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I. OVERVIEW

As the challenges facing disadvantaged workers grow in the labor market, the role of unions is increasingly important in helping them overcome the obstacles to successful employment.

The U.S. labor market has changed substantially over the last twenty-five years in ways that make it more difficult for workers from disadvantaged backgrounds, often with little education, to secure good jobs. Fewer good jobs, and fewer low-wage jobs that lead to good jobs, are available to disadvantaged workers. Jobs are less stable, and it is more difficult for workers to advance economically by remaining with a single employer.

Likewise, the role of unions is changing as they adapt to the new economy. The emerging union strategies can be of particular benefit to disadvantaged workers. Unions' traditional role of improving wages and benefits through collective bargaining remains essential. But unions are seeking broader influence in the labor market by preparing workers for jobs, connecting them to jobs, training them to succeed in jobs, influencing the competitive practices of their employers, and constructing career paths that extend across industries.

The focus of this report is on “high road partnerships” led by unions. High road partnerships bring unions together with employers and community organizations to retain and create good jobs and improve opportunities for workers to find jobs that require skill, have good wages and benefits, and offer employment security and career advancement. Drawing on the experience of four such partnerships, the report illus-

High Road Partnerships

High road partnerships are union-led multi-employer partnerships in which unions and employers work together to shape local economies that provide workers with good jobs based on skill. By producing alternatives to economic and workforce development initiatives that produce low-skill, low-wage jobs, high road partnerships work to prevent local economies from taking the low road.

trates six features of the partnerships that effectively connect low-income workers with good jobs:

They address sectoral issues. High road partnerships address industry-wide issues that affect the quality of jobs. They are able to prevent employers from competing in ways that harm everyone in the industry—employers and workers alike. They identify competitive practices that are harming the quality of jobs.

They multiply opportunities for workers. Partnership training programs provide skills that can be used with many employers. Compared to single-employer training programs, they provide low-wage workers with more opportunities to obtain better jobs. Multi-employer programs that focus on placements have more job openings available at any given time.

They can help structure career ladders across industries. Industry focus and access to many employers allow high road partnerships to create multi-employer career paths to help workers move from entry-level jobs to higher-skilled, higher-paying positions. They enable workers to advance even when there are no job openings in the workers' workplaces. This increases the mobility of disadvantaged workers while more effectively meeting the industry demand for skilled employees.

They create supports to help workers succeed on the job. Largely because of their connections to unions and union employers, high road partnerships connect disadvantaged workers to jobs that have job protections and other supports, such as mentoring programs, to help them succeed. The partnerships' connections through unions to workers in the industry also provide first-hand knowledge of obstacles to success on the jobs.

They leverage resources for the community. Successful high road partnerships attempt to extend services to workers outside unions. They use the resources negotiated with employers to leverage public funds that allow non-union community members, particularly disadvantaged workers, to participate in their programs. They also partner with community organizations to better connect with people in the area who otherwise would not know that the opportunities exist.

They set standards on public policy. High road partnerships also actively engage public policy on workforce and economic development to create good jobs. They advocate that job quality standards be attached to the use of public workforce and economic development funds. These standards are designed to pave the high road to good jobs and block the low road to poor-quality jobs.

The six-part strategy outlined here is the result of union innovation in helping workers, including disadvantaged workers, find and retain family-sustaining jobs. Implementation of the strategy is evolving, particularly as

The four cases illustrate a strategy, or a model, for how union-led workforce development initiatives can move disadvantaged workers into good jobs and equip them with the skills and supports to enable them to succeed in those jobs.

The high road partnerships described here respond to the impact that worker shortages, skill shortages, lack of training apparatuses, turnover, and public workforce development policy have on the

the national effects of the September 11 disaster accelerated the United States' move from a long economic expansion into a recession. This report provides a sketch of the activities of high road partnerships and why they work and the challenges these partnerships face in helping disadvantaged workers succeed.

competitive performance of businesses. The union-sponsored programs reach out to the broader community to solve those problems. They do this, in part, by connecting disadvantaged workers to the labor markets in which they or their unions have influence. In doing so, these programs also address the pressing public issues of poverty and inequality.

The four cases illustrate a strategy, or a model, for how union-led workforce development initiatives can move disadvantaged workers into good jobs and equip them with the skills and supports to enable them to succeed in those jobs.

Not all of the cases illustrate all aspects of the strategy. Taken together, though, they illuminate the outline of that strategy and show how the components work.

The cases share several characteristics. Each operates on an industry-wide basis in its regional economy. Each has taken advantage of its historical position in the economy to build its programs and lay the groundwork for success. Each is experimenting with how to extend the benefits of union resources to the community at large.

Research for this report began in 2000 during an economic boom and was completed in March 2002 with unemployment near its highest levels in more than six years. The Working for America Institute contacted each program in early 2002 to determine what impact, if any, the September 11 terrorist attacks and the recession have had on these projects. In all cases, expanded programming and broad strategies have helped the training programs respond to changing market needs.

A Taking Care of Philadelphia's Health

As the population ages, the nation confronts an alarming shortage of trained medical professionals and technicians to staff clinics, hospitals and nursing homes. By 2005, according to the U.S. Bureau of Labor Statistics, more than double the number of home health aides will be needed as in 1995. More than 10,000 registered nurses and 5,000 nurses aides will also be needed just to keep up with the growing caseloads.

In Philadelphia, unions have been helping to meet the challenge for almost 30 years. The city's largest health-care workers' union trains medical professionals and technicians for today's and tomorrow's health-care needs. It also gives many of the city's disadvantaged citizens the chance to have good jobs and promising careers in health care.

The Philadelphia employment-training initiative is the project of the National Union of Hospital and Health Care Employees, American Federation of State, County, and Municipal Employees, District 1199C (1199C), the city's largest health-care local. With more than 17,000 members, 1199C has a long tradition of deep involvement in community assistance efforts, especially for African Americans and other minorities.

District 1199C founded its Training and Upgrading Fund as a Taft-Hartley fund with money negotiated in its first collective-bargaining contract in 1974. Today, 61 employers contribute to the fund. It was initially required to focus only on union members. But shortly after it started, the program attracted community, state and federal funds so that it could open its doors to non-members as well.

The Training Fund's program, which is now available to all Philadelphia residents, has a broad strategy for meeting the health-care needs of the city while addressing its workforce development needs. The Fund's Breslin Learning Center is housed in center-city Philadelphia and is open 14 hours a day, seven days a week. An estimated 10,000 people per year are served; half are poverty-level and low-income students. At the Learning Center, students are placed into training based on an academic assessment and a career counseling session that outlines an educational plan. A wide range of remedial course work is available so that no one is turned away based on academic need. Adult continuing education courses are available as well

as an adult diploma program, where students can earn a high school diploma from the School District of Philadelphia.

The Learning Center is also a GED test site for the city of Philadelphia. Courses are taught in the context of health-care work. Training is available for a number of health-related occupations, including nurse aide, practical nurse, claims processing, coding specialist, mental health/mental retardation technician and child care. A range of classes, such as pre-nursing and pre-allied health, is available to assist workers to prepare for higher education programs.

A special training program for laid-off hospital workers trains and places workers in skilled jobs needed by hospitals or other health-care facilities, such as long-term care, community-based care and home care. With the help of federal funding, this program has addressed the continuing problem of hospital layoffs and the closure of several hospitals since 1995. During this time, layoffs have been extensive.

The 1199C Training and Upgrading Fund gives disadvantaged workers the opportunity to advance economically by climbing career ladders within the health-care industry. In its nurse-training program, for instance, the union combines its re-

Taft-Hartley Funds

Taft-Hartley education funds are negotiated in collective bargaining agreements between unions and employers. Employers contribute to a trust fund governed by a board made up of equal numbers of union and employer representatives. The contribution is most often a fixed number of cents per hour worked by employees covered by the contract.

HERE's Academy and 1199C's Training and Upgrading Fund are Taft-Hartley funds. Federal law limits the use of these funds to members of the union.

Unions have addressed this restriction in various ways in order to open their programs and services to non-members, including disadvantaged workers. District 1199C, for example, has secured public funding to cover the costs of participants who are not union members.

sources and expertise with those of several publicly funded programs to help trainees advance from certified nursing assistant to licensed practical nurse and then to registered nurse.

The Training Fund was one of nine organizations to receive Round I funding from the U.S. Department of Labor's H1-B program to design a demonstration project that addresses the critical shortage of nurses. The Fund's model targets entry-level health-care workers for upgrading into skilled nursing positions. It creates a pool of potential nurses among workers who are already familiar with the health-care system and motivated to improve their skills. The majority of these workers are minorities, who traditionally have not had access to positions as

Project CARRE has achieved a 72 percent job-retention rate among graduates after one year. Out of 504 enrollees by the winter of 2001, 340 have completed training, and 246 are working today.

highly skilled nurses. Enrollment goals were exceeded by 200 percent, training 458 nurses aides, 76 practical nurses and 113 registered nurses in a two-year period.

A grant provides incumbent home-care workers with English as a Second Language and nurse assistant training so that they can access

the nursing career ladder. Once they complete the initial training, they will have the opportunity to start preparation for practical nursing and registered nursing. As the program upgrades employees, it opens opportunities for the unemployed and welfare recipients.

Project CARRE, a Training and Upgrading Fund welfare-to-work initiative, specifically helps low-income residents move from welfare to good jobs with futures. Started in 1999, CARRE (Creating Access, Readiness and Retention for Employment) of-

fers training for positions as nurse's aides. Trainees are placed in positions in area nursing homes and provided with retention services, including transportation funds, child-care assistance, and counseling. Program participants are encouraged to set up a transportation savings account that matches their savings with grants toward purchase of a car. In addition, participants who are working can attend pre-nursing classes and are eligible for a full scholarship on successful admission to a practical nursing program.

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District 1199C's training is designed to be able to accept any applicant, no matter where they are in the learning spectrum, and move students into jobs and up the career ladder. In Pennsylvania, March 3, 2002, marks the lifetime limit for welfare. The program anticipates coping with the needs of people who reach that limit. As a training provider for welfare recipients, 1199C is already receiving clients whose needs are greater than those of earlier students.

The training center now offers degree programs on site as a branch campus of the National Labor College, which is reviewing previously completed coursework to apply college credits. In March 1999, the program opened a school of practical nursing that now has the largest number of graduates in the region.

The 1199C Training and Upgrading Fund has weathered nearly 30 years of economic cycles. Since the Training Fund's focus is health care, it has not seen big changes as a result of the events of September 11, 2001. Due to trends in the health-care sector—skyrocketing costs and a nursing shortage—hospitals have closed and many workers have been laid off. However, trainers report that the effects on the Training Fund program "have not been drastic." ●

B. Cooking Up Promising Careers in Las Vegas

Before the economic downturn, the hospitality industry was an attractive target for workforce development practitioners. The industry's potential was for many entry-level jobs with existing career ladders. Jobs in restaurants and hotels traditionally have given many workers who lack skills and steady incomes a working start. More often than not, though, the jobs offered low wages, few if any benefits, and few opportunities to learn valuable skills or develop careers.

The Hotel Employees and Restaurant Employees union (HERE) insists that the jobs in its industry do not have to lead to dead ends. In Las Vegas, HERE Local 226 is showing that a program of skills training and employment placement can lift low-wage hotel and restaurant workers into better jobs and rewarding careers. Its Culinary Training Academy is the largest effort of its kind in the nation.

In 1993, the Culinary and Hospitality Academy of Las Vegas, as it was then known, was started in a bargain negotiated with the hotels. Funded with two cents for every hour worked by union members in union hotels, the Academy offers hotels the well-trained staff to provide the first-class service on which their bottom lines depend. In turn, the Academy gives union members the skills they need to climb to better jobs.

Today, the union-operated Academy provides entry-level as well as skill-upgrade training for as many as 3,000 workers a year and has become a genuine "way up" for people who are struggling to make it out of poverty. More than 1,000 Academy trainees annually come from disadvantaged backgrounds; many are new immigrants.

Nevada's government agencies refer an average of 361 residents annually to the Academy from the state's public assistance rolls. Between 1995 and 2000, religious organizations sent as many as 100 refugees annually. At the Academy, trainees receive tuition-free training in the broad range of occupations covered under HERE Local 226's contract, from house-keeping and kitchen positions to food and beverage service. A survey conducted for this report found that 74 percent of Academy students were minorities, 61 percent were women, nearly 60 percent had no more than a high school diploma or GED, and one-third earned less than \$10,000 a year before enrolling.

The Academy recently partnered with the non-profit Nevada Partners, which offers training to get low-income and welfare clients jobs. The Academy will move to the Partners' fa-

cilities, where there is land for expansion. Together the organizations have secured \$1 million in funding for capital improvements, \$300,000 of it from Clark County and \$700,000 from the Department of Housing and Urban Development. They have applied for more funding for capital improvements from the federal government. Their goal is \$3 to \$4 million.

In San Francisco, HERE Local 2 operates a similar and equally impressive job-training initiative. Its San Francisco Hotels Partnership Project offers classes in English, Spanish and Chinese to meet the needs of the Bay area's immigrant populations. It also provides training in problem-solving and other skills workers need to advance to higher-paying positions in the food and lodging business. Like the union-operated Academy, the San Francisco Project is reaching out to welfare recipients and disadvantaged workers to train them for entry-level hotel and restaurant jobs.

With the Nevada and California projects as models, HERE is looking to establish comparable training initiatives in New York, Atlantic City, Boston, Detroit, Minneapolis and Los Angeles. The union has also created a fledgling effort along the Mississippi Gulf Coast.

The Academy is now the largest provider of occupational training in the state of Nevada and aims to double the number of graduates. Seventy percent of its graduates find jobs at union-represented hotels, with excellent benefits and wages starting at \$10.70 an hour. Retention for graduates placed in union jobs is twice that for workers without training from the Academy, and participants have the opportunity to return for training to upgrade their skills and advance their careers. The Academy estimates that 40 percent of graduates in gaming jobs have returned for upgrade training.

The slowdown in the travel and tourism industries in the wake of September 11 saw the private sector contribution to the partnership drop an estimated 8 percent as workers lost hours. Many of the Academy's recent graduates who were affected by first-hired, first-laid off policies returned for additional training. The Academy's goal is to expand programming to train workers in several areas. With that kind of training, instead of being laid off, a worker might be transferred to another line of work. ●

The Culinary Training Academy is now the largest provider of occupational training in the state of Nevada and aims to double the number of graduates.

C . Manufacturing Good Jobs in Milwaukee

For more than a century, manufacturing was the economic mainstay of America's midwestern states. It provided dependable jobs and the paychecks that built the nation's middle class. Now, though, with capital more mobile internationally, small and large manufacturing plants have padlocked their doors and moved abroad in search of the least expensive labor.

Over the last four years, WRTP has placed into family-supporting jobs 1,000 inner-city residents who otherwise had little hope of climbing out of poverty.

But in Wisconsin, unions are proving that manufacturing still can be the path up and out of poverty for disadvantaged workers. After a sharp decline in the 1980s, manufacturing in Milwaukee, the industrial capital of Wisconsin, is enjoying a second life. In the late 1990s, retirements in Milwaukee's older workforce and a low jobless rate created a shortage of skilled manufacturing workers. The move of firms from urban areas to the suburbs, away from the inner city where many workers live, complicated the problem of meeting manufacturing employers' workforce needs.

In search of a solution, the Wisconsin State AFL-CIO formed the Wisconsin Regional Training Partnership (WRTP) with its industrial union affiliates and their employers to improve workplaces and the workforce in the Milwaukee area. WRTP has developed a highly successful strategy for preparing the low-income community for skilled manufacturing jobs at mem-

ber companies with funding since 1997 from the Milwaukee Jobs Initiative of the Annie E. Casey Foundation. WRTP has collaborated with employers, unions, workforce development agencies, technical colleges and community partners to place an unprecedented number of low-income residents into family-supporting jobs.

WRTP received a demonstration grant from the U.S. Department of Labor in 2000 to replicate the partnership in a wide range of other industries. Membership has grown to more than 100 companies and their unions in industries that include building maintenance, child care, customer service, construction, health care, hospitality, manufacturing, technology, transportation, and utilities.

WRTP has recently partnered with the third largest YWCA in the country to create a workforce-training center in the central city for the entire workforce development and welfare-to-work system. The center provides low-income community residents with career exploration, pre-employment training, apprenticeship preparation, career advancement, and placement services.

Over the last four years, WRTP has placed into family-supporting jobs 1,000 inner-city residents who otherwise had little hope of climbing out of poverty. Over 90 percent of the participants have been people of color. Half of the trainees received public assistance in some form, one out of four participated through welfare-to-work programs, and a substantial percentage overcame language barriers or criminal backgrounds. The participants have increased their average annual earnings by 165 percent to more than \$22,000 their first year on the job. The retention rate after four years is more than 70 percent.

The diversification of the WRTP into other sectors has enabled it to continue growing despite the recession. The number of job vacancies in manufacturing sharply declined in 2001, but the WRTP has increased placements in health care and other sectors of the regional economy. ●

D. Constructing a Job-Training Success in Seattle

Unions in Seattle have been helping to lead the way in moving disadvantaged workers to good jobs that offer a better future for their families. Now with innovative new Project Labor Agreements (PLAs) and Apprenticeship Utilization Requirements (AURs), Seattle's building trades unions are expanding access to apprenticeship programs that give valuable and sought-after job skills to thousands of workers and an opportunity to have a career in the well-paying construction industry for disadvantaged workers.

The building trades unions have led a series of innovative efforts and partnerships with the Worker Center of the King County Labor Council; AFL-CIO; the Office of PortJOBS; Apprenticeship and Non-traditional Employment for Women and Men (ANEW); local governments and private developers.

On a walk along the city's waterfront one winter day in 1991, the idea of linking apprenticeship job opportunities to major construction projects was the topic of a conversation between Ron Judd, then leader of the Seattle-King County Building and Construction Trades Council, AFL-CIO, and Tom Byers, then an active participant in the Working in King County Task Force, a broad coalition of public officials, labor, and community organizations formed to link disadvantaged workers with jobs created by the Port economy. They talked in particular about the land across the harbor that the Port of Seattle was soon going to develop and how the construction jobs that would require could be used to include and help the city's disadvantaged workers. Byers recalls Judd offering this challenge: If the Port would require that part of the work be performed by apprentices, the unions would do their best to see that every qualified woman and minority was accepted into the unions' apprentice training programs.

The conversation was an extension of a dialogue that labor had been engaged in around the Port of Seattle for some time. The Working in King County Taskforce was formed in 1990 with community groups, labor, the Committee for Economic Opportunity, and the Port to increase job opportunities for women and minorities. One outcome of the task force's efforts was the adoption of Apprenticeship Utilization Requirements, which guaranteed that 15 percent of hours worked on construction projects would be provided by apprentices in state-certified ap-

prenticeship programs. Community Project Labor Agreements were the logical outcome of this success, combining AURs with other labor-market protections.

Two years later, the first community PLA was developed. Construction unions and the Port of Seattle supported the agreement. It guaranteed that a substantial percentage of project construction workers – especially low-income women and minorities – would be trainees of state-certified apprenticeship programs that provide training in craft skills, placement and on-the-job support.

Seattle's Puget Sound region is home to a building trades apprentice system that is certified by the state of Washington and made up of 29 programs jointly sponsored by the union and contractors. The eleven largest of those programs have approximately 3,500 apprentices enrolled at any time and are meeting or exceeding state goals for minority enrollment. Construction and apprenticeship preparation programs serve another 400 to 500 participants a year, recruiting and training women, people of color, youths, and the economically disadvantaged.

Today, based on the successive leadership of the Seattle-King County Building and Construction Trades Council – Jack Gilchrist and now Peter Coates – along with the Washington State Building and Construction Trades Council and other labor organizations, PLAs covering billions of dollars of private and public construction in the Puget Sound region require that a percentage of all labor hours on a covered project, typically 15 percent, be performed by trainees in state-approved apprenticeship programs, regardless of whether the contractor is a union

Project Labor Agreements

Project Labor Agreements (PLAs) are comprehensive agreements negotiated between contractors, their clients, and building and construction trade unions. PLAs govern working conditions and hiring practices on specific construction projects.

PLAs now commonly provide that apprentices in certified apprenticeship programs will perform a certain percentage of the hours worked on a project. This guarantees new training opportunities.

Community PLAs go a step farther by pledging that a percentage of those hours will go to female and minority apprentices.

employer. In addition, a minimum percentage of the apprentices, usually ranging from 20 percent to 35 percent, are expected to be workers of color, women, or members of other disadvantaged groups. Local governments in the Puget Sound area have passed laws mandating AURs for public works over \$1 million dollars.

ANEW, which operates a nationally recognized five-month pre-apprenticeship program that prepares women and minority workers to enter apprenticeship programs, authored a study in 1993 on apprentice opportunities in the Puget Sound area for the Working in King County Taskforce. The study reported on the status of workforce participation of women and people of color on public construction projects and demonstrated the need for what was referred to as the "Apprenticeship Model Project."

The Working in King County Taskforce in 1993 launched the Office of PortJOBS, with Port of Seattle Commissioner Paige Miller as board chair, to support partnerships that link disadvantaged workers with jobs created by the Port economy. In 1994, OPJ funded the community's flagship training effort, the Apprenticeship Opportunities Project (AOP), which is based on the concept developed by ANEW. In 1997, the first private developers in King County voluntarily signed onto apprenticeship and diversity goals. In 1999, AOP reported six private developer partners, all with diversity goals at or above 20 percent.

AOP moves workers seamlessly from the community into jobs, and provides supports for workers to succeed in those jobs. Working with Seattle's building trades unions, AOP, along with community groups and technical schools, has fashioned a network of training assistance that provides disadvantaged workers with information about apprenticeships, career counseling, referrals to pre-apprenticeship training programs, and support and retention services.

AOP has been operated since its inception by ANEW in partnership with Trades Mentor Network (TMN), a project housed and operated by the Worker Center. TMN pairs experienced construction workers with apprentices placed by AOP to provide practical support for overcoming everyday problems at work and in their personal lives.

Other cities are looking at Seattle's success and using its experience with PLAs as models for their own efforts to assist disadvantaged workers. In Boston, community PLAs are at work on the city's harbor cleanup and its central highway and tunnel projects. In Philadelphia, building trades unions are recruiting public housing residents into apprenticeships for jobs in public housing rehabilitation. In the nation's capital, Washington, D.C., unions are using a PLA to pro-

vide disadvantaged workers with skills and good jobs building a state-of-the-art convention center. In each city, PLAs are being fashioned to meet local workforce needs and conditions.

The major crafts in Seattle include carpenters, plumbers, laborers, iron workers, electricians, sheet metal workers, painters, and heavy equipment operators. Through the PLAs and the AURs, more than 900 construction apprenticeship slots are created every year. Apprentices earn from \$10.08 to \$16.93 per hour with excellent benefits and enjoy a career progression to journey-level jobs paying well above \$20 and often as high as \$30 per hour.

Since 1994, AOP has placed 782 individuals into building trades apprenticeships or jobs in other industries with comparable wages and career prospects. Ninety-six percent came from low-income backgrounds, 21 percent had no income before enrolling in AOP's training, 44 percent reported incomes below poverty, and 35 percent had been receiving some form of government assistance. Since 1998, when AOP began tracking the job retention of its participants, 80 percent of participants have remained employed at least six months, 68 percent at least one year, 59 percent at least eighteen months, and 53 percent at least two years.

OPJ's extensive tracking of apprentice statistics on public and private projects with AURs and PLAs, found that by 1997, Seattle's female apprentices accounted for 21 percent of all apprentice hours, an increase from under 15 percent of the hours in the early 1990s. The proportion of minority apprentices had risen to 27 percent from 23 percent in that period.

In 1999, the most recent year for which statistics are available, more than 2.9 million hours of construction labor were covered by public and private AURs; 14 percent of the hours were worked by apprentices. Of the apprentice hours, 28 percent were worked by minorities. The share of hours worked by minority women, while only 5 percent, was the highest number since the initiation of AURs.

The connection of Seattle's AOP, ANEW, and TMN to long-term public projects generally promotes stability through the course of a downturn. However, changes in the way federal money is allotted threatens ANEW's funding for 2003. Funding for completion of public construction in the state of Washington is challenged by local tax-cutting initiatives. As construction costs rise, the ability for levy-financed projects to go back for more money is limited. AURs and PLAs will ensure that apprenticeship hours are not the first to suffer in such a scenario and that Seattle's construction workforce will continue to renew itself and be increasingly diverse. ●

III. THE CHANGING LABOR MARKET FOR DISADVANTAGED WORKERS

The U.S. labor market's significant changes since the late 1970s have been especially hard on the less-educated workers who typically work in low-wage jobs.

Twenty-five years ago, many workers, even those without special training or advanced education, were able to complete long-term careers without changing employers. Many companies had internal labor markets in which workers, sheltered from direct external competition, could gain firm-specific skills and advance economically. Today, workers, especially less-

The new technologies and business strategies that employers have adopted during the last 25 years have increased the demand for workers with specialized skills that often require difficult or costly training.

educated ones, are less able to remain with a single employer for a long time and less able to advance economically even if they do. Internal labor markets have eroded. Employers increasingly look to the external labor market to find the skilled workers.

They more often use temporary and other contingent work arrangements. Jobs appear to be less stable than they were twenty-five years ago.

Wage inequality has also grown in that time (Mishel, Bernstein, and Schmitt 2001). A drop in the wages of less-educated workers can account for much of this trend. While the real wages of workers with college degrees have remained relatively stable, the real wages of workers with high school diplomas or less have declined by about 30 percent (Bernhardt et al. 2001). Less-educated workers are worse off, in both relative and absolute terms, than they were 25 years ago. The long-term shift of employment from manufacturing to service industries contributed to the decline in low-wage workers' absolute and relative

wages. Service industries both pay lower wages in general and have more wage inequality than manufacturing industries (Herzenberg, Alic, and Wial 1998).

Middle- and higher-wage jobs often require more education or training. The new technologies and business strategies that employers have adopted during the last 25 years have increased the demand for workers with specialized skills that often require difficult or costly training. At the same time, firms reduced the skill requirements and, with them, the wages of workers in the parts of the production process that they did not perceive as central to their business.

A growing "spatial mismatch" between the locations of jobs and the locations of workers exacerbated less-educated workers' labor market problems (Wilson 1996). In metropolitan areas, the good jobs that were still available to those workers were increasingly located far away from the central cities and inner suburbs where most workers live. Downtown manufacturing operations closed, while new operations opened in distant suburbs where costs were lower. For less-educated workers, many without cars, transportation became an obstacle to finding and keeping a good job.

Finally, welfare reform pushed millions of people off the welfare rolls and into the labor market. In many cases, these workers were the least equipped to secure a job that either paid well or led to a job that paid well. Although the economic boom of the late 1990s mitigated some of welfare reform's effects on low-wage workers, welfare reform increased competition for the limited number of good jobs available to those workers; this competition affected all low-wage workers, including those who had not received welfare.

These changes have reduced economic opportunities for less-educated workers and made the opportunities less transparent and harder to access. Today, there are fewer good jobs, and fewer low-wage jobs that lead to good jobs. Remaining with a single employer for a long period of time does not necessarily lead to economic advancement. Many less-educated workers are stuck in low-wage, insecure jobs. To advance, they need more education or training. They must also be able to navigate the external labor market so that they can move into better jobs rather than simply cycling among low-wage jobs.

IV. THE ROLE OF UNIONS

Unions have long advocated for the interests of workers, including disadvantaged workers, and paved the road to good jobs. One way in which they have done so is through collective bargaining over wages and em-

Working in partnership with employers and community organizations, unions are taking the lead in creating regional labor market intermediaries that address workforce development at the industry-level.

ployee benefits. According to the Bureau of Labor Statistics, the average weekly earnings of workers represented by unions in 2000 were 28 percent higher than those of nonunion workers.¹ For women, the union earnings advantage is 31 percent; for African Americans, 37 percent; and for Latinos, 54 percent (Hirsch and MacPherson 2000). Health-care and pension coverage remain the norm under union contracts.

The ways unions help workers gain that advantage have changed over time. Before World War II, unions often trained workers, helped them find jobs, and defined skill categories through which they could advance. Because unions usually represented workers in an occupation rather than in a particular firm, they were concerned with the economic health of the entire industry or industries employing their members. During the postwar period, employers began to provide workers with training and advancement opportunities through internal labor markets to stable jobs within the firm. Unions became more concerned with firm-specific economic issues and less concerned with industry-wide issues. Only in a few industries, such as

¹Part of the union-nonunion earnings differential is due to the fact that workers who would otherwise have high earnings are more likely than other workers to be represented by unions. However, even when other earnings-related characteristics of workers are taken into account, workers represented by unions earn 15 to 20 percent more than comparable nonunion workers (Katz and Kochan, 1992).

construction and the performing arts, did unions continue to take the lead on training, job placement, and skill definition—issues that are now called “workforce development” issues.

Today, employers are less willing to provide stable jobs with training and advancement opportunities, so unions are once again taking on the workforce development roles. Working in partnership with employers and community organizations, unions are taking the lead in creating regional labor market intermediaries that address workforce development at the industry-level.

Unions and union-led partnerships have unique advantages in solving workforce development problems. Their industry-level perspective enables them to understand the nature of competition in the industry, not just one firm. For this reason, they are able to prevent companies from competing in ways that are harmful to employers and workers in the industry as a whole, identify competitive practices that reduce the quality of jobs, and help craft win-win solutions that improve those practices. For example, because firms fear that their competitors will “poach” trained workers away from them, they tend to invest too little in general skills training. By negotiating with employers throughout an industry so that all employers help pay for training, unions relieve employers’ fears of “poaching” and reluctance to train workers.

Unions and union-led partnerships have contact with many employers who offer similar jobs that require similar training. This contact enables unions and union-led partnerships to place workers in a large number of jobs and, therefore, to give workers maximum access to ports of entry into good jobs. The fact that these jobs will tend to be jobs covered by collective-bargaining agreements increases the likelihood that workers who are placed in them will have good wages and benefits and job protections, which create more stability in employment. They have the ability to structure career ladders across

On the high road, firms compete on quality and innovation, producing goods or services for which consumers are willing to pay a premium.

an industry to compensate for the deterioration of career ladders inside firms. They are also able to negotiate pools of resources from many different employers in order to reach economies of scale in services for workers needed in the industry. Where they are unable to do that, they can build the coalition of employers and community groups that will raise the public issues that will trigger or direct public resources to solving the problem.

Today, unions that address workforce development issues often take a broad, strategic approach to those issues. They view their workforce development activities as means of influencing the nature of competition in their industries. Many analysts have distinguished between high road and low road competitive

strategies. Firms can choose one of these strategies or a combination of the two. On the high road, firms compete on quality and innovation, producing goods or services for which consumers are willing to pay a premium. This strategy requires a skilled, committed workforce able to produce high-quality output and to help in product innovation. On the low road, firms compete on cost, offering their products for sale at the lowest possible price. The products tend to be standardized and the processes to create them are reduced to routine. Standardization of product and routinization of process lowers the dependence of the firm on skilled workers, resulting in lower wages and higher turnover.

V. THE MODEL

The high road cases highlighted above suggest a strategy for union-led partnerships that serve disadvantaged workers. Some features of the strategy are common to all the programs. Others, although specific to a subset of the four cases, complement the common features.

A. Addressing Sectoral Issues

Key to the success of union-led partnerships is their ability to respond to the competitive dynamics of the industries in which they operate. Because the partnerships, and the unions that sponsor them, are in ongoing dialogue with employers throughout an industry, they are able to understand the needs of those employers and their connection to employees helps them recognize the ways in which the nature of competition in the industry affects the quality of jobs. Workforce development programs run by community-based organizations generally lack this advantage because community-based organizations rarely have ongoing relationships with employers throughout an industry and rarely have the ability to understand or influence the competitive dynamics of an industry.

Although employer-led partnerships can also address sectoral issues, they usually have difficulty changing the way firms in the industry compete. Employer-led groups typically find it difficult to prevent their member firms from acting in ways that benefit individual firms but harm the industry as a whole. For example, employers are often reluctant to provide workers with general skills training because they fear that if they do so then other employers will “poach” the trained workers from them. Consequently, employers underinvest in this type of training. Employer-led partnerships recognize this problem, but they find it difficult to force their members either to refrain from “poaching” or to share the costs of training. Unions, on the other hand, can use collective bargaining to ensure that employers share training costs. The training programs of the Culinary Training Academy, 1199C, and the Seattle Worker Center are all funded by contributions from employers negotiated through collective bargaining.

B. Multiplying Opportunities

The sectoral approach involves many employers in a single industry and so maximizes the options available

to program participants entering or moving up in the labor market. Disadvantaged workers trained through Wisconsin’s WRTP are assured a job from the beginning through a serial interview process with member firms of the partnership. 1199C can rely on its connections to employers in the Philadelphia health-care industry to place workers trained in Project CARRE.

C. Structuring Career Ladders

The multiple-employer nature of the sectoral approach also enables the union-based programs to construct career opportunities above the entry level and to take advantage of those that already exist because of collective-bargaining agreements. Since internal labor markets have declined, it is necessary to build career ladders that link jobs across an industry. The connection to many employers, coupled with knowledge of the occupations and their requisite skills, enables high road partnerships to help disadvantaged workers get into jobs that have career prospects and supports for advancement. Many of these employers are signatories to union contracts that define the occupations and set a uniform scale for all participating employers. The partnership is able to train to a standard, where the jobs have defined duties and responsibilities plus a clear definition of the wages paid to workers with particular levels of education and training. This is best illustrated by the Philadelphia case, where 1199C helps advance workers into the nursing field by setting up many training initiatives that together prepare disadvantaged workers for each step of the career ladder.

D. Providing Supports for Work

Union-sponsored training programs provide two kinds of supports for workers: those that come before employment, such as job readiness, basic skills training, literacy, and English for Speakers of Other Languages (ESOL), and those that come as a result of collective bargaining contracts on the job, such as health insurance benefits or upgrade training.

All four of the profiled programs provide job-readiness training as part of their curriculum. Further, because each program has a particular industry focus, the training readies employees for the actual conditions they will be facing on the job. Programs like Seat-

tle's ANEW allow workers to overcome the barriers to entering training programs that require higher initial skills. Philadelphia's 1199C (hospitals) and Las Vegas' Academy (hotels) prepare workers by attempting to replicate the conditions that graduates will face on the job. To determine what employers require and whether candidates will need additional training, Milwaukee's WRTP secures job commitments from employers before the start of training.

The union-sponsored training programs understand the challenges of keeping a job. To improve graduates' success on the job, the Worker Center in Seattle created the Trades Mentor Network, which connects apprentices with experienced skilled tradespeople to help apprentices overcome the day-to-day challenges. WRTP also has a mentoring program in its manufacturing and hospitality programs that pairs new workers with experienced employees to support them in their new jobs.

Graduates securing union jobs also have the support of the collective-bargaining agreements, which define job duties, responsibilities, and wages. The agreements typically include other benefits, such as health-care coverage and retirement plans, that help with everyday challenges and with planning for the future. Contracts can also provide the resources to advance in careers. The 1199C Training Fund program was started with collectively bargained contributions from employers, and it is still funded in part by those contributions. The Culinary Training Academy is also funded by collectively bargained employer contributions.

E. Leveraging Union Resources

The high road partnerships profiled here explicitly attempt to leverage union resources for community members, particularly disadvantaged workers. Both HERE's Academy and 1199C's Training and Upgrading Fund have opened their union programs to community members who do not belong to the union. The partnerships team up with public agencies and community-based organizations to reach out to disadvantaged workers. Alliances with these organizations are necessary to inform disadvantaged workers that training or placement opportunities are available and to recruit them to partnership programs. WRTP employs community outreach specialists and has partnerships with the public schools. It also works with the Job Corps to recruit participants.

The Academy works with Nevada's social service agencies and Nevada Partners to train and place workers coming off welfare. Participants in 1199C's training are primarily residents of urban Philadelphia. The union recruits for its training programs through its intimate relationship to that community. It extends its reach through partnerships with the public schools and the Philadelphia Workforce Development Council.

F. Setting Standards on Public Policy

One of the most innovative aspects of the Seattle case is the use of public policy to secure training opportunities. Using their connections to the unions, partners in the Apprenticeship Opportunities Project are able to inform the unions' public policy advocacy agenda to prioritize the creation of training and job opportunities as part of their Project Labor Agreements. This ensures that there will be positions on publicly funded projects to enable apprentices to fulfill the educational requirements of their training. Disadvantaged workers get the added security that their on-the-job apprenticeship training most likely will not be interrupted by lack of work. This increases the likelihood that they will graduate, or "journey out," as fully qualified skilled trades construction workers.

There is much untapped potential for such standard-setting on projects using public funds. Prevailing wage laws have long regulated the labor market in construction. The Davis-Bacon Act requires federal construction contractors to pay prevailing wages. Similar laws exist for federal contractors in the service and manufacturing industries. Unions across the country, as part of community coalitions, have advocated "living wage" ordinances, which require local government contractors to pay wages higher than the federal and state minimum wages. These ordinances are part of a strategy to create regional wage floors above the levels required by federal and state laws. Similar standards have yet to be applied successfully to workforce development funds. Elsewhere, unions have advocated that local governments require firms that receive public funds to be neutral in union-organizing campaigns. Such provisions improve unions' ability to put in place labor market structures and job protections that will help disadvantaged workers to succeed in jobs and build careers.

VI. CHALLENGES

Union-led workforce development programs face several challenges. They are not always able to provide disadvantaged workers with non-work supports, such as transportation and child care, which workers need in order to take and keep jobs. Not all union-led programs have adopted all features of the “best practice” strategy outlined above. Finally, the programs face the challenge of placing disadvantaged workers in jobs during tough economic times.

A. Some Barriers to Participants’ Success

Like most workforce development programs, high road partnerships face some important challenges in placing participants and assisting them as they move through careers. Though collective-bargaining contracts and supportive services, such as health insurance, help to reduce some of the strain in the transition to employment, they are not foolproof. Transportation and child-care needs are persistent challenges that, despite the best efforts of program staff, have not been solved for all participants. These challenges are particularly clear in the cases of Philadelphia’s 1199C and Milwaukee’s WRTP. The increasing geographic dispersion of employers as they move away from the urban core makes getting to work more difficult for disadvantaged workers. The nature of shift work complicates initiatives to remove the barriers. Some shifts begin too early to enable disadvantaged workers to secure conventional child care near home, and it is even more difficult to find child care near work. Shift start times that vary between individuals employed at different locations reduce the usefulness of carpooling and van service to fill the transportation need.

B. No One Is Doing Everything

No single program has been able to implement all the elements of the above model. For instance, while 1199C has used its negotiated employer funding to leverage public funds to expand the reach of its programs, the Culinary Academy still operates primarily

on negotiated funds. The laws governing Taft-Hartley joint education trusts require community residents who wish to participate in the Academy to become associate members of HERE. The Academy complies with this requirement by having all community residents who are not members pay a \$25 fee to become an associate member of the union.

Only the PLA in Seattle is able to use public policy to ensure that participants will earn specified wage rates. The other programs are able to take advantage of collectively bargained wage rates, but are unable to guarantee the same wages for workers with non-union employers.

Although all four programs connect workers to jobs that have career advancement opportunities, not all the programs created or actively shaped those career ladders or streamlined the job connections across employers. The programs make training available for each level of career progression, but advancement depends on individual workers taking advantage of the available benefit and using their own efforts to get jobs.

One advantage of these programs is their ability to weather downturns.

C. Succeeding in an Economic Downturn

The recent recession has proven to be a challenge as much for welfare reform as for the high road partnerships. Welfare reform was implemented when there was an abundance of jobs available for people coming off the welfare rolls. Employers were more willing to take risks on employees with unstable work backgrounds provided that these workers had the training program experience. It will be a true mark of success if the high road partnerships are still able to place disadvantaged workers during less favorable economic conditions.

One advantage of these programs is their ability to weather downturns. Their base of negotiated funding provides a certain degree of financial stability while their record of accomplishment in providing public services gives them a competitive advantage with public agencies.

VII. POLICY RECOMMENDATIONS

Workforce development becomes a public issue when employers are unable or unwilling to take responsibility for it. The experience of high road partnerships points to a number of public policies that could improve the operation of the public workforce development system. Based on the effectiveness of union programs, policymakers should:

Expand support for union-sponsored programs that benefit disadvantaged workers. Government should fund both the union programs and the related recruitment and transitional initiatives that are key to the union-based efforts. Those related programs include pre-apprenticeship training programs and school-to-work programs in high schools and junior high schools.

Expand requirements for minimum training and recruitment of disadvantaged workers on publicly funded projects. Bid specifications for public construction projects should include apprenticeships for low-skill workers. Requirements for hiring minorities and disadvantaged workers could also be imposed on the businesses whose facilities are built by those projects. Not only government employers, but also private employers, such as hotels and stadiums, that benefit from government subsidies or tax advantages should be obliged to include the disadvantaged in their workforces.

Provide support for the creation of high road regional partnerships of employers, unions, and community groups that help recruit workers and build their job skills in targeted industries. The partnerships could work hand-in-hand with public welfare-to-work and school-to-work programs.

Direct funding to programs that have in place components and strategies that respond to specific problems in the regional economy. The workforce development system should be geared toward compensating for the deterioration of internal labor markets. Initiatives should respond to conditions in the labor market that make it easier to construct a career over a lifetime. Some ex-

amples of program components are the participation of many employers, structured input from worker representatives, a system of supports after placement for success on the job, a focus on work in the context of industries, and collaboration with community organizations.

Facilitate cross-site sharing of knowledge between successful workforce development projects. Communication networks should be established so that successful programs can share their expertise. Federal agencies should continue to promote meetings and conferences that bring together local and regional workforce development practitioners to promote replication of workforce development strategies. Materials and tools that focus on “best practice” approaches to job training should be developed in a form that is portable to a variety of industries.

Dismantle the barriers that keep some workers with limited education and skills from enrolling in training and placement programs. Those barriers include the lack of child care and affordable transportation. Too often they prevent disadvantaged workers from moving into full-time training and employment programs.

Develop performance standards and fund the development of a standard-assessment system for workforce development and training programs. This system should track completion rates, reasons for failure to complete the program, job placement rates, job retention rates, starting wages, and wages and job mobility for a period of time after initial job placement. Additionally, one or more federal agencies should create award or recognition programs for workforce development projects that share best practices and strategies with other workforce development efforts.

Protect the right of workers to form unions and bargain collectively with their employers. Union organizing is a proven path to improving wages and working conditions for disadvantaged workers. Nevertheless, some employers continue to frustrate or thwart workers’ right to organize by firing union supporters, intimidating workers, and threatening to close their facilities if workers form a union.

The AFL-CIO Working for America Institute works with unions and their allies to create and retain good jobs and build strong communities through promoting high road economic strategies for individuals, employers and industrial sectors, and public economic and workforce development systems.



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