

Laying the Foundation for Stronger Neighborhoods

Local Hire Agreements Can Strengthen Access to Transportation Jobs in Latino Communities

Summary

Early in November, the Senate voted down the [“Rebuild America Jobs Act” \(S. 1769\)](#), the infrastructure portion of President Obama’s American Jobs Act. This bill would have invested \$50 billion in infrastructure projects to improve the safety and effectiveness of the nation’s highways, rail systems, and airports, which could create hundreds of thousands of jobs in construction and other industries in which Latinos have a strong presence. This *Monthly Latino Employment Report* provides an overview of local hire agreements as an essential component of an infrastructure jobs bill and recommends that Senate leaders incorporate local hire and diversity requirements into surface transportation reauthorization.

Latino Employment Statistics for October

The [latest report](#) from the Department of Labor showed that U.S. employers added 80,000 jobs in October. Unemployment in the Latino community rose slightly to 11.4%, compared to the relatively unchanged 9.0% national unemployment rate. These statistics serve as painful reminders that American workers and the economy as a whole still have a long way to go on the road to recovery.

One industry that has the potential to create jobs in nearly every state and community is transportation. The transportation and utilities industry employs a staggering 7.1 million workers per year.¹ In fact, this sector is responsible for adding a significant share of new jobs that are helping the economic recovery. The federal government finances half or more of the capital investments to build, maintain, and improve roads, bridges, railways, and other transportation systems, with a match from state and local governments.² Senate leaders announced that they will move forward with a comprehensive bill, known as “Moving Ahead for Progress in the 21st Century” (MAP-21), which provides a two-year reauthorization of surface transportation funding and programs.. This plan offers a tremendous opportunity to spark employment growth on a large scale.

Several growing industries employ a disproportionate share of low-wage workers. Latinos are acutely affected by this trend since they are more likely than other Americans to work in low-wage jobs. As the fastest-growing segment of the labor force and one that is already contributing to growth in the transportation sector, Hispanics stand to benefit immensely from job creation in transportation. Policies that are designed to focus on targeted hiring within the communities most in need of economic development and to diversify the career opportunities available to Latino workers, especially those facing educational and language barriers, are critical to building on the momentum of job growth in this sector.

Expand Access to Quality Jobs through Local Hire Programs

Local hire policies often mandate certain requirements and/or “good-faith efforts” toward employing a certain percentage of local residents, meaning an individual who resides within a predetermined geographic boundary of a project site. In some cases, “local” may mean workers who reside within a certain number of miles or within the citywide ZIP codes of the project site. The targeted percentage of workers from these geographic areas can also vary, with certain projects requiring 30% local hires, while others require that a contractor merely demonstrate a plan to hire locally. However, local hire policies also include infrastructure features such as well-funded training pipelines, city staff and community buy-in, monitoring mechanisms, and consequences for lack of compliance. Local hire programs work best when they have broad-based support from government decision-makers and staff, community groups, and local unions.

Community Voice

Kenn Hardin, Business Opportunity Outreach Officer, Regional Transportation District
Karen Stran, Director, Career Development Programs, Mi Casa Resource Center

The success of local hire programs in Denver, Colorado has to do, in part, with a public-private partnership known as the [Workforce Initiative Now \(WIN\)](#), which provides support for developers, community-based organizations, and community members who are dealing with barriers to employment. WIN is a collaborative workforce partnership led by the Regional Transportation District (RTD), the Community College of Denver, and community-based organizations like NCLR Affiliate Mi Casa Resource Center. In June 2011, RTD received a \$486,485 grant from the Federal Transit Administration (FTA)—the largest grant awarded to date under the Innovative Workforce Development Grants program to train workers to build the \$2.1 billion Denver’s Eagle P3 light rail airport project. Although current Department of Transportation regulations prohibit the use of local hiring preferences on projects using federal transit assistance, WIN is working with a contractor that is making good-faith efforts to recruit workers from communities that are more impacted by economic hardship than others.

Kenn Hardin helps manage the WIN partnership, and he explained that “through this 32-year contract, WIN will train Denver-area workers like our Mi Casa participants and target people who may not otherwise have the training to qualify for the Eagle P3 project.” Additionally, Hardin is confident in the “potential for strong workforce development outcomes because workers will be in career pathways learning skills that are transferable in other industries such as clean energy, allowing them to either transition into better paying jobs or go back to school to continue to moving up the ladder.”

Mi Casa has been part of WIN since its initial planning stages in the summer of 2010 and has participants in the pilot cohort right now. Karen Stran believes that, “Mi Casa benefits from WIN by leveraging the power of the collective to maximize employer relationships and operate on a much larger scale than we would ever be able to alone.” She also explained that, “moving forward, WIN hiring agreements have been written into all new RFPs (request for proposal) coming out of RTD for large mass transit projects. Mi Casa alone would not have been able to get RTD to agree to something like that.” Both RTD and Mi Casa believe that WIN is a successful model that could be applied in any impoverished area on any large infrastructure program to increase access to good jobs that provide lifelong economic and career advancement.

Founded in 1976, Mi Casa Resource Center of Denver is a nonprofit organization that provides a variety of services focused on helping low-income families achieve economic success. For more information, visit <http://micasadenver.org/>.

More Moving, Less Manufacturing for Latinos in Transportation Jobs

Approximately 1.1 million Hispanics are officially employed in the transportation sector. Far more Hispanics are employed in transporting people and goods than in manufacturing the equipment to do so. As the Appendix shows, the transportation and warehousing industry employed approximately 906,000 Latinos in 2010 ([see Table 1](#)), compared to the transportation equipment manufacturing industry, which employed 196,000 Latinos in 2010 ([see Table 2](#)). In other words, for every Latino worker who manufactures transportation equipment, approximately 4.6 Latino workers are employed in transportation and warehousing.

Proportionally speaking, only one in ten (10%) workers in transportation equipment manufacturing is Hispanic. By contrast, Hispanics are slightly overrepresented in transportation and warehousing, where they make up 15.4% of the workforce. Hundreds of thousands of Latinos work in industries that support the transportation sector, putting them in a position to contribute substantially to new job growth. One such industry is construction, which is vital to building, repairing, and upgrading transportation infrastructure. In 2010, Latinos composed 24.4% of the employees in the construction industry.³

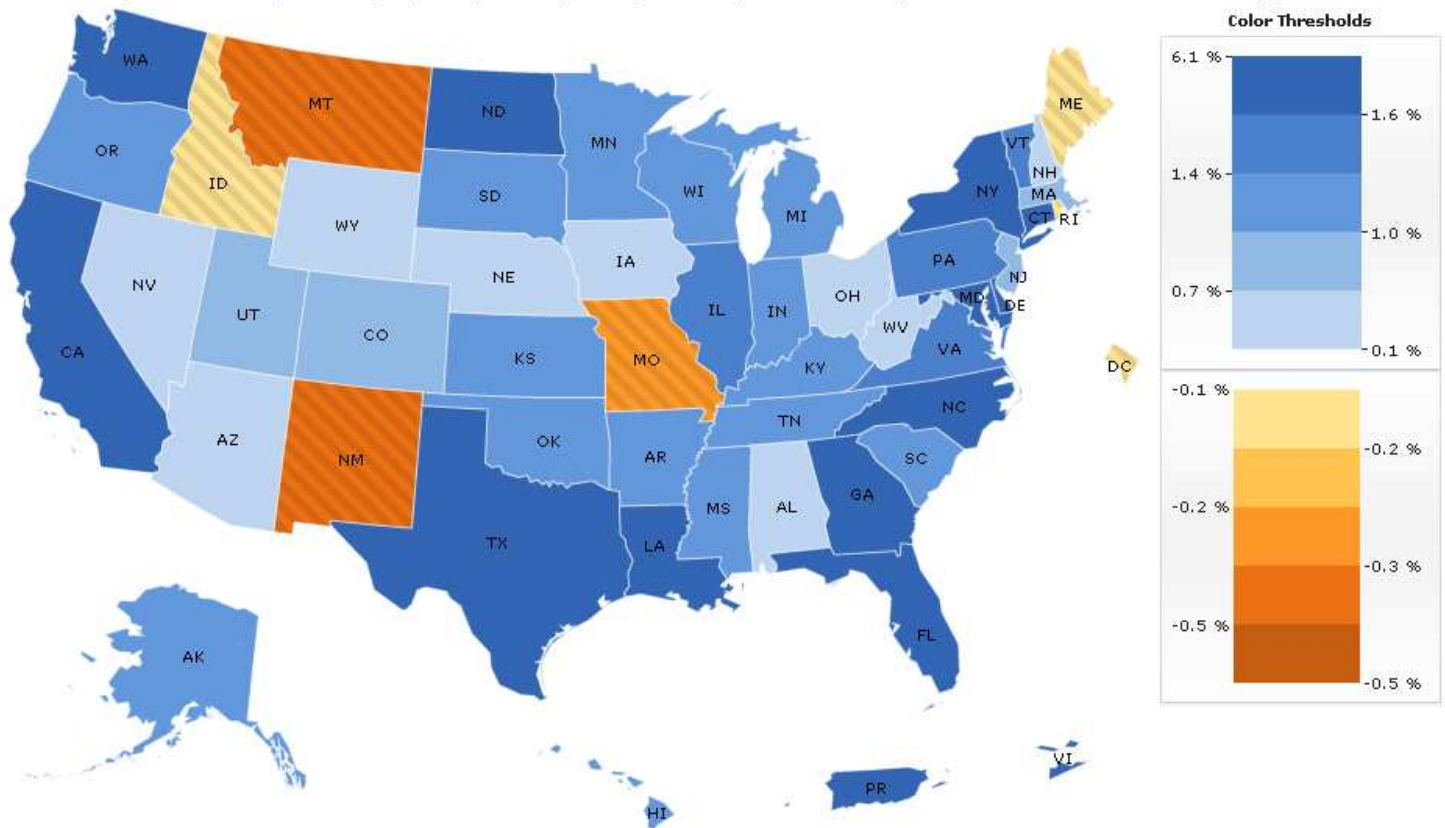
Latino Contributions to Growth in the Transportation Industry

Despite sluggish job growth, several transportation industries are experiencing employment growth. Much of that growth has occurred in subindustries in which Hispanics are overrepresented, including truck transportation (16%) and support activities for transportation (21%) ([see Table 3](#)). Last month, trucking and support activities continued to add jobs.

The most recent data on longer-term trends show that employment growth in the private transportation companies is well distributed. Only six states and the District of Columbia did not see net growth in trade, transportation, and utilities between March 2010 and March 2011 ([see Figure 1](#)). Even more, three of the states with the highest rates of job growth in this sector rank among the top ten states with the highest proportion of Latinos in their overall population, according to the 2010 Census: Texas (38%), California (38%), and Florida (23%).⁴ Thus, Latino workers likely contributed to and benefited from the growth in this sector in 2010.

Figure 1. Employment in Privately Owned Trade, Transportation, and Utilities Companies, March 2010–March 2011 ⁵

12 month percent change in employment, Trade, Transportation, and Utilities, Private Mar 2010-Mar 2011 (p)



Source: U.S. Bureau of Labor Statistics (www.bls.gov)

Overrepresentation of Latinos in Low-Wage Transportation Jobs

While Latinos are undoubtedly contributing to the growth in employment in the transportation sector, they are concentrated in a handful of occupations; limited occupational diversity makes Latinos more vulnerable to job loss when demand for a product or service suddenly plummets. In addition, Hispanic transportation workers and families face lower economic security even when employed. That is because Latinos are overrepresented in jobs that pay below the median wage of \$13.66 per hour for transportation and material-moving occupations.⁶ For example, 41.3% of packers and packagers are Hispanic. The median wage for packers and packagers is \$9.44 per hour, with a mean annual income of \$22,100. Latinos constitute 35.6% of vehicle and equipment cleaners, an occupation that pays a median wage of \$9.46 per hour and a mean annual salary of \$22,340.

Low wages are not an issue for all Latinos in transportation. For example, industrial truck and

tractor operators bring home a median \$14.32 per hour and a mean \$31,500 per year. Of the 499,000 workers employed as industrial truck and tractor operators in 2010, 32% of them were Hispanic. Overall, however, the overrepresentation of Latinos in low-wage transportation jobs makes the Latino workforce vulnerable to labor market fluctuations and Latino families more financially insecure during spells of unemployment.

Maximizing Job Opportunities from Federal Transportation Investments Combined with Local Hire Provisions

The [pending reauthorization of SAFETEA-LU](#), the federal transportation law, is an opportunity to capture the major job creation potential of transportation-related projects. To date, however, the reauthorization of SAFETEA-LU has been stalled by concerns about the burgeoning federal budget deficit, as well as state fiscal crises. Recognizing that states and localities cannot afford to wait, several lawmakers have proposed a solution. “Moving Ahead for Progress in the 21st Century” (MAP-21), introduced by Senators Barbara Boxer (D–CA), James Inhofe (R–OK), Max Baucus (D–MT), and David Vitter (R–LA) in July, would consolidate the seven core highway programs from the current SAFETEA-LU law into five: National Highway Performance Program, Transportation Mobility Program, National Freight Program, Highway Safety Improvement Program, and the Congestion Mitigation and Air Quality Improvement Program, or CMAQ.⁷

Now that the nation is getting ready to repair its roads, highways, bridges, and airports, it's time to strengthen federal transportation legislation to increase the workforce hours and funds allocated for Latinos, minorities, and the disadvantaged, and to expand on-the-job training and preapprenticeship and apprenticeship programs. At the same time, creative financing mechanisms for transportation projects will not guarantee equal access to new jobs, especially for workers and communities who were hit hardest by the recession, including Latinos. Policymakers must be diligent in crafting transportation polices that [promote broader economic and social equity in America](#). In order to ensure that Hispanics—the nation's fastest-growing segment of the workforce—are able to fully contribute to the growth and greening of the economy through the transportation sector, federal transportation policy should seek to achieve the following goals:

- **Expand access to transportation careers by requiring local hiring on transportation projects.**
- **Raise wages in the transportation sector.**
- **Promote career mobility in transportation-related industries, including construction.**
- **Direct resources toward job training and adult education programs that serve workers with little formal education or training and limited English proficiency.**
- **Ensure the quality and safety of transportation jobs across the board by applying the highest health, safety, and environmental standards that benefit both workers and communities.**

For more information about the National Council of La Raza's (NCLR) Economic and Employment Policy Project, please contact Alicia Criado, Policy Associate, at acriado@nclr.org.

Appendix

Table 1. Transportation and Warehousing Sector, 2010 Employment

Industry	2010 employment (in thousands)		Latino Percent of Total
	Total	Latinos*	
Transportation and warehousing	5,880	906	15.4%
Air transportation	512	58	11.3%
Rail transportation	271	22	8.3%
Water transportation	61	9	14.2%
Truck transportation	1,676	265	15.8%
Bus service and urban transit	513	71	13.8%
Taxi and limousine service	267	41	15.5%
Pipeline transportation	56	8	14.9%
Scenic and sightseeing transportation	38	–	–
Services incidental to transportation	789	163	20.6%
Postal Service	674	69	10.2%
Couriers and messengers	638	86	13.5%
Warehousing and storage	385	111	28.8%

Source: U.S. Bureau of Labor Statistics, *Current Population Survey*, 2010 Annual Average, <ftp://ftp.bls.gov/pub/special.requests/lf/aat18.txt> (accessed March 30, 2011).

* NCLR calculation using U.S. Bureau of Labor Statistics, *Current Population Survey*, 2010 Annual Averages, <ftp://ftp.bls.gov/pub/special.requests/lf/aat18.txt> (accessed March 30, 2011).

Table 2. Transportation Equipment Manufacturing Sector, 2010 Employment

Industry	2010 employment (in thousands)		Latino Percent of Total
	Total	Latinos*	
Transportation equipment manufacturing sector	1,955	196	10.0%
Motor vehicles and motor vehicle equipment	962	82	8.5%
Aircraft and parts	383	39	10.2%
Aerospace products and parts	403	54	13.5%
Railroad rolling stock manufacturing	21	–	–
Ship and boat building	153	14	9.1%
Other transportation equipment manufacturing	33	–	–

Source: U.S. Bureau of Labor Statistics, *Current Population Survey*, 2010 Annual Average, <ftp://ftp.bls.gov/pub/special.requests/lf/aat18.txt> (accessed March 30, 2011).

* NCLR calculation using U.S. Bureau of Labor Statistics, *Current Population Survey*, 2010 Annual Averages, <ftp://ftp.bls.gov/pub/special.requests/lf/aat18.txt> (accessed March 30, 2011).

Table 3. Transportation and Warehousing Sector, Change in Employment, August–September 2011

Industry	Latino Share of Total Employed, 2010*	Employment (in thousands)		Over-the-month change, July to Aug. (in thousands)	Over-the-month change, Aug. to Sept. (in thousands)†
		Aug. 2011	Sept. 2011		
Transportation and warehousing (total)	15%	4,268	4,266	.2	-1.9
Truck transportation	16%	1,282	1,284	-1.3	2.6
Support activities for transportation	21%	555	556	.3	.4
Warehousing and storage	29%	629	629	-.9	-.3
Transit and ground passenger transportation	14%	443	439	2.5	-3.6
Water transportation	14%	63	64	.4	.3

Source: U.S. Bureau of Labor Statistics, "The Employment Situation – September 2011," news release, October 7, 2011, <http://www.bls.gov/news.release/empsit.toc.htm> (accessed October 19, 2011).

* U.S. Bureau of Labor Statistics, *Current Population Survey, 2010 Annual Averages*, <ftp://ftp.bls.gov/pub/special.requests/lf/aat18.txt> (accessed March 30, 2011).

† February and March data are preliminary. Total may be more than the sum of parts due to rounding and retroactive adjustments by the Bureau of Labor Statistics.

Endnotes

¹ NCLR calculation using U.S. Bureau of Labor Statistics, *Current Population Survey*, 2010 Annual Averages, <ftp://ftp.bls.gov/pub/special.requests/lf/aat14.txt> (accessed March 30, 2011).

² Transportation for America, *Transportation 101: An Introduction to Federal Transportation Policy* (Washington, DC: Transportation for America, 2011), <http://t4america.org/docs/Transportation%20101.pdf> (accessed March 30, 2011).

³ U.S. Bureau of Labor Statistics, *Current Population Survey*, 2010 Annual Averages, <ftp://ftp.bls.gov/pub/special.requests/lf/aat18.txt> (accessed March 30, 2011).

⁴ U.S. Census Bureau, "American FactFinder," 2010 Decennial Census, <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml> (accessed March 30, 2011).

⁵ U.S. Bureau of Labor Statistics, "QCEW State and County Map," Quarterly Census of Employment and Wages, http://beta.bls.gov/maps/cew/US?period=2011-Q1&industry=1021&pos_color=blue&neg_color=orange&Update=Update&chartData=3&ownerType=5&distribution=Quantiles#tab1 (accessed October 19, 2011).

⁶ U.S. Bureau of Labor Statistics, "May 2010 National Occupational Employment and Wage Estimates, United States," Occupational Employment Statistics, <http://www.bls.gov/news.release/pdf/ocwage.pdf> (accessed October 19, 2011).

⁷ Sean Barry, "Senate EPW Committee releases bipartisan transportation bill outlines ahead of Thursday hearing," *Transportation for America*, July 20, 2011, <http://t4america.org/blog/2011/07/20/senate-epw-committee-releases-bipartisan-transportation-bill-outline-ahead-of-thursday-hearing/> (accessed November 2, 2011).