expenses.”

HEDC has been contacted by individuals who desire to establish their own construction businesses. Many are construction workers who are being encouraged by their employers to launch businesses with which they can subcontract. While building a business may prove to be lucrative to both the contractor and subcontractor, Ramirez maintains the importance of strategic thinking on the part of potential Latino business owners who may not be equipped to assume the financial and legal responsibilities of business ownership. Subcontractors, for example, must cover the cost of employee benefit packages, provide workers’ compensation insurance, and assume other government-mandated responsibilities. Business owners are legally bound not to employ undocumented immigrants. Furthermore, although states such as Kansas and Missouri incorporate businesses, a business owner seeking minority and/or women business certification may not receive the designation if he or she is not a U.S. citizen.

In addition to assisting current and potential construction business owners, HEDC also familiarizes construction workers regarding worker rights and responsibilities. Individuals learn about misclassification of workers - the process by which employers knowingly “subcontract” with individuals who should otherwise be company employees covered by insurance and other employee benefits.

HEDC services to the Latino construction community make a difference and reinforce the organization’s hope, plan, and commitment to “serve as a catalyst for change within the Latino community.”

C. Latino-Owned Construction Businesses

While most Latinos enter the construction industry through the traditional pathway as workers, an increasing number are moving up the ranks or entering as owners. According to a recent report by the U.S. Census Bureau, as of 2002, there were 1.6 million Hispanic-owned businesses in the U.S., up 31% from 1997. The rate - more than three times that of all U.S.-based enterprises - closely reflects the growth of the Hispanic population which grew 33% during the same time.
frame. Growth in small business development and ownership has a direct impact on the construction industry through generation of employment opportunities and the creation of new jobs.

More than one-third of all Hispanic-owned businesses are owned by women; this represents more than 553,000 businesses in the U.S., generating $44.4 billion in sales and employing more than 320,000 individuals.\(^{68}\) In 2002, the five states which had the largest number of Latina-owned firms were Texas (18%), California (17.2%), Florida (16%), New York (14%), and Arizona (13%).

Of all Latino-owned businesses, approximately 13% were in construction.\(^{59}\) In addition, recent research notes that 1.8% of immigrant women entrepreneurs were in the construction industry.\(^{70}\)”The field of construction bears special mention given that it is not a traditional field for women, yet ranks eleventh in the list of top [twenty] industries for immigrant women entrepreneurs. This field has more immigrant women businesses than industries such as retail bakeries and travel arrangement and reservation services. Women have entered construction fields in gradually increasing numbers since Presidential Executive Order 11246 of 1978 amended the 1964 Civil Rights Act to establish goals and timetables to expand the role of women in nontraditional industries such as construction. The rate of business ownership by women in the construction field increased 36% between 1997 and 2002.\(^{71}\)

Interviews conducted for this paper highlighted several challenges for Latino-owned construction businesses, including:

- Access to capital and bonding, knowledge of business and trade rules, and high technology issues.\(^{72}\)
- Greater understanding of business practices.\(^{73}\)
- Certification of minority business ownership.\(^{74}\)
- Identification of business opportunities.\(^{75}\)

More data and analyses are needed on Latino-owned construction businesses, especially with respect to their role as a means to job creation and mobility in this industry.
VI. Key Findings and Next Steps

Research on Latinos in the construction industry points to a number of key findings regarding:

- **Representation of Latinos in construction.** Latinos constitute a significant segment of workers in the construction industry, but tend to be overrepresented among laborers and underrepresented in management. Not surprisingly, Latinas are also underrepresented in this traditionally male-dominated industry.

- **Injuries and fatalities.** Latinos are overrepresented among those who experience injury, illnesses, and fatalities in the construction field. Of special concern are safety issues for those who do not speak English fluently.

- **Business ownership.** Of all Latino businesses in the U.S., one in seven is in construction. Challenges remain for Latinos to expand their share of the market.

- **Lack of information on key aspects of the Latino experience in this industry.** Based on this paper, more data, analysis, and research is needed on Latinos in construction, especially on the different entry and mobility points available to them. Additional areas for research include the roles of unions and social networks, the challenges for business ownership, the impact of Latino-owned construction businesses on job creation, and the role of intermediaries.

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**Hispanic Business Magazine: Representation of Construction Businesses**

Each year *Hispanic Business* magazine names the top 500 Hispanic-owned businesses in the United States. Ninety-five businesses - self-identified as construction-related enterprises - are included in the 2005 list. Three of the ninety-five construction businesses are Latina-owned. Construction fields represented include, but are not limited to, general contracting; electricity; heating, ventilation, and air conditioning; asphalt; concrete; and masonry.

Businesses represented on the list are located in 19 states and the District of Columbia. The three states with the largest number of Latino-owned construction businesses are Florida (22), California (21), and Texas (12). States with historically small Latino populations which have one Latino-owned construction business on the list are Missouri, Nevada, Tennessee, and Wisconsin. States with the largest number of businesses ranked in the top 25 segment are Florida (11); Texas (3); California, New Jersey, and Virginia (2 each); and Colorado, Georgia, and Missouri (1 each). The Related Group, a company based in Miami, Florida, is ranked number one. Its annual revenue in 2004 was $2.125 billion which represents a 96.4% increase from 2003 to 2004.76
Research suggests that:

- **A range of efforts are needed to promote Latino construction workforce development career paths, with a focus on mobility toward management and on increasing the representation of Hispanic women in construction fields.** Attention from the construction industry, research, and community programs is warranted to address the occupational divide in the construction industry, especially the absence of Latinos at the supervisory and management ranks, the dearth of women workers, and the impact of English-language proficiency on the career mobility of Latino construction workers.

- **Particular attention is needed in both public policy and public education to reduce construction-related injuries, illnesses, and fatalities among Latino workers.** Studies should be conducted to understand the factors that are associated with the disproportionately high rates of injury, illness, and fatality among Latinos. In particular, there is a need for comparative studies on injuries, illnesses, and fatalities at construction sites supervised by Spanish-speaking and non-Spanish speaking supervisors. Research would shed light on the role of language and worker-supervisor communications and contribute to the development of practices which reduce injuries, illnesses, and fatalities among all construction workers. In addition, policies and practices should be adopted at the federal, state, and municipal levels that specifically target worker safety and expand Spanish-language training. Public information campaigns should be conducted to educate Latino workers on safety issues and their rights. Other collaborations with national public health associations and Latino community-based organizations should be explored in an effort to reduce injury, illness, and fatality rates.

- **Construction industry data can be enhanced.** Data should be collected on Latinos in construction to supplement existing data sets. For example, according to the trade magazine *Roofing Contractor*, the Occupational Safety and Health Administration does not collect data on the ethnicity of construction workers who are injured or become ill.

Community-based efforts, such as those described in this paper, are a few of several existing models that may be adapted and implemented in the construction industry. Resources are needed to break existing barriers and produce significant improvements that will expand the number of career mobile Latino construction workers and business owners; reduce injury, illness, and fatality rates among Latino workers; and improve methods for assessing the status of Latinos in the construction industry. Through thoughtful deliberation and planning, policies, processes, and programs can be utilized to break barriers and build hope in the construction industry and Latino community.
Appendix A

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Appendix B

Resources

**Government/Military Departments and Agencies**

U.S. Department of Labor, [www.dol.gov](http://www.dol.gov)
- Occupational Safety and Health Administration, [www.osha.gov](http://www.osha.gov)

- Bureau of the Census, [www.census.gov](http://www.census.gov)
  - Minority Business Development Centers, [www.mbdagov](http://www.mbdagov)

U.S. Small Business Administration, [www.sba.gov](http://www.sba.gov)
- Small Business Development Centers, [www.sba.gov](http://www.sba.gov)

U.S. Department of Transportation, [www.dot.gov](http://www.dot.gov)

U.S. Federal Deposit Insurance Corporation, [www.fdic.gov](http://www.fdic.gov)

Army Corps of Engineers, [www.usace.army.mil](http://www.usace.army.mil)

**Research and Policy Institutes**

Pew Hispanic Center, [www.pewhispanic.org](http://www.pewhispanic.org)

Tomas Rivera Policy Institute, [www.trpi.org](http://www.trpi.org)

Midwest Consortium for Latino Research, [www.mclr.org](http://www.mclr.org)
National Associations
Associated General Contractors (AGC) of America, www.agc.org
This national trade association produces a number of education and training materials, conducts training on numerous subjects including construction safety, and disseminates information via its website.

Institute for Supply Management (ISM), www.ism.ws
ISM conducts surveys of purchasing managers for manufacturing and nonmanufacturing companies, the latter of which includes data on construction companies.

U.S. Hispanic Chamber of Commerce, www.ushcc.com
The U.S. Hispanic Chamber of Commerce works with its network of 150 local Hispanic chambers of commerce and business organizations to build business opportunities of Hispanic-owned companies. Among other roles, the network focuses on economic development partnerships that strengthen Hispanic business opportunities; monitors legislation, policies, and programs affecting Hispanic businesses; and promotes international trade between businesses in the United States and Latin America.

The U.S. Hispanic Contractors Association (USHCA) is a national, nonprofit association which aims to strengthen the advancement, economic growth, and participation of Hispanic-owned businesses in contracting and procurement. The association currently includes seven chapters in Texas, the Hispanic Contractors Association of Georgia, the Hispanic American Construction Industry Association in Chicago, Illinois, and the Hispanic Contractors Association of the Midwest.
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