Building Opportunity

Investing in our Future

through a

Port Construction Careers Policy

Los Angeles Alliance for a New Economy

June 2009

Building Opportunity

Investing in Our Future through a Port Construction Careers Policy

Jackie Cornejo
Los Angeles Alliance for a New Economy
June 2009

Acknowledgements

Lead Author: Jackie Cornejo

Many thanks to the individuals who helped make this report possible. Professor Peter Phillips at the University of Utah enriched our understanding of the construction industry and helped develop the formula used to estimate job creation at the Port of Los Angeles. Professor Jeff Grabelsky at Cornell University also provided us with technical assistance regarding apprenticeship wages.

I would also like to thank Don Davis, site director at the Electrical Training Institute (ETI), for providing us with a tour of the training facilities. I would especially like to thank workers who shared their stories with us, adding another dimension to our understanding of the industry. Finally, I would also like to thank LAANE staff members who assisted in the development and completion of the report.

The author takes full responsibility for the contents of this report and is responsible for any errors or omissions it may contain.

Table of Contents

Foreword 04

Executive Summary 06

Introduction 09

L.A.'s Communities in Crisis 11

A Pathway to Middle Class Jobs 13

Safeguarding Our Investment 16

Port Construction: An Opportunity to Link L.A. Residents to Good Jobs 21

How a Port Construction Careers Policy will Benefit Los Angeles' Communities 24

Conclusion 27

Appendix A: City of Los Angeles Zip Codes with High Unemployment and City of Los Angeles Census Tracts with High Unemployment 28

Appendix B: Demographic Profile of Harbor Communities and Educational Attainment in Harbor Communities 30

Endnotes 31

Opportunity Out of Crisis

Foreword

By **Peter Philips, Ph.D.**
Professor and Chair, Economics Department, University of Utah

An aphorism has been making the rounds lately: "never let a good crisis go to waste." As I write these words, we have a good, once-in-a-lifetime, take-no-prisoners economic crisis in full swing. Housing prices have collapsed. The financial sector is almost lifeless. Unemployment is rising alarmingly. Construction unemployment is exploding. And the demand for goods and services languishes. The government has stepped in to jump-start this stalled out economy, and construction is at the center of the government's strategies.

Construction has become both tactically and strategically important. Tactically, increased infrastructure spending provides an immediate, shovel-ready way to get America back to work. Strategically, high-quality, energy-efficient and environmentally smart infrastructure forms the foundation of American world competitiveness and economic resurgence.

The government has stepped in to jump-start this stalled out economy, and construction is at the center of the government's strategies.

Wasting this crisis would mean reverting to tactics of deregulation that led to low-wage, low-skill, high-turnover, dead-end jobs, and strategies of free-market fundamentalism that insisted government turn a blind eye to the long run development needs of the economy. So as the government responds to the economic crisis by stimulating infrastructure development, we need to know what works and what does not work in the construction industry.

Construction labor unions and the contractors they work for have long set high standards for how to do construction work. Teaming together and at their own expense, union contractors and the trades have developed high quality apprenticeship programs that have led to world-class construction productivity and decent, middle-class jobs for construction workers.

In recent years, particularly in California, recognizing the changing demographics of the labor force and the needs of the industry, these labor-management-run schools have sought and welcomed increasing numbers of Latinos, African-Americans, and women into their programs. They have also sought and successfully integrated workers who face a variety of barriers to successful labor market entry. In three to five years periods, depending on the craft, these apprenticeship programs, in the classroom and on-the-job, teach young workers the skills needed for a lifetime of high-skilled and highly-productivity work. This productivity, in its turn, allows them to command decent wages and family-

friendly pension and health benefits. These good wages and benefits, in turn, help retain valuable and experienced workers preserving the productivity of the construction industry in the face of periodic slumps in construction activity.

But this virtuous system came under wild and thoughtless attack by the same critics who brought us the trade deficit, usurious consumer debt and the financial meltdown. Moreover, the prohibition of project labor agreements on federal projects, the elimination of prevailing wage laws in some states, and lax enforcement in others have led to a marked decline in job standards and construction productivity in some areas of the country.

The result is a growing sector of poorly paid, badly trained, gravely unsafe construction workers slapping together badly built projects. For high quality construction to regain its feet, it must be lifted up by two hands at once: projects that incorporate job standards and apprenticeship programs that increase diversity and opportunity. A Construction Careers Program, like the one adopted by Los Angeles' Community Redevelopment Agency last year, can cut through these problems by providing a two-handed uplift: it can provide both the decent downstream work along with the qualified local upstream apprentices needed to expand healthy and productive construction practices.

For high quality construction to regain its feet, it must be lifted up by two hands: projects that incorporate job standards and apprenticeship programs that increase diversity and opportunity.

But for this two-hand-grab to succeed, local leaders need to promote the Construction Careers model, which marries a local hiring agreement to the Project Labor Agreements which, in turn, sets the terms and conditions of employment. The locally hired apprenticeship candidates, themselves, have to be willing, ready and able to meet the achievement standards of the apprenticeship program. The union-management apprenticeship program, in its turn, has to continue to deliver top-notch training. Public agencies, in their turn, have to do what is necessary to ensure and expand the demand for high-skilled, high-wage construction work. In short, public policy and private institutions must both, together, promote collective bargaining in construction and target the hiring of workers from local and disadvantaged communities.

This report examines the exciting possibilities that Project Labor Agreements and Construction Careers Programs make available to creative leaders in the construction industry, within labor unions, among public officials and in local communities. Making PLAs with local hire provisions work presents many challenges that must be solved project-by-project, by responsible leaders interested in making sure that the current economic crisis is not wasted. The report before you provides stake holders and the general public with useful information in meeting the demands of today's and tomorrow's construction industry through Project Labor Agreements.

Executive Summary

At a time when Los Angeles is losing tens of thousands of jobs, planned public investment in our infrastructure remains a bright spot, offering the potential to stimulate the economy and create good jobs.

A key target for infrastructure investment is the Port of Los Angeles, the busiest port in the United States and one of the primary economic engines of Southern California. Port officials are planning to invest $3.7 billion on a capital improvement program expected to create an estimated 13,700 construction jobs over the next ten years, according to a LAANE review of proposed projects. This is good news for an industry that has lost more than 23,500 jobs in Los Angeles County since 2008 due to both the housing and financial crises.

The Port's capital investment plan represents an opportunity for communities that have been hit hard by the recession. It also represents a potential opportunity for residents living directly adjacent to the Port who have not benefited economically from the Port's rapid growth over the past 15 years, but have, nonetheless, suffered the environmental consequences of it.

In 2008, members of the Los Angeles City Council requested that Harbor Commissioners develop a Construction Careers Policy, similar to one passed by the Los Angeles Community Redevelopment Agency (CRA). The policy would create standards for new construction jobs and require that a certain percentage of these new jobs be allocated to city residents, including those who face barriers to employment.

This policy brief examines the economic conditions of L.A.'s struggling communities and the challenges and opportunities presented by job creation in the construction sector. The adoption of a Port of Los Angeles Construction Careers Policy is recommended as a way to ensure that the anticipated massive public investment creates good jobs and expands opportunity for local residents, especially those residing near the Port of L.A.

Opportunities and Challenges

L.A.'s communities have been hit hard by the recession, especially those already suffering from high levels of unemployment. An analysis of pre-recession data shows that parts of the city with higher than average unemployment are heavily populated by minorities and by those with low levels of educational attainment. Communities directly adjacent to the Port, like Wilmington and San Pedro, have high poverty rates and almost 30 percent of the population relies on public assistance.

The construction industry is one of the few industries where workers with little formal education can gain the skills to command family-supporting wages. High quality apprenticeship programs—jointly sponsored by construction unions and the contractors who employ them—provide training to new recruits valued at between $40,000 and $150,000. These on-the-job training programs can provide a pathway out of poverty.

The presence of unions in the industry has significantly boosted wages, expanded health care coverage, and improved safety. In Los Angeles County, union construction workers earn 64 percent more than their non-unioncounterparts. Upon completing

apprenticeship programs, unionized construction workers can earn up to $70,000 a year. Approximately 80 percent of union construction workers receive job-based health care.

Declining job quality in the industry has led to serious health and safety concerns for workers and creates heavy costs for employers and the public. The poor quality of many of the jobs in the industry is due in part to declining unionization rates as well as a large informal sector whose workers are often paid in cash and lack basic protections afforded employees. About 200,000 construction workers in the state and their family members rely on public assistance for health care and other basic needs at an estimated annual cost to taxpayers of $700 million, according to a 2002 UC Berkeley study.

People of color and women have had difficulty gaining access to good jobs in the construction industry. African Americans and women are severely underrepresented in the industry. And although Latinos make up 71 percent of the construction labor force in Los Angeles County, they tend to be concentrated in jobs that are low paying, less unionized, less skilled, and often the most dangerous. Meanwhile, in spite of high levels of unemployment in L.A. County, many jobs go to residents who live outside the county.

Model Policies and Institutions

Fortunately, there are institutions and mechanisms that can help improve job standards in the construction industry while also increasing diversity and expanding local access to jobs.

- **Project Labor Agreements help raise job standards in the industry and ensure that projects are completed on time and by well-trained workers.** PLAs are collective bargaining agreements between unions representing the building trades and developers. They require the payment of prevailing wages and the provision of quality health and pension benefits. They contribute to labor peace because in return for these benefits workers agree to refrain from costly strikes. Employers also gain by having access to a highly trained pool of workers, including those enrolled in apprenticeship programs jointly sponsored by unions and contractors. The health and safety training workers receive in these apprenticeship programs helps reduce costly on-the-job injuries as does union monitoring of worksites.

- **Local hire programs coupled with Project Labor Agreements have been successful at placing local workers in construction jobs.** A 2008 UCLA Labor Center report examined three local government agencies with PLAs and local hire agreements and found that on those projects, local hires accounted for 35 to 40 percent of all hires, significantly higher than the required benchmarks. Local hiring benefits those individuals and communities most in need of jobs and economic stimulus.

- **Union-sponsored apprenticeship programs have a growing track record of preparing minorities and women for jobs in the trades.** Completion rates in union apprenticeship programs are approximately 15 percent higher than those in programs solely sponsored by employers. The difference is even greater for African-Americans, Latinos and women.

Recommendation

In order to maximize the benefits of port

capital investment, the Port of Los Angeles should adopt a Construction Careers Policy. Such a policy would:

- Require a Project Labor Agreement for new port construction jobs, ensuring the creation of 13,700 middle class jobs over the next ten years.
- Require that 4,100 of these jobs be reserved for city of Los Angeles residents.
- Ensure that 1,370 jobs go to workers with barriers to employment, such as former recipients of public assistance, ex-offenders, and those living in areas with disproportionately high unemployment.

At a time when governments face budget cuts and difficult choices, the passage of a Construction Careers Policy represents an important opportunity to stimulate the economy and provide good jobs for L.A.'s struggling communities. The policy would:

- Increase workers' spending power, which will, in turn, increase the demand for goods and services in the region and create jobs.
- Reduce the burden on the public sector caused by the industry's failure to provide adequate wages, health care and pension benefits to many of its workers.
- Boost the earnings of 1,370 workers with special barriers to employment by an estimated $72 million over the course of their respective apprenticeship programs.

Introduction

At a time when Los Angeles' communities are being battered by the recession, public investment in infrastructure remains a bright spot, offering the opportunity for economic growth and job creation.

State mandated hospital construction and state bond measures have increased spending on schools and other public works projects locally. Last November, voters approved more than $60 billion in transportation and school improvement projects through state and local ballot measures.[1] While the rest of the construction industry experienced declines in activity throughout 2008, government building showed an increase.[2] State and local voter initiatives will likely increase construction activity, as will spending through the American Recovery and Reinvestment Act signed by President Obama in February.[3]

A key target for infrastructure investment is the Port of Los Angeles, the busiest port in the United States and one of the primary economic engines of Southern California. After fifteen years of growth, the Port of Los Angeles is modernizing its facilities in order to meet new environmental standards and to accommodate future growth.

LAANE conducted an extensive review of capital improvement projects planned over the next ten years at the port. According to this analysis, the Port intends to channel $3.7 billion of mostly public money to projects, many of which are "shovel-ready." Port-related spending over the next ten years is projected to create 13,700 construction jobs. This is good news for an industry that has lost more than a million jobs nationally during the current recession, a 14 percent loss of total employment, due to both the housing and financial crises.[4]

Given the magnitude of planned development and the needs of low-income communities, it is crucial to invest in a way that is sustainable and that expands opportunity.

Given the magnitude of planned development and the needs of low-income communities, it is crucial to invest in a way that is sustainable and that expands opportunity. It is particularly important to provide access to good jobs for L.A.'s poorest neighborhoods and for harbor communities facing the challenges of port-related pollution and high rates of unemployment.

The Port of Los Angeles has taken some important steps toward addressing air pollution generated by construction. A Green Building Policy was adopted in 2007 that requires large buildings to meet high environmental standards (LEED Gold rating).[5] The policy also incorporates energy efficiency and water conservation standards in new and existing building structures. In addition, the Port has taken steps to minimize the impact of construction activity by adopting sustainable construction guidelines for reducing air emissions.[6]

While construction jobs can present a real opportunity for middle class careers, it is by no means certain that new jobs will provide family-supporting wages or that they will

go to local residents and those most in need of training. Fortunately, the Construction Careers Policy—adopted by the Community Redevelopment Agency (CRA) in 2008—offers a useful model for policymakers. The policy couples Project Labor Agreements, which have been successful at setting job and training standards for the industry, with a Local Hire Program that funnels L.A. workers to on-the-job-training programs that ready them for careers in the construction industry.
This policy brief examines the challenges and opportunities facing L.A.'s communities and the region's construction industry and recommends the passage of a Port of Los Angeles Construction Careers Policy as a way to expand opportunity for L.A. residents and to contribute to the region's economic recovery.

L.A.'s Communities in Crisis

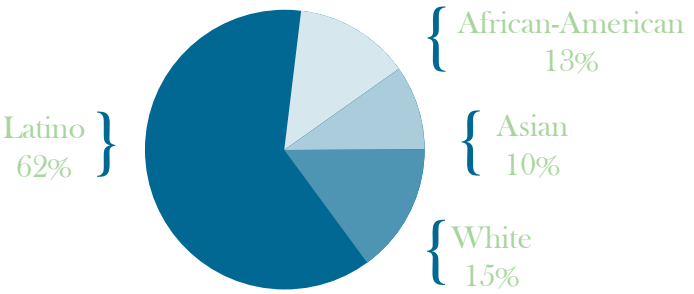
The collapse of the housing market and the financial crisis have taken a toll on L.A.'s communities and increased the stress on the public welfare system, as more people collect unemployment insurance and rely on publicly-funded health care. In March 2009, the unemployment rate in the city of Los Angeles surpassed 12 percent.[7] Between 2007 and 2008, apartment foreclosures increased from 1,600 to over 4,700.[8] This year, Food Stamp denials to L.A. County's needy residents rose by 14 percent over the previous year and Medi-Cal denials were up by seven percent.[9] As is often almost always the case, minority communities suffer economic deprivation disproportionately. Nationally, unemployment among African-Americans rose to 13.3 percent and among Latinos the unemployment rate rose to 11.4 percent in March 2009, compared to an overall unemployment rate of 8.5 percent.[10]

Poverty and Unemployment Hit Minority Communities Hardest

> Even before the onset of the recession, many communities throughout Los Angeles were experiencing economic hardship, including those located directly adjacent to the Port of Los Angeles.

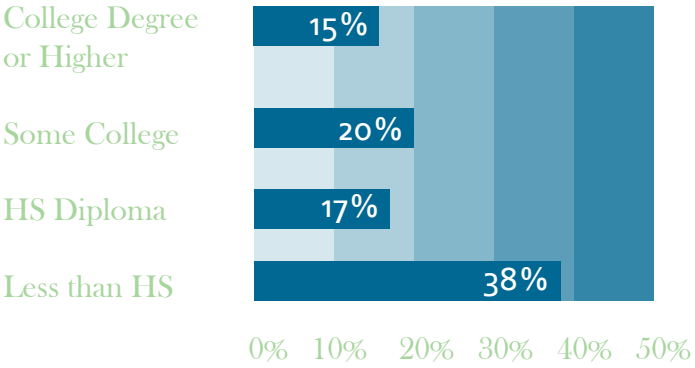
Even before the onset of the recession, many communities throughout Los Angeles were experiencing economic hardship, including those located directly adjacent to the Port of Los Angeles. An analysis of pre-recession data for the city of Los Angeles shows a clear link between communities of color and poverty, lack of job access and unemployment.[11] Figure 1 shows that zip codes within the city of Los Angeles with above average unemployment rates are primarily populated by Latinos and African-Americans. Approximately 17 percent of these residents have only a high school diploma compared to 23 percent of all city residents, and 38 percent have less than a high school diploma, compared to 27 percent of all city residents.[12] (Figure 2). Close to half a million households in these zip codes have incomes less than $35,000 a year. In addition, close to 40 percent of all residents in areas of above average unemployment receive public assistance, compared to 26 percent of all residents in Los Angeles County.[13] Areas of concentrated poverty and high unemployment are located around Downtown, South Los Angeles, in parts of Northeast San Fernando Valley and near the Harbor. (See Appendix A.)

Figure 1. Los Angeles Residents Living in Zip Codes with High Unemployment



Source:
2007 Los Angeles Zip Code Databook, United Way-Los Angeles

Figure 2. Educational Attainment in Zip Codes with High Unemployment



Source:
2007 Los Angeles Zip Code Databook, United Way-Los Angeles

Harbor Communities Endure Pollution, Fail to Benefit from Port Growth

Within the last 15 years, the Port has experienced unprecedented growth as result of increased imports. However, the communities adjacent to the Port of Los Angeles -- Wilmington, Harbor City and San Pedro -- have not seen the benefits of growing trade with the Pacific Rim. In fact, they face some of the highest rates of poverty and unemployment in the region. Nearly 150,000 residents live in the areas surrounding the Port of Los Angeles, and the vast majority (nearly 80 percent) are people of color.[14] Approximately 15 percent of all Harbor households earn less than $35,000 a year.[15] In addition, close to 30 percent of all Harbor residents receive some form of public assistance.[16] About 40 percent of residents do not have a high school diploma. (See Appendix B)

Nearly 30 percent of all Harbor residents receive some form of public assistance.

Furthermore, port-adjacent communities have long been burdened by the environmental effects of goods movement activities. The California Air Resources Board lists the Ports of Los Angeles and Long Beach, as the "single largest fixed source of emissions" in Southern California.[17]

Harbor residents are especially vulnerable to diesel exhaust particles coming from trucks, cargo ships, and other port-related activities, resulting in increased rates of cancer, premature deaths, and other health problems correlated with air pollution. "Children raised in heavily polluted areas have reduced lung capacity, prematurely aged lungs, and an increased risk of bronchitis and asthma than do peers living in less urbanized areas," according to a Natural Resources Defense Council study.[18]

A Pathway to Middle Class Jobs

Construction careers can provide a real opportunity for those seeking a way out of poverty. The construction industry is one of the few industries where workers with little formal education can acquire the skills necessary to earn a family-supporting income. Fewer than 10 percent of construction workers have college degrees.[19] Yet a journeyman level electrical worker can earn between $26 and $41 per hour, in addition to affordable quality health insurance and pension benefits.[20] The presence of unions has improved wages and working conditions for workers in the industry. Nationally, union construction workers earn 52 percent more than non union construction workers.[21] In Los Angeles County, union construction workers earn 64 percent more than their non-union counterparts.[22] Approximately 80 percent of union construction workers have job-based health care coverage, compared to only 46 percent of their non-union counterparts.[23]

Figure 3. Educational Attainment among Construction Workers in Los Angeles County

Source:
Economic Policy Institute Analysis of 2006 ACS Microdata.

> Approximately 80 percent of union construction workers have job-based health care coverage, compared to only 46 percent of their non-union counterparts.

Looking Back: A Career in the Trades

In 1978, fresh out of high school, Brian Lee joined Ironworkers Local 416. Since then, he's always worked as a union ironworker. Lee retired in August of last year at the age of 50. "I'm lucky to have a pension that allows me to retire and maintain a middle class standard of living," says Lee.

Lee's union construction job also allowed him to buy a home in Long Beach, take his family to the doctor when they got sick, and spend time with his kids as they grew up. "I feel like I've been able to live the American dream," Lee says.

Without action on the part of policymakers, there is no guarantee that the Port of Los Angeles' investment will result in the kind of jobs and opportunity L.A.'s residents sorely need. The industry has serious challenges that any policy would need to address:

- **The need to maintain job standards:** While jobs are generally high quality in the unionized segments of the construction industry, the reverse is true for sectors that lack a union presence. Furthermore, union presence in the industry has been on the decline. Between 1973 and 2006, union membership in the construction industry dropped from 40 percent to 13 percent nationally, a 27 percentage-point decline.[24] This has led to wage declines for the construction industry as a whole. After controlling for inflation, construction industry wages fell 17 percent between 1973 and 2006 nationally.[25] In Los Angeles, where only 13 percent of workers belong to a union,[26] construction workers are among the lowest paid workers in the region, with almost two in five living below 200 percent of the federal poverty level of $41,300 for a family of four.[27]

- **The cost of inadequate health care coverage:** The lack of health care coverage for construction workers has shifted the cost from the industry to the public. Approximately 42 percent of all workers in this industry do not receive employer-provided health care coverage.[28] The California construction industry's failure to insure 199,000 workers and provide them with a decent income was estimated to cost the state almost $700 million in 2002, in Food Stamps, public health insurance, and other programs.[29]

A construction worker is 4.6 times more likely to die on the job than the average private sector worker.

- **The importance of a trained workforce:** Construction work can be dangerous and inadequate training can lead to increased injuries in the workplace. A construction worker is 4.6 times more likely to die on the job than the average private sector worker.[30] The high injury rate among construction workers have real costs for employers who must face higher workers' compensation premiums, lawsuits, fines for OSHA violations and the cost of replacing workers. Employers annually spend more than $8 billion on workplace falls.[31]

- **Providing minorities and women with access to good jobs:** African-Americans historically have been underrepresented in the construction industry.[32] In Los Angeles County, African-Americans account for approximately eight percent of the workforce but less than four percent of all construction workers. [33] While Latinos make up 71 percent of the construction labor force in Los Angeles County and 47 percent of the workforce,[34] they tend to be concentrated in jobs that are low paying, less unionized, less skilled, and often the most dangerous.[35, 36, 37] In Los Angeles County, women make up fewer than three percent of all construction workers and 45 percent of the total workforce. [38] According to Vivian Price, Professor and member of IBEW, "Mentorship plays a strong role in the apprenticeship programs that are most effective at recruiting and retaining women in the building trades."[39]

- **Making sure local workers benefit from investment:** In spite of high levels of unemployment, L.A. County imported 43,000 construction workers from outside of its boundaries in 2006 to work on job sites in the county. Meanwhile, L.A. County sent only 40,000 construction workers to job sites in other counties, resulting in a net loss of 3,000 construction jobs that could have gone to local residents, according to an Economic Roundtable study. Meanwhile, 20,000 L.A. County construction workers in the county were unemployed.[40]

In spite of high levels of unemployment, L.A. County imported 43,000 construction workers from outside of its boundaries in 2006 to work on job sites in the county.

"Mentorship plays a strong role in the apprenticeship programs that are most effective at recruiting and retaining women in the building trades."

- Professor Vivian Price, California State University Dominguez Hills and retired member of IBEW Local 11

Safeguarding Our Investment

Fortunately, there are policies that have proven successful at addressing the challenges of maintaining the industry's job standards and making sure local communities benefit from investment in large-scale construction projects. Project Labor Agreements (PLAs) are a proven and effective strategy to ensure that local development translates into middle-class construction jobs. Coupled with local hire agreements, PLAs can create training and job opportunities that transform the lives of workers and their families for the long term. They also benefit employers by ensuring safety training and reducing costly on-the-job injuries.

Project Labor Agreements are collective bargaining agreements between the unions representing the building trades and developers that ensure that both parties benefit from large construction projects. Traditionally, contracting is done between the owners of the project and the general contractor. However, PLAs give the building trades a role in setting out conditions of employment for the construction workers on a project, including wages, benefits, and hours of work. They usually include no-strike/no-lockout and dispute resolution provisions, which are intended to prevent delays on a project.[41] In addition, contractors agree to hire workers from union hiring halls, including apprentice-level workers who come from programs that are jointly sponsored by the unions representing the building trades and contractors.

California has a long history of utilizing PLAs as a tool to guarantee a return on local investment in construction projects, beginning in 1938 with the construction of the Shasta Dam. More common in the private sector, PLAs are increasingly being used by government agencies involved in building projects.[42] In Los Angeles, the Metro Blue Line, the Los Angeles Convention Center, L.A Live, and the Los Angeles Police Administration building are examples of projects that were covered by PLAs. The Port of Los Angeles has included Project Labor Agreements on several projects—the Pier 400 Phase 2 project, the Wilmington Waterfront project, and the Port of Los Angeles Harbor Police headquarters.

The Port of Los Angeles has included Project Labor Agreements on several projects—the Pier 400 Phase 2 project, the Wilmington Waterfront project, and the Port of Los Angeles Harbor Police headquarters.

What are the benefits of a Project Labor Agreement?

Raising Standards: By requiring the payment of prevailing wages and health and pension benefits, Project Labor Agreements ensure the creation of good jobs that allow workers to support their families. Building trade unions have portable health care for their members, paid for by an employer-funded trust fund. This is essential in an industry characterized by periods of unemployment. PLAs lead to fewer construction workers seeking public assistance, and lighten the burden on the

public safety net. One common concern is that PLAs raise the cost of construction due to higher labor costs. A 2002 study on school construction showed that "higher labor productivity that is associated with higher wage rates or other economies associated with better construction management appear to offset higher mandated wage rates."[43] To date, there are no studies that have concluded that PLAs do indeed raise construction costs materially.[44]

From Unsafe Working Conditions to a Middle Class Job

Wilmington-native Robert Negrete earned $50,000 last year as a union painter. He has health insurance coverage, a pension and access to safety protections, like gloves and respirators. But Negrete also knows the perils of working non-union.

"Honestly, there's no safety in non-union jobs. No one even teaches you how to use a ladder," says Negrete, who worked for five years as a painter without the benefit of a union contract. "If you complained about paint fumes, they'd tell you to get your own respirator." He tried not to complain about the poor conditions, because "If you told [your bosses] you needed gloves, for example, they'd tell you some other guy would do your job. It was all about saving time and money."

On his low wages, he couldn't afford anything other than an old subcompact car which frequently broke down. Sometimes, Negrete would have to wake up an hour and a half early in order to walk or bike to work. He could not take time off to attend to the business of his life, knowing that a missed day of work in the non-union world often means losing your job.

One day, Negrete had had enough. He found a union pre-apprenticeship program, where he studied math, science and all the classes required to get his GED. Now, as a union painter, Negrete has a pension plan, in addition to healthcare, and less worry about getting injured on the job. "Union companies provide training and safety equipment," which is a marked contrast from his earlier painting jobs, said Negrete, a single dad of 7-year-old son, Robby.

The former gang member has come a long way. He coaches Little League, has led a team of union painters in painting a local home for the March of Dimes, and has tried to recruit young kids like himself into the trades. "I want to be part of something bigger than me," he says. "I want them to try to get somewhere in life, not working a dead-end job."

Bringing New Talent to the Building Trades

"Apprenticeships are the oldest form of education there is..."
-Don Davis, Site Director, the Electrical Training Institute

The success of the Construction Careers Programs depends on the existence of high quality training programs that can link recruits to jobs in the building trades. Fortunately, such a network of programs exists.

A prime example is the Electrical Training Institute (ETI), which is jointly funded by the International Brotherhood of Electrical Workers and National Electrical Contractors Association. ETI integrates thousands of hours of on-the-job training with theoretical learning.

The facility is home to 40 classrooms and six labs, designed to mimic the worksite. Before apprentices are placed at a work site, they must undergo OSHA health and safety training to ensure that they are prepared to handle the at times dangerous tasks required on the job.

ETI ensures that its workers are up to date with the latest technology and environmental standards, including providing training in solar panel installation. (The ETI facility, open now for five years, derives 85 percent of its power from solar energy.)

"Our apprentices are keeping pace with the constant and very rapid changes in our profession, especially the very important movement to build green," said Don Davis, ETI's Executive Director. "These skills are of ever increasing importance at the Port of Los Angeles and likewise, in other public and private development projects."

The program, which lasts about five years, includes 8,000 hours of on-the-job training in addition to 1,100 hours of classroom time. Apprentices learn to wire new office buildings, to install fire alarm systems, to wire traffic signals, to bring electricity to new homes -- skills that are vitally needed in the labor market and that enhance our safety and well being. Instructors at ETI are journey-level electricians with teaching credentials.

There are currently 1,200 apprentices in training, with nearly 300 apprentices graduating every year. Many apprentices are recruited through local-hire initiatives by community-based organizations. Others are previously non-union electricians who want to jumpstart their career with the right training and support.

Safer job site, lower worker compensation costs: In most cases, a PLA will include statements requiring adherence to contractor's safety rules and OSHA or state safety regulations.[45] In addition, workers receive safety training through their craft's training programs. Construction laborers who receive safety training reduce workers' compensation claims by 12 percent and, for workers under 25, by 42 percent, according to one study.[46] This is significant in an industry that spends five percent of payroll on costs related to workplace injuries.[47] Because PLAs allow unions to monitor safety on worksites, contractors are more likely to adhere to safety standards and workers are more likely to exercise their rights on the job.[48]

Construction laborers who receive safety training reduce workers' compensation claims by 12 percent, and for workers under 25, by 42 percent, according to one study.

On-time completion: Project Labor Agreements also benefit employers and the public by increasing the likelihood that projects will stay on schedule and that contractors have a steady supply of workers trained through union apprenticeship programs. The no-strike/lock-out provisions of the agreement prevent work stoppages, which can be extremely costly.

Opening career paths for local residents: PLAs typically cover large projects that last for several years, providing "excellent opportunities for training initiatives."[49] Recent projects that were covered by a PLA with a local hire component have a track record of bringing local residents into the trades. A 2008 UCLA Labor Center report studied three local government agencies' Project Labor Agreements with local hire in Los Angeles and found that "local hires [were] roughly 35 to 40 percent of all hires," significantly higher than the required benchmarks.[50]

In 2001, the Modernization and Aviation Project Labor Agreement (MAPLA) was adopted in order to link local residents to construction opportunities generated by $1.2 billion in investment at the Port of Oakland.[51] The program took two main approaches: linking local residents to construction apprenticeship programs at the Port and steering out-of-work local construction workers to new jobs created by Port development. Approximately 31 percent of the 3.1 million hours worked on these projects were worked by local residents. In addition, 13 percent were worked by apprentices, and six percent were completed by local resident apprentices.[52]

The program took two main approaches: linking local residents to construction apprenticeship programs at the Port and steering out-of-work local construction workers to new jobs created by Port development.

Diversifying the trades: PLAs ensure that entry-level workers are drawn from union-sponsored apprenticeship programs. Such programs are numerous and have the best track record of graduating minorities and women. In California, union construction trade programs account for 88 percent of all apprenticeship programs in the state.

Completion rates are approximately 15 percent higher in union apprenticeship programs than they are in those sponsored solely by employers.[53] African-Americans, Latinos and women have higher representation and completion rates in union-sponsored programs than in those without a union sponsor. One University of Utah study found that the odds of an apprentice being African-American are eight percent higher in apprenticeship programs that are jointly sponsored by unions and employers than they are in those solely sponsored by employers.[54] Completion rates among African-Americans were eight percentage points higher, for Latinos four percentage points higher, and for women, 28 percentage points higher.[55]

Port Construction: An Opportunity to Link L.A. Residents to Good Jobs

Over the last 15 years, port-related capital investment projects took on a special urgency in response to rapid increases in trade and the need to meet stricter environmental standards. Although the Port experienced a six percent decrease in container volume in 2008,[56] officials see the economic downturn as a key time to reinvest in infrastructure and to prepare for the economy to rebound. Industry experts have also noted this trend in infrastructure investment as other U.S. seaports look to remain competitive once the economy recovers.[57]

Port officials also see the potential of capital improvement projects to boost the lagging economy. "Over the next few years, these projects will be a strong economic stimulus for our region," according to former Harbor Commission President David Freeman.[58] In response to the surge in infrastructure planning at the Port of Los Angeles, Executive Director Geraldine Knatz stated, "This construction activity is a sign that we are back in business in a big way."[59]

LAANE identified 35 projects that are currently under construction or are in the planning stages at the Port, totaling $3.7 billion in investment (Figure 4). Projects include those in planning or design stages, under environmental review, and those considered "shovel ready." LAANE categorized the projects as follows:

- **Structural Port Improvements:** Terminal improvement projects or demolitions taking place on Port land;
- **Community-wide projects:** Public-benefit projects directly adjacent to the Port, but not related to goods movement, including the development of the San Pedro Waterfront and the Harry Bridges Buffer;
- **Environmental Mitigation:** Projects intended to reduce environmental impacts related to Port activity through emissions reduction, preservation of wildlife or improving water quality. Projects identified are taking place directly on Port property or in adjacent areas, and
- **Transportation Improvements:** Projects intended to improve goods movement flow to and from the Port—such as roads, bridges and rail yards.

> "Over the next few years, these projects will be a strong economic stimulus for our region."
> -- Former Harbor Commission President David Freeman

Figure 4. Construction Jobs through Port of L.A. Capital Improvement Projects[61]

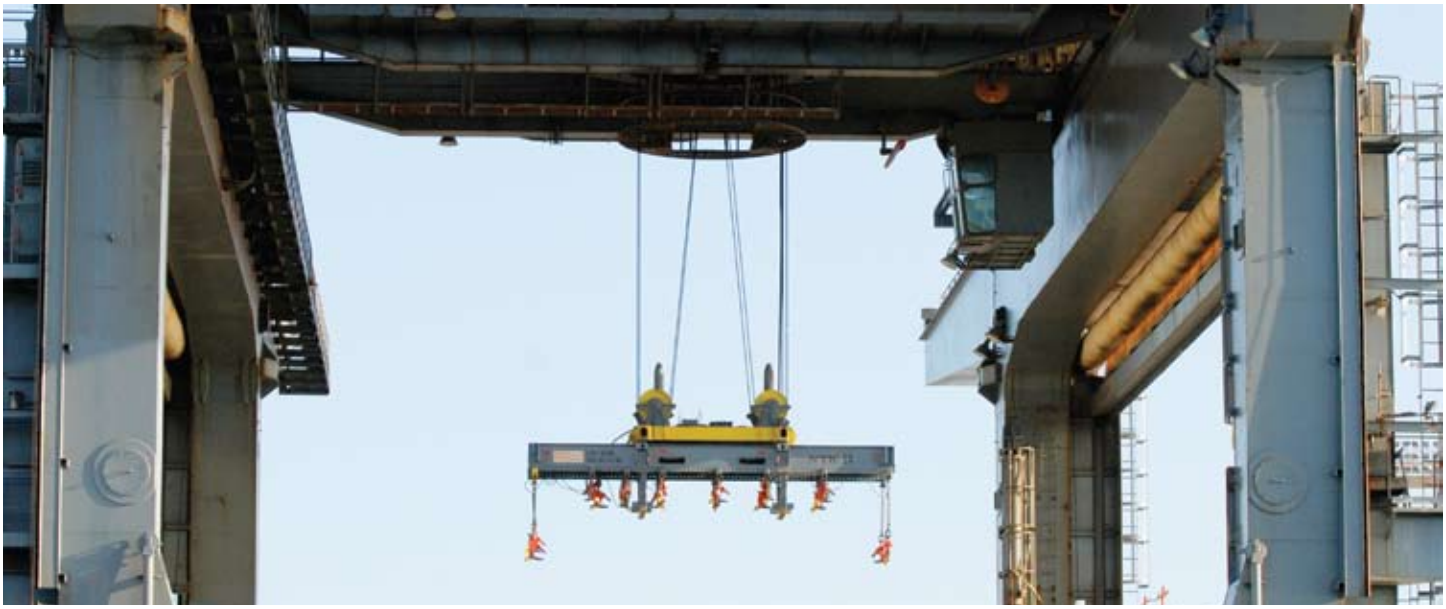
Project Type	# of Projects Identified	Estimated Cost	Estimated # of Jobs
Terminal Improvement Projects	20	$1.6 Billion	6,300
Community-wide Projects	6	$1.3 Billion	5,160
Transportation Improvements	5	$706 Million	2,000
Environmental Mitigation	4	$78 Million	250
Total:	**35**	**$3.7 Billion**	**13,710**

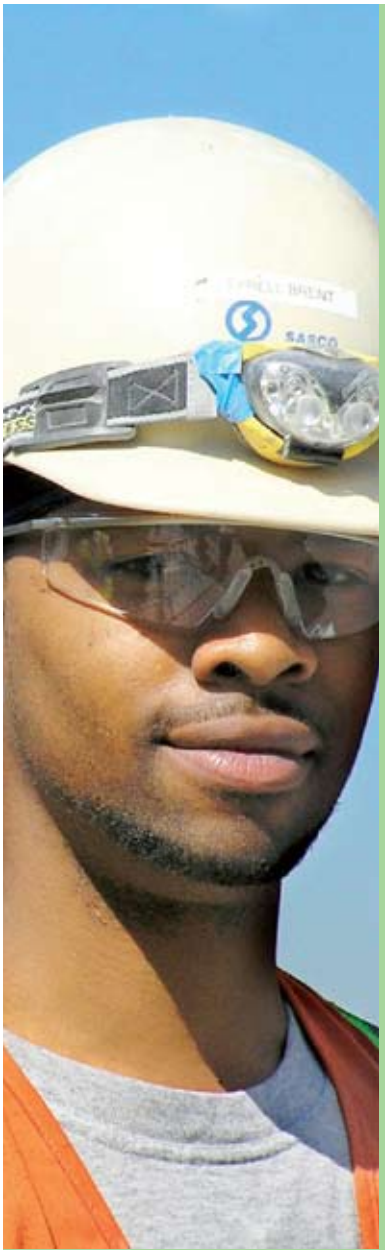
Ensuring L.A.'s Communities See the Benefit of Infrastructure Investment

The Port of Los Angeles' extensive infrastructure improvement programs have the potential to contribute to the region's economic recovery. But a policy is needed to ensure that this significant public investment translates into good jobs for local residents. City leaders and port officials recognize the importance of maximizing the economic development benefits of investment. In 2008, the Los Angeles City Council's Trade, Commerce, and Tourism committee requested that Harbor Commissioners explore developing a "Construction Careers" policy, along the lines of the one adopted by the L.A. Community Redevelopment Agency that same year.[62]

The CRA policy requires development projects that receive significant funding from the agency to be covered by a Project Labor Agreement and a Local-Hire Program. By setting standards for jobs created by CRA development, and setting aside jobs for city residents and those most in need, the agency is ensuring the maximum public return on its investment. Should the Port of Los Angeles adopt a similar policy, it would produce the following benefits:

- 30 percent, or 4,100, of construction jobs would be reserved for residents of high unemployment neighborhoods in Los Angeles;
- 10 percent, or 1,370, of construction jobs, would go to "at-risk" or hard-to-employ members of our local workforce, such as recipients of public assistance, individuals with a criminal record, or the recently homeless;
- A Project Labor Agreement would guarantee that all 13,700 jobs created through this investment will meet prevailing wage requirements and provide health and pension benefits.





CRA Construction Careers Policy Provides New Beginning

Before joining the apprenticeship program, Tyrell Brent worked a string of low-wage jobs, from fast-food worker to video store clerk. When the South L.A. resident realized that low-wage jobs would get him nowhere, his older brother told him about the International Brotherhood of Electrical Workers apprenticeship program. It was a new beginning for Tyrell, who immediately took—and passed—the test that is required to enter the program.

Brent was admitted to the apprenticeship program thanks to the local hire requirements of the Community Redevelopment Agency's Construction Careers policy, which seeks to offer traditionally disadvantaged workers a path to middle class jobs by linking them to union apprenticeship programs. "I love it," Brent says of the apprenticeship program. "One of the best things about the job is the health insurance and pension." In fact, Brent says that this is the first time in his adult life that he's had a job which provided him with healthcare.

While he was working his previous jobs, Brent lived with his sister in order to make ends meet. Because of his new job, Brent is able to afford his own place for the first time. At 22, things are going well for Brent: he has a good job, an apartment, a serious girlfriend, and a child on the way. Brent knows he still has four and a half years left in the apprenticeship program before he's a full-fledged electrical worker. He doesn't mind, though—he knows that at the end of it all, he'll earn enough money to buy a home, and provide for his family. "My union salary will let me live comfortably," he says.

How a Port Construction Careers Policy will Benefit Los Angeles' Communities

Stimulating the Economy: Setting wage and benefit standards will not only help the workers in those jobs, it will also impact the regional economy. A recent Economic Roundtable study that examined the economic impact of unions on the regional economy found that total earnings for L.A. County's 800,000 union members exceeded those of their non-union counterparts by $7 billion.[63] Those increased earnings helped create 64,800 jobs in Los Angeles County, according to the study.[64] The Construction Careers Policy applies to many fewer jobs, but the principle remains the same. The incremental increase in spending due to the policy will help stimulate the economy and create jobs as more money is circulated and the demand for goods and services increases.

The incremental increase in spending due to the Construction Careers Policy will help stimulate the economy and create jobs as more money is circulated and the demand for goods and services increases.

Reducing the burden on taxpayers: The middle-class wages and health care coverage that are guaranteed through PLAs means that these 13,700 construction jobs will not place a financial strain on the public sector. As discussed above, poor quality construction jobs cost the state hundreds of millions of dollars every year in Food Stamps, public health care, and other programs.[65]

Construction careers change lives: Local-hire programs can have a tremendous impact on disadvantaged communities with limited job opportunities. One study found that an apprenticeship training program would cost between $40,000 and $150,000 if a worker had to pay for it.[66] Upon completing apprenticeship programs, unionized construction workers can earn between $35,000 and $70,000 a year.[6]

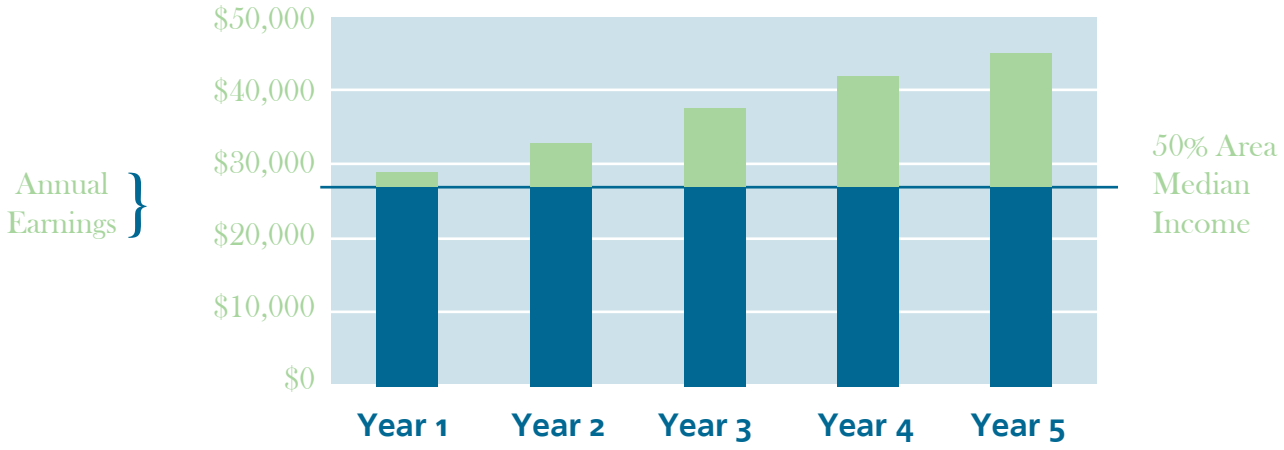
LAANE analyzed apprenticeship wage schedules for the building trades to determine what a prototypical disadvantaged worker would earn under the proposed POLA Construction Careers Policy.[68] Figure 5 shows the wage progression for the prototypical construction worker over the course of his or her apprenticeship, which, on average, lasts five years. A prototypical construction worker, halfway through an apprenticeship program, would earn slightly more than $37,000 a year. For a prototypical low-income worker (who earns 50 percent of the Area Median Income for a single person), these earnings represent an increase of more than $10,000 (highlighted in green). At the end of five years, this worker would be earning $18,000 more than what he or she earned at the start of the program.

If we multiply that increase by 1,370 (the number of jobs slated for disadvantaged residents under the Port of Los Angeles' proposed Construction Careers Policy), the additional earnings would total $72 million throughout the course the workers' apprenticeships.

Much of that incremental difference will be spent in communities that need it the most, helping local businesses and allowing families to meet basic needs for housing, food, and medical care.

At the end of five years, this worker would be earning $18,000 more than what he or she earned at the start of the program.

Figure 5. Wage Progression for the Typical Construction Apprentice[69]



Following in Her Father's Footsteps

Artavia Gipson's parents always pushed her to excel. They sent her to a local high school in Compton with high-achieving students. She began attending Cal State L.A., but ran into difficulties securing the financial aid she needed to continue her studies. Because she needed to make money, she left school and began working at a check-cashing job. She couldn't help but feel that she was letting down her parents, who held high hopes for her future.

Gipson's dad has been in the ironworkers union for years. He suggested his daughter take the test and do the interview required to enter the trade's apprenticeship program. "My dad and mom have been a big influence in my life, and my dad said the best way to go is to go union," says Gipson, who took his advice and passed the test.

Now in the program, Gipson is happy to have a good job and to be learning the skills she needs to allow her to live a middle-class life. After she graduates, Gipson expects to earn $27 an hour, and hopes to buy a home before she's 25. "There's always work" for people in her field, says Gipson. She also hopes to one day start her own construction business.

Now her friends and neighbors look up to her. She is helping to recruit young people—including young women—into apprenticeship programs because "A lot of people in the community don't know about programs like mine."

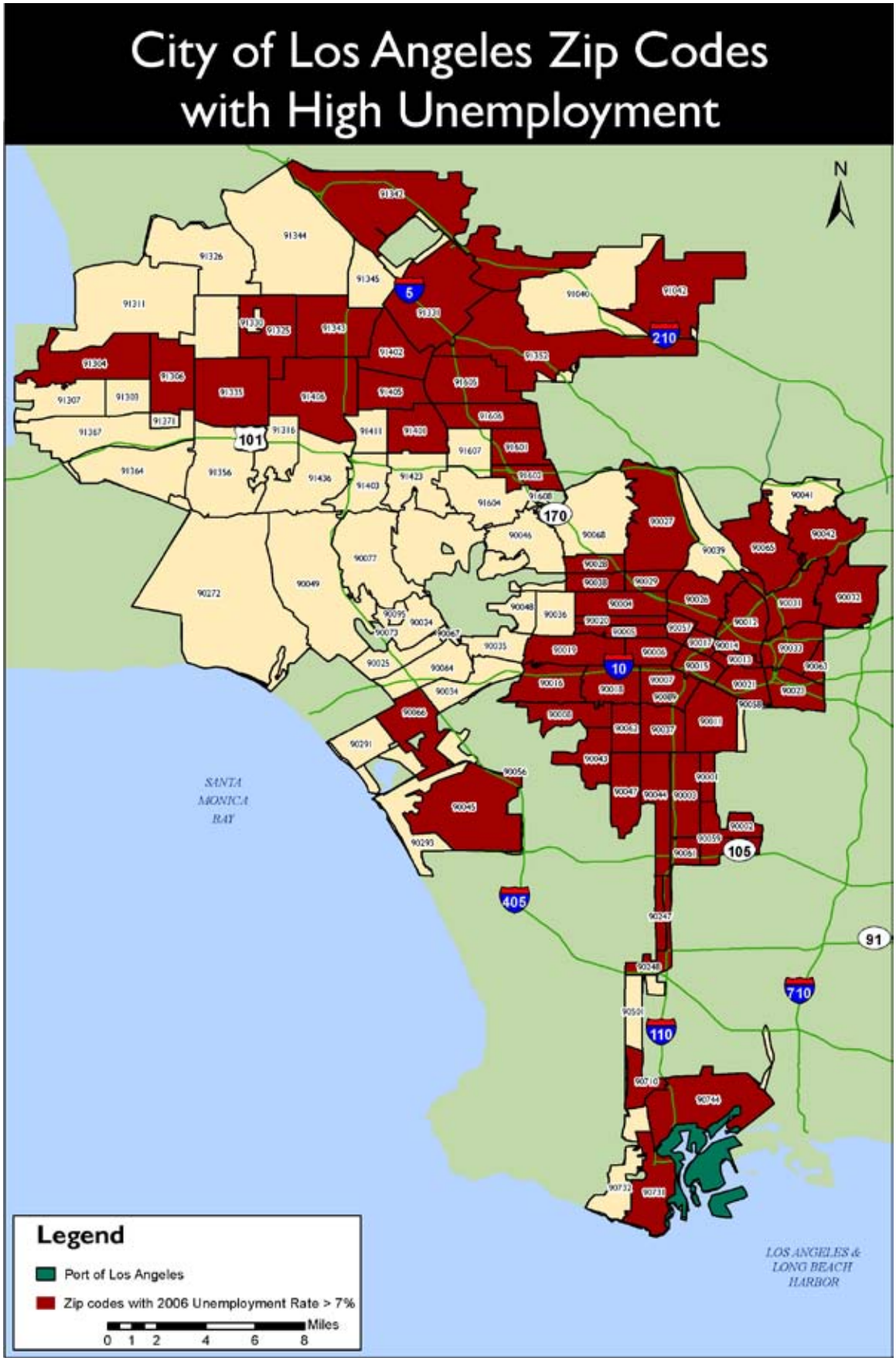
Conclusion

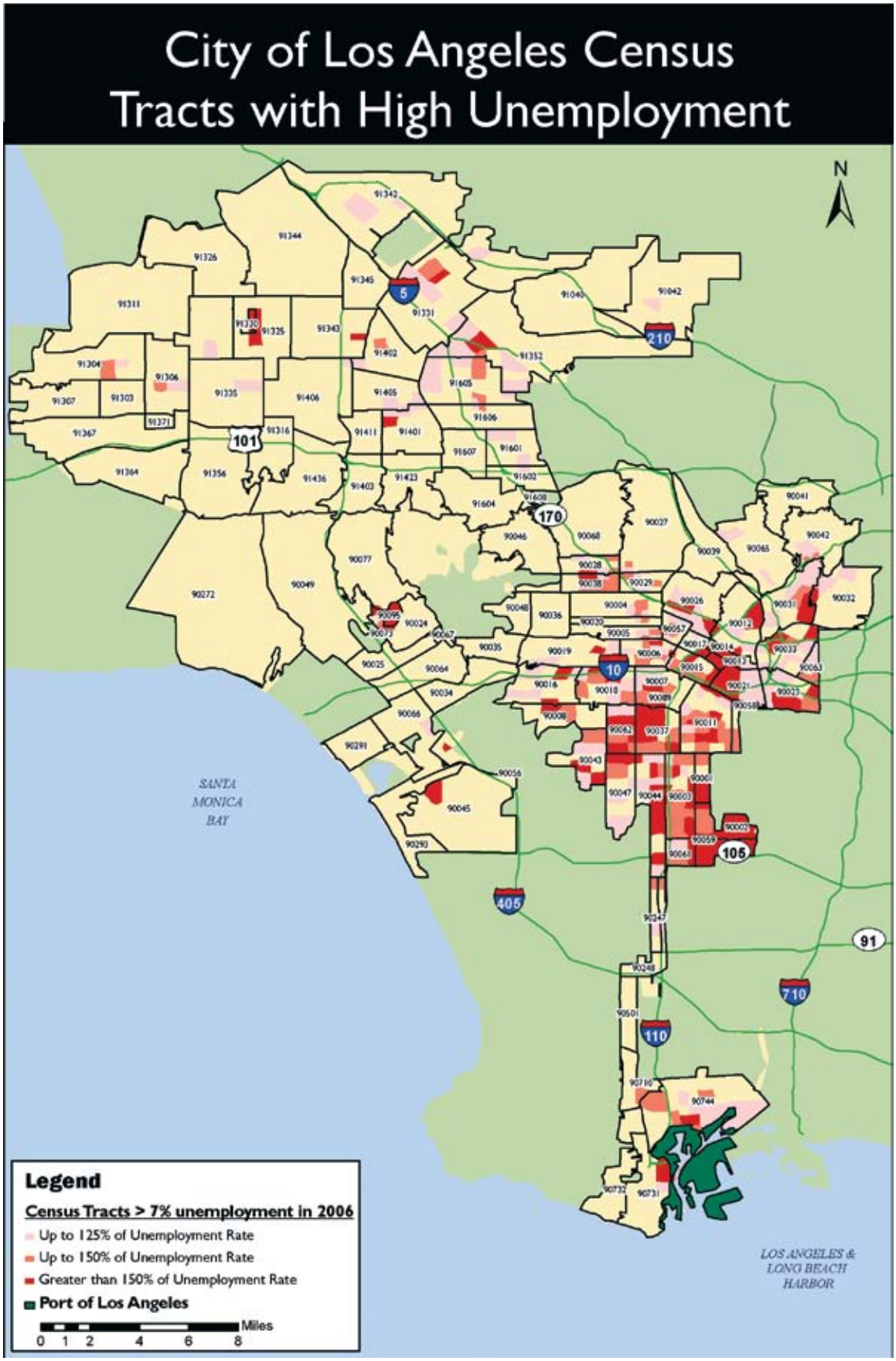
The Port of Los Angeles Construction Careers Policy presents unique opportunities for the Port to ensure that its significant investment in capital improvements translates into middle-class careers for residents. The local hire provisions will ensure that L.A. residents, including those with barriers to employment, benefit from $3.7 billion in port construction projects. The Project Labor Agreement portion of the policy will set wage and benefit standards that ensure that public investment leads to the creation of 13,700 good jobs. In addition, the PLA will increase the likelihood that the local hiring agreements will be successful, as projects with such agreements have a good track record of partnering with unions and linking African Americans, Latinos and women to jobs in the trades.

The Port of Los Angeles has already negotiated PLAs for some of their projects, therefore, by adopting this policy, port officials would not be introducing a new standard for Port-financed construction. But a policy would help maintain job standards, link those jobs to local residents, and level the playing field for contractors who want to pay their workers decent wages.

Moreover, middle-class construction career opportunities have the potential to benefit the local economy and some of L.A.'s poorest communities, as increased wages raise demand for goods and services provided by local businesses, and create jobs. Those with barriers to employment stand to gain skills that will provide a pathway to self sufficiency. Even during the apprenticeship program, workers will see significant boosts in their income. All together 1,370 disadvantaged residents and their families stand to increase their spending power by $72 million during the course of their apprenticeship program due to this policy.

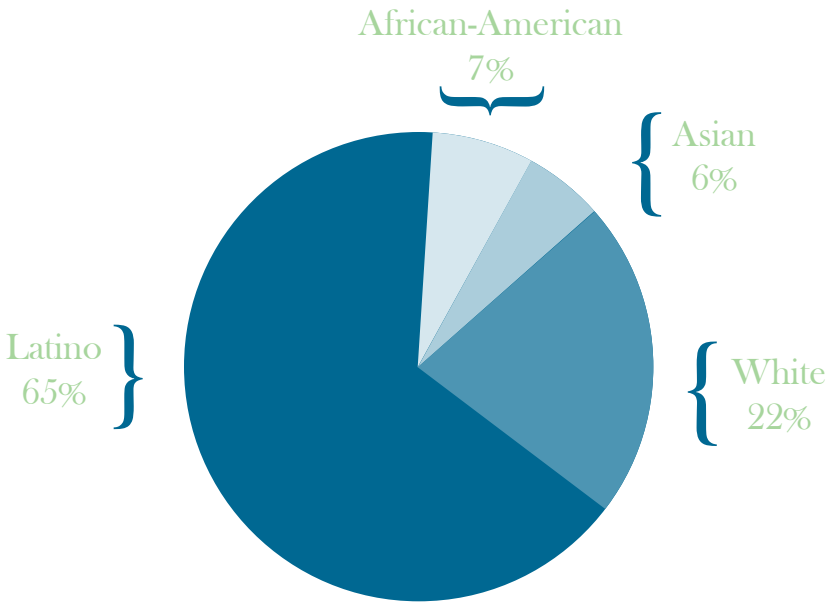
Appendix A


City of Los Angeles Zip Codes with High Unemployment
N
SANTA MONICA BAY
LOS ANGELES & LONG BEACH HARBOR
5
210
101
170
10
405
105
91
710
110
Legend
Port of Los Angeles
Zip codes with 2006 Unemployment Rate > 7%
Miles
0 1 2 4 6 8


City of Los Angeles Census Tracts with High Unemployment
N
SANTA MONICA BAY
LOS ANGELES & LONG BEACH HARBOR
Legend
Census Tracts > 7% unemployment in 2006
Up to 125% of Unemployment Rate
Up to 150% of Unemployment Rate
Greater than 150% of Unemployment Rate
Port of Los Angeles
Miles
0 1 2 4 6 8

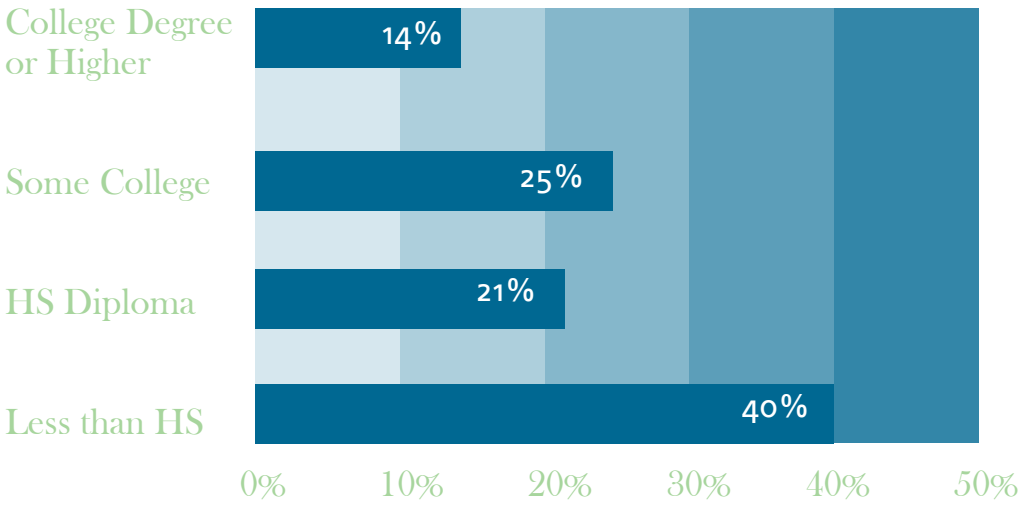
Appendix B

Harbor Communities Demographic Profile



Source:
2007 Los Angeles Zip Code Databook,
United Way-Los Angeles

Education Attainment in Harbor Communities



Source:
2007 Los Angeles Zip Code Databook,
United Way-Los Angeles

Endnotes

[1] Fine, Howard. "A Business Boom Coming to LA?" *Los Angeles Business Journal*. November 10, 2008.
[2] "It's Official: US is in Recession." *Associated Press*. December 1, 2008.
[3] This refers to measures J,Q, and R at the Los Angeles County level, and Proposition 1A at the state level, approved by voters in November 2008.
[4] Heidi Schierholz and Kathryn Edwards (2009). Jobs report offers no sign of light at end of tunnel. Economic Policy Insitute, http://www.epi.org/publications/entry/jobspicture20090403/. Retrieved April 6, 2009.
[5] Leadership in Energy and Environmental Design (LEED) is a certification system developed by the U.S. Green Building Council (USBGC) that measures sustainability standards in building construction. It measures energy conservation, water efficiency, CO_2 emissions reductions, as well as other metrics for sustainable design. There are four levels of certification, of which Gold is second to the Platinum rating.
[6] Port of Los Angeles. Resolution to Adopt the Los Angeles Harbor Department Sustainable Construction Guidelines for Reducing Air Emissions. February 15, 2008.
[7] California Employment Development Department, Labor Market Info March 2009, http://www.labormarketinfo.edd.ca.gov, retrieved April 20, 2009.
[8] Hoag, Christina. "Foreclosures force renting families onto street." *The Associated Press*. March 23, 2009.
[9]Molly Hennessy-Fiske and Michael Rothfield. "California Food Stamp Benefits go up 13.6%." *Los Angeles Times*. April 2, 2009.
[10] Bureau of Labor Statistics, March 2009, seasonally adjusted.
[11] Data analysis was derived from the Los Angeles County Zip Database for 2006, compiled by United Way.
[12] 2007 American Community Survey, US Census Bureau.
[13] Public assistance programs included in calculating this figure are the following: CalWORKS, General Relief, Refugees, Cash Assistance Program for Immigrants (CAPI), Medical Assistance Only (MAO), Food Stamps, and In-Home Supportive Services (IHSS). Los Angeles County Zip Database for 2006, United Way.
[14] What we defined as the Harbor Communities are the following zip codes within the City of Los Angeles: 90710 (Harbor City), 90731 (San Pedro), and 90744 (Wilmington).
[15] Analysis of Los Angeles County Zip Code Database for 2006, compiled by United Way.
[16] Analysis of Los Angeles County Zip Code Database for 2006, compiled by United Way.
[17] South Coast Air Quality Management District, 2007 Draft Air Quality Plan.
[18] Natural Resources Defense Council (2004). Harboring Pollution.
[19] Swanstrom, Todd. "The Road to Jobs: Patterns of Employment in the Construction Industry in Eighteen Metropolitan Areas." Saint Louis University, 2008.
[20] General Prevailing Wage Determinations for Commercial Building, Highway, Heavy Construction and Dredging Projects for Los Angeles County (2009). California Department of Industrial Relations.
[21] Bureau of Labor Statistics, 2008.
[22] The Economic Rountable (2007). "The Economic Footprint of Unions in Los Angeles."
[23] Xiuwen Dong, Yurong Dong, and Elizabeth Haile. "The Construction Chart Book, 2002." CPWR. p 28; as cited in UCLA Center on Labor Research and Education (2008). Helping LA Grow Together: Why the Community Redevelopment Agency Should Adopt the Construction Careers Policy.
[24] Mark Erlich and Jeff Grabelsky. "Standing at a Crossroads: The Building Trades in the Twenty-First Century." *Labor History* (2005) 46: 421–445; For the years 1973-81 the May Current Population (CPS) and for 1983-2008 the CPS Outgoing Rotation Group (ORG) Earnings Files extracted from http://unionstats.com/; Bureau of Labor Statistics, 2006.
[25] Pablo A. Mitnick and Matthew Zeidenberg (2007). From Bad to Good Jobs? An Analysis of the Prospects for Career Ladders in the Service Industries. Center on Wisconsin Strategy.
[26] Bureau of Labor Statistics, 2006.
[27] Los Angeles Alliance for New Economy (2008). Poverty, Jobs and the Los Angeles Economy.
[28] 2005 UCLA Center for Health Policy Research. California Health Interview Survey. Query retrieved April 6, 2009.
[29] Carol Zabin, et al. The Hidden Public Costs of Low-Wage Jobs in California. Center for Labor Research and Education, UC Berkeley. Prepared for the National Economic Development and Law Center, May 2004.
[30] Baxamusa, Murtaza (2009). Construction: Working Without a Healthcare Net. Center for Policy Initiatives.
[31] Dong, et al., "The Construction Chart Book, 2002."
[32] In 2008, the Transportation Equity Network found that not one of the 25 largest metropolitan areas had an African-American construction workforce that was proportional to its share of the regional population. See Swanstrom, Todd (2008). The Road to Good Jobs: Patterns of Employment in the Construction Industry. Transportation Equity Network. Public Policy Research Center, University of Missouri, St. Louis.
[33] Economic Policy Institute Analysis of 2006 ACS Microdata.
[34] Economic Policy Institute Analysis of 2006 ACS Microdata.
[35] See Swanstrom, "The Road to Good Jobs."
[36] According to a 2007 Pew Hispanic Center report, Latino construction workers earn less than any other racial and ethnic group in the industry. See Pew Hispanic Center (2006). Latino Labor Report 2006: Strong Gains in Employment.
[37] Even controlling for education and work experience, Latino construction workers earn lower wages. See Goodrum, Paul. "Hispanic and Non-Hispanic Wage Differentials: Implications for United States Construction Industry." *Journal of Construction Engineering and Management*, July/August 2004: pp 552-559.
[38] Employment Development Department. EEO Occupational Groups by Race/Ethnicity and Sex, based on 2000 EEO data tool. Retrieved April 20, 2009.[38] Employment Development Department. EEO Occupational Groups by Race/Ethnicity and Sex, based on 2000 EEO data tool. Retrieved April 20, 2009.

[39] For further information regarding increasing women's participation in the building trades, see California Apprenticeship Council (2006). Blue Ribbon Committee on Women in Apprenticeship. California Department of Industrial Relations; http://www.dir.ca.gov/das/women%20in%20apprenticeship%20final.pdf.
[40] Economic Roundtable (2008). Concentrated Poverty in Los Angeles. Prepared for the City of Los Angeles.
[41] Belman, Matthew Bodah and Peter Phillips (2007). *Project Labor Agreements*. ELECTRI International.
[42] Johnson-Dodds, Kimberly (2002). *Constructing California: A Review of Project Labor Agreements*. California State Library, California Research Bureau Reports, CRB 01010.
[43] Hamid Azari-Rad, Peter Phillips, and Mark Prus. "Making Hay When It Rains: The Effect of Prevailing Wage Regulations, Scale Economies, Seasonal, Cyclical and Local Business Patterns Have On Construction Costs," Journal of Education Finance (2002) 27: 99-1012.
[44] Paul Bachman and Jonathan Haughton. "Do Project Labor Agreements Raise Construction Costs?" *CS-BIGS* 1: 71-70.
[45] *Ibid.*
[46] Xiuwen Dong, Pamela Entzel, Yuring Men, Risanna Chowdury and Scott Schneider. (2004). "Effects of Safety and Health Training on work-related Injury among Construction Laborers," *Journal of Occupational and Environmental Medicine*. 46 (12): pp. 1222-1228.
[47] Dong, et al., "The Construction Chart Book, 2002."
[48] Weil, David. "Building Safety: The Role of Construction Unions in the Enforcement of OSHA." *Journal of Labor Research* (1992) 13: 121-132.
[49] *Ibid.*
[50] "Construction Careers For Our Communities," UCLA Labor Center 2008, p 46.
[51] Mulligan-Hansel, Kathleen (2008). *Making Development Work for Local Residents*. The Partnership for Working Families, p 54.
[52] *Ibid.*
[53] Bilinsoy, Cihan Registered Apprentices and Apprenticeship Programs in the U.S.: Construction Industry between 1989 and 2003: An Examination of the AIMS, RAIS, and California Apprenticeship Program Agency Databases, University of Utah, 2003.
[54] Bilingsoy, Cihan, "The Effect of Unions on Minority Representation in Building Trades Apprenticeship Programs," University of Utah, Department of Economics, 2003, p 12.
[55] *Ibid.*
[56] Casey, Nicholas. "Ports Rivals Make Gains." *The Wall Street Journal*. April 14, 2009.
[57] Burnson, Patrick. "Top U.S. Seaports: Slower Trade Means Time to Rebuild." *Logistics Management and Distribution Report*, February 1, 2009.
[58] Port of Los Angeles press release, November 21, 2008.
[59] Burnson, "Top U.S. Seaports."
[60] Port of Los Angeles, www.portofloangeles.org.
[61] In order to quantify the value of the planned capital improvements at the Port of Los Angeles, LAANE compiled a list of projects using various sources, including environmental review documents, media, industry publications, and press releases. An industry code was assigned to each project, based on the type of construction performed, and was used—along with the 2002 Economic Census for Construction—to determine the number of construction jobs created. The figures shown do not include future projects for which construction costs have yet to be determined.
[62] Trade Commerce Tourism Committee, "Report Incorporation of Project Labor Agreements for the Construction of the New Port Police Headquarters and on All Future Construction Projects on Port Property." File No. 07-4093, March 21, 2008.
[63] Economic Roundtable, "The Economic Footprint of Unions in Los Angeles," 2008.
[64] *Ibid.*
[65] Zabin, et al., "The Hidden Public Costs of Low-Wage Jobs."
[66] Nissen, Bruce, "Training for the Workforce of the Future: advantages of using registered apprentices in two county GOB projects," Research Institute on Social and Economic Policy, Florida International University, 2006.
[67] Los Angeles and Orange County Building Trades Council (LAOCBTC); as cited in UCLA Center for Labor Research and Education (2008). Helping LA Grow Together: Why the Community Redevelopment Agency Should Adopt the Construction Careers Policy.
[68] The prototypical construction worker is assumed to earn the median apprenticeship wage for all the relevant trades for each of the five years of his or her training. Prior to starting the apprenticeship program, it is assumed that the worker earns 50 percent of the Area Median Income for a single person.
[69] The CRA Construction Careers Policy designated an individual as a "Local Disadvantaged Resident" if their household income falls beneath 50 percent of the Area Median Income (AMI). The report assumes that the annual earnings for a protypical worker prior to starting an apprenticeship program is 50 percent of the 2008 AMI for a single person household. Median wage for apprentices were derived from prevailing wage apprenticeship schedules for Los Angeles County in 2008 by the California Department of Industrial Relations.

464 Lucas Avenue, Suite 202
Los Angeles, CA 90017