



# EQUITY IN FOCUS

Job Creation for a Just Society

Anne Marie Brady  
Risa Lieberwitz  
Zach Cunningham



## **ACKNOWLEDGMENTS**

A special note of thanks to those who took the time to provide invaluable feedback and comments on this report. This includes Worker Institute staff KC Wagner, Jeff Grabelsky and Patricia Campos-Medina, Melissa Shetler of the Climate Jobs Institute, and Ariane Hegewisch from the Institute for Women's Policy Research. The authors would like to thank Worker Institute Student Fellows Sara Javkhan, Della Walters, Samantha Ivey and Anastasia Assenso for their research assistance and support on this report.

The contents of this report stem from the year-long Equity in Focus-Job Creation for a Just Society webinar series and summit produced in partnership with Wendy Chun-Hoon, Gayle Goldin and Elyse Shaw from the Women's Bureau at the U.S. Department of Labor. We thank them for such a productive and enjoyable partnership. Norman Eng copy-edited the report and Karen Oh, creative director of houseofcakes, created the report design and cover.

This report was authored by Anne Marie Brady, Risa Lieberwitz and Zach Cunningham. The opinions, findings and/or interpretations of data contained herein are the responsibility of the authors and the authors take responsibility for any remaining errors and shortcomings.

This report is made possible with the support of the Lois Gray Innovation Fund, which honors the legacy of Lois Gray by supporting innovative ideas, strategies and practices that strengthen worker rights and create a more just and equitable society.

### **Anne Marie Brady**

Research Director  
Worker Rights and Equity, ILR Worker Institute, Cornell University

### **Risa Lieberwitz**

Professor of Labor and Employment Law  
ILR School, and Academic Director, ILR Worker Institute, Cornell University

### **Zach Cunningham**

Training & Education Associate, ILR Climate Jobs Institute, Cornell University

# TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY</b>	<b>2</b>
<b>INTRODUCTION</b>	<b>3</b>
Long shadow cast: the social construction of race and gender in the United States	6
<b>CARE ECONOMY</b>	<b>8</b>
Child care touchpoints: the social, economic, political, and personal implications of caring for children	8
Costs to workers for their caregiving	10
Current childcare system	14
Increasing quality work in the child care industry: policy innovation	16
Looking to the future: Leveraging the moment to build long-term sustainability	18
Conclusion: Positioning child care as a public good	20
<b>CLEAN ENERGY ECONOMY</b>	<b>23</b>
Building a diverse, inclusive clean energy workforce	23
Energy jobs by the numbers	24
What do these numbers tell us?	26
What can be done?	27
The federal government can set the tone	32
Conclusion	33
<b>THE CONSTRUCTION TRADES</b>	<b>34</b>
Job growth through expansion of infrastructure investment	34
Current conditions create potential for expanding equity in the construction trades	35
Overcoming social and economic barriers to increased representation of women and people of color in construction trades	36
Model programs for equity and inclusion in the construction trades	42
Conclusion and recommendations: Elements of successful models	50
<b>REPORT CONCLUSION AND RECOMMENDATIONS</b>	<b>54</b>

# EXECUTIVE SUMMARY

Prioritizing gender and racial equity to promote a strong and just economy is a high priority of the Biden-Harris Administration. Historic levels of financing have been made available to support a range of infrastructure projects across the United States through key pieces of legislation, chief among them the Infrastructure Investment and Jobs Act, signed into law in November 2021. The immediate issue is ensuring that the \$1.2 trillion in direct government spending made available through the law is distributed in an equitable manner; that the jobs created or bolstered through this major infusion of federal funding include groups of people who historically have been excluded from past opportunities, and importantly, that these jobs are *quality jobs*—jobs that pay well, have strong social and labor protections, and where possible, are union jobs.

This report explores these themes and discusses how policymakers, practitioners, and advocates are addressing the inequities in three sectors: the child care economy, the clean energy economy, and the construction trades, as presented in the *Equity in focus—Job Creation for a Just Society* series. The series was a year-

long engagement made possible through a partnership between the U.S. Department of Labor Women’s Bureau and The Worker Institute at the Cornell University ILR School. The webinar series and summit brought together local, state, and federal policymakers, practitioners, unions, workers, industry stakeholders, policy researchers, philanthropy, and advocates to explore how best to prioritize gender and racial equity as core components of a strong and just economy. This report captures the key social, economic, and political issues discussed during the *Equity in focus* webinar series and summit, which explored the challenges and solutions to achieving equity in job creation in these three sectors. The solutions highlighted in this report are rooted in local-level innovations designed to reverse inequalities in job creation and access that are supported through partnerships with the state and federal government.



# INTRODUCTION

Prioritizing gender and racial equity to promote a strong and just economy is a high priority of the Biden-Harris Administration.<sup>1</sup> Historic levels of financing have been made available to support a range of infrastructure projects across the United States through key pieces of legislation,<sup>2</sup> chief among them the Infrastructure Investment and Jobs Act (also known as the Bipartisan Infrastructure Law), signed into law in November 2021.<sup>3</sup> The immediate issue is ensuring that the \$1.2 trillion in direct government spending made available through the law is distributed equitably;

1. “Advancing Equity and Racial Justice Through the Federal Government.” Executive Order 13985.
2. Lydia DePillis, New York Times “Federal Monday Could Be Spur for More Jobs”, January 11, 2023. The Inflation Reduction Act makes \$370 billion available in incentives and grants for lower-emissions energy projects and the CHIPS Act makes \$53 billion in subsidies for semi-conductor manufacturing available. All total, these pieces of legislation are expected to leverage tens of billions more in private capital.
3. “Building a Better America: A Guidebook to the Bipartisan Infrastructure Law for State, Local, Tribal and Territorial Governments, and Other Partners.” The White House: Washington, DC. The Bipartisan Infrastructure Law is historic in its size—the largest ever investments in broadband, rail and transit, clean energy, and water, just to name a few—as well as the breadth of programs and sectors included in the law. The infrastructure law allocated funding to over 350 distinct programs across more than a dozen federal departments and agencies.

that the jobs created or bolstered through this major infusion of federal funding include groups of people who have been historically excluded from past opportunities; and importantly, that these jobs are *quality* jobs—jobs that pay well, have strong social and labor protections, and where possible, are union jobs.

Long-standing and acute economic inequality in the United States, made worse by the pandemic, accelerates the need to envision job creation through an equity lens as states and municipalities across the country invest Bipartisan Infrastructure Law funding. But to reverse any long-standing trends in economic inequality between groups, we must first understand the historical precedents for the inequitable distribution of work and wages that have impacted women and people of color over time and are the foundation of inequitable outcomes in income, wealth, opportunity, and mobility. As a society, we are therefore tasked with “rewriting” the racial and gendered rules, regulations, policies, programs, and normative practices that have historically allowed economic and social inequality to flourish, and are still

dominant today.<sup>4</sup> The distribution of infrastructure funding is an opportunity to do just that. But to address the long-standing inequities baked into our systems, this rewriting of policies, practices, rules and regulations, and normative practices needs to take a multipronged approach that includes addressing the technical language embedded in our rules and regulations while creating and supporting essential pathways and pipelines for typically excluded groups to access the necessary education and training. At the same time, we must demand better wages and working conditions, especially for the women-dominated workforce, while breaking down barriers for women and people of color to jobs in higher-paid, often [white] male-dominated sectors.

This report explores these themes and discusses how policymakers, practitioners, and advocates are addressing the inequities in three sectors: the child care economy, the clean energy economy, and the construction trades, as presented in the *Equity in focus—Job Creation for a Just Society* series.<sup>5</sup> The initiative was a year-long engagement made possible through a partnership between the U.S. Department of Labor Women’s Bureau and The Worker Institute at Cornell University’s ILR School. *Equity in focus—Job Creation for a Just Society* brought together local, state, and federal policymakers, practitioners, unions, workers, industry stakeholders, philanthropy, and advocates to explore how best to prioritize gender and racial equity as core components of a strong and just economy. This report captures the key social, economic, and political issues discussed during the *Equity in focus* webinar series and summit, which explored the challenges and solutions to achieving equity in job creation in these three sectors. The solutions highlighted in

4. Andrea Flynn, Susan Holmberg, Dorian Warren, Felicia Wong, (2016) ‘Rewrite the Racial Rules. Building an Inclusive Economy’, Roosevelt Institute Report.

5. The *Equity in focus* series comprised three webinars and a final in-person summit at the U.S. Department of Labor.

***Equity in Focus—  
Job Creation for a  
Just Society brought  
together local,  
state, and federal  
policymakers,  
practitioners, unions,  
workers, industry  
stakeholders,  
policy researchers,  
philanthropy, and  
advocates to explore  
how best to prioritize  
gender and racial  
equity as core  
components of a strong  
and just economy.***

this report are rooted in local-level innovations designed to reverse inequalities in job creation and access and supported through partnerships with state and federal governments.

As was made clear throughout the *Equity in focus* webinar series and summit, and as this report will show, addressing deep-seated labor market inequities that have historically disproportionately impacted people of color and women in terms of their employment, wages, wealth, opportunities, and mobility requires fundamental systemic change to our labor market and social protection systems. To do this, we must first acknowledge and understand how racial and gendered rules undergird economies and societies and therefore perpetuate unequal life opportunities for women and people of color. Further, in thinking about the future direction that policies should take to counter these inequities, there is an important caveat.

“Gender-blind” or “race-blind” economic policies (e.g., increasing wages) alone will not sufficiently address the obstacles to equal opportunity and equitable outcomes for women and people of color. Andrea Flynn and colleagues argue that the call for more and/or better economic policies to reduce inequality alone will not close the racial and gender earnings and wealth gap, for example. Not only do we need economic policies in place to reduce income and wealth inequality, but concomitantly, we must also address the causal mechanisms and mediating pathways that link the racial and gendered rules to unequal outcomes—so that we may reverse the rules and normative practices that have had compounding and cyclical effects.

Achieving the systemic change needed requires more than a “formal equality” anti-discrimination framework for law, policy, and practice. A formal equality framework helps expand employment opportunities by prohibiting employment discrimination against groups who have been

historically excluded from jobs and occupations based on gender, race, national origin, religion, and disability. This is necessary but not sufficient to make fundamental change in the structural inequalities of the distribution of power and privilege in U.S. society. We must progress beyond formal equality and move toward achieving “substantive equality”—that is equality defined in terms of fundamental systemic change that enables all members of the society to live a meaningful and satisfying life at work, at home, and in their communities. Within a substantive equality framework, we can envision public policy, law, and practice that dismantles systemic inequalities—including structural gender and racial barriers to achieving equality. Achieving substantive equality also requires adopting laws, policies, and practices that expand meaningful inclusion and retention of all groups in all kinds of occupations.

As the three sector examples highlighted in this report will show, while women and people of color have made progress in their fight for equity in the labor market, there is farther to go. Success remains elusive for too many people, which speaks to the need for profound systemic change driven by the federal government. While some may question whether such change is possible, it is important to remember that the rewriting of the gender and racial rules is already underway at the federal level. That opens the door to addressing inequities at the state and local levels, as the examples in this report demonstrate. At the same time, local and state governments are innovating independently of the federal government. That puts pressure on the federal government to respond at a national level, where it has yet to do so.

The themes explored in this report are grounded in a vast literature on each of these subjects. This report is not a review of the literature; rather, it summarizes key points and reviews what impact

the social construction of race and gender in the United States has had on the labor market participation of women and people of color in three areas of the economy: the child care economy, the clean energy economy, and the construction trades. The report is then broken down into three sections that go deeper into those areas. Each section provides social and economic analysis as the foundation for the discussion of the current state of equity (or inequity) in each sector. The sections explore key policy innovations at the city, state, and federal levels that advance the systemic changes needed to reverse deep-seated inequities in the U.S. labor force. Here, each section focuses on the role of—and the continued need for—federal reform that drives a just system of job creation. The report closes with recommendations for ensuring long-term sustained change in the child care economy, the clean energy economy, and the construction trades.

## **LONG SHADOW CAST: THE SOCIAL CONSTRUCTION OF RACE AND GENDER IN THE UNITED STATES**

The persistence of sex segregation, discrimination, and disadvantage for women and people of color in the labor market generally—but especially as it pertains to paid and unpaid child care work and to women working in the building trades—rests at the intersection of our construction of the gendered division of labor on the one hand, and the United States’ legacy of enslavement, on the other.

As a source of gender inequality, the gendered division of labor has its roots in the transition to new manufacturing technologies in the 18<sup>th</sup> century that ushered in the Industrial Revolution and the

subsequent shift to modern economic growth. The advent of the capitalist mode of production separated production for the household from production for the market. Production for the household included parenting, homemaking, and caregiving allocated to women, whereas production for the market was waged work allocated to men, who were subsequently assigned the role of the breadwinner.<sup>6</sup> This socially constructed arrangement solidified women’s responsibility for taking care of the private sphere—the household. While not only patriarchal and oppressive to women, it devalued women’s work in the home as it was unwaged, and left women dependent on men. This division reinforced gender roles where masculinity was equated with waged labor, male domination, and breadwinning; and femininity with unpaid labor, female subordination, and caretaking.<sup>7</sup>

For women, entry into the building trades has meant breaking through these gendered stereotypes about “women’s work” and its connection with gendered roles in the family. Feminist critiques have revealed the way that such gender role stereotypes have enabled employers in capitalism to demand the “ideal worker,” defined as a male worker unencumbered by family care duties. Moreover, such gender stereotypes describe women as “naturally” suited for child rearing and caretaking, which is an ideological position masquerading as biology. This “biological” justification for women’s unpaid labor enables employers to avoid paying benefits for family care and to profit from women’s unpaid labor. Concomitantly, carrying the disproportionate burden of family care duties also functions to exclude women from occupations that require long or unpredictable hours, including the skilled trades. Cumulative disadvantage in the labor market

6. Mimi Abromowitz (2000). *Under Attack, Fighting Back: Women and Welfare in the United States*. New York: Monthly Review Press.

7. *Ibid.*

is also rooted in racially exclusionary and discriminatory policies. In the United States, this has been shaped by the social construction of race grounded in the legacy of enslavement that justified crafting Jim Crow laws—and later New Deal policies—to the explicit disadvantage of African American men and women. As such, Black women, historically and today, are uniquely situated at the intersection of race, class, and gender hierarchies, and as a result, they make up a disproportionate share of minimum wage workers. As Camara Phyllis Jones writes, “the association between socioeconomic status and race in the United States has its origins in discrete historical events but persists because of contemporary structural factors that perpetuate those historical injustices.”<sup>8</sup> What does this look like in practice? As social insurance and labor protections were designed, implemented, and expanded through New Deal legislation in the 1930s and beyond, the policies, rules and regulations were drafted explicitly in anti-Black racism designed to exclude African Americans from key provisions. For example, the Social Security Act of 1935 excluded agricultural workers and caregivers from national social security—predominantly African American occupations in the South.<sup>9</sup> Discrimination against Black women drove the exclusion of homecare workers from the protections of the National Labor Relations Act (NLRA). In addition to being excluded from the NLRA, domestic workers were also excluded from Title VII of the Civil Rights Act of 1964, the 1971 Occupational Safety and Health Act, the 1993 Family and Medical Leave Act, the 1990 Americans with Disabilities Act, and the Age Discrimination in Employment Act.<sup>10</sup> These are just

a few examples, but they show how the intentional policy design of the past has lasting effects, realized in labor market outcomes today.<sup>11</sup> We continue to feel the legacy of this social construction of race, gender, and class as it intersects with who does what jobs and under what working conditions and circumstances. Because of it, women and women of color have been funneled away from jobs in the skilled trades and into jobs with caregiving responsibilities. For African American women, this is especially poignant given that the legacy of enslavement—brutal forced labor and childbearing—meant that in post-Civil War emancipation, Black women were expected to care for white families’ children (or labor in the field) under horrific conditions, for low pay, and without any protections. Moreover, any “choice” to stay home and care for their own children was denied Black women. This legacy has had clear implications not only for the modern gendered division of labor, but for why some groups of women—women of color—are still more likely than other groups to hold low-wage [child]care jobs today. Because of biases based not only on gender but also on race or ethnicity, many women of color face compounded economic and social disadvantage in the labor market compared to their white counterparts.<sup>12</sup> Women of color—as women, as workers, and as caregivers for their families—have not always fit neatly into society’s work and family silos or perceptions of women’s roles, resulting in fundamentally different experiences, expectations, and opportunities.<sup>13</sup>

8. Camara Phyllis Jones, (2000). “Levels of Racism” A Theoretical Framework and a Gardener’s Tale” *American Journal of Public Health*. 90(8):1212-1215.
9. At the time, 41% of agricultural workers were Black men and 63% of domestic workers were Black women compared to just 20% of white women. See Andrea Flynn, Susan Holmberg, Dorian Warren, Felicia Wong, ‘Rewrite the Racial Rules. Building an Inclusive Economy’ (2016).
10. Ibid.

11. For a comprehensive review of the many policies, rules, regulations and guidelines that have been drafted to exclude African Americans and women, see also Richard Rothstein, (2017) *The Color of Law*. New York: W.W. Norton & Company.
12. Patricia Hill Collins, (2000). *Black Feminist Thought: Knowledge, Consciousness, and the Politics of Empowerment*, 2nd ed. New York: Routledge.
13. Jocelyn Frye, (2016). “The Missing Conversation About Work and Family: Unique Challenges Facing Women of Color.” Washington DC: Center for American Progress.



# CARE ECONOMY

## **CHILD CARE TOUCHPOINTS: THE SOCIAL, ECONOMIC, POLITICAL, AND PERSONAL IMPLICATIONS OF CARING FOR CHILDREN**

In 1956, Alva Myrdal and Viola Klein<sup>14</sup> pointed to a “social revolution on its way”: a rise in the labor market participation of married women in the United States. At the nexus of this “revolution” has always been the question of *who cares for the children when the women go to work?* A number of issues have spotlighted the role of government and public policies in shaping the caregiving context in which families are formed and operate throughout their lifetimes. Chief among these are: the disintegration of the gender order established

14. Alva Myrdal and Viola Klein, (1956). *Women’s Two Roles: Home and Work*. London: Routledge and Kegan Paul Ltd. See also Claudia Goldin and Robert Margo, (1991). “The Great Compression: The Wage Structure in the United States at Mid-Century”, Working Paper No. 3817, NBER Working Paper Series, National Bureau of Economic Research.

during the industrial era for women; women’s demands for equal rights and opportunities; and the increase in married women’s—including married mothers’—labor force participation.<sup>15</sup> As family formation, in-family arrangements and practices, and the social and cultural norms surrounding partnership and parenthood have changed, so too have changed the contributions that women and men are expected to make to families. This affects who provides the informal caregiving in the home, on the one hand,<sup>16</sup> and the expectations of women as formal caregivers in the labor market, on the other. And yet, even with the enormous social transformations that have happened, the gendering of child care—as with care work in general—has remained remarkably constant. Child care has remained “extremely sex

15. Chiara Saraceno, Jane Lewis and Arnlaug Leira, (2012). *Families and Family Policies*. Cheltenham: Edward Elgar Publishing.

16. These changes have affected the structure and composition of so-called ‘social risks’ which has in turn posed challenges to existing policies based on different assumptions as to the family and gender arrangements. See, Margitta Mätzke and Ilona Ostner, (2010). “Change and continuity in recent family policies,” *Journal of European Social Policy*: Vol. 20(5): 387–398.

segregated,”<sup>17</sup> whether it is the unpaid labor of women or the underpaid labor of women workers.

There are multiple touchpoints that make the question of who cares for the children such an important societal, economic, political, and personal issue today, as was presented in the second *Equity in focus* webinar on careers in child care by Lea J. E. Austin, executive director of the Center for the Study of Child Care Employment at the University of California. First, there is the issue of choice—the choice of the parent(s) to stay home and care for the infant post-birth, and if so, for how long and at whose cost. Second, there is the issue of finding a child care provider, if parents choose to work while raising very young children. But for choice to be genuine, there needs to be a robust national child care policy package that supports parents through paid family leave, on the one hand, and national provision of child care services for children ages 0–5—typically referred to as “early childhood education and care” (ECEC)—on the other.

At present, the United States is the only country in the Organisation for Economic Co-operation and Development (OECD) that does not provide national paid family leave and one of the few that does not provide comprehensive national ECEC. The federal Family Medical Leave Act provides 12 weeks of unpaid care leave for parents. That it is unpaid and only 12 weeks is woefully inadequate. Equally important, there is no national support for the provision of child care. As a result, parents rely on a decentralized, market-based system of child care where options range from large child care centers, child care in the owner’s home or in a faith-based setting, or care from a nanny or relative. Moreover, parents’ ability to “choose” a provider is based on number of important factors, including cost of care and availability of

affordable child care placements.

It is difficult to separate these two aspects of caregiving, as they intersect with the ability of the parent(s) to make meaningful choices about whether they wish (or even can) to take time off of work to care for the child, and if so, what impact this has on their short- and long-term employment and earnings outcomes. It has been estimated that parents forgo \$30–35 billion in income because the current high cost of child care leads many parents to leave the paid labor force or reduce their paid work hours to care for their children.<sup>18</sup> And here we know that today, women still take on a greater share of caregiving responsibilities within families. Women still tend to be responsible for the majority of unpaid family caregiving, regardless of whether they are employed outside the home. The pandemic both shone a spotlight on and exacerbated this pattern.<sup>19</sup> It still too often falls to women to leave their jobs to care for children, with substantial cost to their short- and long-term earnings and

17. Claire Cameron and Peter Moss, (2021). *Transforming Early Childhood in England*. London: UCL Press.

18. “The Economics of Childcare Supply in the United States,” (2021). The U.S. Department of Treasury.

19. Lauren Bauer, Sarah Estep and Winnie Yee, (July 22, 2021). “Time waited for no mom in 2020.” The Brookings Institution Blog. “American Time Use Survey Summary,” Economic News Release.

employment.<sup>20,21</sup> Further, without paid family leave or publicly provided ECEC, it is likely that in two-parent families, that parent with the lower-paid job will be the one to stay home. Given persistent gender-based wage inequality, this will likely be the woman in a male-female couple. For women who are single parents or in same-sex couples, such gender-based inequality compounds the nature of the discrimination.

Another important touchpoint is the health and wellbeing of the infant and young child generally, but especially for socially disadvantaged families. The evidence shows that the health, cognitive, and socio-behavioral development of infants age 0–1 is negatively impacted when parents work full time, although the effects vary by the quality of alternative care provided, the quality of maternal care, and the extent to which employment leads

to increases in income.<sup>22</sup> For children ages 2, 3, and 4, high-quality care outside the home is essential for short-term positive returns on child development and long-term educational and employment outcomes.<sup>23</sup> Evidence shows that public investments in high-quality early care and education yield substantial benefits to children by increasing future compensation, improving health, and reducing interactions with the criminal justice system (Heckman 2011).

But to get these long-term returns for children, it is essential that public investments are made in a higher-quality child care system that is reliant on a skilled and stable workforce. But the early childhood education and care workforce is not stable—this thus being the final touchpoint—and the focus of this section. Stability here means reducing high turnover in the industry by ensuring that early childhood education and care workers are highly paid, well protected, and have appropriate opportunities to acquire the education and training needed to deliver the comprehensive quality care children require. This section will discuss the barriers, and importantly, highlight how—absent a federal policy—states and localities are innovating to provide quality child care while protecting workers.

## **COSTS TO WORKERS FOR THEIR CAREGIVING**

Child care in the United States is provided through market mechanisms. The existing system relies primarily on private financing, with the cost of care borne by the parent(s). As such, the provision of child care in the United States is treated as a commodity and not a public good. Nationally,

20. Elise Gould and Hunter Blair, (2020). "Who's Paying Now? The Explicit and Implicit Costs of the Current Early Care and Education System," Washington, DC: Economic Policy Institute. What is consistent in the economics research is that when the price of ECEC falls, more mothers work. Estimates of this labor force response vary in the research literature. In one representative study, Blau (2001) found that decreasing child care costs by 1% increases mothers' labor force participation by 0.2%. David Blau, (2001). *The Child Care Problem: An Economic Analysis*. New York: Russell Sage Foundation. Using these estimates, another study by Bivens et al. found that the resulting increase in labor force participation from capping ECEC costs at 10% of family income could translate into a GDP increase of 1.2%, equal to \$210.2 billion. Josh Bivans, Emma García, Elise Gould, Elaine Weiss, and Valerie Wilson, (2016). *It's Time for an Ambitious National Investment in American's Children: Investments in Early Childhood Care and Education Would Have Enormous Benefits for Children, Families, Society, and the Economy*. Washington, DC: Economic Policy Institute. (For an assessment of child care on mothers' employment and child outcomes see, for example, Waldfogel 2002, Chapter 6 in Volume II).
21. For instance, in Sweden in the 1930s, Alva Myrdal argued the case for child care services to enable working women to become mothers, while in later decades work/family reconciliation policies have been put forward to allow mothers to take up paid work. Indeed, family policies, which were originally intended to support 'the family', have increasingly become an instrumental adjunct of employment policies. Helena Bergmann Helena and Barbara Hobson, (2002). "Compulsory Fatherhood: The Coding of Fatherhood in the Swedish Welfare State." *Making Men into Fathers. Men, Masculinities, and the Social Politics of Fatherhood*. Cambridge: Cambridge University Press.

22. Ludivuca Gambaro, Kitty Stewart and Jane Waldfogel, (2015). *An Equal Start? Providing Quality Early Education and Care to Disadvantaged Children*. Bristol: The Policy Press.
23. Ibid.

the total value for the child care services market in the United States was estimated to be \$60 billion in 2019<sup>24</sup>—about 0.25 percent of GDP—although many children were cared for by unpaid nonparental adults. One in every 110 workers,<sup>25</sup> and one in every 55 female workers,<sup>26</sup> makes a living in early childhood education and care.

Despite the high costs of child care in the private market, child care workers receive shockingly low wages. The Center for the Study of Child Care Employment reports that wages for the more than one million workers in the sector, covering both licensed and some informal care providers, averaged \$24,230 annually.<sup>27</sup> But this low wage is the national average; analysis of the cost of child care in Erie County, New York by Russell Weaver and colleagues found that the median effective hourly wage of child care workers is even lower in that region, with self-reported data at just \$10.38, or about \$21,590 per year for a year-round, 40-hour-per-week job. The hourly rate for performing essential care work in Erie County

24. Child care services include infant and child day care centers, pre-kindergarten and preschool centers, and nursery schools. "Child Day Care Services Global Market Briefing 2020: Covid-19 Impact and Recovery," (2020). The Business Research Company.
25. This calculation includes occupation codes 39-9011 (child care workers), 25-2011 (preschool teachers, except special education), 25-2051 (special education preschool teachers), 11-9031 (education and child care administrators for preschool and daycare), and 21-1021 (child, family, and school social workers). "May 2020 National Occupational Employment and Wage Estimates," (2020). U.S. Bureau of Labor Statistics.
26. This calculation includes the occupation codes referenced in footnote 25. Additionally, women make up 95 percent of the child care workforce and 47 percent of the overall workforce. Clair Ewing-Nelson, (2020). "One in Five Child Care Jobs Have Been Lost Since February, and Women are Paying the Price." Washington, DC: National Women's Law Center.
27. Caitlin McLean, Lea J.E. Austin, Marcy Whitebook, and Krista L. Olson, (2021). "Early Childhood Workforce Index 2020," University of California, Berkeley: Center for the Study of Child Care Employment. Citing the International Labour Office, the report covers workers in settings that are "usually school-based or otherwise institutionalized for a group of children (for example, center-, community-, or home-based), excluding purely private family-based arrangements that may be purposeful but are not organized in a program (for example, care and informal learning provided by parents, relatives, friends, or domestic workers)."

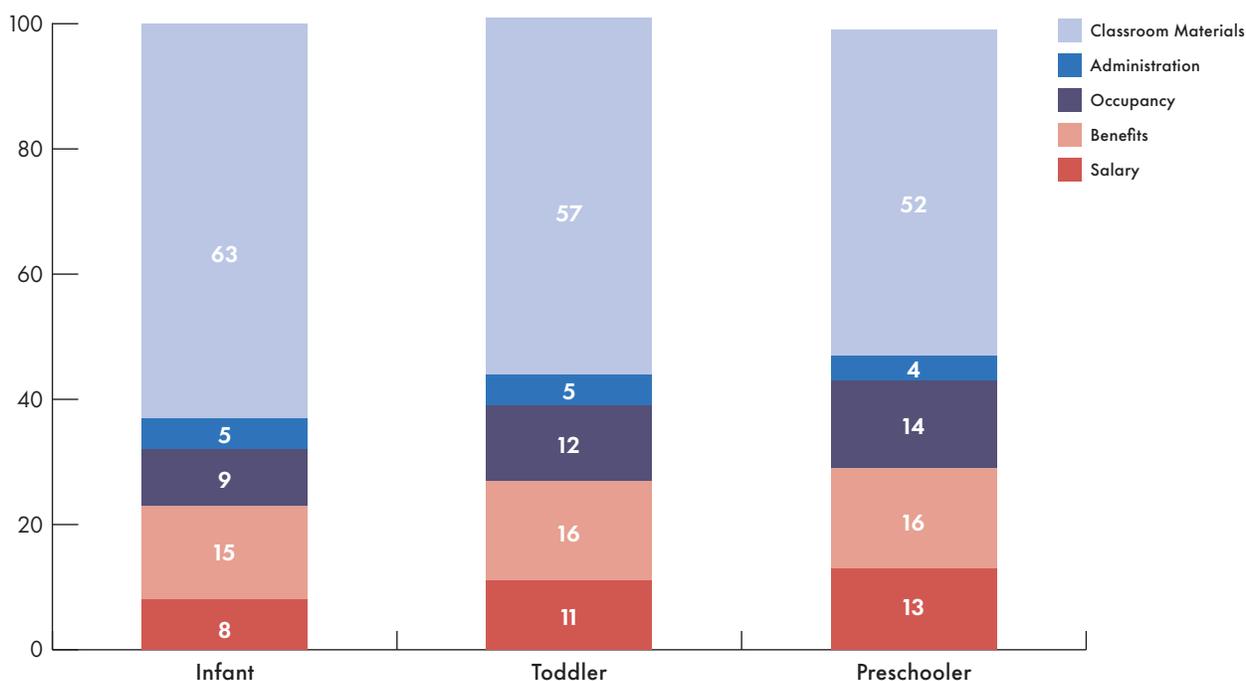
**The Center for the Study of Child Care Employment reports that wages for the more than one million workers in the sector, covering both licensed and some informal care providers, averaged \$24,230 annually.**

is less than the countywide average minimum wage of \$12.50, and considerably less than the MIT-estimated "living wage" for a single adult (with no children) in the county, which is roughly \$15 per hour.<sup>28</sup>

Based on these low wages, more than 15 percent of child care workers are below the poverty line in 41 states, and almost 35 percent are below the poverty line in the District of Columbia. Similarly, nearly half of child care workers rely on the Children's Health Insurance Program (CHIP),

28. Catherine Creighton, Lou Jean Fleron and Russell Weaver (2021). "The True Cost of Child Care: Erie County NY Summary of Phase One: Primary Findings," December 2021.

**Figure 1 Breakdown of Child Care Program Expenses by Child Age**



Source: Center for American Progress

Supplemental Nutrition Assistance Program (SNAP), and Temporary Assistance for Needy Families (TANF) to meet their basic economic needs.<sup>29</sup> And yet, even within this low-pay structure, there still exists racial pay inequities where Black women in particular are paid less than their peers. There are also pay penalties for those working with the youngest children. Women who care for infants and toddlers make the least money.

Moreover, the current system fails to adequately serve many families and their children. Economic principles, such as liquidity constraints and positive

externalities, explain why relying on private money to provide child care does not work, and as such, market failure is pervasive.<sup>30</sup> Notwithstanding the high costs for child care borne by parents, margins for child care providers—the majority of whom are small, women-owned business—are low, and many businesses struggle to stay afloat. The U.S. Treasury found that prior to the pandemic, a typical child care business in the United States had about a 1 percent profit margin.<sup>31</sup> Therefore, maintaining full enrollment is essential. Many child

29. Marcy Whitebook, Deborah Phillips, and Carolee Howes, (2014). "Worthy Work, Still Unlivable Wages: The Early Childhood Workforce 25 Years after the National Child Care Staffing Study," University of California, Berkeley: Center for the Study of Child Care Employment.

30. "The Economics of Childcare Supply in the United States," (2021). The U.S. Department of Treasury. Several market failures help explain why the current system is unworkable. Liquidity constraints are when parents are asked to pay for child care when they can least afford it. Parents of young children are themselves young and therefore new to the labor market and therefore may have little work experience. Most people earn higher incomes as they spend more time in the labor force and their careers progress. Some parents have other major expenses, like mortgages or student loans. And, even though most families' incomes and savings increase as their children age, they are unlikely to be able to borrow against their future savings to cover the costs of care for young children. Second, positive externalities is the spillover aspects of providing children with a high-quality early educational experience.

31. Phil Davies and Rob Grunewald, (2011). "Hardly child's play," Federal Reserve Bank of Minneapolis, July 1, 2011.

care facilities are relatively small, and a month or two without full enrollment can erase their margins. To manage these financial difficulties, child care operators run their business as non-profits or are affiliated with religious or community organizations. Operators may seek out direct or indirect subsidies, such as free space or below-market leases, to help offset the costs of running the business.

But child care is very labor-intensive, and a large share of the typical operator's costs are wages for the staff. Figure 1, from a report by the Center for American Progress, suggests that wages are at least 50–60 percent of expenses, based on U.S. averages.<sup>32</sup> Figure 1 also highlights how labor is a larger share of expenditures when the care is for younger children, especially infants, since they require more oversight and thus more adults per child. In order for businesses to remain viable, child care workers' wages are kept low, and benefits such as health care or a 401K pension plan are non-existent. Most early childhood education and care workers are in non-union workplaces and lack the ability to engage in collective bargaining for better working conditions. By contrast, unionization rates are much higher for teachers in K–12 public schools. As a result, turnover in the child care industry is high.

Child care workers are therefore at the center of meeting two competing business needs that directly impact their wages and benefits. First, in the U.S. market-based system of child care provision, in order to cover the costs of running a business—pay the rent, pay staff—business owners, in essence,

need to exploit workers to survive. Like in any business, reducing labor costs frees up revenue to cover other costs. But reducing labor costs can also bring down the overall costs of care to the parent, which leads to the second competing need. Making private child care affordable to parents is achieved by paying low wages to early childhood education and care workers.

Child care is expensive because of the need to highly regulate care—which is good and needed—and no one is arguing to deregulate child care. The rules and regulations have been put in place to keep infants and young children safe. But a byproduct of the high regulation is that it is expensive to provide skilled staff to meet the regulations. States must have a licensing system in place to receive federal funds but have discretion to exempt certain categories of providers (e.g., relatives), including the discretion to establish a group size threshold at which point home-based providers must become licensed. Although these licensing requirements do not guarantee high-quality care, they ensure that child care services are monitored for compliance with the minimum health and safety requirements. The licensing threshold for home-based providers varies widely by state, ranging from caring for one unrelated child to six or more. In 2017, nine states and the District of Columbia required family child care homes to be licensed if the provider cares for at least one unrelated child (the nine states are Alabama, Connecticut, Delaware, Kansas, Maryland, Massachusetts, Michigan, Oklahoma, and Washington), while the licensing threshold for family child care homes in most states is set at three or four children.<sup>33</sup>

32. Simon Workman, (2018). "Where Does Your Child Care Dollar Go?" Center for American Progress, February 14, 2018. Labor and other expenses vary by location based on other factors, such as the local labor market, commercial real estate conditions, and state-level regulations on the required number of providers per child.

33. "Trends in Family Child Care Home Licensing Requirements and Policies for 2017—Research Brief #2," (March 2020). National Center on Early Childhood Quality Assurance. Additionally, child care providers who are exempt from licensing may still need to comply with basic health and safety requirements if the children they care for receive federal child care financial assistance.

Moreover, high-quality early childhood education and care requires an educated and highly trained workforce to provide the level of early education needed to set children up for better outcomes in K–12 education and beyond. But again, this requires child care workers with the appropriate advanced education and training, which costs more money—both for the worker who seeks out the education (currently with little to no guarantee for a return on their educational investment through higher wages and benefits) and for the provider who, in theory, should pay more for a workforce with advanced education and training.

In sum, the structure of the child care industry creates a model that depends on a low-wage workforce to keep services affordable for families. The industry survives with non-profit donations and public funding and by keeping costs low by cycling through low-wage, non-unionized workers, many of whom rely on public support to meet their own economic needs. Child care workers need access to education and professional development to engage in ongoing learning, need safe and supportive working environments that include appropriate breaks, and need time to plan and manage administration. But workers also need appropriate compensation and benefits so that they can take care of themselves and their families. These basic needs have not been translated into effective and equitable policies and fair treatment of this workforce.

## **CURRENT CHILDCARE SYSTEM**

Analysis of the Early Childhood Program Participation (ECPP) Survey, administered as part of the 2016 National Household Education Surveys Program, found that 40 percent of children under age 6 were cared for solely by their parents, and the remaining 60 percent—

nearly 13 million children—received on average 30 hours of care weekly from a non-parent.<sup>34</sup> Children in non-parental care were in a variety of child care arrangements. For example, 65 percent of children under age 3 were in home-based child care (including 42 percent cared for by relatives) and 35 percent were in center-based care.<sup>35</sup> Preschool-aged children are more likely to be cared for outside of the home, with 31 percent of 3- to 5-year-olds in home-based child care and 69 percent in center-based care.<sup>36</sup>

Nearly a third of the licensed facilities are non-profit or governmental establishments. The U.S. Census Bureau estimates that 47 percent of the \$48 billion in total operating revenue for child care services in 2019 (primarily reflecting center-based care) came from federal and state government expenditures.<sup>37</sup> Given that information on early childhood education and care programs created and funded by states is less readily available, the U.S. Government Accountability Office conducted a national survey of state program officials to better understand the nature of state child care provision. Analysis of the survey identified 86 state early childhood education and care (ECEC) programs provided across 46 states: 73 preschool

34. “Early Childhood Program Participation Survey of the National Household Education Surveys Program (ECPP-NHES:2016)” (2017) National Center for Education Statistics: U.S. Department of Education. The NHES:2016 used a nationally representative address-based sample covering 50 states and the District of Columbia. The survey was conducted by the U.S. Census Bureau from January through August 2016.

35. *Ibid.* The report did not indicate the type of center-based care, i.e., whether completely private or subsidized by state and federal funds.

36. *Ibid.*

37. “Total Revenue for Child Day Care Services, All Establishments,” (2021). Federal Reserve Bank of St. Louis. Total federal and state expenditures directly related to child care were estimated to be \$22.6 billion in FY 2019. Of this total, 42 percent was estimated appropriations for the Head Start program that went towards center-based, home-based, and family child care funded enrollment; 34 percent was TANF expenditures on child care assistance, pre-kindergarten and Head Start programs, and transferred funding to CCDF; 23 percent was CCDF expenditures on direct services, quality activities, and targeted funds; and 1 percent was SSBG expenditures on child care.

programs serving 3- to 5-year-olds and 13 child care programs serving 0- to 2-year-olds.<sup>38</sup>

The vast majority of federal funding for ECEC programs in the United States comes from two programs administered by the U.S. Department of Health and Human Services (HHS): Head Start and the Child Care and Development Fund (CCDF), which provides funding for state child care programs. The Social Services Block Grant (SSBG) and Temporary Assistance for Needy Families (TANF) are two other important avenues of funding. CCDF, Head Start, and TANF are targeted toward low-income families with young children. The CCDF encompasses several federal funding streams for child care assistance—discretionary funding authorized by the Child Care and Development Block Grant Act (funding commonly known as the Child Care and Development Block Grant (CCDBG)); mandatory funding authorized by Section 418 of the Social Security Act (known as Child Care Entitlement to States (CCES)); and funds related to CCES that have state maintenance-of-effort (MOE) or matching requirements. The CCDF funding is distributed to state, territory, and tribal governments to provide child care subsidies for low-income working parents and is the primary federal funding source for these subsidies. According to preliminary FY 2019 data, approximately 1.4 million children and 857,700 families received CCDF child care assistance per month. Nationally, the monthly subsidy paid to providers by the CCDF was \$319 for child home providers, \$456 for family child care home providers, and \$506 for child care centers. Of those families with reported income in FY 2019 who received CCDF child care assistance, approximately 74 percent paid a copayment for child care, while the remaining 26 percent of the families did not pay a copayment.

38. “Child Care and Early Education: Most States Offer Preschool Programs and Rely on Multiple Funding Sources,” (2019). GAO-19-375. Washington DC: U.S. Government Accountability Office.

The average copayment was 6 percent of family income for the families who paid a copayment.<sup>39</sup>

And yet, while these subsidies assist families in covering the costs of child care, the existing subsidy rates do not cover their current costs of care for the provider, which in turn affects the wages and benefits of workers. A survey of child care providers in Erie County, New York found that seven out of every ten survey respondents indicated that they currently do not make enough money to offer the level and quality of services they wish to provide. However, the situation is much more severe for Department of Social Services (DSS) subsidy recipients. Over 80 percent of subsidized providers did not generate enough revenue to provide desired levels of care, compared to just 50 percent of their counterparts who rely more heavily on other funding sources (especially parent private pay). The implication is that the current subsidy rates are too low, and thus the child care providers serving children from low-income families are themselves at a financial disadvantage.<sup>40</sup>

## **INCREASING QUALITY WORK IN THE CHILD CARE INDUSTRY: POLICY INNOVATION**

Given these challenges, cities and states are nevertheless finding innovative ways to improve

39. “The Economics of Childcare Supply in the United States,” (2021). The U.S. Department of Treasury. Generally, the funding for public child care assistance programs is capped and subject to the Congressional annual appropriations process, which hinders the programs’ ability to provide assistance for all eligible families. As an example, only 14 percent of eligible children (under federal rules) received public child care assistance in FY 2017. Additionally, the purchasing power of child care funding has decreased over time. After adjusting for inflation, the total funding for child care in 2018 was \$1 billion less than in 2001.

40. Catherine Creighton, Lou Jean Fleron and Russell Weaver (2021). “The True Cost of Child Care: Erie County NY Summary of Phase One: Primary Findings.”

access to child care while also increasing wages and providing benefits for child care workers, as the *Equity in focus* webinar on child care careers demonstrated. At the heart of this is the need to address long-standing, persistent, and severe structural deficiencies and inequities in the child care economy that have deep-seated causes predating the pandemic. But the pandemic, while a terrible social, economic, and public health crisis, also provided an opening to address these structural deficiencies and inequities in the child care economy through pandemic relief funding. For the first time, states and municipalities were able to benefit from substantial federal investment in child care through three sources of revenue: the 2020 Coronavirus Aid, Relief, and Economic Security Act (CARES), the Coronavirus Relief and Recovery Supplemental Appropriations Act of 2021 (CRRSA), passed in December of 2020, and the American Rescue Plan Act, enacted in March 2021 (ARP).

## **DISTRICT OF COLUMBIA**

Localities used the funds to stabilize the child care industry and workforce. For example, the **District of Columbia** applied the first package of \$6 million that was a part of the 2020 Coronavirus Aid, Relief, and Economic Security Act (CARES) to provide child care for essential workers, help stabilize the child care sector, and support providers in meeting new costs. This included the D.C. Child Care Provider Relief Fund grant program that provided \$5 million in emergency operational funding to local child care facilities. Relief funds were granted to all licensed District child care providers to ensure a supply of child care for families during the public health emergency and recovery period. Eligible uses of the funds included operating costs (i.e., employee wages and benefits, accounts payable, inventory, utilities), fixed costs (i.e., rent, insurance), furniture, program materials to meet health and safety guidelines, and/or sanitation supplies and

personal protective equipment.

The second federal relief package, the Coronavirus Relief and Recovery Supplemental Appropriations Act of 2021 (CRRSA) provided an additional \$16.7 million in child care relief funding to help preserve and sustain child care in the District. Funds here were used to support the expansion of the District's Shared Services Business Alliance, which provided back office support to smaller child care centers and homes to help strengthen business practices and benefit from economies of scale; provided business technical assistance for child care providers available through the Office of the State Superintendent of Education (OSSE), Washington Area Community Investment Fund (Wacif), and the Low-Income Investment Fund (LIIF); provided supports for children's social-emotional learning and mental health for children, families, and child care staff; and provided enhancement of the District's Child Care Resource and Referral services to help families find child care as they return to in-person work.

The final tranche of money from the American Rescue Plan provided nearly \$65 million in relief funding to support the District's child care community. Of this \$65 million, \$40 million was used to stabilize the child care sector by making financial support available to all early education programs. The other \$25 million was set aside to fund long-term system improvements through the Child Care and Development Block Grant to increase subsidy payment rates in FY 2022 and FY 2023 and provide scholarships and financial incentives for child care workers.

## **BOSTON**

In **Boston**, \$5.6 million from the American Rescue Plan has been allocated in grants for the Essential Worker Child Care Fund and Stimulus and Stability Funds to support child care centers

**But the pandemic, while a terrible social, economic, and public health crisis, also provided an opening to address these structural deficiencies and inequities in the child care economy through pandemic relief funding.**

and essential workers who work non-traditional hours. This grant specifically supports child care centers that expand their services for workers who work non-traditional hours. To be a recipient of the Essential Worker Child Care Fund, child care providers needed to present a plan for how they would offer non-traditional hours for essential workers, including hospital, construction, and education workers. The Fund's grantees—Building Pathways, Community Labor United, and SEIU Education and Support Fund—have been tasked with recruiting center or family child care providers who will agree to provide early and late care and match them with essential workers who need that care.

## **OHIO**

**Franklin County**, in partnership with the City of Columbus (Ohio), invested \$23 million of American Rescue Plan funds over two years to support families and local child care providers through a program called Franklin County RISE. The partnership with Action for Children supports Franklin County families who are struggling to pay for child care while also supporting child care providers and staff. This is Franklin County's most significant investment ever in the local early childhood learning system, building on earlier funding from the City of Columbus. The funding is intended to help Franklin County RISE and includes \$11.4 million in scholarships for families facing the benefits cliff (i.e., those who make above the threshold amount to qualify for publicly funded child care but still too little to afford child care). Five hundred students are expected to be eligible for up to \$10,000 per year in scholarships.

The funding also supports early learning centers and teachers. Child care providers have been allocated \$11.3 million to use in three funding areas: 750 providers are expected to receive up to \$3,000 per year for taking on low-income families; up to \$10,000 is provided for providers to improve their state ratings; and up to \$5,000 per year is provided as incentive for providers to expand to non-traditional hours.

For child care workers, \$500,000 of the RISE funding is dedicated to emergency rental assistance as a form of income support. With an average wage for credentialed lead teachers in child care centers averaging just \$12.22 per hour—about 41 percent of the median income for Franklin County, RISE teacher supports will offer an average of \$3,000 in rental assistance payments per household. The RISE funding aims to remedy a system in crisis. Nearly one in six child care centers in Central Ohio that closed during

the Covid-19 pandemic have not reopened; half of those remaining report that they are not able to cover their expenses. The funding is intended to stabilize the child care system, incentivize quality, and by supporting workers, ensure that early childhood education and care workers do not have to abandon their jobs for better paying positions in other fields.

## **WASHINGTON**

In 2021, the **Washington State** legislature passed the Fair Start for Kids Act, which increased support for child care workers to access health care. The Fair Start for Kids Act is a \$1.1 billion investment to make quality child care more affordable to Washington families by expanding access, capping co-pays, and investing in the workforce. One form of investment in the workforce was to make child care workers in licensed child care facilities in Washington State eligible for health care premium assistance through 2023. This program is administered by the Washington Health Benefits Exchange (WAHBE), in partnership with the Department of Children, Youth, and Families (DCYF) and Yakima Neighborhood Health Services. This opportunity is available to all child care employees who work in centers, family homes, outdoor nature-based care, or the state's Early Childhood Education and Assistance Program (ECEAP), have an annual income below 300 percent of the federal poverty level, and do not qualify for Washington Apple Health, the state's Medicaid plan.

## **LOOKING TO THE FUTURE: LEVERAGING THE MOMENT TO BUILD LONG-TERM SUSTAINABILITY**

These four examples provide insight into the various ways that federal pandemic relief funds have been used to help stabilize the industry, enabling child care programs to remain open, while finding unique ways to increase the income and benefits of staff. But these additional federal funds expire in fall 2024, and thus alone will not solve the industry's fundamental long-term challenge: how to provide quality services and pay workers a competitive wage while keeping cost of care for parents affordable. The following are examples of how cities and states are leveraging the pandemic relief funds to turn short-term strategies into long-term, permanent policies to address this crisis of the child care economy.

## **DISTRICT OF COLUMBIA**

In 2018, the Birth-to-Three for All Act was put into force in the District of Columbia, but without funding. The bill provided a roadmap for creating a comprehensive system of supports for children's healthy growth and development, including provisions to fully fund the D.C. child care subsidy program, improve compensation for child development educators, and create new positions to assist providers with licensing.<sup>41</sup> In the FY 2019 budget, the D.C. Council secured \$1.3 million to seed key components of the Act, such as the Healthy Steps Pediatric Primary Care

41. The Act also includes supports to strengthen pre- and post-natal support for mothers, expand mental, physical, and nutritional health programs, and increasing parenting and family supports.

Demonstration Program, D.C. Healthy Start Project (DCHS), increased salaries for early educators, and on-site classes to obtain relevant credentials.<sup>42</sup>

As noted above, the District of Columbia received federal relief through the pandemic packages that it used to dedicate funding to stabilize the child care sector. But recognizing that once the funding ended, child care providers, workers, and parents would be faced with the usual set of challenges that pre-dated Covid-19, a coalition of early learning leaders, educators, and advocates worked to establish a permanent compensation plan for child care workers. Their advocacy efforts resulted in the first municipality in the country to raise local revenue via taxes to publicly fund early educator compensation. With the objective to create a truly equitable early learning system for providers, workers, and parents, the D.C. Council's Homes and Hearts Amendment, passed July 2021, increased the city's marginal income tax rate on residents who earn at least \$250,000 a year. This yields an annual allocation of \$75 million to finance early educator compensation (by 2025). The \$75 million will fund early educator compensation increases by 2025, with an initial \$53 million funding compensation in 2022. In 2021, advocates secured \$75 million for pay equity.<sup>43</sup> In 2022, the first round of early educator pay supplements of between \$10,000 and \$14,000 were distributed to child care workers, and a health insurance plan for child care workers was created and implemented.

42. Experts estimated that to fully fund the plan, it would require circa \$500 million in the span of 10 years—money that the DC Council at the time did not have.

43. DC budget increased the number of sites where families can access child care and pediatric services through the HealthySteps and Healthy Futures. The budget also restores funding for the Lactation Certification Preparatory program. Help Me Grow and Home Visiting maintained consistent funding.

## **BOSTON**

In July 2022, Boston Mayor Michelle Wu signed an executive order creating a new source of funding for the Office of Early Childhood. The executive order specifies the level of cash contributions that developers must pay toward child care services when building downtown. The policy requires that any new commercial building in one of 14 downtown districts either provide a child care space on-site or supply resources for new child care spaces elsewhere in the city. Developers must now pay \$100 per square foot of building space if they choose not to provide an on-site child care center. The Office of Early Childhood Education will then distribute the funding for a range of child care needs throughout the city. These include helping existing providers expand their services to opening new child care centers. This funding will also help the city retrofit existing child care facilities so they can be more energy efficient—for instance, through the installation of high-quality air filters. Officials estimate that this will generate up to \$3.5 million, or around \$1 million of additional funding per year.

In an effort to provide child care that is both affordable and respects the rights of workers, Care That Works, a coalition of grassroots community groups and labor unions in Massachusetts, launched a nonstandard-hour child care pilot program in Boston. Care that Works matches working parents, but especially single-mothers, pursuing careers in construction and hospitality with child care providers who open as early as 5 a.m. The Care That Works pilot program is centered around economic, racial, and gender equity principles and has been developed and led by those most impacted by the current child care crisis. While one of the main

goals of the program is to support low-income single mothers who are pursuing or employed in union jobs, the pilot also provides child care workers with a monthly stipend to help increase their pay. The funding for this support service comes from a project labor agreement (PLA) for major construction projects in the Boston area. The fund created through the PLA is administered and overseen by Community Labor United in the amount of \$50,000 to provide advocacy, research, development and implementation of alternative childcare models, and child care subsidies to assist those working on the project's covered in the PLA to retain high quality child care consistent with the project's shift and completion requirements.

## **MAINE**

In **Maine**, the state legislature approved and made permanent a pay supplement for child care workers initially carved out using American Rescue Plan funding that was set to expire in the fall. The governor signed off on \$12 million in ongoing funding to provide each child care worker a monthly \$200 pay supplement. In Maine, where the median wage of a child care worker in 2019 was \$12.89 per hour, this pay supplement is helpful but does not bring the pay of the early childhood workforce to where it should be.

Communities nationwide are contending with the need to retain child care workers in the middle of widespread staffing shortages. One of the ways states have attempted to address this is by supplementing the wages for child care workers. For example, Michigan, Illinois, and Iowa are distributing one-time \$1,000 retention bonuses, while others like Louisiana (and the District of Columbia, as noted above) are giving more than \$10,000 to child care workers in one-off payments. Other states, including New Hampshire, Alabama, and Rhode Island,

are considering or have just announced similar retention bonuses.

## **CONCLUSION: POSITIONING CHILD CARE AS A PUBLIC GOOD**

The provision of formal child care together with measures that allow parents time to care have become important issues for policymakers in the United States. The Covid-19 pandemic illuminated what we have long known: women disproportionately bear the burden of care of children, both inside and outside the home, and this has implications for women's earnings and employment outcomes. The high cost of child care restricts parents in their choices, especially in their ability to choose to work. This is no less so for the child care workers themselves, many of whom are also mothers who need to have access to the same high-quality care that will affect their children's cognitive, health, behavioral, and educational development.<sup>44</sup>

While the local and state initiatives highlighted in this section are an important step in addressing the crisis of child care, the challenge is that these initiatives, while a good start, are still not enough to shore up the industry while ensuring workers have the pay, benefits, and protections they deserve. This is in addition to making sure parents have access to affordable, high-quality child care placements as needed in the community. The reasons for these shortcoming rest in what has been highlighted in this section—namely, the problem of treating child care as a commodity in a market-based system. In an industry with high

44. There is a wide body of literature on how child care policies are a good example of the intersection of labor market, family and social policies and have implications for the behavior of fathers as well as mothers.

**...Local and state initiatives highlighted in this section are an important step in addressing the crisis of child care, the challenge is that these initiatives, while a good start, are still not enough to shore up the industry while ensuring workers have the pay, benefits, and protections they deserve.**

overhead, staff wellbeing, compensation, and benefits are sacrificed, resulting in high turnover that leads to labor shortages. Moreover, there is little incentive to create additional child care placement in areas where gaps exist between actual operating costs and state subsidy support. The inherent market failure in the provision of child care is the reason why so many are calling for child care to be treated as a public good.

But what does child care as a public good look like? The Biden-Harris Administration's Build Back Better plan, which was defeated in the Senate, would have made child care free for low-income families while capping the costs of care at about 7 percent of many families' incomes. This would have halved the cost for a number of Americans. It would have required caregivers to be paid a living wage—and although the living wage was not defined, it was generally considered to be the equivalent of a kindergarten teacher salary, which would almost double the pay for caregivers.

Build Back Better, however, did not create a new federal program mandated and funded to provide universal child care throughout the United States—which is what is needed to ensure child care is a public good. In essence, Build Back Better would have provided federal funds to the states to decide how to address the costs of child care. This would have resulted in 50 different plans—which is not unlike what currently exists—while also compounding the risks that some states will do more and do better than other states. Such a funding plan would exacerbate the inequalities among the states in providing child care programs and subsidies, as well as the inequities between and within states in the quality of work, wages, benefits, and education and training for workers.

Yet, local and state initiatives are important pieces in pushing for and putting pressure on the federal government to respond to a national crisis. The examples described in this report provide a framework for action, demonstrating that, as in the case of the District of Columbia, taxes can be raised on high earners and redistributed to support workers' pay in the District. Rules and regulations can be structured, as in the case of Washington State, to ensure workers have access to health care. Guidelines can be amended to enable funding to flow to specific sources, such as staff support through education, housing,

and pay bonuses as in the examples of Franklin County and the State of Maine. Moreover, states and localities can leverage directives made on behalf of the Biden-Harris Administration—for example, in its partnering with the Centers for Medicare and Medicaid Services (CMS) to help early childhood education workers access more affordable health care coverage, or in its partnering with the U.S. Department of Education to establish a public service loan forgiveness program for early education workers. This is in addition to the U.S. Department of Health and Human Service’s Office of Early Childhood Development making it easier for states and localities to increase staff wages, improve child care subsidy payments rates, provide one-time bonuses, provide benefits, and fund scholarships and time-off for training and mental health supports, all while expanding shared service models and substitute pools, and providing staff wellness supports such as guaranteed breaks during the days. These national directives enable localities to be innovative if they choose to be, and if they have the capacity and the know-how. But to ensure *universal* support and protections, a federal program designed as a public good is needed.

# CLEAN ENERGY ECONOMY



## BUILDING A DIVERSE, INCLUSIVE CLEAN ENERGY WORKFORCE

Climate change is an existential threat. Rising temperatures and extreme weather events like heat waves, droughts, and hurricanes threaten to disrupt vital sectors of the economy and render large portions of our planet uninhabitable. Further, the effects of climate change are not felt equally. Many countries in the Global South that have contributed little to climate change will feel its effects the worst. In the United States, low-income individuals and families, people of color, and other economically disadvantaged communities will feel the effects of a changing climate—flooding, heat waves, and other extreme weather events—more intensely than the wealthy who are better able to adapt to changes by upgrading buildings or relocating altogether.<sup>45,46,47</sup>

- 45. Morello-Frosch, R., Pastor, M., Sadd, J., & Shonkoff, J. (2009). *The Climate Gap: Inequalities in How Climate Change Hurts Americans & How to Close the Gap*. USC Dornsife Equity Research Institute.
- 46. Frank, T. (2020, June 2). *Flooding Disproportionately Harms Black Neighborhoods*. E&E News.
- 47. Miles, T. (2019, June 25). In 'climate apartheid', rich will save themselves while poor suffer: U.N. report. Reuters.

But responding to the climate crisis presents an opportunity to reimagine our economy and right decades-old inequities. As Alex Colvin, dean of Cornell's School of Industrial and Labor Relations, notes in the *Equity in focus* webinar on this topic, "We need to transition to a net-zero emissions economy in the coming decades. At the same time, this historic transformation will require a range of changes in the labor, economic, and employment space."<sup>48</sup> The key question is how to accelerate climate action, rapidly expand job opportunities, and make sure these jobs are high quality, unionized, and available to those disproportionately affected by the changing climate?

To put it simply, there is a lot of work to do. This work includes scaling-up energy efficiency retrofit efforts, decarbonizing buildings, expanding public transportation, electrifying most of the transportation fleet, and transitioning long-haul and heavy transport to low-carbon fuels. The amount of electricity generated from solar, wind, nuclear, and other low-to-zero carbon energy

- 48. Cornell ILR. (2022, June 29). *Equity in focus: Building a Diverse, Inclusive Clean Energy Workforce*.

sources is currently nowhere near sufficient, and the electrical grid needs to expand massively to accommodate electrification in the transportation and buildings sectors. To advance in these areas, the United States will need a strategy to transform the economy and grow clean energy at a pace and scale that rivals our previous industrial revolutions.

But central to this transformation is the importance of unionization to secure high-quality jobs in current, new, and emerging sectors. Organized workers have a collective voice on the job, giving them a measure of job security and the ability to stand up against arbitrary treatment. When strong, unions help deliver higher wages across the board and raise economic standards for *all* workers.<sup>49</sup> Studies also show that union contracts are a particularly strong tool in the fight to close both gender<sup>50</sup> and racial wealth gaps.<sup>51</sup> Organized labor is a key partner in the fight to achieve equity, grow high-quality jobs, and build the broad political support needed to tackle the climate crisis.

This section will explore how best to address equity in energy and climate job creation. First, we will briefly review who holds the jobs that currently exist in the energy sector. We will then present some of the policy levers available to insert equity into job creation in climate and clean energy to ensure all individuals have both the services and the careers needed to thrive.

49. New Report Proves How Unions Raise the Bar for All Workers. (2021, August 27). APWU.

50. Fins, A., Heydemann, S., & Tucker, J. (2021). *Unions Are Good For Women*. National Women's Law Center.

51. Madland, D. & Weller, C. (2018) *Union Membership Narrows the Racial Wealth Gap for Families of Color*. Center for American Progress.

## ENERGY JOBS BY THE NUMBERS<sup>52</sup>

According to the U.S. Department of Energy, roughly 7.8 million people worked in so-called “energy jobs” in 2021, defined as “all the professional, construction, utility, operations, and production occupations associated with energy infrastructure, production, and use, including the manufacturing of motor vehicles.” This number grew by 4 percent compared to 2020, but overall was a slight decline from 2019 numbers. Like many other sectors, energy has not fully recovered from job losses during the early days of the Covid-19 pandemic.

Climate and clean energy jobs made up a large portion of the nearly 8 million energy jobs. “Net-zero emissions-aligned” jobs, according to the Department of Energy, were around 40 percent of all energy jobs. Further, these jobs had the fastest growth of any energy area. Energy efficiency jobs grew by 3.3 percent, while solar and wind jobs grew 5.4 percent and 2.9 percent, respectively. All these industries outpaced total U.S. job growth, while electric power generation jobs in fossil fuels “either declined or grew at a slower pace than renewable energy jobs,” according to the 2022 United States Energy & Employment Report.

The above figures do not capture the full extent of jobs directly connected to the energy infrastructure. Millions of residential construction workers install fossil fuel-powered heating and cooling systems in buildings, for example. Additionally, people every day operate, maintain, and repair combustion engines that transport the people and goods that keep the economy running. But for simplicity's sake, the below

52. Unless otherwise indicated, all data in this section comes from 2022 USEER report. US Department of Energy. (2022, June). *United States Energy & Employment Report 2022*.

numbers will examine “energy jobs” as defined in the annual energy employment report from the Department of Energy.

## **DIVERSITY**

Energy jobs are a sector of work where gender disparity continues to be larger than in many other industries. Men hold a disproportionate number of energy jobs compared to the economy at-large. This is likely unsurprising to many, given the masculine public image of jobs in energy production, construction, auto manufacturing, and other adjacent sectors. Men hold 69 percent of electric power generation jobs, compared to 53 percent of jobs in the overall economy. Looking more closely at particular divisions of work in the energy sector, this number grows to men holding 74 percent in fuels and energy efficiency, 75 percent in transmission, distribution, and storage, and 76 percent in motor vehicles. These figures illuminate the gender gap that continues to exist in energy jobs.

The racial/ethnic makeup of energy workers tells a more complicated story. In energy generation, workers of color constitute 30 percent of the workforce, higher than their share in the overall economy of 22 percent. However, the percentage of Black and Hispanic workers specifically is lower than the economy at large. The numbers for clean electricity sources largely mirror this overall picture, while the share of workers of color is slightly higher in nuclear and natural gas. The share of workers of color is 32 percent in transmission, distribution, and storage, 25 percent in motor vehicles, 24 percent in energy efficiency, and 23 percent in fuels.

Good jobs data does not exist for the informal and residential parts of the clean energy economy, such as residential retrofits and

residential solar installation markets. However, preliminary evidence suggests that there are higher percentages of workers of color and immigrants in these parts of the clean energy economy and that the pay and quality of the jobs is poor.<sup>53</sup>

## **UNIONIZATION**

Unionization is a crucial mechanism to ensure good jobs. After all, unionized workers make higher wages on average than non-union workers, and they typically have contractual job protections that do not exist in most workplaces. While the unionization rates in wind and solar jobs is higher than the 6 percent national average in the private sector, at 11 percent and 10 percent, respectively, they still fall below the unionization rates in more long-standing electricity generation jobs. For example, union density is 17 percent for both coal and natural gas electricity workers, while nuclear power holds the highest union density at 20 percent. Additionally, unionization rates in the solar industry are artificially inflated for reasons we discuss elsewhere.

Unionization rates vary widely in other energy sectors. On the high end, transmission, distribution, and storage workers have an 18 percent unionization rate. In energy efficiency, the rate is 11 percent, while it is just 7 percent in fuels, and 6 percent in motor vehicles. The low union density in motor vehicles is particularly surprising given the United Auto Workers’ (UAW) role in establishing industrial unionism and turning manufacturing into a high-quality, family-and-community sustaining industry.

53. Gurley, L.K. (2022, June 27). Shifting America to Solar Power Is a Grueling, Low-Paid Job. *Vice*.

## WHAT DO THESE NUMBERS TELL US?

### We must do more to diversify climate and clean energy jobs

Gaps in racial and gender diversity in clean energy jobs illustrate the pressing need for an intentional and comprehensive plan to address historic and ongoing inequities. While many of the industries have percentages of workers of color near or above the national average, Black and Hispanic workers still do not have access to climate jobs at the levels needed. For example, only 8 percent of solar electricity workers and 7 percent of wind electricity workers are Black. This comes despite the fact that these communities are overburdened by pollution and other negative effects of fossil fuel consumption. Further, workers of color are underrepresented in the economy at large due to higher levels of unemployment than white workers.<sup>54</sup>

### Diversity efforts should pay special attention to construction work

Construction is one of the largest sources of energy jobs, making up by far the largest share of jobs in both solar and wind power generation. The construction industry as a whole—not just in energy jobs—is less diverse than it should be. According to the Bureau of Labor Statistics, only 11 percent of construction workers nationwide are women, while upwards of 88 percent are white.<sup>55</sup> This low representation does not reflect the even lower representation of women at only 3.9 percent of construction trades occupations, including laborers, painters,

carpenters, pipelayers, plumbers, pipefitters, and steamfitters.<sup>56</sup> These low rates are due to a number of factors, including historical discrimination in the industry and job site culture and practices.<sup>57</sup> Building and construction trades unions have made strides in many places like New York City, where the number of Hispanic union members is growing and Black workers make up a larger share of unionized construction jobs than in the non-unionized sector. But there is still much work to do.<sup>58</sup>

### Unionization rates in clean electricity generation and energy efficiency are troubling

Fossil fuel electricity generation has higher rates of unionization than solar and wind. Nuclear power—another clean source of energy—is highly unionized but is seeing job losses. As noted above, roughly 10 percent of solar workers are unionized. However, this number inflates unionization rates. Astoundingly, nearly half of all unionized solar workers are in California. In 49 states, the industry is almost entirely union-free. In fact, solar installation workers often face horrible working conditions and are forced to relocate around the country to piece together a living.<sup>59</sup> And while energy efficiency unionization stands at 11 percent, the number of unionized workers conducting residential retrofits is likely miniscule due to low rates of unionization in residential construction.

54. *Labor force characteristics by race and ethnicity, 2020*. (2021, November). BLS Reports, US Bureau of Labor Statistics.

55. Bosquin, J. (2021, October 12). Construction's diversity numbers are awful. Here's how 3 contractors are improving theirs. *Construction Dive*.

56. National Taskforce on Tradeswomen's Issues and the Institute for Women's Policy Research. (2022, March 31). *Numbers Matter: Clarifying the Data on Women Working in Construction*. Briefing Paper. Institute for Women's Policy Research.

57. Reyes, J.F. (2022, August 30). *Broken Rung*. The Philadelphia Inquirer.

58. Mishel, L. (2017, March 2). Diversity in the New York City union and nonunion construction sectors. *Economic Policy Institute*.

59. Gurley, L.K. (2022, June 27). Shifting America to Solar Power Is a Grueling, Low-Paid Job. *Vice*.

## **Unionization rates in automobile manufacturing and component parts is equally troubling**

One of the most surprising statistics in the Department of Energy's 2022 United States Energy and Employment Report (USEER) is the six percent unionization rate in automobile manufacturing. The UAW's membership has fallen dramatically from postwar heights due to automation, increased foreign competition, and other reasons. Despite many high-profile organizing campaigns, the union has been unable to establish a foothold at American manufacturing plants owned by foreign automakers. Further, the UAW has had difficulty for decades organizing the parts manufacturers that supply the major American companies. With the inevitable expansion of electric vehicle and parts manufacturing, it is critical that we as a nation reverse this trend.

## **Bringing unionization rates in targeted areas up to national averages is not good enough**

In the above paragraphs, we use the nationwide private sector rate of 6 percent as a point of comparison. To be clear, we should aspire to much, much more. To take one example, energy efficiency's 11 percent unionization rate is higher than the national average, but it still falls well below density in other industrialized democracies like Canada, Japan, and much of Europe.<sup>60</sup> The United States is incredibly unequal when compared to many peer countries. To create a fairer economy, regardless of sector, it is essential to increase union density across the board.

60. International Labour Organization. (2023, Mar). Statistics on union membership. ILOSTAT.

## **WHAT CAN BE DONE?**

Transitioning the economy away from high-carbon activities is a massive undertaking. The transition will touch nearly every aspect of American livelihoods, including how and what is produced and consumed, how to travel and how to power homes, and the education and training needed to perform the required jobs.

Any change of this scale will have labor and employment implications. Growth is all but guaranteed in some industries, a fact highlighted by the solid jobs numbers in the USEER report discussed extensively above. But labor leaders, union members, and their allies worry about an *unjust* transition in which unionized positions in fossil fuels are phased out, only to be replaced by low-quality, non-union jobs. Steps need to be taken to ensure this is not the outcome.

Many legacy energy jobs, like those in utilities and fossil fuel electricity generation, are not inherently good jobs. They grew during a time of heavy unionization, which helped establish good pay and benefits, safety on the job, and other important measures. Most of these jobs remain highly-unionized, at least when compared to national averages. Right now, union density is at an all-time low, precisely when it is time to rapidly expand work in clean energy generation, energy efficiency, and other climate-friendly areas.

Relatedly, creating equitable access to new climate and clean energy jobs is an urgent challenge. But diversity, equity, and inclusion efforts cannot happen independent of job quality concerns. It is not progress to have more women and people of color in low-wage, dangerous jobs, even if those jobs have a low carbon footprint. In fact, one could argue it is a step in the wrong direction.

Herein lies the great challenge—and the great opportunity—of this moment. How can we meet the anticipated job growth in the clean energy economy with a union growth strategy that organizes a mass amount of new workers and redresses current racial and gender inequities?

In the below pages, recommendations are made for how best to achieve these twin goals. This section draws from the Partnership for Working Families' (PWF) "The Construction Careers Handbook"<sup>61</sup> to define key terms.

## **Prevailing wage and apprenticeship utilization requirements**

Prevailing wage and apprenticeship utilization requirements are two proven ways to expand the number of high-quality jobs on projects that utilize public money. As PWF writes, "Prevailing Wage is the wage standard required by federal and state law for publicly-funded or -assisted projects. Prevailing wages represent hourly wages, benefits, and overtime paid to the majority of workers in a particular area, for a particular trade, as determined by a survey conducted by the Department of Labor." Apprenticeship Utilization, on the other hand, "requires that a certain percentage of labor hours for a given construction project be performed by participants of approved apprenticeship programs."

Clean energy projects typically utilize public money, whether in the form of tax breaks, renewable energy credits (RECs), or some other mechanism. The 2022 federal Inflation Reduction Act notably multiplies its tax credits five times over for clean energy projects that pay

prevailing wages and utilize a certain number of apprentices. This provides strong incentives to meet these labor standards. Where legal frameworks allow, states and localities can use similar measures in their own climate legislation.

Why is this important? It is not legally possible to mandate the use of union contractors on publicly funded work, but prevailing wage and apprenticeship utilization requirements make this outcome much more likely. With prevailing wage rates, contractors paying low wages are unable to win jobs based on cost alone, making union contractors much more competitive when bidding on projects. Similarly, joint labor-management registered apprenticeship programs—often referred to informally as "union" apprenticeships—are a common form of job training. Union contractors can draw on these world-class training networks, giving them a competitive advantage in the bidding process and ensuring high-quality work.

By requiring prevailing wages and apprenticeship utilization, governments can help grow union jobs on clean energy projects. Even if non-union contractors win bids to conduct this work, they will be bound by legal requirements that raise the floor on construction jobs.

## **Pre-apprenticeship, direct entry, and targeted hiring**

While prevailing wage and apprenticeship utilization requirements can raise the floor for clean energy jobs, they do not by themselves broaden access to those jobs for people from underrepresented communities. Pre-apprenticeship is a key tool for achieving this goal. According to PWF, "Pre-apprenticeship programs recruit and orient new workers, help them identify the apprenticeship program most suited to them, prepare them to take the [apprenticeship

61. Partnership for Working Families. (2013). *The Construction Careers Handbook*.

entry] test,<sup>62</sup> and support their initial career efforts. In addition to orientation to the industry, they sometimes provide other kinds of support including life skills training, help with budgeting and job readiness. Some pre-apprenticeship or pre-training programs provide stipends to help pay for tools and equipment, and may even offer help with transportation and childcare.”

Many people are familiar with apprenticeship as a training model, but pre-apprenticeship programs have grown in recent years as well. Critics often argue that building and construction trades unions are insular. It can be difficult to navigate the recruitment and application process for union apprenticeship programs, so people with an “in”—like family members or friends who are current members—often have a leg up. This helps perpetuate racial homogeneity, as new applicants tend to look like current members.

Pre-apprenticeship is one way trade unions are working to break this cycle. Unions sometimes run their own pre-apprenticeship programs. For example, the Carpenters union has successful models across the country. Unions also collaborate with non-profit organizations to run programming that involves several different crafts. Pre-apprenticeship programs typically recruit from populations underrepresented in the trades, with some well-known programs targeting women, people of color, justice-involved individuals, and veterans.

One benefit of pre-apprenticeship is that it helps to demystify the application process for people who may not already have connections in the union. Pre-apprenticeship often comes with “direct entry” status, which allows program graduates who meet the qualifications for an apprenticeship program to skip the lengthy,

62. Apprenticeships do not universally require testing, but it is a common practice

**One benefit of pre-apprenticeship is that it helps to demystify the application process for people who may not already have connections in the union.**

uncertain process of waiting for a spot to open for the craft of their choice. PWF defines direct entry as “a targeted hiring system in which graduates of a named pre-training program (or programs) who meet apprenticeship eligibility criteria have a direct route into an apprenticeship program. Typically, pre-training programs that are selected for a direct entry relationship serve low-income workers and workers of color, and they have a proven track record for producing highly qualified graduates who can succeed on the job. Aspiring construction workers who graduate from these programs skip the list and go right into apprenticeship after demonstrating they meet the entry qualifications.”

Targeted hiring is a complementary policy tool that “[promotes] the hiring of individuals who meet certain criteria - often geographic and/or socioeconomic - for construction jobs associated with a development project.” In other words, targeted hiring gives public agencies an

opportunity to increase employment for “women, minorities, at-risk youth, veterans, people with convictions, public assistance recipients, or other groups facing employment challenges.”

Pre-apprenticeship and direct entry are important tools in achieving targeted hiring goals. For example, the City of San Francisco requires a certain percentage of work hours on public projects be completed by people who live within city limits. Working with community organizations, the city established a pre-apprenticeship program called CityBuild to help recruit city residents to meet these local hiring goals. CityBuild targets low-income communities and communities of color for recruitment, serving as a key tool to diversify careers in the trades. This program, which has close relationships with unions in the city, has successfully placed women, people of color, and low-income residents into union apprenticeship programs and onto construction job sites throughout the city.<sup>63</sup>

Pre-apprenticeship can take many forms. CityBuild is a public agency housed in the city government. Maine and Illinois have both allocated public funds to pre-apprenticeship programs, and the state labor federations are leading the way in establishing statewide training infrastructure. Other successful programs receive funding from private foundations, industry, or building trades unions themselves.

Regardless of how programs are structured, governments have many policy levers available to either directly fund or indirectly support pre-apprenticeship through targeted hiring initiatives. This can help make sure that a diverse pool of workers is available to fill high-road, unionized jobs created through policies like prevailing wage and apprenticeship utilization requirements.

63. City of San Francisco Office of Economic and Workforce Development. (2022). The San Francisco Local Hiring Policy for Construction Annual Report 2022. OEWD.

## Project labor agreements

Policymakers and private actors can use Project Labor Agreements (PLAs) to push similar goals. Project labor agreements “are comprehensive, legally-binding documents that are negotiated and signed by the developer or project owner, the general contractor and labor unions. These agreements typically require labor peace on the projects and set the terms of work for the project: working conditions and schedules, hiring requirements, pay rates, safety rules, communication among key stakeholders, and the process for resolving any conflicts that may arise,” according to PWF.

PLAs can be mandated or incentivized by the government, but private actors often enter into these agreements without requirements. PLAs include pay rates for all trades involved in a project and can include community workforce provisions. This helps ensure job quality, much the same as the labor standards discussed previously. They can also benefit contractors, as they typically lay out project timelines and accountability measures. Increasingly, people are looking to PLAs to ensure equity and job access for underrepresented communities. As PWF notes, PLAs often include targeted hiring provisions.

On the climate and clean energy *Equity in focus* webinar, Allison Ziogas, director of U.S. labor relations for the offshore wind giant Orsted, discussed the critical role PLAs play in driving equity in the company’s operations. In 2022, Orsted and North America’s Building Trades Unions (NABTU) signed a groundbreaking PLA covering all of the company’s East Coast offshore wind projects, stretching from Maine to Florida.

This National Offshore Wind Agreement (NOWA) includes “diversity targets, local training programs, and workforce diversity performance monitoring.” It includes a commitment to use NABTU-affiliated

pre-apprenticeship programs, and “establishes project-by-project Workforce Equity Committees to prioritize recruiting and retaining people of color, women, gender nonconforming people and local environmental justice communities,” according to the press release announcing the agreement.<sup>64</sup> Critics disingenuously paint PLAs as a giveaway to organized labor, but more and more policymakers are recognizing them for what they are: a key tool for ensuring job quality and workforce equity in the burgeoning clean energy economy.

## Labor peace and neutrality

Most of the provisions outlined above apply to project construction, but it is also important to account for job quality and equity in other areas of the clean energy economy. Most notably, there will be considerable job growth in two areas: manufacturing up and down the supply chain, and ongoing operations and maintenance work tied to a given project.

Much like construction projects, manufacturing facilities often receive government subsidies. This is especially true in clean energy, as the federal government and several states look to incentivize and grow a domestic supply chain for this work. Additionally, any project that is built will need ongoing operations and maintenance work. Some of this work may fall under existing PLAs or collective bargaining agreements, but much of it will need to be newly organized.

Government has many policy levers available to shape the future of these jobs. Most importantly, workers need a free and fair environment in which to organize and decide for themselves whether they want a union in their workplaces.

Neutrality is a key tool to aid union organizing.

64. Ørsted. (2022, Apr 5). *North America’s Building Trades Unions and Ørsted Agree to Build an American Offshore Wind Energy Industry with American Labor*. Ørsted US.

Essentially, neutrality agreements ensure that workers can engage in union organizing campaigns without undue influence from employers. Under federal law, workers have a right to engage in concerted activity and union organizing. Unfortunately, employers flagrantly violate the law, engaging in threats, surveillance, and retaliatory activity, including the illegal firing of union activists.<sup>65</sup>

Employers also interfere with organizing drives in ways that are perfectly legal, like requiring employees to attend meetings on company time where they outline the reasons why workers should vote against a union—without equal time for union organizers to share a different take. Neutrality agreements bar employers from taking these actions, allowing workers to make a free and informed choice about whether or not to form a union. Labor peace agreements include employer neutrality in addition to certain mandates on workers and unions, including an agreement not to engage in work stoppages or other protest activities during a specified period of time.<sup>66</sup> There are hopeful signs that organizing may take hold in new industries. In late 2022, workers at an Ultium Cells electric vehicle battery production plant voted overwhelmingly to join the UAW by a margin of 710–16.<sup>67</sup> This vote holds symbolic importance, as the Youngstown area where the plant is located was once home to one of the most prominent General Motors plants in the nation. By mandating labor neutrality or labor peace measures, the federal government can help union organizers replicate this success across the country.

65. McNicholas, Celine, et. al. (2019, Dec 11). *U.S. employers are charged with violating federal law in 41.5% of all union election campaigns*. Economic Policy Institute.

66. NYS Cannabis Workforce Initiative. (2023). *What Is a Labor Peace Agreement Under MRTA?* Cornell ILR.

67. Haynes, Noelle. (2022, Dec 9). *Local organization officially votes to unionize*. WKBN 27.

## THE FEDERAL GOVERNMENT CAN SET THE TONE

Much of the work needed to build a diverse, inclusive clean energy economy will happen at the state and local levels. This poses difficulties for organizers, as some states have limited—or outright banned—many of the job growth and equity provisions outlined in this chapter. But the federal government has a critical role to play in advancing these goals. Federal standards and initiatives can make a tangible difference for working people across the country. They also play an important role in “setting the tone” for the rest of the nation, showing what is possible when policymakers commit themselves to using government action for good.

We have already outlined some of the key policy efforts that should be included, replicated, and expanded upon in future legislation. There are also several regulatory and administrative steps available to advance equity and clean energy goals, a few of which we will highlight below.

### “All of government” approach to key issues

With so many departments, agencies, and offices in the federal government, it can be extremely difficult to get all boats rowing in the same direction. On key issues, it is critical that administration leaders outline a vision for where they want to go and ensure every level of the federal government acts accordingly. An example of this is the “Justice40” initiative, which, according to the White House, “has made it a goal that 40 percent of the overall benefits of certain Federal investments flow to disadvantaged communities that are marginalized, underserved,

and overburdened by pollution.”<sup>68</sup> Such initiatives are also needed at the state government level. As Roberta Reardon, commissioner of the New York State Department of Labor, noted in an *Equity in focus* webinar, the New York Climate Act includes “just transition” provisions. The Climate Act requires that “disadvantaged communities” receive a minimum of 35 percent (with a goal of 40 percent) of the benefits from investments in clean energy and energy efficiency programs or projects, including in the areas of energy, transportation, and workforce and economic development.<sup>69</sup>

### Coordination across agencies

In order to effectively implement all-of-government initiatives like Justice40, agencies need to transform how they work together and coordinate shared efforts. The White House has already taken steps in this direction, both in implementing the Justice40 initiative<sup>70</sup> and in other areas like reform of the permitting process for infrastructure projects.<sup>71</sup> The federal government can also play a convening role, working to bring state and local officials together to more effectively deliver clean energy projects. One example of this is the federal-state offshore wind partnership, which includes a bipartisan group of governors from the East Coast looking to build out the domestic offshore wind supply chain.<sup>72</sup>

68. The White House. (2022). *Justice40: A Whole-Of-Government Initiative*. The White House.

69. New York State Energy Research and Development Authority (NYSERDA). (2022, December 19). *New York State Climate Action Council Finalizes Scoping Plan to Advance Nation-Leading Climate Law*.

70. The White House. (2021, Dec 2). *Delivering on Justice40*. The White House.

71. The White House. (2022, May 11). *FACT SHEET: Biden-Harris Administration Releases Permitting Action Plan to Accelerate and Deliver Infrastructure Projects On Time, On Task, and On Budget*. The White House.

72. The White House. (2022, Jun 23). *FACT SHEET: Biden Administration Launches New Federal-State Offshore Wind Partnership to Grow American-Made Clean Energy*. The White House.

## **Invest in proven apprenticeship programs with a history of success**

Not all apprenticeships are equal. In 2017, President Trump signed an executive order looking to launch and expand “industry-recognized apprenticeship programs,” or IRAPs. Unlike the registered apprenticeships predominant in the union world, IRAPs would have far less government oversight, fewer safety standards, and skimp on the wage increases that should accrue as participants develop more skills. President Biden rescinded this executive order in 2021, signaling a commitment to high-quality registered apprenticeships that have existed for decades. Future administrations should stand by this commitment.<sup>73</sup>

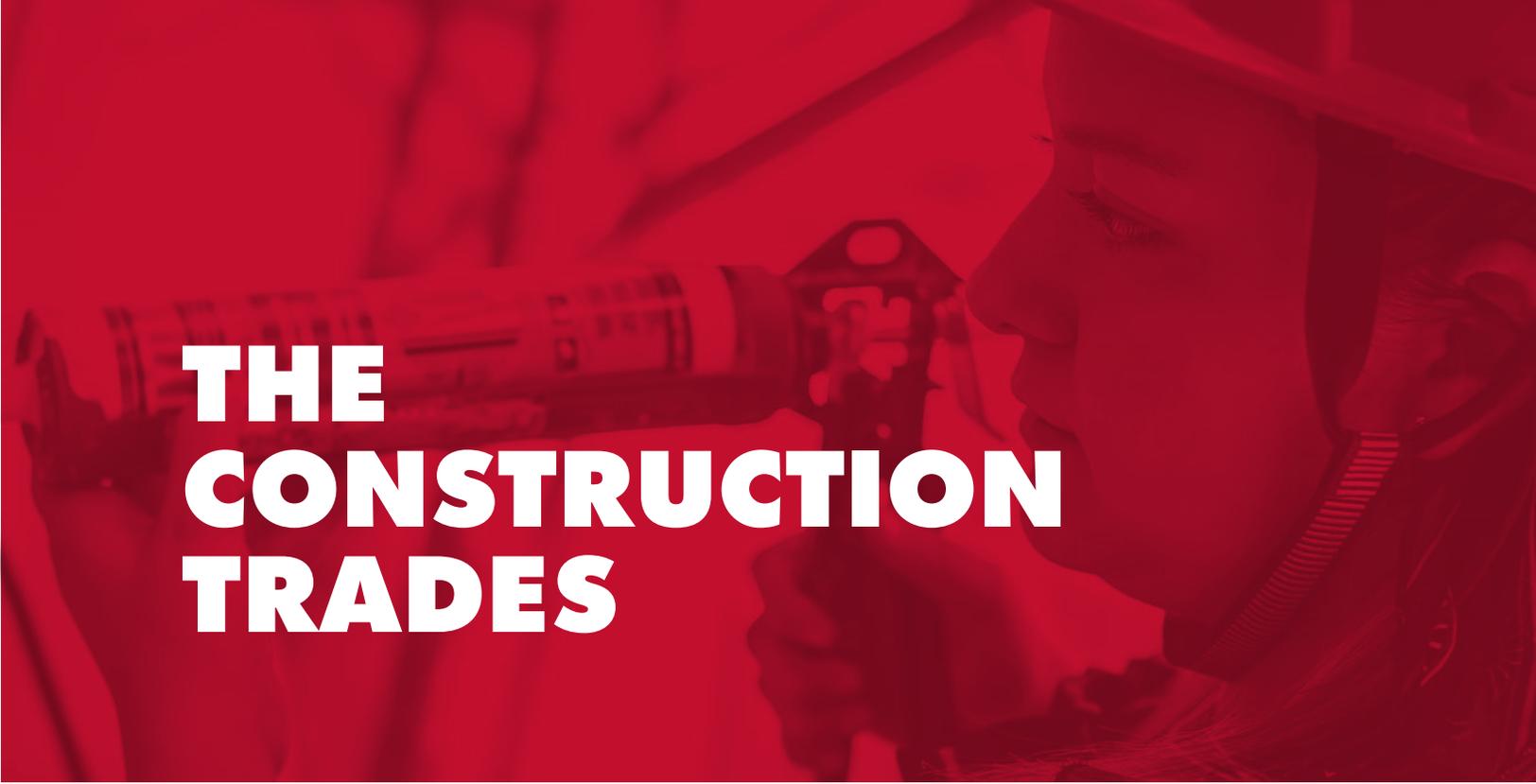
## **Boldly experimenting with administrative powers**

The dual crises of climate change and inequality call for bold, experimental administrative action in the service of creating an equitable clean energy economy. One area the administration should explore is using its powers under the Defense Production Act (DPA) to expand the domestic clean energy supply chain. Under the DPA, the federal government has broad authority to expand the production of materials critical to national defense, including energy production. The Administration has already invoked DPA to increase domestic production of solar components, heat pumps, insulation, and other products. The federal government can use these same powers to expand offshore wind and other clean energy implements *and* require strong labor standards up and down the supply chain.

## **CONCLUSION**

This section has outlined several policies and procedures that governments and other stakeholders can implement to build a diverse, inclusive, and equitable clean energy economy. Reducing the carbon footprint without addressing long-standing and deeply entrenched inequities in the U.S. economy will ultimately perpetuate rather than solve problems. A sustainable, new economy for the planet, for workers, and for communities means addressing these deeply entrenched inequalities in the U.S. labor force. Equity and work are central to achieving this vision. This means tackling the climate crisis at the scale science demands, building out entire new industries, and creating millions of jobs. It also means developing a strategy to create a high-road economy that empowers the labor movement, expands unionization, and drives equitable outcomes to lift all boats.

73. Penn, Ben. (2021, Feb 17). *White House Scraps Trump's Industry-Led Apprenticeship Model*. Bloomberg Tax.

A woman wearing a white hard hat and a dark jacket is looking down at a set of blueprints she is holding. The background is a solid red color. The text 'THE CONSTRUCTION TRADES' is overlaid in large, white, bold, sans-serif capital letters.

# THE CONSTRUCTION TRADES

## **JOB GROWTH THROUGH EXPANSION OF INFRASTRUCTURE INVESTMENT**

This is an opportune time to make significant strides toward gender and racial equity in the construction industry. Current political, social, and economic conditions are aligned, setting a foundation to turn potential progress into reality with the combination of increased federal funding for infrastructure and a labor shortage in the construction industry. The potential to make significant strides toward equity can build on existing models of programs that recruit more women and people of color into apprenticeships and careers in the building trades. These factors can support an expansion of programs that put equity policies and actions at the center of using federal funds to fill the labor shortage in the construction industry. Moreover, if equity is not addressed as central to the use of such funds, the status quo of racial and gender inequality will continue.

This section of the report will review the historical and current problems of systemic race and gender-based exclusion in the construction industry trades. Our analysis will identify the key reasons for persistent underrepresentation of women and people of color in the construction industry. This review is essential to identify the obstacles that must be addressed to make progress toward gender and racial equity. In the current moment, the underrepresentation of women, in particular, in the building trades means that “they will be much less likely than men to benefit from the substantial public funds ... invested in infrastructure.”<sup>74</sup>

As importantly, this section of the report examines the reforms needed to move the construction industry toward substantive equality, and to provide access for all workers to building trades careers.

74. Hegewisch, A., & Mefferd, E. (2021, November). *A Future Worth Building: What Tradeswomen Say about the Change They Need in the Construction Industry*. Institute for Women’s Policy Research: p. 1.

Drawing on the *Equity in focus* webinars and summit and the robust body of existing research, reports, and publications, we present successful models for increasing training, recruitment, hiring, and retention of women and people of color in the building trades. Based on these models, the report identifies key elements that the models share, including: government leadership in broad-based alliances of employers, unions, and community organizations; a holistic view of what is needed to create successful programs for building careers at all stages, from training, to recruitment, to retention; and pro-active implementation of targeted goals for increased diversity through programs such as union-based pre-apprenticeship and apprenticeship programs and Project Labor Agreements entered into by public owners, contractors, and unions to set employment conditions on construction projects, including targeted diversity goals and workplace culture.

## **CURRENT CONDITIONS CREATE POTENTIAL FOR EXPANDING EQUITY IN THE CONSTRUCTION TRADES**

Under the Biden-Harris Administration, Congress has passed several historic bills allocating trillions of dollars toward infrastructure investment, climate change mitigation, domestic manufacturing, and workforce development. These laws present a crucial opportunity for the federal, state, and local governments to leverage public funds to advance policies and practices that promote racial and gender equity.

The most recent of these federal laws is the 2023 Consolidated Appropriations Act, which includes

a \$4 billion investment in rural development programs, a \$65 million investment in community health center facility costs, and other funds related to infrastructure and construction.<sup>75</sup> The Infrastructure Investment and Jobs Act (IIJA) of 2021 is a historic, \$1.2 trillion investment in infrastructure and the labor force, with over \$550 billion allocated toward new infrastructure grant programs.<sup>76</sup> These programs are designed to fund highway and bridge repair, broadband expansion, public transportation, drinking water and wastewater infrastructure, electric vehicle charging stations, passenger rail, clean energy infrastructure, and more. The CHIPS and Science Act of 2022 supports the expansion of domestic manufacturing of semiconductors and scientific research and development of emerging technologies, as well as workforce development.<sup>77</sup> The Inflation Reduction Act of 2022 lowers costs for health care and energy and invests in clean energy projects.<sup>78</sup> In addition to providing relief from the economic downturn caused by the Covid-19 pandemic, the American Rescue Plan of 2021 committed \$40 million toward building a diverse and skilled infrastructure workforce, strengthening the care economy, and increasing employment access for underserved populations.<sup>79</sup> To ensure there is a well-trained and diverse workforce to fill the new jobs created through these public investments, the Biden-Harris Administration launched the Talent Pipeline Challenge, calling on stakeholders

75. American Society of Civil Engineers (2022). *Congress Passes FY 2023 Omnibus | ASCE's 2021 Infrastructure Report Card*. [online] ASCE's 2021 Infrastructure Report Card | .

76. The White House (2021). *Updated Fact Sheet: Bipartisan Infrastructure Investment and Jobs Act*. [online] The White House.

77. The White House (2022). *Fact Sheet: CHIPS and Science Act Will Lower Costs, Create Jobs, Strengthen Supply Chains, and Counter China*. [online] The White House.

78. The White House (2022a). *By The Numbers: The Inflation Reduction Act*. [online] The White House.

79. White House (2022). *Fact Sheet: White House Announces over \$40 Billion in American Rescue Plan Investments in Our Workforce—With More Coming*. [online]

to make commitments to support equitable workforce development.<sup>80</sup>

Since 2022, following the depths of the Covid-19 pandemic, the construction industry has experienced a renewal of activity, with reports of 440,000 job openings in April 2022, which is the highest level in Bureau of Labor Statistics records that go back to 2001.<sup>81</sup> This job growth has been accompanied by a labor shortage, with more than 79,000 jobs unfilled.<sup>82</sup> One business owner attributes the deficit of available workers in the building trades to multiple factors, “with an aging workforce, a dwindling supply of experienced workers, and a lack of diversity, all compounding the problem of an overall lack of available workers.”<sup>83</sup> Growth rates in the construction sector have been predicted to continue, at a level of 20.1% growth in the last half of 2022 and 10.9% growth in 2023.<sup>84</sup> Under such conditions, there will be a need to increase available skilled labor to fill these jobs.<sup>85</sup> Employers in the construction industry recognize that changes are required to attract more workers, including the need to expand “[i]ob training/advancement opportunities, improved conditions and wages, better employee/contractor loyalty, and steady work.”<sup>86</sup> Further, the construction sector has the opportunity to expand into new areas, including new construction and retrofitting existing buildings for climate responsibility.

## **OVERCOMING SOCIAL AND ECONOMIC BARRIERS TO INCREASED REPRESENTATION OF WOMEN AND PEOPLE OF COLOR IN CONSTRUCTION TRADES**

Even as job openings have increased in the construction industry, systemic factors continue to create obstacles to filling those positions with women and people of color. Data show the historic and ongoing underrepresentation of women and people of color in the building trades. In their 2011 report, *Unfinished Business: Building Equality for Women in the Construction Trades*, Moir et al., state: “[W]omen’s employment participation rates and working conditions in the construction industry have never approached the goals of the policy efforts or the dreams of the women pioneers who opened the doors. Thirty-three years after the federal government established the target of 6.9 percent and mandated an end to hostility to women in the construction work environment, women are less than half that target at 2.7 percent of the construction trades workforce and harassment, discrimination and intimidation continue to be common experiences among women who are in the trades or are seeking to enter them.”<sup>87</sup> Racial inequality persists as well, with Black workers making up only 6 percent of the construction industry.<sup>88</sup> Latinx workers are overrepresented in low wage construction work due to the fact that

80. The White House (2022). *Fact Sheet: President Biden Celebrates New Commitments toward Equitable Workforce Development for Infrastructure Jobs*. [online] The White House.

81. Torres, C., & Torres, M. P. M. (2022, August 16).

82. Graham, A. (2022, August 9). *Construction Industry Labor Report 2022: Shortages, Earnings, and Conditions*. Fixr.com.

83. Graham, 2022, quoting, John Gillett, President of QualityBuilt and Founder and CEO of Foresite Technology Solutions

84. Graham, 2022.

85. Graham, 2022.

86. quoting Davin Eberhardt, Founder of Nature at Home.

87. Moir, S., Thomson, M., & Kelleher, C. (2011, April 1). *Unfinished Business: Building Equality for Women in the Construction Trades*. Labor Resource Center Publications. Paper 5: p. 7.

88. *Equity in focus: Job Creation for a Just Society* webinar. (2022, February 4). Presentation by Katelyn Walker Mooney, Policy Advisor to the Office of the Secretary at the U.S. Department of Labor.

they are likely to work in the South of the U.S. and in residential construction, both of which have lower unionization, and therefore, lower wages.<sup>89</sup>

More recent data show an increase of women in the building trades, even as the status quo has remained one of underrepresentation and inequality. As reported by the National Taskforce on Tradeswomen’s Issues and the Institute for Women’s Policy Research (IWPR), there are positive trends, with a 32 percent increase of women in construction trades during the 2016–2021 period.<sup>90</sup> Yet even with this increase, women make up only 3.9 percent of construction trades occupations, including laborers, painters, carpenters, pipelayers, plumbers, pipefitters, and steamfitters.<sup>91</sup>

As discussed earlier in this report, for women, entry into the building trades means breaking through gender role stereotypes that pervade the work and family spheres.<sup>92</sup> These deeply entrenched stereotypes underlie gender-based expectations for women’s low-wage labor in the workforce and unpaid family labor in childrearing and caretaking. As a result, the barriers remain high for women to enter and build careers in highly sex-segregated occupations, as shown by the persistently low percentages of women in fields such as the construction trades.

89. Hegewisch, A. & Ahmed, T. (2019, November 14). *Growing the numbers of women in the trades: Building Equity and Inclusion through pre-apprenticeship programs*. Institute for Women’s Policy Research.

90. National Taskforce on Tradeswomen’s Issues and the Institute for Women’s Policy Research. (2022, March 31). *Numbers Matter: Clarifying the Data on Women Working in Construction*. Briefing Paper. Institute for Women’s Policy Research.

91. National Taskforce on Tradeswomen’s Issues and the Institute for Women’s Policy Research, 2022.

92. As Moir et al. state: “[R]igid gender roles and expectations influence key access points including apprenticeship, union membership, employment and retention.” Moir et al., 2011: p. 5.

Apprenticeships into the building trades, particularly in the unionized sector of the construction industry, are essential pathways into the building trades, providing the required education and training that leads to quality wages and benefits. Union apprenticeship programs have been described as “offer[ing] a rare, and in most cases free-of-charge, opportunity to ‘earn and learn,’ providing wages and benefits to workers while they learn job-related skills.”<sup>93</sup> Apprenticeship programs are a significant investment in the education and future career of workers, “tantamount to a \$40,000–50,000 technical education program. Workers complete the apprenticeship program with a lifelong credential that they can carry to any other unionized construction industry in the United States and obtain a middle-class job with benefits.”<sup>94</sup> Further, “[c]omparisons of non-union apprenticeship programs and apprenticeship programs jointly sponsored by a trade union and contractors have consistently shown higher participation and graduation rates for women in joint union/management apprentice programs.”<sup>95</sup>

The data show positive trends of representation of women in apprenticeships, even as the percentages remain low. In their IWPR report, Hegewisch and Mefferd analyze data for the 25 states participating in the federal Office of Apprenticeship’s apprenticeship database for 2016–2019.<sup>96</sup> Their analysis shows that for this four-year period, women made up only 3.6 percent of all federally registered apprentices in construction trades, with lower rates for Black and Latina women, who represented only 0.7 and 0.6 percent, respectively, of all construction trades apprentices.<sup>97</sup> But there was also an upward trend in women entering apprenticeship programs in

93. Mishel, 2017: p. 18.

94. Mishel, 2017: p. 19.

95. Moir et al., 2011: p. 10.

96. Hegewisch & Mefferd, 2021.

97. Hegewisch & Mefferd, 2021.

**Apprenticeships into the building trades, particularly in the unionized sector of the construction industry, are essential pathways into the building trades, providing the required education and training that leads to quality wages and benefits.**

2016–2019. For that period, the number of women apprentices grew by 57.7 percent, which is almost twice the rate as the number of all apprentices (29.8 percent) in the construction trades.<sup>98</sup> The increase in apprenticeships was particularly high for Latinx women, whose numbers almost doubled.<sup>99</sup> The IWPR reports that in Oregon, Massachusetts, and Washington State, which were not included in the 2016–2019 data, the increase in women apprentices has been

98. Hegewisch & Mefferd, 2021. The IWPR analysis was conducted using data for the 25 states participating in the federal Office of Apprenticeship’s apprenticeship database from 2016 to 2019.

99. Hegewisch & Mefferd, 2021.

even greater. In Massachusetts, women were 8.7 percent of apprentices in 2019; in Oregon and Washington, women were 7.5 percent of construction apprentices.<sup>100</sup> As Hegewisch and Mefferd note, these three states have policies and programs aimed at increasing diversity in apprenticeships. The programs in Oregon and Massachusetts, which were highlighted at the *Equity in focus* Summit, are closely examined below, in this report.

A study by Bilginsoy et al., shows the importance of joint union-management apprenticeship programs for increasing diversity. Their study of construction apprenticeship programs in 34 states between 1999 and 2019, found that 75% of all construction apprenticeship registrations between 1999 and 2019 were joint union-management apprenticeship programs.<sup>101</sup> The study concludes that the data “suggest that union-based apprenticeship programs feature greater gender and racial diversity than their non-union counterparts.”<sup>102</sup> Although women’s representation in apprenticeship programs remained low during this 20 year period, their average share in joint programs was almost twice as high, at 3.7%, as women’s 2% average share of registrants in non-union employer-created apprenticeship programs. Black registrants in this period were 9.3% of participants in joint union-management programs as compared to 7.5% in non-union programs. The most pronounced increase was reported for participation by Hispanic workers in joint apprenticeship programs, increasing from 16.9% of all registrants in 1999 to 29.4% in 2019. This contrasts with non-union programs where Hispanic workers’ proportion of registrants increased from 16.5% in 1999 to 22.5% in 2019.

100. Hegewisch & Mefferd, 2021.

101. Bilginsoy, C., Bullock, D., Wells, A.T., Zullo, R. (2022, March). *Diversity, Equity, and Inclusion Initiatives in the Construction Trades*. The Institute for Construction Employment Research. Report commissioned by North America’s Building Trades Unions (NABTU): p. 8.

102. Bilginsoy, et al., 2022: pp. 8-9.

Completion rates in joint union-management programs are better for all gender and racial groups than in non-union programs. However, more than half of the registered participants leave apprenticeship programs, overall, with women's completion rates lower than men, and Black apprentices leaving the programs at the highest rate of all groups.<sup>103</sup> Both men and women who enter unionized construction jobs earn significantly higher wages than in the non-union construction sector. Hegewisch and Ahmed report that in the 2016-2018 period, on average a woman covered by a union contract in construction earned 66% more than women in non-union construction jobs. Further, women in unionized construction jobs earned close to equal pay as men (96.7 percent), while women in the non-union sector were at 87.8 percent.<sup>104</sup>

However, where women and people of color have entered the building trades, there are some conditions in apprenticeship programs and employment that have reinforced inequalities and created obstacles to retention. The persistent and pervasive problem of lack of available adequate child care creates inequalities that burden women and undermine their ability to fulfill apprenticeship and job schedules.<sup>105</sup> Further, the pervasive nature of unequal treatment based on sex and race, including sexual and racial harassment by supervisors and co-workers, has created a hostile work environment that ranges from racial and sexual taunts to physical threats and harm.<sup>106</sup> Leah Rambo, the first woman Director of Training

of Sheet Metal Workers Local 28 in New York City, has stated that "sexual harassment should also be considered as a safety hazard" for construction workers who may have to deal with it even as they engage in work such as operating heavy machinery.<sup>107</sup> Such obstacles and unequal working conditions discourage women from entering or staying in the building trades.<sup>108</sup> A 2021 IWPR survey of 2,645 tradeswomen and non-binary tradespeople, found that "while many respondents report that they are largely treated equally and work in an environment that is mostly free from discrimination and harassment, for too many this is not the case."<sup>109</sup> In the survey, 44.4 percent of respondents said they have left or have seriously considered leaving the building trades, with almost half of those respondents citing lack of respect/harassment as a "very important" reason.<sup>110</sup>

The positive trends of increased diversity coexisting with persistent underrepresentation of women and people of color in the building trades are simultaneously hopeful and discouraging. The mixed nature of the current story may not be surprising, though, given the history of explicit race and sex discrimination by employers and unions and the numerous social and institutional obstacles that have maintained these inequalities. The tradition in the skilled trades of handing down positions from father to son through apprenticeship programs has created barriers to entry of women and people of color into these

103. Bilginsoy, et al., 2022: pp. 9-10, 47; see also, Petrucci, L. (2021). *Constructing a Diverse Workforce: Examining Union and Non-union Construction Apprenticeship Programs and their Outcomes for Women and Workers of Color*. University of Oregon.

104. Hegewisch & Ahmed, 2019.

105. Hegewisch & Mefferd, 2021.

106. Hegewisch & Mefferd, 2021; Moir et al., 2011.

107. The New York City Commission on Human Rights and the Sexuality and Gender Law Clinic at Columbia Law School. (2018, April 25). *Combating Sexual Harassment in the Workplace: Trends and Recommendations Based on 2017 Public Hearing Testimony* (testimony of Leah Rambo): p. 18, n. 184.

108. Moir et al. (2011) p. 5: "[D]iscrimination and sexual harassment experienced by the few women who have successfully overcome the barriers and are employed in the industry shapes construction's negative image and deters women from even considering it as a potential employment option."

109. Hegewisch & Mefferd, 2021: p. 16.

110. Hegewisch & Mefferd, 2021: p. 17.

**However, where women and people of color have entered the building trades, there are some conditions in apprenticeship programs and employment that have reinforced inequalities and created obstacles to retention.**

trades.<sup>111</sup> It was only after years of campaigns by civil rights organizations and class action lawsuits under Title VII of the Civil Rights Act that judicial orders and consent decrees required employers and unions to take action to bring more women and people of color into the building trades.<sup>112</sup> Despite the difficulties of winning in such litigation, some race discrimination cases resulted in judicial orders against employers and unions to set hiring or membership goals for Black workers, as in a 1987 federal court order setting a 29 percent

111. Mishel, L. (2017, March 2). *Diversity in the New York City union and nonunion construction sectors*. Economic Policy Institute. Moir et al., 2011; Waldinger R., & Bailey T. (1991). The Continuing Significance of Race: Racial Conflict and Racial Discrimination in Construction. *Politics and Society*, 19(3), 291–323.

112. Mishel, 2017; Waldinger & Bailey, 1991.

membership goal for the Sheet Metal Workers Local 28 in New York City.<sup>113</sup>

Avoiding the possibility of Title VII claims can also motivate employers and unions to collectively bargain to take affirmative action, such as the Kaiser Aluminum and Chemical Corporation and the United Steelworkers of America affirmative action plan reserving positions for Black workers in the company’s trainee program for skilled craft workers.<sup>114</sup> In a 1979 decision finding the plan valid, the U.S. Supreme Court held that Title VII permits employers and/or unions to voluntarily adopt temporary affirmative action plans to address a “manifest imbalance” in the makeup of the employer’s workforce.<sup>115</sup> Under such plans, race or gender may be regarded as a positive, but not exclusive, factor in a hiring or promotions process that does not exclude consideration of majority group applicants.<sup>116</sup>

In governmental employment or contracting, the scope of permissible affirmative action has been restricted by the Supreme Court’s decisions requiring the government entity to justify the plan as a narrowly tailored means to address “a strong basis in evidence” that the public sector entity had engaged in prior unlawful discrimination.<sup>117</sup> This approach by the Court has made some governmental entities wary of the legal implications of explicitly identifying race or gender as a positive factor in decisions in targeted hiring programs, for example.<sup>118</sup> There are also

113. Mishel, 2017; Waldinger & Bailey, 1991.

114. *United Steelworkers of America v. Weber*. (1979). 443 U.S. 193.

115. *United Steelworkers of America v. Weber*. (1979). 443 U.S. 193.

116. The Supreme Court reaffirmed that voluntary affirmative actions are permissible under Title VII, including considerations of addressing the “manifest imbalance” in the proportion of women in certain positions. *Johnson v. Transportation Agency*, 480 U.S. 616 (1987).

117. *City of Richmond v. J.A. Croson Co.* (1989) 488 U.S. 469.

118. Partnership for Working Families. (2013). *The Construction Careers Handbook: How to Build Coalitions and Win Agreements That Create Career Pathways for Low Income People and Lift Up Construction Industry Jobs*.

some state or local laws that prohibit affirmative action in education, training, and apprenticeship programs, as well as in hiring and promotion, such as under California’s Proposition 209.<sup>119</sup> Where such limitations exist, government plans or programs may seek to avoid legal challenges by stating good faith efforts to reach diversity goals, or they may adopt plans for targeted hiring from local communities or low-income communities, which may result in increased hiring of women and people of color.<sup>120</sup>

At the federal level, Executive Order 11246 prohibits race and sex employment discrimination by most federal contractors doing over \$10,000 in government business.<sup>121</sup> Sponsors of apprenticeship programs covered by federal regulations<sup>122</sup> are also prohibited from discriminating on these bases. Executive Order 11246 also requires affirmative measures, including setting a goal of 6.9 percent of contractors’ work hours for women.<sup>123</sup> Further, federal regulations require sponsors of apprenticeship training programs to establish goals and timetables and to undertake positive recruitment efforts for increasing the numbers of minority and women apprentices. However, the executive order and federal regulations require only “good faith efforts” by contractors, subcontractors, or sponsors of apprenticeship programs, which undermines the potential impact of statutory or regulatory requirements.<sup>124</sup> A study by Kalev et al. confirms this result, but equally important, it found that government enforcement does spur action by

employers.<sup>125</sup> Their study found that 32 percent of government contractors in the dataset who had been subject to compliance reviews increased representation of white women and Black men in their workforces.<sup>126</sup> Although the study was not focused on the construction industry, the finding of the impact of compliance reviews may support the need for more active compliance measures, generally, by the Office of Federal Contract Compliance Programs (OFCCP).

On March 14, 2023, the U.S. Department of Labor announced the newly launched “Mega Construction Project Program,” which will involve a select group of “Megaprojects” that are valued at \$35 million or more, with at least some part being federally funded and lasting more than a year.<sup>127</sup> Through this program OFCCP will engage in more pro-active work with federal contractors toward equity goals, providing “free, continuous, on-the-ground assistance to help project owners with stakeholder outreach and information sharing, providing connections to recruitment sources in the community so that projects can fully use the local workforce to get the needed talent.” For the initial group of Megaprojects, OFCCP will partner with two Bipartisan Infrastructure Law funding agencies to “provide extensive and no-cost compliance assistance to contractors and subcontractors to strengthen recruitment, hiring, and fair employment practices, with a particular focus on getting more underrepresented communities, including women, into the construction workforce. Importantly, OFCCP will also conduct compliance

119. Partnership for Working Families. (2013). *The Construction Careers Handbook*.

120. Partnership for Working Families. (2013). *The Construction Careers Handbook*.

121. Exec. Order No. 11,246, 3C.F.R. 339

122. Equal Employment Opportunity in Apprenticeship and Training, 29 CFR Part 30.

123. 3C00 Executive Order Goals. Federal Contract Compliance Manual.

124. Moir et al., 2011.

125. The Office of Federal Contract Compliance Programs (OFCCP) is responsible for enforcing EO 11246. The U.S. Department of Labor’s Office of Apprenticeship and with State Apprenticeship Councils enforces federal regulation 30 CFR 30, which covers sponsors of apprenticeship training programs.

126. Kalev, A., Dobbin, F., Kelly, E. (2006). Best practices or best guesses? Assessing the efficacy of corporate affirmative action and diversity policies. *American Sociological Review* 71(4), 589-617.

127. U.S. Department of Labor. (2023, March 14). News Release: *Biden-Harris administration launches initiative to promote equal opportunity, expand workforce for federally funded jobs in large infrastructure projects.*

reviews to evaluate contractors' anti-discrimination and equal opportunity practices.

## **MODEL PROGRAMS FOR EQUITY AND INCLUSION IN THE CONSTRUCTION TRADES**

As Andrea Flynn, Senior Fellow of Health Equity at the Maven Collaborative, stated at the *Equity in focus* webinar on the construction industry, "Structural failures cannot be addressed without structural responses." Developing and implementing programs that make systemic change the status quo has been challenging, given the long history in the construction industry of gender and racial discrimination and exclusion, reinforced and perpetuated by gender-based socialization about work and family roles, and pervasive sexual and racial harassment. Achieving systemic change is made even more difficult due to the voluntary nature of affirmative action plans under Title VII and the "good faith efforts" standard of Executive Order 11246. As discussed earlier, despite these deep and persistent problems, progress has been made toward greater representation of women and people of color in the construction industry. More recently, innovative programs have been developed at regional and local levels that have moved the process forward toward systemic change.

At the *Equity in focus* webinars and summit, governmental and labor leaders presented several metro and regional programs that have made progress toward equity goals in the construction industry. These programs provide

models that can be further improved, applied, and adapted in other states, regions, and cities.

The following discussion analyzes the models through the framework of three shared elements that are key to successful programs:

**1. A broad-based alliance of public and private institutions and organizations committed to the planning and implementation of programs to make significant and sustained progress toward proportional representation of women and people of color in the construction industry.**

Government leadership and resources are essential to building and sustaining a broad coalition that is committed to making progress toward equity through joint programs and cooperation across public agencies, between governmental agencies and private actors, and among private actors that include employers, trade unions, worker centers, and community organizations.<sup>128</sup>

**2. A holistic view of what is needed to create programs that support women and people of color to build careers in the construction industry.**

Programs for increasing diversity in the building trades should be developed with a holistic view of the interdependence of training, recruitment, hiring, and retention. This requires broad-based changes and resources to improve areas including education, pre-apprenticeships, recruitment, hiring, working conditions, workplace culture, family care needs, and

128. See, *Realizing the Workforce Potential of Infrastructure Investments*. (2023 February). Markle Foundation, Eno Center for Transportation, & National Association of State Energy Officials (NASEO) (emphasizing the leadership role of the states, including "[b]uilding strategic partnership between state agencies" to "prioritize to raise job quality and inclusive workforce development practices to the fore of their infrastructure implementation").

retention, as well as the use of Project Labor Agreements and other agreements with conditions of employment including anti-harassment, respectful workplace programs, and other equity provisions.

**3. Targeted goals, tracking, and compliance measures through all career stages of recruitment, hiring, and retention.** Setting targeted goals at all career stages, tracking of progress toward those goals, and implementing compliance measures are essential to successful equity-based programs that encourage and support women and people of color to enter and stay in long-term careers in quality jobs in the building trades.

These three foundational elements are interrelated and interdependent. Broad-based public and private institutional and organizational alliances are essential to build support, commitment, resources, and action for equity-based programs with the goal of creating high-quality and well-paid careers—not just jobs—in the building trades. Targeted goals, tracking mechanisms, and compliance measures are essential to make significant progress toward equity in the construction trades and to sustain public-private institutional alliances.<sup>129</sup>

Below, we take a closer look at a number of model efforts to diversify the building trades in Oregon, Massachusetts, and the Northeast.

129. See, Partnership for Working Families. (2013). *The Construction Careers Handbook*: p. 6 (“A construction careers approach establishes a set of job quality standards to ensure that publicly funded construction sites create high quality jobs, coupled with a targeted hiring program to help low-income people get better access to those jobs.”)

## OREGON

### Construction Career Pathways Regional Framework

Oregon provides a positive model as a state with multiple programs, including a well-structured regional framework for a comprehensive and collaborative approach to increasing recruitment and retention of women and people of color in the construction trades. The “Construction Career Pathways Regional Framework” (“Framework”) for the Greater Portland metropolitan area<sup>130</sup> demonstrates the importance of incorporating the three foundational elements of creating a broad public-private alliance, developing a holistic plan to build careers in the construction trades, and tracking progress toward targeted goals.

At the core of the Framework are its seven recommendations for action:

1. set clear workforce diversity goals;
2. set project thresholds;
3. track and review progress on goals;
4. develop workforce agreements;
5. implement anti-harassment and culture change strategies;
6. collectively invest in workforce supply;
7. establish regional collaboration.

Key characteristics of the Framework to carry out these recommendations include the following:

130. Oregon Metro. (2019, September 1). *Construction Career Pathways Regional Framework*.

## **Governmental leadership and commitment to developing and implementing the Framework.**

Government leadership and public commitment and financial investment in planning, developing, and implementing programs were instrumental to the Framework from the start. At the *Equity in focus* webinar and summit, Raahi Reddy, Oregon Metro’s director of diversity, equity, and inclusion, described the role of government to identify and address key issues throughout all phases of the Framework implementation:

### **Phase 1: “Build a Foundation.”**

Reddy described the foundational 2017 market study by Metro and the City of Portland, along with conversations with local governments about key issues and initiating contacts with community-based organizations. The study found there is a labor shortage to fill the high demand for skilled trades workers, but also a low completion rate in apprenticeship programs in Oregon overall, which is even lower for women and people of color.

### **Phase 2: “Identify and Develop Strategies.”**

In July 2018, Oregon Metro convened the Construction Career Pathways Project (C2P2) “Public Owner Workgroup,” made up of 16 public agencies “tasked with developing a regional approach to workforce equity for the Greater Portland metropolitan area.”

### **Phase 3: “Formal Commitments.”**

Government leadership continued to finalize the Regional Framework, solidify public agencies’ commitments, and broaden the coalition to private organizations.

### **“Phase 4: “Collaboration.”**

To implement the Framework, public agencies should meet once a quarter “to

track progress, work through problems, and create strategies about where to make more investments.”<sup>131</sup>

## **Broad coalitions of public and private employers, unions, and community organizations for developing and implementing the Framework.**

- The Framework provides that there should be “a coordinated approach to recruitment, training, and retention of women and people of color,” in which “Public Owners” (government agencies) engage with labor, industry, and community organizations to address ongoing barriers to a diverse workforce in the construction industry. Clear roles should be developed for all external stakeholders.
- Public funds should be directed “towards increasing the number of qualified women and people of color in the construction industry.”

## **Commitment to targeted recruitment, hiring and retention goals, and ongoing tracking and review of progress.**

### **The Framework includes multiple provisions and requirements important for increasing diversity in training, recruitment, and retention:**

- Public agencies’ investment in pre-apprenticeship programs, and apprenticeship training.<sup>132</sup>
- Targeted hiring goals for publicly funded projects over a threshold cost level, as well as a system for tracking hiring progress.

131. Espinoza, A. (2019, October 29). Metro Council adopts a policy framework to diversity greater Portland’s construction industry. *Metro News*.

132. See also, Espinoza, 2019.

There should be a minimum percentage of total work hours for women and people of color who are journey- and apprentice-level workers. The Framework recommends using “a data-driven approach” with a software tracking system “to streamline reporting and compliance” and to monitor and assess progress on both a project and a regional basis.

- Enforceable contracts for public construction projects, such as community workforce agreements and project labor agreements, “to align practices to ensure diversity goals are met and allow for clear tracking and monitoring of contractors by Public Owners, community-based organizations, and certified firms.” Project labor agreements (PLAs) are collective bargaining agreements negotiated by the project owner (here, the public agency), contractor, and labor union to set the terms and conditions of employment on the construction project. Community workforce agreements (CWAs) are types of PLAs that include provisions to advance equity, such as requirements for targeted hiring and pre-apprenticeship or apprenticeship utilization.<sup>133</sup>
- Require “an approved worksite harassment prevention strategy” to improving jobsite culture.

Thus, the Oregon Metro Framework provides a model that emphasizes the central role of government to provide leadership and support

133. Figueroa, M., Grabelsky, J., Lamare, J.R. (2013, March). *Community Workforce Agreements: A tool to grow the union market and to expand to lifetime careers in the unionized building trades*. *Labor Studies Journal* 38(1): 7-31. Under state competitive bidding laws, unionized and non-union contractors can bid on publicly-funding construction projects; successful bidders, including non-union contractors, are required to become signatory to the Project Labor Agreement. Kotler, F. (2011, May). *Project Labor Agreements in New York State II: In the public interest and of proven value*. Ithaca, NY: Cornell University, School of Industrial and Labor Relations.

in developing regional initiatives to increase diversity in the building trades for publicly funded construction projects. As Reddy noted during the *Equity in focus* webinar, eight public agencies adopted the Framework. Other accomplishments include the launch of a respectful workplace curriculum, the creation of a multi-jurisdictional workforce agreement, and the formation of a regional collaboration committee, made up of public agencies, unions, contractors, and pre-apprenticeship/apprenticeship programs, for implementation of the Framework.

Essential to the Framework’s success is the emphasis on building alliances with employers, unions, and community organizations engaged in programs to increase diversity in the construction industry. Thirty-seven groups, including trade unions, pre-apprenticeship training programs, and construction firms, signed a pledge to support the Framework.<sup>134</sup> The *Equity in focus* webinar highlighted the work of one such organization, Oregon Tradeswomen, and its pre-apprenticeship and apprenticeship programs.

## Oregon Tradeswomen

Oregon Tradeswomen, founded in 1989 by four tradeswomen, provides programs and services and engages in public policy advocacy to ensure access, opportunity, and equity for women to pursue careers in the skilled construction trades. At the *Equity in focus* summit, Oregon Tradeswomen’s Executive Director Kelly Kupcak described their pre-apprenticeship “Pathway to Success” program, which helps prepare women enter the trades and provides industry-specific skills and career pathway support.<sup>135</sup> Kupcak noted the success of this program in significantly increasing completion, placement, and retention rates in the industry, including pre-apprenticeship

134. Espinoza, 2019.

135. Oregon Tradeswomen. *Pathways to Success Program*.

participants moving into registered apprenticeship programs. She also emphasized the importance of pre-apprenticeship programs in Portland working together to accomplish these goals. As part of its regional Framework, Portland Metro committed to funding of \$200,000 a year for five years for programs including pre-apprenticeship and apprenticeship training, such as Constructing Hope and Oregon Tradeswomen.<sup>136</sup>

The Oregon Tradeswomen’s Pathways to Success program offers a pre-apprenticeship course—the Trades and Apprenticeship Career Class (TACC)—which reveals the importance of incorporating practices aimed at achieving equity goals.<sup>137</sup> The TACC is “a 192-hour apprenticeship and employment readiness training program to prepare adult job-seekers for a career in the skilled construction trades.”<sup>138</sup> Such programs provide meaningful opportunities not only through training, but also by providing support services essential to full participation in the programs. These include providing child care, housing stabilization, transportation assistance, work apparel and boots, tools, and equipment. As in the Oregon Metro Framework, reaching equity goals requires targeted goals such as the percentage of total work hours of women and people of color by trade and position, changes that create respectful working conditions, and compliance measures including monitoring and

sanctions.<sup>139</sup> Oregon Tradeswomen has worked with other industry stakeholders to create the “Safe from Hate” initiative to make progress in implementing anti-harassment policies.<sup>140</sup> The alliance has grown to include employers, contractors and subcontractors, unions, apprenticeship and pre-apprenticeship programs, and trade associations.<sup>141</sup>

Pre-apprenticeship and apprenticeship programs are among the most important positive measures for increasing diversity in the construction industry.<sup>142</sup> The TACC is linked to union apprenticeship programs, with UA Local 290, NECA/IBEW Electrical Training Center, and the Oregon Laborers’ Apprenticeship Program providing direct entry to qualified TACC program graduates.<sup>143</sup> As Oregon Tradeswomen explains, the pre-apprenticeship TACC program participants “learn about registered apprenticeship; an ‘earn while you learn model’ which is often the next step to career pathways in

136. Espinoza, 2019.

137. See, Bilginsoy, C., Bullock, D., Wells, A.T., Zullo, R. (2022, March). *Diversity, Equity, and Inclusion Initiatives in the Construction Trades*. The Institute for Construction Employment Research. Report commissioned by North America’s Building Trades Unions (NABTU): p. 5. (noting that while many diversity, equity, and inclusion initiatives and programs in the union sector “are the result of top-down initiatives of regional building trades councils and national organizations, others are grassroots, bottom-up programs initiated by workers themselves (e.g., Oregon Tradeswomen).”

138. Oregon Tradeswomen. *Pathways to Success Program*.

139. See also, Kelly, M. & Wilkinson, L. (2020, October). *2020 Evaluation of the Highway Construction Workforce Development Program*, Department of Sociology, Portland State University: p. 6. This report evaluates the Highway Construction Workforce Development Program, created in 2010 as a partnership of the Oregon Department of Transportation (ODOT) and Oregon Bureau of Labor and Industries (BOLI), to recruit, train, and employ a diverse workforce for highway construction jobs throughout the state. The report evaluates areas including pre-apprenticeship programs, supportive services providing financial assistance (including travel, child care, work clothes, tools, and protective equipment; hardship funds) and supportive services providing non-financial assistance (i.e., budget class, social support). “Overall, this evaluation finds that the Highway Construction Workforce Development Program is improving the recruitment and retention of a diverse construction workforce.”

140. <https://safefromhateoregon.org/>

141. Hegewisch & Mefferd, 2021: pp. 32-33.

142. Bilginsoy, et al., 2022.

143. Oregon Tradeswomen. *Pathways to Success Program*. See also, Partnership for Working Families, 2013: p. 52 (noting that some communities were experimenting with “Direct Entry or Direct Access” as “an innovative approach” to targeted hiring, where “graduates of a named pre-training program (or programs) who meet apprenticeship eligibility criteria have a direct route into an apprenticeship program”).

the construction industry.”<sup>144</sup>

It should be noted that successful programs like those offered by Oregon Tradeswomen and their union partners can be found in programs across the U.S. with increased gender and racial diversity in apprenticeship programs. For example, in 2009, the New York City Building and Construction Trades Council (NYC BCTC), the council’s employer group, and the city entered a memorandum of understanding to “promote diversity” in 24 union apprenticeship programs. By 2012, racial and gender diversity had increased in the New York City apprenticeship programs; two-thirds of the 5,743 registered apprentices were people of color and almost 11 percent were women. This contrasts with representation in 1994, when roughly 64 percent of registered apprentices in New York City were white.<sup>145</sup> The Apprenticeship Readiness Collective of NYC BCTC is made up of pre-apprenticeship programs including the Construction Skills program and the Nontraditional Employment for Women (NEW) program, which have provided direct entry to union apprenticeship programs.<sup>146</sup> This includes the Sheet Metal Workers Local 28 in New York City, which under the leadership of Leah Rambo, the first woman in the position of Director of Training, increased the representation of women from 3% at the beginning of 2011 to 11% in 2017, and achieving a rate of 16% for new

apprentices entering the program in 2017.<sup>147</sup>

Another successful initiative is the “Building Pathways” pre-apprenticeship program in Boston, which was launched in 2011 by the Building and Construction Trades Council of the Metropolitan District. The program has conducted 25 training cycles, with enrollees made up of 90 percent people of color and 43 percent women, and 80 percent of participants moving into apprenticeship programs or employment in the construction industry.<sup>148</sup> Examples of other successful tradeswomen’s organizations and pre-apprenticeship programs include Apprenticeships and Nontraditional Employment for Women (ANEW) in Washington State and Chicago Women in the Trades.<sup>149</sup>

## **MASSACHUSETTS AND NORTHEASTERN REGION**

### **Policy Group on Tradeswomen’s Issues**

The Policy Group on Tradeswomen’s Issues (PGTI) describes itself as “a regional collaboration of stakeholders working together since 2008 to crush the barriers to women’s access to good paying careers in the construction trades.”<sup>150</sup> It has been called “a model for regional collaboration,” which was formed to strengthen the implementation of the City of Boston’s diversity goals for employment on larger private and all publicly funded construction projects.<sup>151</sup>

144. Oregon Tradeswomen. *Pathways to Success Program*. See also, Moir, et al., 2011: p. 8 (noting that “[s]tudies have shown the value of women participating in pre-apprenticeship training programs that provide knowledge and skills needed to succeed in apprentice programs”).

145. Mishel, 2017; Fuchs, E.R., Warren, D., & Bayer, K. (2014, March). *Expanding Opportunity for Middle Class Jobs in New York City: Minority youth employment in the building and construction trades*. Columbia University School of International and Public Affairs; Building and Construction Trades Council of Greater New York. 2012. *NYC Committee on Construction Work Force and Contracting Opportunity Annual Report*.

146. ARC—Apprenticeship Readiness Collective.

147. Ariane Hegewisch. *Gender equity in the Sheet Metal Workers local 28: The importance of leadership, goals and regular review*. National Center For Women’s Equity in Apprenticeship and Employment. Bilginsoy, et al., 2022.

148. See, Bilginsoy, et al., 2022.

149. See, Bilginsoy, et al., 2022.

150. PGTI: The Policy Group on Tradeswomen’s Issues.

151. Moir et al., 2011: p. 19. PGTI has “work[ed] with Boston city officials to ensure compliance with the 25-year-old Boston Resident Jobs Ordinance, which established goals for women, people of color, and Boston residents on construction projects in Boston.” Ibid. p. 2.

The organizational structure and work of PGTI have included the key elements of government commitment to equity goals and the building of coalitions of public and private participants, which have come from a broad region consisting of eastern and western Massachusetts, Rhode Island, and New Hampshire. Participants are unions, including union staff and Women’s Committees members, regional labor councils, researchers, pre-apprenticeship program staff, and representatives from city, regional, and federal government administrations and agencies.<sup>152</sup> The dynamic quality of PGTI is found in its long-term broad coalition, including meetings every other month to share information and strategies about increasing hiring and retention of women in the building trades. As PGTI states, “We begin each of our meetings with the following mantra: ‘We are in this together. There is no silver bullet. We will never, never give up.’”<sup>153</sup>

PGTI has published best practices for achieving diversity in the building trades through its how-to manual, *Finishing the Job: Best Practices for a Diverse Workforce in the Construction Industry*.<sup>154</sup> These best practices have been implemented and evaluated in PGTI’s targeted projects, amounting, over the past 11 years, to over \$7 billion of construction across Massachusetts, including construction on the University of Massachusetts’ five campuses, three casinos built by the Massachusetts Gaming Commission, and projects in the City of Worcester.<sup>155</sup> On these targeted projects, 8 percent of hours were worked by women, which exceeds the state target of 6.9 percent; 27 percent of hours were worked by workers of color, about

twice the level of hours set by the state goal.<sup>156</sup> In 2021, PGTI reported that participation of women in registered union apprenticeship programs in Massachusetts increased for the 10<sup>th</sup> consecutive year, to 10.4 percent, which was achieved through the work of Joint Apprenticeship and Training Centers and their partners across Massachusetts. For workers of color, the participation rate in 2021 was 30 percent. These rates are significantly higher than in non-union construction apprenticeship programs.<sup>157</sup> Further, 93 percent of women apprentices and 85 percent of apprentices of color are in joint union apprenticeship programs.<sup>158</sup>

The PGTI *Finishing the Job* manual identifies four “Game Changers” among their best practices: (1) women should be given the highest priority in diversity categories at all stages of establishing, monitoring, and enforcing diversity systems, with the next highest priority for the diversity category of “minorities”; (2) diversity goals and practices must be embedded in all business operations of project owners/contractors, compliance officers, project managers, unions, and apprenticeship programs; (3) each project should start with a core crew that meets diversity goals “from day one”; and (4) all projects should be tracked through an external monitoring committee with the singular responsibility to monitor compliance and reinforce best practices. These principles are reflected in the PGTI’s six best-practice checklists—a different one for each of the stakeholder groups of owners/developers, construction managers/general contractors, subcontractors, building trades unions, community-based organizations, and training and apprenticeship programs. This combination of general principles and detailed

152. Moir et al., 2011: p. 20.

153. Policy Group on Tradeswomen’s Issues (PGTI). (2021, December). *Finishing the Job: Best Practices for a Diverse Workforce in the Construction Industry*, version 9.

154. Policy Group on Tradeswomen’s Issues (PGTI). (2021, December). *Finishing the Job: Best Practices for a Diverse Workforce in the Construction Industry*, version 9.

155. *Ibid.* p. 6; PGTI, Targeted Projects.

156. <https://policygroupontradeswomen.org/2021/12/08/launching-v-9-of-finishing-the-job-best-practices-best-practices-for-a-diverse-workforce-in-the-construction-industry/>

157. PTGI (2021, September 22). *Women’s participation in MA union apprenticeship reaches 10.4%, as of Q4 2021.*

158. PGTI. (2021, December). *Finishing the Job*: p. 3.

best practices for all stakeholders at all stages provides the breadth and depth needed to make progress in diversity in the construction industry.

At the *Equity in focus* summit, Maggie Drouineaud, compliance director for the University of Massachusetts Building Authority (UMBA), discussed that agency's work with the PGTI as an example of the importance of broad-based collaboration for making progress. Drouineaud noted that this collaboration allows the UMBA to meet the "supply" side of the work, that is, having access to tradeswomen to hire. She noted, as well, the multiple aspects of the collaborative work, which includes regular meetings with representatives from the union and pre-apprenticeship programs to review compliance results, with contractors to provide them with resources and recommendations, and with subcontractors to work with them to build a diverse core crew.

Drouineaud's remarks at the summit reinforced the leadership role of government in meeting diversity targets and goals on publicly financed construction projects. Drouineaud created "game changers" of best practices for UMBA to increase the participation of women in construction. These game changers—"Approach, Commitment, Communication, Implementation and Monitoring"—emphasize early and continuing engagement with contractors to set compliance goals on every project and to ensure accountability for meeting those compliance goals. With these game changers, UMBA has achieved the highest levels of employed tradeswomen in UMBA's history, exceeding workforce compliance goals on university construction projects.

As discussed in the "Clean Energy Economy" section of this report, the use of legally enforceable Project Labor Agreements (PLAs)

is an example of effective measures to increase diversity in public and private sector construction projects. On publicly funded projects, parties to a PLA would be the government as "public owner," private contractors, and labor unions. In addition to setting labor standards such as wages and employment conditions on the project, PLAs and/or community workforce agreements can include provisions to maintain and increase equity through targeted hiring and work hours, and anti-harassment measures. For example, in 2010, UMBA entered a PLA with the Metro Boston Building Trades Council, the New England Council of Carpenters, and a building contractor. The PLA provisions commit the parties to follow hiring and employment practices designed to meet city workforce participation goals for women and people of color in construction and renovation projects on the UMass Boston campus. The PLA also created an Access and Opportunity Committee to "assess the obstacles to success of achieving inclusion of minority and women workers ... [and] make recommendations for additional programmatic efforts to overcome some of those obstacles." This committee, which includes representatives from government, labor, business, and community-based organizations, engages in oversight and review needed to provide transparency and hold the parties accountable for meeting equity goals.<sup>159</sup> Access and Opportunity Committees play a key role in providing monitoring and oversight on a monthly or bi-monthly basis to help contractors identify and remedy problems as they occur.

On February 4, 2022, President Biden signed Executive Order 14063, requiring the use of PLAs in large-scale federal construction projects of over \$35 million. The executive order also allows federal agencies to require PLAs for federal construction projects that cost less than

159. Markle Foundation, et al., 2023: pp. 38-39; See also, U.S. Department of Labor. Good Jobs Initiative: Access and Opportunity Committees (AOCS).

\$35 million. According to the Biden-Harris Administration, the executive order “could affect \$262 billion in federal government construction contracting and improve job quality for the nearly 200,000 workers on federal construction contracts.”<sup>160</sup> The Administration also noted that having PLAs should help raise the standards of all bidders on federal contracts. Given the positive state and local experience in using PLAs, raising standards could include significant provisions to make progress toward equity goals in federal construction projects.

## CONCLUSION AND RECOMMENDATIONS: ELEMENTS OF SUCCESSFUL MODELS

The many reports that have been written about issues of diversity in the construction industry provide rich sources of history, data, and analysis of the co-existing challenges, frustrations, and progress toward increased representation of women and people of color in the building trades. Drawing from these reports and the presentations and discussions in the *Equity in focus* webinars and Summit, this section of the *Equity in Focus* report has set forth general principles and specific examples of models that have successfully put those principles into practice. The following discussion summarizes these principles and practices. Since there is still a long way to go toward proportional representation and equity in the construction industry, the summary is followed by reflections on how to extend and deepen successful models.

160. The White House. (2022, February 3). Fact Sheet: President Biden signs Executive Order to boost quality of federal construction projects.

As noted earlier, successful models share three elements:

- 1. A broad-based alliance of public and private institutions and organizations** committed to the planning and implementation of programs to make significant and sustained progress toward diversity in the construction industry;
- 2. A holistic view of what is needed** to create programs that support women and people of color to build careers in the construction industry; and
- 3. Targeted goals, tracking, and compliance measures** through all career stages of recruitment, hiring and retention.

Taking these three elements in turn, the successful examples of models from Oregon and Massachusetts, described above, show first that a broad-based alliance must be representative of the multiple stakeholders from public agencies, tradeswomen organizations, unions, and employers/contractors. Further, government has a distinctive obligation to take a leadership role in building and sustaining the alliance. This includes government’s power to fund public projects conditioned on commitments from all parties to adopt, apply, and enforce measures to increase the representation of women and people of color at all stages of the projects. As the PGTI checklist shows, these commitments entail a range of obligations and actions carried out by the various parties and stakeholders. Putting these commitments into PLAs can be an effective way to hold all parties accountable.

The second and third elements—a holistic approach and targeted goals, tracking and compliance are closely linked to each other and to the work carried out by broad alliances

of parties and stakeholders. Significant and sustained success in building trades careers for women and people of color requires education through pre-apprenticeship and apprenticeship programs, recruitment and hiring from these programs, and adoption of supportive employment conditions and practices, including changing workplace culture and providing family care funding and services. Achieving success in developing and sustaining careers requires success at all stages—from education to recruitment to retention—with government agencies, contractors/subcontractors, and unions all held accountable for compliance with legal, contractual, and ethical obligations. Here, again, the leadership role of government is key in setting the terms of awarding publicly funded projects such as requiring PLAs, and in holding all parties accountable. At the same time, sustained broad-based alliances are essential for organizations such as Oregon Tradeswomen, PGTI, and building trades unions to continue to engage in activism that makes progress through shared commitments while also holding all public and private stakeholders accountable for meeting their commitments and responsibilities.

## **Lessons for Future Program Development**

Several policies and practices should be prioritized to make greater progress toward proportional representation of women and people of color in high quality building trades careers. These are especially pressing to fulfill the promise of this moment—when increased federal funds to the states expand the opportunity to put equity as the focus of public policy and practice.

### **Emphasize the leadership role of the state government elected officials and agencies.**

- State government should condition grants of federal and state funds on recipients' commitment to programs, policies and practices to increase representation of women and people of color in building trades careers. Such funding conditions should specify targeted goals for hiring and retention. State funding should also be provided for technical assistance needed in meeting targeted goals. Public agencies should engage in tracking and review of progress toward meeting such goals.
- State government leaders and agencies should share model policies and programs with other state-level agencies, local and regional governments, employers/contractors, and unions to increase equity and gender and racial representation in the building trades.
- State and local governments, to the greatest extent possible, should require Project Labor Agreements (PLAs) and Community Workforce Agreements that include targeted hiring goals and other contractual provisions to increase diversity in construction project workforces. PLAs should include Access and Opportunity Committees to provide regular monitoring and oversight of progress toward equity-based goals. Executive Order 14063, signed by President Biden, requiring the use of PLAs in large-scale federal construction projects reinforces the importance of government leadership in raising the standards of bidders on publicly funded construction projects.

- State-level government actors should be informed in their policymaking by successful local and regional programs. However, leadership at the State level is needed to create a coherent system of state-wide policies and programs that place equity at the center of policies and practices. A state-wide approach can set the standard for successful models and thus avoid having a patchwork of programs in cities and regions.

### **Public support for universal needs.**

- Moving towards equity in the workplace requires social programs that meet universal needs, including child care as a publicly provided benefit for all members of society. In male dominated occupations, including the building trades, publicly provided child care is essential to create social conditions that enable women to have equal access to education, training, and jobs in the construction industry. To meet the federal Justice40 initiative goal to have federal investments flow significantly to marginalized and underserved communities, the federal government should create federally funded public child care programs.
- Whether supported by federal or state funding, it is essential for government to finance public child care programs rather than simply subsidizing private individuals or private childcare businesses. What is needed is high quality public pre-school childcare and after school programs, which are often not accessible to working class parents either because they are unaffordable or unavailable.
- In the continued absence of political will to

create public child care programs, broad-based alliances supporting diversity in the construction industry should devise child care programs that enable parents, and particularly women, to engage in pre-apprenticeship/apprenticeship programs and building trades careers. For example, child care programs could be created in conjunction with joint union-management pre-apprenticeship and apprenticeship programs and as part of PLAs.

### **Emphasize the essential role of unions and their work in coalition with broad-based alliances.**

- Government, employers, and unions should be proactive in increasing the representation of women and people of color in the building trades—and in particular, through collective bargaining in unionized workplaces and through the use of PLAs and CWAs on public and private construction projects.
- An important pathway to unionized building trades jobs is through pre-apprenticeship and apprenticeship programs. Therefore, models of active and successful union leadership and partnerships in pre-apprenticeship and apprenticeship programs should be emulated and expanded by the building trades unions and labor councils. As discussed earlier in this section of the report, such programs in New York City, Massachusetts, and Oregon have a record of exceeding state and local targeted goals for increasing the representation of women and people of color in apprenticeships and in their hours worked on the job. Further, the success rate of union-led programs increasing

diversity is far greater than the non-union apprenticeship programs. Additionally, “[d]iversity, equity, and inclusion initiatives in the non-union sector are generally less developed when it comes to employee retention and promotion.”<sup>161</sup>

- Unions should continue to expand their work in coalition with organizations such as Oregon Tradeswomen and PGTI, to build pre-apprenticeship and apprenticeship programs that recruit, educate, and support women and people of color to enter and stay in building trades careers.
- Unions are crucial to making the cultural changes needed to recruit and retain women and people of color in pre-apprenticeship and apprenticeship programs, on the job, and in careers in the building trades. This includes continued work in coalition with other labor-focused organizations. Further, through collective bargaining, unions can strengthen protections against gender and racial discrimination in hiring, promotions, discipline, and discharge. As importantly, unions can engage in proactive measures to make the cultural shifts a reality. This includes unions taking their duty of fair representation seriously, for example, by engaging in cultural audits and providing educational programs for workers to address explicit and implicit bias, harassment and discrimination in workplace relations.<sup>162</sup>
- PLAs have been identified as a model for public and private sector construction projects by including provisions for targeted

hiring goals, diversity in core crews, hours worked by women and people of color, anti-harassment provisions, and Access and Opportunity Committees. Unions are essential as parties in PLAs, to hold themselves and employers to diversity commitments.

161. Bilginsoy, C, et al., 2022: p. 7.

162. See, Wagner, K.C., Diane Yates, D., & Walcott, Q. (2012). *Engaging Men and Women as Allies: A Workplace Curriculum Module to Challenge Gender Norms about Domestic Violence, Male Bullying and Workplace Violence and Encourage Ally Behavior*. *Work* 42(1), no. 1 (2012): 107-13.

# CONCLUSION AND RECOMMENDATIONS

This report explores how policymakers, practitioners, and advocates are addressing equity in job creation in three sectors: the child care economy, the clean energy economy, and the construction trades, as presented in the *Equity in focus—Job Creation for a Just Society* year-long webinar series and summit. The webinar series and summit were made possible through a partnership between the U.S. Department of Labor Women’s Bureau and The Worker Institute at Cornell University’s ILR School. These events brought together local, state, and federal policymakers, practitioners, unions, workers, industry stakeholders, philanthropy, and advocates to explore how best to prioritize gender and racial equity as core components of a strong and just economy.

The long-standing and acute economic inequality in the United States, made even worse by the pandemic, accelerates the need to envision job creation through an equity lens. Here, systemic change is needed in order to “rewrite” the deep-seated and long-standing racial and gendered rules, regulations, policies, programs, and normative practices that are historically bound

and that perpetuate the status quo of inequitable outcomes. The *Equity in focus* project is motivated and made all the more urgent by the moment we are in. The Biden-Harris Administration has made prioritizing gender and racial equity to promote a strong and just economy a centerpiece of its agenda. To that end, the Administration has leveraged historic levels of federal financing, including funds to the states through the Infrastructure Investment and Jobs Act, as an important mechanism through which to build equity into job creation.

This report has presented what stakeholders are doing at the local, state, and federal levels to address equity in the child care economy, the clean energy economy, and the construction trades—jobs in each sector that have historically been subject to occupational segregation based on gender and race. The examples highlighted in this report demonstrate how stakeholders are seizing this moment to move forward on key equity goals in job creation and sustainability. But to achieve these goals, three essential components need to be in place, as a review of the *Equity in focus* series suggests.

## **The federal government's role is essential to ensuring systemic change**

Government leaders play a critical role in setting forth a vision of social and economic equity in public policy and government agencies, and coordinating with each other to put that vision into practice. The federal government should embed equity in the rules, regulations, policies, and practices in established funding streams and administration of programs that state and local governments leverage. The federal government has done this in many instances, but can and should do more.

The role of the federal government is also essential in legislating for universal public goods. National legislation is essential for economic development in areas needed for the public interest: infrastructure (roads, bridges, schools, theaters and arts venues, other public spaces), climate-related construction, and manufacturing. National legislation is essential to strengthen worker rights to unionize and collectively bargain, establish a living wage, and expand anti-discrimination protections and affirmative action that breaks down occupational segregation. This is in addition to providing universal social protections and services such as health care, child care, elder care, housing, and education.

## **State government's essential role in legislating and policymaking for systemic progress toward equity**

State officials' leadership is vital to ensuring that federal and state funds are used in ways that put equity at the center of legislation and public programs to support public goods, worker rights, affirmative action, and economic development.

It is essential that states recognize that such laws, policies, and programs are foundational and interdependent for making the systemic changes needed to achieve significant progress toward equity.

The need for public child care is an example of the interdependent nature of these foundational elements. Public education, including advanced degrees in early childhood education, is needed to educate child care professionals. Further, child care as a public good is essential for gender and racial equity in employment and for the benefit of children, parents, and society. Equity in family care is also needed for women to be able to enter and complete educational programs such as pre-apprenticeship and apprenticeships in the building trades. Rigorous enforcement of rights to unionize is essential to build a strong labor movement, with unions that can create and maintain such programs targeting increased diversity in occupations such as the building trades.

## **State-level leadership and coordination to effectively implement law and public policy for equity**

Statewide policy and programs should create a coherent structure and practice of programs that make significant and sustained progress toward equity in the representation of women and people of color in all occupations, along with working conditions that meet equity standards. This statewide approach can and should be informed about state and local policies, programs, and practices that have been successful in advancing equity. From this vantage point, state policy should adopt and integrate key elements of successful programs, including the following:

**Public-private partnerships and alliances that are led by public agencies to carry out policies in the public interest. This vision of public-private partnerships must break from the status quo of “privatization” that has been embedded in government policy and practice since the 1980s. Examples from this report of such public-private partnerships and alliances include:**

**Care That Works**, a coalition of grassroots community groups and labor unions in Massachusetts that launched a nonstandard-hour child care pilot program in Boston. The funding for this supportive service comes from Project Labor Agreements for major construction projects in the Boston area.

Coalition leading to Washington D.C. Council’s **Homes and Hearts Amendment**, passed in July 2021.

The City of San Francisco’s work with community organizations to establish **CityBuild**, a pre-apprenticeship program to help recruit city residents to meet the city’s local hiring goals.

**Oregon Metro Framework** and its broad-based alliance of state agencies, contractors, labor unions, and organizations such as Oregon Tradeswomen, to develop regional initiatives to increase diversity in the building trades for publicly funded construction projects.

**University of Massachusetts Building Authority** and its broad-based partnerships and alliances with contractors, labor unions, and organizations such as Policy Group on Tradeswomen’s Issues, to meet diversity targets and goals on publicly financed construction projects.

**Public-private partnerships that have made significant progress toward equity have adopted programs and practices that include:**

**Project labor agreements (PLAs) and community workforce agreements (CWAs)** for publicly funded construction projects. Public owners, contractors/ subcontractors, and labor unions are the parties to these agreements, which are enforceable contracts covering a broad range of working conditions, including equity-based provisions such as diversity in core crews, hours worked by women apprentices or journey workers, and creation of a good work environment.

**Support for union-based or joint union-management pre-apprenticeship and apprenticeship programs** designed to increase the representation of women and people of color in the building trades. Public support can take multiple forms including PLA provisions for targeted hiring from these programs and public funds to enable participants to enter and stay in these programs through subsidies for tools, equipment, transportation, and child care.

The time is now to make lasting change. We must seize the opportunities of this moment to put *equity in focus* through legislation, policy, and practice to make long-lasting, systemic change needed for a just economy and society.

# ILR Worker Institute

## LOIS GRAY INNOVATION INITIATIVE

This report is made possible with the support of the Lois Gray Innovation Fund, which honors the legacy of Lois Gray by supporting innovative ideas, strategies and practices that strengthen worker rights and create a more just and equitable society.



The Worker Institute at Cornell  
570 Lexington Avenue, 12th Floor  
New York, NY 10022

[ilr.cornell.edu/worker-institute](http://ilr.cornell.edu/worker-institute)