

CONSTRUCTION IN THE SOUTH

THE PROBLEM

Economic hardships, few or no opportunities for career advancement, unstable work, injuries and even death on the job are all commonplace for construction workers in the South. Health and safety on the job is of particular concern, as the number of injuries and deaths have risen with industry growth. Nationally, more than 900 construction workers were killed on the job in 2015.

Workplace injuries are common and low wages place a significant economic burden to workers and their communities. One in seven workers have been injured during their construction career, and more than one in three has suffered an injury in the last 12 months, with just 5% being covered by worker's compensation. These injuries cost cities an estimated \$1.47 billion annually in medical expenses, lost wages, lost productivity, lawsuits, and the cost for families caring for injured workers. Most construction workers are earning less than \$15 an hour and more than one in ten have experienced wage theft in their construction career. The median amount of wages stolen was \$800 or 57 hours of labor for the average construction worker, resulting in a loss of \$29.8 million annually. In addition, one of three workers is misclassified as an independent contractor, denying workers their rights to minimum wage, overtime, and burdening families with the employer's share of payroll taxes.

THE SOLUTION

As the construction industry continues to grow in the South, now is the time for policymakers and industry leaders to ensure that all construction jobs offer family-supporting wages, decent benefits, and safe working conditions to the essential labor the industry receives. More specifically, local solutions should focus on the following.

PRIORITIZING SAFETY. Employers should provide at least OSHA 10-hour safety training for all employees and provide ongoing health and safety training throughout the year. Contractors must also ensure that all workers receive proper safety equipment, rest breaks, and workers' compensation. Workers should also have an anonymous system to address safety concerns with their direct employer, or with the general contractor and developer, without fear of retaliation.

GENERATING INVESTMENTS IN TRAINING. Employers must see training as a necessary investment that helps (a) ensure workers are able to produce a quality finished product, (b) prevent accidents, and (c) provide opportunities to advance in the industry. Collaborations and partnerships among construction employers and associations, education providers, and local governments can help create training pipelines where jobseekers learn the skills they need to fill labor shortages in the industry. Formal training can play a key role in improving the quality of construction jobs, and help offset the severe construction labor shortages experienced by construction employers throughout the South.

QUALITY IN SUBCONTRACTING. Developers and general contractors should take into account working conditions, including worksite safety, rest breaks, wages, training, and benefits when hiring subcontractors. Rather than simply considering price, developers should give preferential status to bidders that demonstrate a track record in providing fair pay and benefits along with a strong safety program.

THE ROLE OF LOCAL OFFICIALS

While some of the issues confronting the construction industry are regulated principally at the federal and

state, local officials have significant opportunities to advance these priorities through policies and programs that will shift conditions.

GUARANTEE SAFE WORKING CONDITIONS. To address the disproportionately high fatality and injury rates in the construction industry, local officials may adopt requirements for inclusion in public construction contracts that require safety training for supervisors and workers. They can also work at the state level to strengthen requirements for rest breaks, safety training, and workers compensation and medical care for construction workers.

ENSURE HONEST PAY FOR HONEST WORK. Wage theft, payroll tax fraud, and low wages threaten the construction industry by hurting working families and undercutting construction businesses that play by the rules. Local officials can both adopt and enforce strong wage standards. Local agencies can investigate noncompliance with and enforce laws governing wages and the payment of payroll taxes, as well as provide protection from retaliation for workers who report violations.

CREATE GOOD JOBS WITH A CAREER PATHWAY. Most construction jobs lack employment benefits or opportunities for advancement, and today, few young people see the industry as desirable place to seek employment. A basic benefits package should be offered to the vast majority of construction workers rather than to a small minority.

IMPROVE ENFORCEMENT OF EXISTING POLICIES. Many of the employment rights issues, as well as the health and safety issues faced by construction workers are addressed by existing laws, but enforcement is often weak or non-existent. Local officials can increase funding for and improve the effectiveness of local agencies that investigate compliance with and enforce laws that protect workers from wage theft, employee misclassification, hazardous conditions, and retaliation for raising concerns about workplace issues. Policymakers should also partner with community organizations that work with low-wage construction workers to improve the efficiency and effectiveness of existing enforcement efforts.

SUCCESSFUL EFFORTS TO IMPROVE CONDITIONS

- Better Builder Program: Developed by Workers Defense Project, the program certifies real estate developers, public institutions, and companies who commit to investing in good and safe working conditions for construction workers.
- Workers Defense Project has worked with the cities of **Austin** and **Dallas** to successfully pass Rest Breaks Ordinances requiring employers to provide paid 10-minute rest breaks for every 3.5 hours of work on construction sites.

- Georgia Stand-Up successfully fought for the inclusion community-benefits language to the \$1.7 billion BeltLine project, a 25-year development that will include a 22-mile transit system, 1,200 acres of green space and trails, 30,000 permanent jobs and 48,000 construction jobs, and a predicted \$20 billion in private development. This includes a First Source Hiring Policy requiring the Utilization of Pre-Apprenticeship Programs and Apprenticeship Programs, and Prevailing Wage requirements.
- Most recently, Stand Up Nashville (SUN), a coalition of community and labor organizations in **Nashville**, are successfully moving efforts to guarantee transparency and contractor accountability on city-subsidized projects in light of the increase of injuries and fatalities in the region.

RESOURCES

The Partnership for Working Families and Workers' Defense Project have collaborated to produce a new major study of construction work in the South, called *Build a Better South*.

Workers Defense Project organizes construction workers and fights for safe and dignified working conditions that allow working families in Texas to escape the cycle of dangerous and dead-end jobs. With offices in **Austin, Dallas, and Houston**, Workers Defense Project has won policies to create hundreds of thousands of good jobs in Texas and has authored two previous studies detailing working conditions in the construction industry in Texas.

The Partnership for Working Families' network of affiliates have pioneered campaigns to improve job quality and job access in the construction sector and the Partnership has several online resources available regarding construction jobs, including the Construction Careers Handbook.

Co-authored by the Partnership for Working Families

