

Getting Ventura County Back to Work

Report #1

Construction Jobs: Reconstruction of Our Workforce



CAUSE
August 2012

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CAUSE acknowledges and thanks all who helped make this report a reality including the construction workers we interviewed, CAUSE summer intern Linda Armstrong, Bernardo Perez of CEDC, Rodney Cobos of Plumbers and Pipefitters Local #484, and the communities of the Ventura Avenue, South Oxnard, and Santa Paula who continue to inspire us to do what is right to improve our County and Region.

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What Happened in Ventura County...

The effects of the housing bubble burst in 2006 didn't trickle down to the bottom but flooded our communities, hurting families across Ventura County. Thousands of households went into default. Families lost their homes to foreclosure because banks provided risky subprime mortgages to these families who would only be able to afford them if home prices continued to rise indefinitely. Hardworking people lost their jobs as families scrambled to meet basic needs such as putting the next meal on the table and keeping a roof over their heads. With the financial sector more complex and interconnected than ever before, the losses rippled out across every major financial institution. With a breakdown of trust and confidence and balance sheets deeply in the red, new lending from banks dried up. This brought new building to a halt, collapsing the construction sector.

Yet even as private development projects came to a stand still, publicly funded construction projects continued on spurred by federal stimulus funding. With the downturn in private sector development, contractors turned to public sector projects and this caused more competition, lower wages, and fewer work opportunities in addition to less accountability that these projects were helping the local economy. In other words publicly funded projects were built but local workers weren't used to build the projects.

With the collapse, thousands of Ventura County construction workers joined the ranks of the unemployed. As in Florida, Nevada, Arizona and other regions most impacted by the housing bubble crash, Southern California experienced a dramatic rise in unemployment, foreclosures, and poverty. The weak economic recovery of the following years was even more sluggish in these regions, and especially in the construction sector.

Everyone Always Says “Tomorrow, Tomorrow”

Isidro Rodriguez, a resident of Ventura County his whole life, is no stranger to the construction industry. He started in construction right out of high school in the drywall sector and did that for almost 20 years before getting into plumbing. After plumbing for five years, Isidro became a pipefitting apprentice. He was doing well in pipefitting, was making a good salary, and had become a journeyman; then the recession hit. Isidro lost his job in October of 2008 and has not been able to find a single job since.

For the first year he looked for construction jobs but after that, he applied for anything he could find including janitorial jobs, maintenance jobs, and even optician jobs with the help of a local career center. He has since moved in with his elderly parents and become their sole caretaker. He takes them to doctor's appointments and helps them maintain their house. Because of this, he cannot leave the area or state to find construction work like many local construction workers have had to do due to the lack of jobs in the area. “Everyone I used to work with took off out of state, they're all up in Oregon, they all took off; but they're in a different position than I am,” he commented. “The union says they have work but like I said, it's all out of state and in my position I can't leave or else I would be up there.” After years of searching for any local job he can find, Isidro has come to feel hopeless and stated “Everyone always says ‘tomorrow, tomorrow we'll have work for you’ but tomorrow hasn't shown up.”

Construction Worker Profile:
Isidro Rodriguez

Poverty at the highest level in the last 13 years in Ventura County

- In 2010 those with incomes at or below the federal poverty level reached the highest percentage (10.7%) and number (87,189) in the last 13 years in Ventura County.
- Since the recession, an additional 20,000 people were in poverty, an increase of 30%.
- Since recession, the number of people working part time in poverty has almost doubled.
- In Oxnard, 17.3% of residents had incomes at or below the poverty level (34,038) and since the recession, an additional 10,000 people had poverty level incomes, an increase of 47%. In addition since the recession, the number of people working part time in poverty has doubled.
- In Simi Valley for 2010, 7.6% were at or below the federal poverty level (9,485). Since the recession, an additional 3,000 people were at or below the federal poverty level, an increase of 44%.
- In Thousand Oaks 6.3% were at or below the federal poverty level (7,952) in 2010. Since the recession, an additional 2,551 people were at or below the federal poverty level, an increase of 47%.

Since the recession, an additional 20,000 people were in poverty, an increase of 30%.

Unemployment Reached the Highest Rate in the Last 20 Years for Ventura County

- During recession, there was an increase of unemployment of 9,500 people.
- The number of people unemployed was highest in January of 2010 (48,800 at 11.3%). This was the highest rate in Ventura County for the last 20 years.

One in six went without health insurance

- In Ventura County, 16.3% were uninsured in 2010.
- In Oxnard 27.7% were uninsured, a rate more than double than that of Ventura, Simi Valley, and Thousand Oaks.

54% of renting households were paying more than 30% of their income on rent

- Since the recession, an additional 22% of renting households were paying more than 30% of income on rent.
- 26% of households renting are paying more than half of their income on rent.

Source: American Community Survey 2007 and 2010, Cal EDD



Table 1: Unemployment Rate In Ventura County Cities and Places

	% Latino	2007 Unemployment Rate	June 2012 Unemployment rate
Ventura County	40.3%	4.9%	9.2%
El Rio	86.0%	2.6%	4.9%
Piru	84.7%	8.7%	16.0%
Santa Paula	79.5%	8.3%	15.1%
Fillmore	74.7%	6.9%	12.6%
Oxnard	73.5%	6.7%	12.4%
Port Hueneme	52.3%	5.8%	10.7%
Ventura	31.8%	4.4%	8.3%
Moorpark	31.4%	4.5%	8.5%
Oak View	29.9%	6.7%	12.3%
Meiners Oaks	29.9%	5.3%	9.8%
Casa Conejo	26.2%	3.8%	7.2%
Simi Valley	23.3%	4.0%	7.5%
Camarillo	22.9%	3.4%	6.5%
Mira Monte	18.3%	5.2%	9.8%
Ojai	17.9%	5.6%	10.5%
Thousand Oaks	16.8%	3.7%	7.1%
Channel Islands Beach	13.0%	6.3%	11.7%
Oak Park	6.0%	3.0%	5.8%

Source: California Employment Development Department and 2010 Census

The Recession's Impact on Job Sectors in Ventura County

Unemployment remains especially high among young workers without a college degree, older construction and manufacturing workers, and people of color. Adding to the official unemployment statistics, many more workers are underemployed, involuntarily working part-time, or have given up looking for work altogether.

While the middle-class construction sector has remained depressed, the sectors of the economy that have led the recovery in Ventura County, such as leisure and hospitality, are creating many low-paid jobs. Many workers who lost middle-income construction and manufacturing jobs have been forced to accept low-wage employment in the service sector, leaving them struggling to afford the high cost of living in the region.

Ventura County lost 17,000 jobs during recession, a decrease of 5.3%.

- Construction lost 4,700 jobs (25.7%), manufacturing (11.8%) and private service producing.
- The next hardest hit sectors were Manufacturing (11.8%) and Trade, Transportation and Utilities (11.3%).
- The Leisure and Hospitality sector has recovered since the recession actually gaining 3.1%.

Middle Class Jobs disappearing since 2000 versus 2011

- Information (-38%), Construction (-28%) and Manufacturing (-26%) sectors lost jobs
- Mining and logging (71%), Educational and Health Services (36.1%), Farming (29.5%) and Leisure and Hospitality (24.3%) gained the most jobs.

Latino Communities Hit Hard by Unemployment

- Santa Clara River Valley communities have highest unemployment rates including Piru (16.0%), Santa Paula (15.1%), and Fillmore (12.4%).
- Other communities with over half Latino residents with high unemployment rates include Oxnard (12.4%) and Port Hueneme (10.7%).

Source: Employment Development Department, June 15, 2012 Oxnard Thousand Oaks Ventura MSA (Ventura County) Industry Employment & Labor Force – by Annual Average, March 2011 Benchmark

Table 2: Impact of the Recession on Job Sectors in Ventura County

Industry Sector	Nov 2007	Jun 2009	May 2012	Jobs lost during recession	% jobs lost during recession	Jobs lost from before recession to now	% jobs lost from before recession to now
Total, All Industries	322,500	305,500	307,500	-17,000	-5.3%	-15,000	-4.7%
Total Farm	24,300	28,000	30,100	3,700	15.2%	5,800	23.9%
Mining and Logging	1,100	1,300	1,100	200	18.2%	0	0.0%
Construction	18,300	13,600	10,800	-4,700	-25.7%	-7,500	-41.0%
Manufacturing	37,300	32,900	29,900	-4,400	-11.8%	-7,400	-19.8%
Trade, Transportation & Utilities	58,300	51,700	54,100	-6,600	-11.3%	-4,200	-7.2%
Information	5,800	5,300	5,000	-500	-8.6%	-800	-13.8%
Financial Activities	22,100	20,300	22,300	-1,800	-8.1%	200	0.9%
Professional & Business Services	37,600	35,900	34,600	-1,700	-4.5%	-3,000	-8.0%
Educational & Health Services	31,500	32,200	31,400	700	2.2%	-100	-0.3%
Leisure & Hospitality	32,300	30,400	33,300	-1,900	-5.9%	1,000	3.1%
Other Services	10,100	9,300	9,000	-800	-7.9%	-1,100	-10.9%
Government	43,800	44,600	45,900	800	1.8%	2,100	4.8%

Source: Employment Development Department, June 15, 2012 Oxnard Thousand Oaks Ventura MSA (Ventura County) Industry Employment & Labor Force – by Month

Construction Worker Profile:
Carlos Reyes

Missing Local Work

Carlos Reyes, a 49 year resident of Ventura County, worked up and down California as a pipe fitter to provide for his family. Since the recession began in December of 2007, he only worked one or two local jobs. “You miss a lot” as a husband and a parent when working far from home.

Carlos tried to prevent this separation from his family from happening years ago. After working nine months in New Mexico in 1993 Carlos decided that traveling out of the state for work would no longer be an option for him because of the toll it took on his family. Finding work in state was difficult and after not finding work for almost two years, he expanded his job search outside of his profession and took a maintenance job for the Ventura Unified School District that lasted only three months.

People like Carlos miss out when we do not prioritize hiring local workers for public projects. Carlos became interested in pipe fitting because it was a good, stable job to provide for his family. Now he almost seems to regret this decision. “Had I known what I know now, I wouldn't have made the same career choices.”



...more workers are underemployed, involuntarily working part-time, or have given up looking for work altogether.

Table 3: Ventura County Job Trends 2000-2011

Job Sector	2000	2002	2004	2006	2007	2008	2009	2010	2011	Change from 2000 to 2011
Total Farm	19,300	19,200	20,700	22,900	24,000	25,100	24,000	24,400	25,000	29.5%
Mining and Logging	700	700	700	1,100	1,100	1,200	1,200	1,200	1,200	71.4%
Construction	15,400	15,700	16,900	20,500	18,800	16,700	13,200	11,300	11,100	-27.9%
Manufacturing	41,200	38,000	38,300	38,400	38,000	35,900	32,600	31,500	30,700	-25.5%
Trade, Transportation & Utilities	49,500	51,600	53,200	56,400	56,800	56,100	52,500	53,100	54,500	10.1%
Information	7,900	8,100	6,800	6,000	5,800	5,600	5,300	5,100	4,900	-38.0%
Financial Activities	17,700	22,200	24,200	24,000	22,700	21,100	20,400	20,700	21,600	22.0%
Professional & Business Services	39,400	36,600	37,300	39,300	38,300	38,300	36,100	33,900	32,900	-16.5%
Educational & Health Services	24,100	26,300	27,500	28,900	30,500	31,800	32,300	32,800	32,800	36.1%
Leisure & Hospitality	25,100	27,200	28,500	30,500	32,000	31,500	29,800	30,300	31,200	24.3%
Other Services	9,700	10,200	10,300	10,200	9,900	10,000	9,300	9,200	9,000	-7.2%
Government	44,300	45,300	42,500	42,500	43,000	43,100	42,900	44,200	44,900	1.4%

Source: Employment Development Department, June 15, 2012 Oxnard Thousand Oaks Ventura MSA (Ventura County) Industry Employment & Labor Force – by year

...Left Ventura County Construction Workers Out of Work

While the middle-class construction sector has remained depressed, the sectors of the economy that have led the recovery in Ventura County, such as leisure and hospitality, are creating many low-paid jobs. Many workers who lost middle-income construction and manufacturing jobs have been forced to accept low-wage employment in the service sector, leaving them struggling to afford the high cost of living in the region.

Construction jobs are important middle class jobs that have been lost since the housing bubble burst in Ventura County in 2006. As the housing market remains depressed, many construction workers are working out of the area and out of state that is straining their connection with their families and community. Since the housing bubble burst in Ventura County in March 2006, almost half of construction jobs have been lost (47%), hurting Latino construction workers most as they lost jobs at a higher rate than the county average.



You Think Your Commute is Bad...

Complaining about our commute to work seems petty if you consider what construction worker Pete Larson has gone through since the housing bubble burst in Ventura County in 2006. A member of the Plumbers and Pipefitters union since 1996, Pete has worked almost exclusively outside of Ventura County since 2007, the majority of the time out of state including in Michigan, Indiana, Illinois, and currently in Oregon. While most of us take for granted going home from work every day, Pete doesn't. "Now it's like every two months I'm going home to Fillmore so that's a lot easier. My wife and I don't feel like we're strangers."

Pete takes great pride in the last time he worked locally for four months in 2009 on the wastewater treatment plant in Fillmore, his permanent home since 1994. Other than that he's been on the road for the last 5 years and Pete says his family has been able to make ends meet since the recession "pretty much and only because I've been willing to travel." Before his decision to live away from home, Pete tried to work for a temp agency but that didn't provide enough to keep up his home and provide for his family. Pete remains hopeful that more Community Benefits Agreements with local hire provisions will help keep families together so they won't have to face what his family has gone through since the recession.

Among Industry Sectors, Construction has been hit the hardest during the recession.

- During the recession Ventura County lost 25.7% of construction jobs, the highest percentage among industry sectors. The next highest percentage was the manufacturing sector at 11.8%.
- The construction industry lost 4,700 jobs during the recession, the second highest number of jobs with highest number being in the private service producing industry at 12,600 jobs.
- From the beginning of the recession until present, the construction industry sector in Ventura County lost 41% of jobs.

Construction is the second slowest industry sector to recover since the recession.

- Since the recession ended, the construction industry sector has lost 3.6% additional jobs
- Since the housing bubble burst in Ventura County at the end of March 2006 to present, almost half of construction jobs (47%), or 9,600 jobs, have been lost.



Since the housing bubble burst in Ventura, half of construction jobs have been lost. Latino workers have been hit the hardest.

Latino Construction Workers have been hit hardest by the high unemployment rate of construction workers.

- While the majority of Construction Workers who live in Ventura County are Latino, between 2007 and 2010 that number decreased by 3,185 while white construction workers decreased by 1,863.
- Since the recession, the number of white construction workers living in Ventura County has decreased by 18.6% while that percentage is one and a half times greater for Latino construction workers (27.4% decrease from 2007 to 2010).
- Oxnard and Santa Paula have especially been hit hard as since the recession the number of Latino residents with construction jobs decreased by 41% and 42% respectively.

Constructions jobs that require less than a high school diploma are paid the lowest wages.

- Of the 9 lowest median wage construction job types, only one requires a high school diploma while the other eight require a high school diploma or less.

Union Apprentice programs are important ways for workers to gain skills and get into higher paying middle class jobs.

- For construction jobs, union provide two to five year training apprenticeship programs with important classroom and on the job training that help workers raise their wages and gain valuable skills.

Sources: Employment Development Department, June 15, 2012 Oxnard Thousand Oaks Ventura MSA (Ventura County) Industry Employment & Labor Force – by Month. 2007 and 2010 American Community Survey.

Tales of Loss and Opportunity

Since the burst of the housing bubble, almost half of construction jobs in Ventura County were lost. We need to take action to put thousands of unemployed local construction workers back to work. To fight the staggering unemployment in the construction sector, new infrastructure and development projects must be accountable to create quality jobs for local workers. Often taxpayer-funded projects are celebrated for their potential to create jobs in distressed communities. However, once contracts are awarded and workers are hired, all too often the promised benefits never reach the community and instead go to non-local firms. Without any agreement holding companies accountable to the goal of local job creation in a high unemployment community, private profits can come at the expense of public priorities such as reducing unemployment in a community.

In the hardest-hit areas, governments can use a **Community Benefits Agreement (CBA)** to hold infrastructure projects accountable to local job creation. A CBA requires publicly-funded projects to address community needs, such as hiring local firms and residents. When taxpayer funding benefit private companies, a CBA holds those companies accountable to local needs.

CBAs are one of the best tools to address major challenges being faced by the construction sector in communities devastated by the housing crash. When the housing bubble burst, the effects were felt all over the country, but were concentrated in places with high foreclosure rates and steep drops in home prices. In Ventura County, low-income predominantly Latino communities like Oxnard and Santa Paula were most impacted by losses of construction jobs. When funding is provided to build new infrastructure in these communities, a CBA can direct jobs to distressed communities with high unemployment among construction workers. They can also help spur wider economic growth in low-income communities, where construction may provide some of the highest-paying jobs in the neighborhood. This creates a multiplier effect as newly employed residents spend their income at local businesses, giving a boost to the local economy. Given the common practice in the construction industry of sending crews to work on projects in different regions or even different states, local hire agreements in a CBA promote people working near where they live. Shorter commute times reduce traffic and air pollution as well as allow construction workers to spend more time with their families. CBA's can also guarantee fair employment practices, high job quality, and the development of job training programs or other benefits for the community at large.

County Hospital: A Missed Opportunity

The renovation of the Ventura County Medical Center was a missed opportunity to bring good jobs to local workers. The \$250 million project will create over a thousand jobs, mostly in construction. However, building contractor interests from outside the county produced mailers and lobbied to prevent a local hire agreement on the project. The Ventura County Board of Supervisors ultimately voted against the agreement. This lost opportunity, where over a thousand jobs had no guarantee of local hiring, shows we need to make sure new construction projects have community benefits agreements to put local construction workers back to work.

A model to follow throughout Ventura County is the construction of the Rodney Fernandez Gardens, an affordable housing project in Santa Paula. In Santa Paula, a predominantly Latino community with one of the highest unemployment rates in the county, the number of Latino residents holding construction jobs decreased by 42% since the start of the recession. Cabrillo Economic Development Corporation adopting a local hire agreement helped ensure that at least 20% of jobs were from the Santa Clara River Valley.

Rodney Fernandez Gardens: Local Hire in Action

Sometimes waiting for the stars to align really is worth the wait. In 2010, Cabrillo Economic Development Corporation (CEDC), the largest developer of affordable homes in Ventura County, was beginning a new project that was required to pay prevailing wages. They knew many local construction workers were having trouble finding work so they made it a priority to make sure that local workers from Santa Paula benefitted the new project.

In August of 2010 using their first ever Project Labor Agreement (PLA) with a local hire provision, CEDC began to build Rodney Fernandez Gardens in Santa Paula that put local residents to work. As a result, local unions who worked on the project estimate that 40% of the workers employed on the yearlong project were residents from Santa Paula, Fillmore, and Piru, communities where unemployment remains the highest in the County. Development project manager Bernardo Perez noted that while PLAs required additional work, CEDC would consider future PLAs. CEDC also were introduced to several new local sub-contractors as a result of the PLA that are now being used for other



Opportunities on the Horizon in Santa Paula and Oxnard

In two of the hardest hit cities in the county, Oxnard and Santa Paula, there are major upcoming construction projects that offer the opportunity to bring high quality jobs to local workers building schools in their community. Santa Paula High School will be building a new science and technology building and the Oxnard Union High School District will be constructing two new schools. As the school boards move forward with these projects, they should require developers to sign a CBA so that unemployed Oxnard, Santa Paula and Ventura County residents can get back to work building schools for the children in their communities.

Construction Worker Profile: Manny Bouvet

The Value of Working Locally

Manny Bouvet, was born and raised in a Santa Paula family with a rich history of working in construction. Starting out with an apprenticeship in plumbing just after high school, Manny continues to value his union membership. “Union construction has benefits: dental, medical, and a retirement plan; it has a future.” Manny counts his blessings, appreciating the steady work for the last 40 years and reflecting how he’s fortunate to work on local construction projects. “Because of the local hire agreement, I proudly worked on Rodney Fernandez Gardens housing project for a year. It was a great job.”



CAUSE's Mission is to build grassroots power to realize social, economic and environmental justice for the people of the Ventura and Santa Barbara counties region through policy research, leadership development, organizing, and advocacy.

CAUSE's Vision is that together we can create a global community where we all contribute to, and benefit from, a sustainable economy that is just, prosperous and environmentally healthy.

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