

Steering Economic Recovery Latinos in the Transportation Sector

Introduction

The U.S. economy added 216,000 jobs last month, according to the monthly employment report from the U.S. Department of Labor. But the 8.8% unemployment rate in March 2011 is a painful reminder 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 economy recover. The federal government finances half or more of the capital investments to build, maintain, improve roads, bridges, railways, and other transportation systems, with a match from state and local governments.² The renewal of federal transportation funding, which is currently pending, offers a tremendous opportunity to build on this employment growth on a large scale.

As the fastest-growing segment of the labor force and one that is already contributing to growth in the transportation sector, Latinos stand to benefit from job creation in transportation. Policies designed 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.

More Moving, Less Manufacturing for Latinos in Transportation Jobs

Approximately 1.1 million Latinos are officially employed in the transportation sector. Far more Latinos 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. For the total workforce, the employment ratio between the two industries is about one to three.

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. They compose 14.3% of all employed Americans.

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

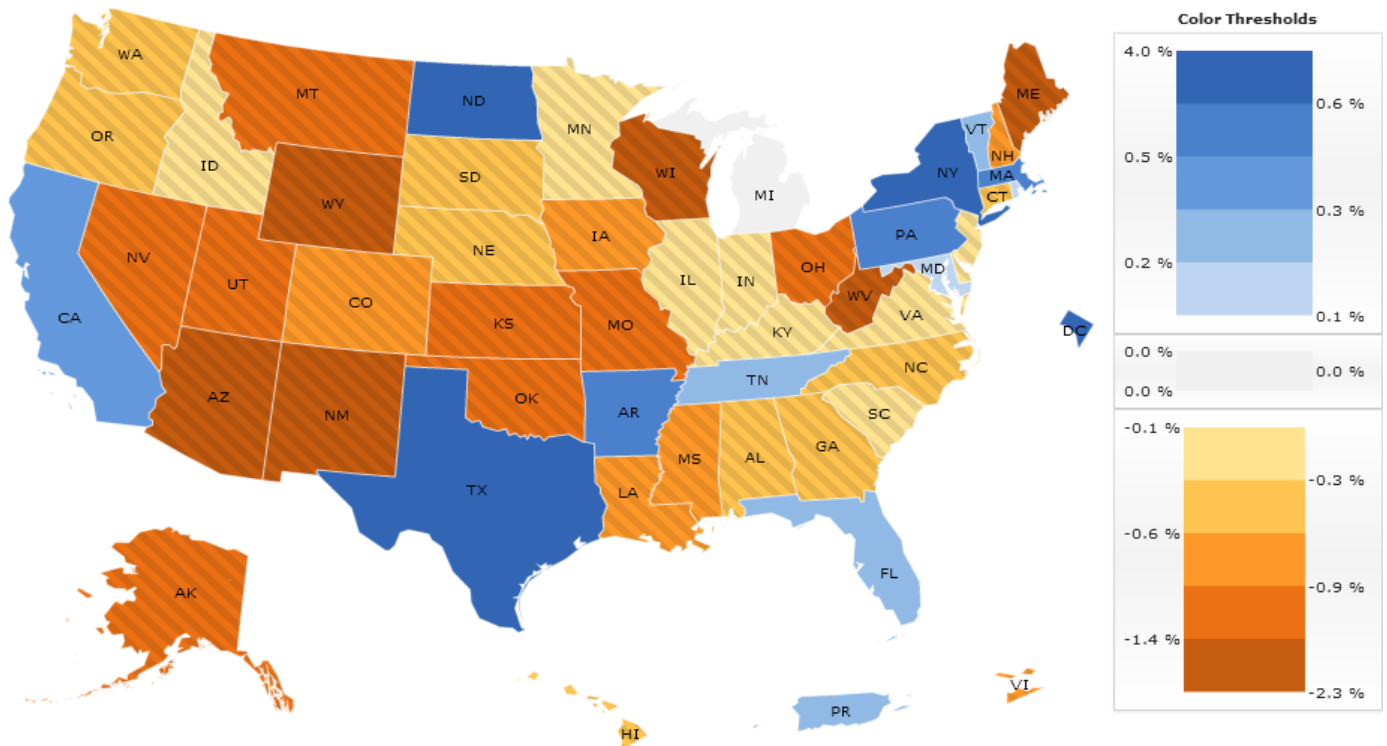
Latino Contributions to Growth in the Transportation Industry

Despite sluggish job growth in the wake of the recent recession, several transportation industries are experiencing employment growth. Of the 192,000 new employees on the payroll between January and February 2011, 22,000 were in transportation and warehousing. Much of that growth occurred in sub-industries where Hispanics are overrepresented, including truck transportation (16%), support activities for transportation (21%), and warehousing and storage (29%) (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 not well-distributed. Only 12 states plus the District of Columbia and Puerto Rico experienced net employment growth in trade, transportation, and utilities between September 2009 and September 2010 (see Figure 1). Yet 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, September 2009–September 2010⁵

12 month percent change in employment, Trade, Transportation, and Utilities, private ownership, Sep 2009-Sep 2010 (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 transportation employment, they are concentrated in a handful of occupations. Limited occupational diversity itself makes Latinos more vulnerable to job loss when demand for a product or service suddenly plummets. In addition, Latino 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 for transportation and material moving occupations: \$13.46 per hour.⁶ For example, 41.3% of packers and packagers are Hispanic. The median wage for packers and packagers is \$9.36 per hour, with a mean annual income of \$21,780. Latinos compose 35.6% of vehicle and equipment cleaners, an occupation that pays a median wage of \$9.47 per hour and a mean annual salary of \$22,110.

Low wages are not an issue for all Latinos in transportation. For example, industrial truck and tractor operators bring home a median \$14.21 per hour and a mean \$31,240 per year. Of the 499,000 workers employed as industrial truck and tractor operators in 2010, 32% of them were Latino. 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.

Barriers to Accessing Green Transportation Jobs for Latinos

Shrinking budgets, rising energy costs, and concerns about environmental destruction and human health have pushed communities to consider ways to make transportation systems more energy-efficient and environmentally sustainable. From a labor perspective, these shifts are beginning to create a demand for workers with new skills and talents to design and build a better transportation infrastructure.

Due to their strong presence in transportation-related occupations, Latinos have an opportunity to contribute to the “greening” of transportation. For example, as more drivers switch to hybrid, electric, or alternative fuel vehicles, there will be greater demand for automotive service technicians and mechanics to maintain these new cars. Latinos made up 20.3% of the workers in this occupation in 2010. However, not all workers in this occupation were prepared with the knowledge and skills to service cars with these new technologies. According to the Department of Labor, most of the occupations in green transportation will require workers to retrain or upgrade their skills and education in order to remain competitive as their field evolves.⁷

In order for Latinos to be qualified to meet the needs of green transportation businesses, they will need additional formal training and education. Unfortunately, the federally funded job training and adult education system has been slow in adapting to meet the needs of Latinos, who tend to have lower levels of formal education and skills and are more likely to face language barriers.⁸ Without workforce development programs that better serve the Latino workforce, Latinos risk being locked out of emerging employment opportunities in transportation.

Maximizing Job Opportunities from Federal Transportation Investments

The [pending reauthorization of SAFETEA-LU](#), the federal transportation law, is an opportunity to capture the major job creation potential of transportation-related projects. Congress should act immediately to reauthorize SAFETEA-LU. To date, however, concerns about the burgeoning federal budget deficit, as well as state fiscal crises, have stalled the reauthorization of SAFETEA-LU. Recognizing that states and localities cannot afford to wait, several lawmakers have proposed a solution. The “Building and Upgrading Infrastructure for Long-Term Development (BUILD) Act,” which has been introduced by Senators Kerry (D–MA), Hutchison (R–TX), and Warner (D–VA) and is supported by major labor unions and business groups, would establish an infrastructure bank to combine federal financing with leveraged private capital.⁹

Still, 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 policies that [promote broader economic and social equity in America](#). In order to ensure that Latinos, as the nation’s fastest-growing segment of the workforce, fully contribute to the growth and greening of the economy through the transportation sector, federal transportation policy should seek to achieve the following goals:

- **Raise wages in the transportation sector.**
- **Promote career mobility in transportation-related industries, including construction.**
- **Balance incentives for green transportation projects with investments in workforce development programs.**
- **Direct resources toward job training and adult education programs that serve workers with little formal education or training and limited English proficiency.**

For more information about NCLR’s Economic and Employment Policy Project, please contact Catherine Singley, Senior Policy Analyst, at csingley@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%

* 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).

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).

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	–	–

* 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).

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).

Table 3. Transportation and Warehousing Sector, Change in Employment, February–March 2011

Industry	Latino Share of Total Employed, 2010*	Employment (in thousands)		Over-the-month change, Jan. to Feb. (in thousands)	Over-the-month change, Feb. to Mar. (in thousands)†
		Jan. 2011	Feb. 2011		
Transportation and warehousing (total)	15%	4,221	4,239	22	–0.1
Truck transportation	16%	1,255	1,266	11	1.6
Support activities for transportation	21%	546	550	4	1.2
Warehousing and storage	29%	628	628	0.2	–2.9
Transit and ground passenger transportation	14%	444	445	1	–0.7
Water transportation	14%	65	66	1	–0.6

* 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 sum of parts due to rounding and retroactive adjustments by the Bureau of Labor Statistics.

Source: U.S. Bureau of Labor Statistics, “The Employment Situation – March 2011,” news release, April 1, 2011, <http://www.bls.gov/news.release/empsit.toc.htm> (accessed April 1, 2011).

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=2010-Q3&showHideChart=hide&pos_color=blue&Update=Update&industry=1021&distribution=Quantiles&neg_color=orange#tab1 (accessed March 30, 2011).

⁶ U.S. Bureau of Labor Statistics, "May 2009 National Occupational Employment and Wage Estimates, United States," Occupational Employment Statistics, http://www.bls.gov/oes/current/oes_nat.htm#top (accessed March 30, 2011).

⁷ Erich C. Dierdorff et al., "Greening of the World of Work: Implications for O*NET-SOC and New and Emerging Occupations" (Raleigh, NC: National Center for O*NET Development, 2009), http://www.onetcenter.org/dl_files/Green.pdf (accessed July 2010).

⁸ Elizabeth Moore and Emma Oppenheim, *Learning in Context: Preparing Latino Workers for Careers and Continuing Education* (Washington, DC: National Council of La Raza, 2010), http://www.nclr.org/index.php/publications/preparing_latino_workers_for_careers_and_continuing_education (accessed March 30, 2011).

⁹ Michael Cooper, "Group Wants New Bank to Finance Infrastructure," *New York Times*, March 15, 2011.