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Lois M. Quinn

University of Wisconsin - Milwaukee, lquinn@uwm.edu

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Who's Building Milwaukee? Race/Ethnicity of Employees in the Largest Construction Firms in the Milwaukee Area

Prepared by Lois M. Quinn, Employment and Training Institute, University of Wisconsin-Milwaukee, 2013

The U.S. Equal Employment Opportunities Commission requires all companies with 100 or more workers to report annually on the race/ethnicity and gender of their workforce by ten occupational groupings. The EEOC summaries of this data for the Milwaukee metropolitan area (i.e., Milwaukee, Ozaukee, Washington and Waukesha counties) help measure the economic health of the construction industry as well as the commitment of the largest firms to hiring of African American, Hispanic and other minority workers. This report focuses on the race/ethnicity of employees in the blue collar occupational areas (skilled craft workers, semi-skilled operatives including apprentices, and unskilled laborers) and at the executive and managerial levels.

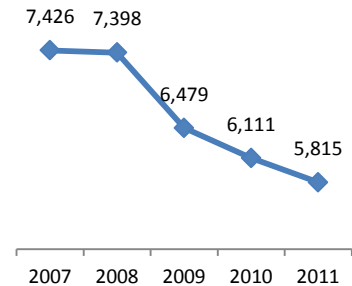
Findings

1. The EEO-1 reports show an industry still struggling to recover from the recession and national housing crisis. While the number of large construction firms in the Milwaukee area (with 100 or more workers) increased from 39 in 2010 to 41 in 2011, the number of workers they employed dropped from 6,111 to 5,815.
2. None of the executives or senior managers running the largest construction firms in the Milwaukee area were minorities. In fact, of the 136 largest construction firms in the state of Wisconsin (all with 100+ workers), only 3 of their 515 executives and senior managers were minorities – 1 Latina, 1 Native American, and 1 person of mixed race.
3. In 2011 African Americans held less than 4% of the jobs in the largest construction firms in metro Milwaukee. Only 85 African Americans were employed as skilled craftsmen (compared to 2,771 whites), only 35 African Americans were working as apprentices and semi-skilled operatives (compared to 441 whites), and only 73 African Americans were employed as laborers (compared to 431 whites).
4. Latinos also showed low employment levels in the largest construction firms of the Milwaukee area, holding only 4% of the jobs. The companies reported 135 Latinos employed as skilled craftsmen, only 28 as apprentices and semi-skilled operatives, and only 65 as laborers.
5. Almost no minority women are employed by the largest construction firms. Minority women made up 1% of the employees in the largest firms, with over half working as office and clerical staff.
6. Little evidence was seen of affirmative action commitment or enforcement during the recession. Under state law the Wisconsin Department of Workforce Development is required to monitor and enforce hiring rules for apprentices, and firms receiving \$10,000 or more in federal contracts are required to meet OFCCP (Office of Federal Contract Compliance Program) regulations. Minorities are reaching 50% of the population among youth in the Milwaukee metro area and are a significant portion of the adult population. Their engagement in construction and manufacturing work is essential for the economic health of metro Milwaukee and Wisconsin.

Analysis of the Workforce of the Largest Construction Firms

The EEO-1 reports show an industry that has not yet recovered from the recession and the national housing crisis. The number of construction companies in the metro area with 100 of more workers dropped from 47 firms in 2007 (with 7,426 employees) to 39 firms in 2010 (with 6,111 employees) and then rose to 41 firms in 2011 (but with 5,815 employees).

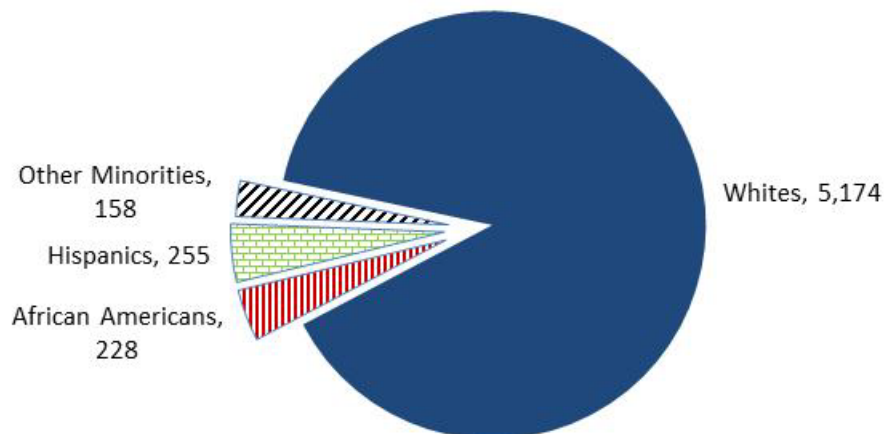
Employees of Construction Firms with 100+ Workers: Milwaukee MSA



At the same time very few African Americans or Latinos have been employed by the largest construction firms in metro Milwaukee, and little evidence was seen of affirmative action commitment or enforcement during the recession. Governor Jim Doyle issued Executive Order 108 in July 2005 requiring construction firms receiving state contracts to provide apprenticeship training [but not requiring diversified hires], an order rescinded by Governor Scott Walker in March 2011, shortly after taking office. Additionally, the state Department of Workforce Development has a track record of failures to enforce state and federal affirmative action requirements for the apprenticeship programs.¹

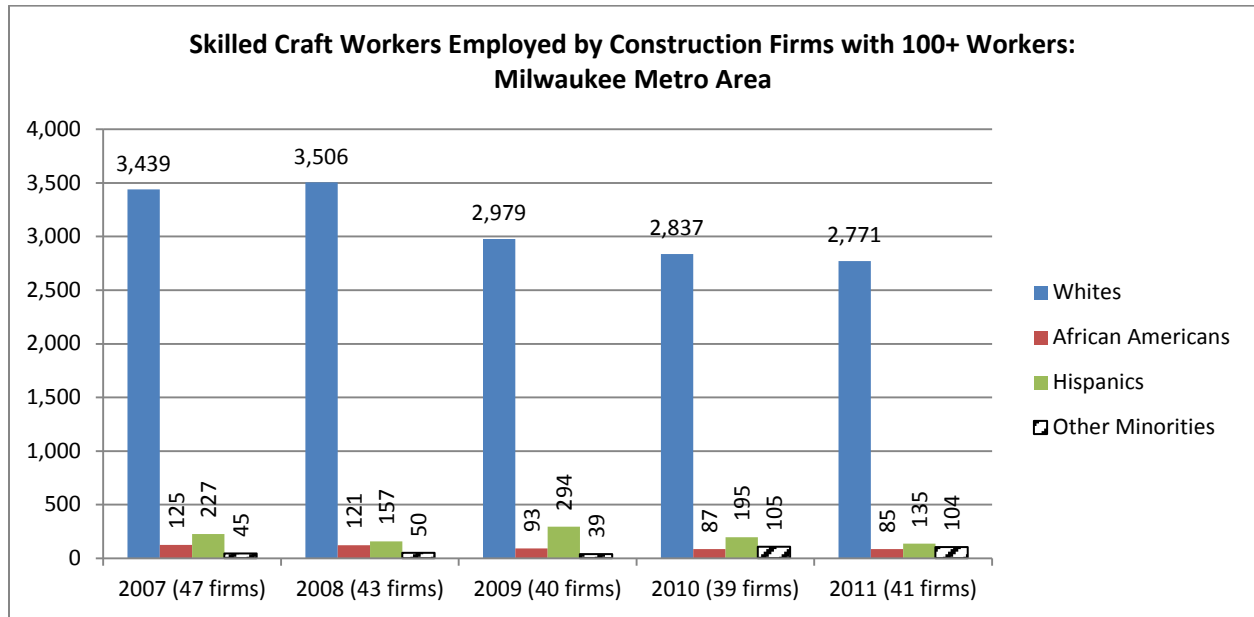
In 2011 the 41 largest firms reported employing 5,815 workers with less than 4% (N=228) African Americans and 4% (N=255) Hispanics.

5,815 Workers Employed in Largest Construction Firms: 5,174 Are White

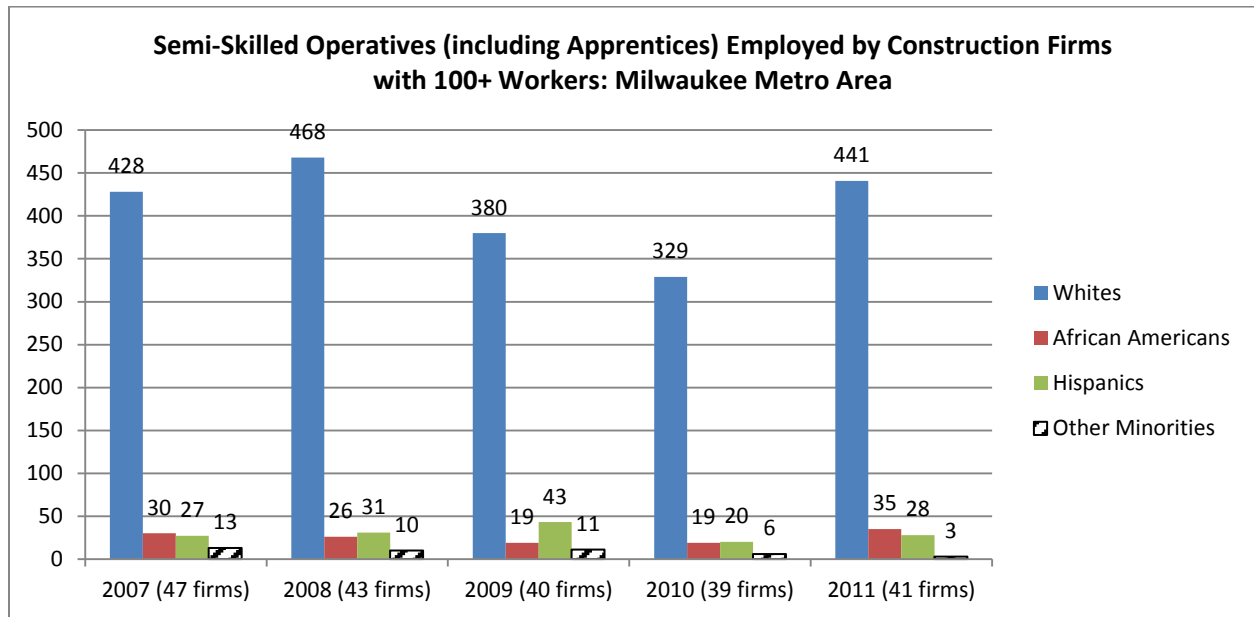


Notably, the number of African Americans employed in blue collar work is very low – particularly in the skilled trades – and has been worsening.

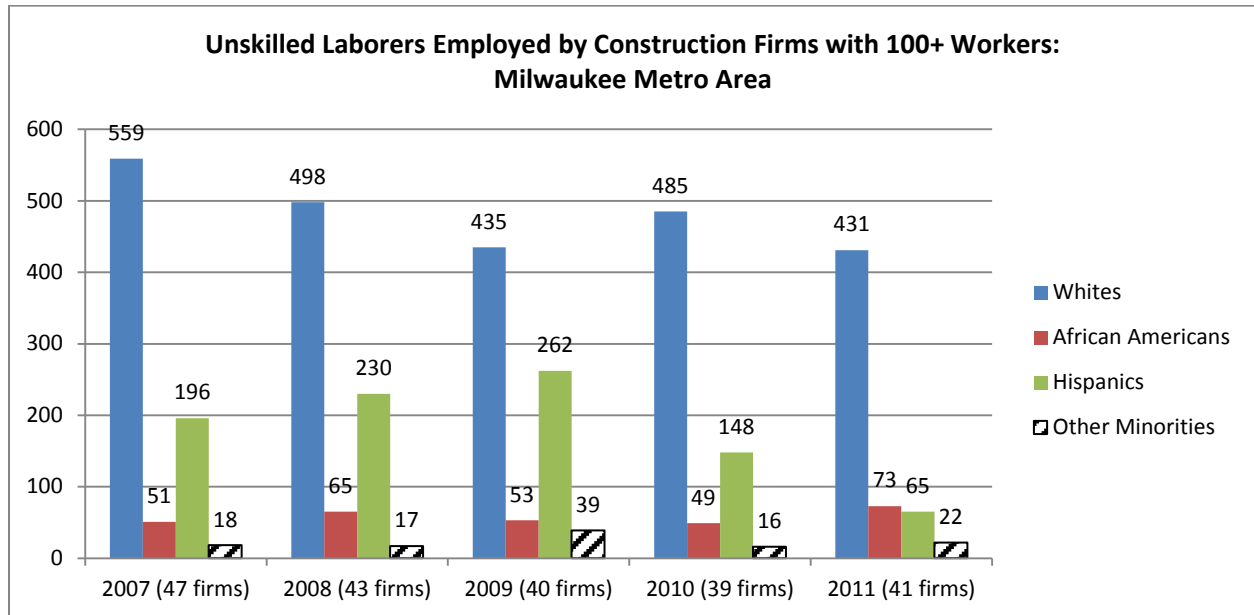
Only 85 African Americans and 135 Latinos were employed by largest construction firms as skilled craftsmen in 2011, compared to 2,771 whites.



Very few African Americans and Latinos are being trained as apprentices in the largest firms. In 2011 only 35 African Americans and 28 Latinos were employed as semi-skilled operatives (including apprentices), compared to 441 whites.

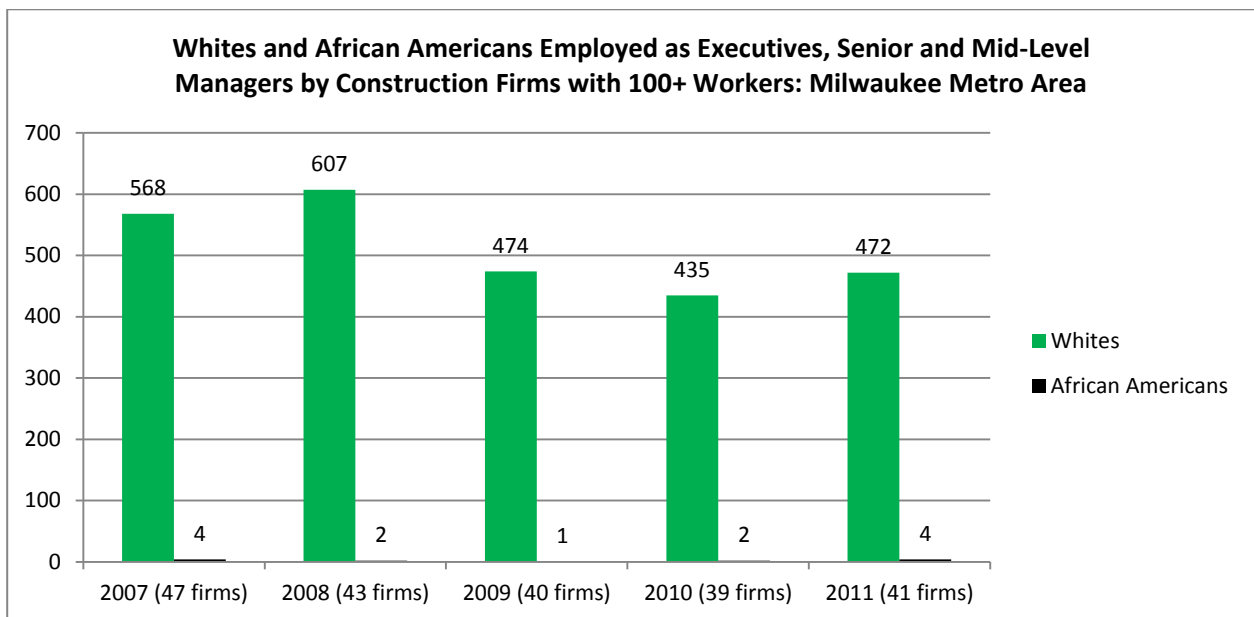


Even for unskilled work, very small numbers of minorities were employed. The firms reported employing only 73 African American and 65 Latino laborers in 2011.



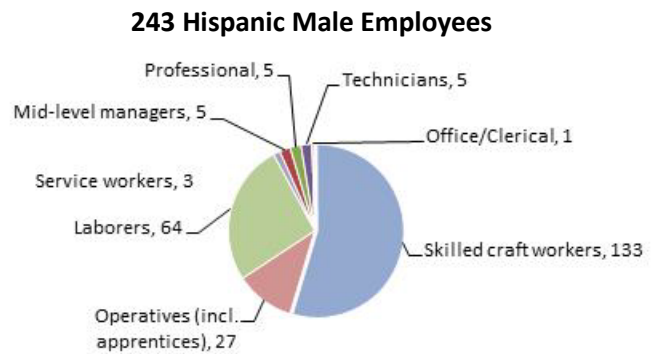
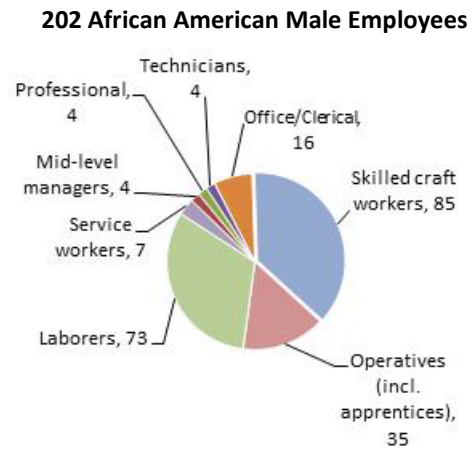
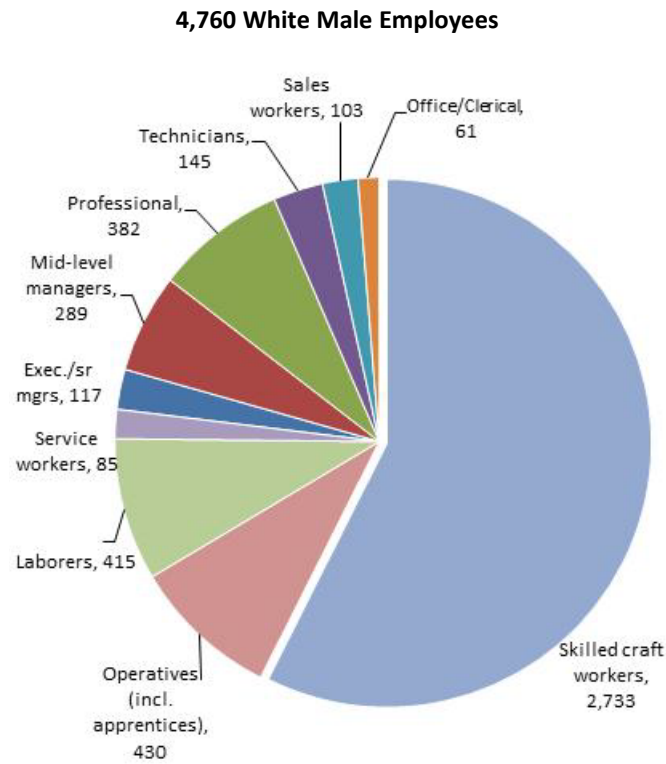
Who’s Running the Business?

Almost no African Americans were reported as executives, officials, or senior or mid-level managers. All 127 of the executives and senior level officials and managers working in the largest construction firms in 2011 were whites; 117 were white men and 10 were white women. Of 345 mid-level managers, 328 were whites (289 men and 39 women), 6 Hispanics, 5 Asians, 4 African Americans, and 1 a Native American.



Other Occupations in Construction Firms

Additional jobs were reported in the construction companies for professionals, technicians, sales workers, service workers, and clerical staff. The graphs below compare employment by occupational grouping for the 4,760 white males, 202 African American males, and 243 Hispanic males employed by the largest firms in metro Milwaukee in 2011.



1% of Employees Are Minority Women

A total of 414 white women were employed by the largest Milwaukee area construction firms, with 234 doing office and clerical work. In all, 67 minority women were employed in the largest firms in 2011, comprising 1% of the total workforce. Of the 26 African American women working for the largest construction firms, 11 worked as office and clerical staff. A total of 19 Asian women were employed, including 15 working as skilled craft workers. Only 12 Hispanic women were employed by the largest construction firms in 2011.

The EEO-1 data reports on the race/ethnicity and gender of employees of the 41 construction firms (in the four-county Milwaukee metropolitan area) with over 100 workers in 2011 are summarized below.

5,815 Workers Employed in the 41 Largest Construction Firms of the Milwaukee Metro Area: 2011

Occupational Groups	All Employees		Males		Females	
Executives, sr. managers	127	2%	117	2%	10	2%
Mid-level managers	345	6%	303	6%	42	9%
Professionals	437	8%	394	7%	43	9%
Technicians	163	3%	159	3%	4	1%
Sales workers	108	2%	103	2%	5	1%
Office/Clerical	323	6%	69	1%	254	53%
Skilled craft workers	3,095	53%	3,034	57%	61	13%
Operatives (incl. apprentices)	507	9%	492	9%	15	3%
Laborers	591	10%	569	11%	22	5%
Service workers	119	2%	94	2%	25	5%
Total	5,815	100%	5,334	100%	481	100%

5,334 Males Employed in the Largest Construction Firms of the Milwaukee Metro Area: 2011

Occupational Groups	White	Black	Hispanic	Asian	Amer Indian	Other
Executives, sr. managers	117	0	0	0	0	0
Mid-level managers	289	3	5	5	1	0
Professionals	382	2	5	2	2	1
Technicians	145	4	5	4	1	0
Sales workers	103	0	0	0	0	0
Office/Clerical	61	5	1	1	0	1
Skilled craft workers	2,733	81	133	60	20	7
Operatives (incl. apprentices)	430	32	27	1	1	1
Laborers	415	71	64	4	8	7
Service workers	85	4	3	0	2	0
Total	4,760	202	243	77	35	17

481 Females Employed in the Largest Construction Firms of the Milwaukee Metro Area: 2011

Occupational Groups	White	Black	Hispanic	Asian	Amer Indian	Other
Executives, sr. managers	10	0	0	0	0	0
Mid-level managers	39	1	1	0	1	0
Professionals	38	2	1	1	0	1
Technicians	3	0	0	1	0	0
Sales workers	5	0	0	0	0	0
Office/Clerical	234	11	4	2	3	0
Skilled craft workers	38	4	2	15	2	0
Operatives (incl. apprentices)	11	3	1	0	0	0
Laborers	16	2	1	0	2	1
Service workers	20	3	2	0	0	0
Total	414	26	12	19	8	2

Employment in the “Balance of the State”

The exclusion of minorities from employment in the 95 largest construction firms in the rest of Wisconsin outside the Milwaukee metro area (i.e., the “Balance of State”) is even worse than the record shown in the Milwaukee area. Of 18,359 male employees 95% are white and only 1% are African American. (1% are Native American and 2% are Latino.) Nearly all (96%) of the 1,738 women working for the largest construction firms are white as well.

20,097 Workers Employed in the 95 Largest Construction Firms in the Balance of State: 2011

Occupational Groups	All Employees		Males		Females	
Executives, sr. managers	388	2%	342	2%	46	3%
Mid-level managers	1,519	8%	1,406	8%	113	7%
Professionals	963	5%	807	4%	156	9%
Technicians	552	3%	420	2%	132	8%
Sales workers	178	1%	142	1%	36	2%
Office/Clerical	1,223	6%	316	2%	907	52%
Skilled craft workers	8,861	44%	8,773	48%	88	5%
Operatives (incl. apprentices)	2,606	13%	2,535	14%	71	4%
Laborers	3,744	19%	3,564	19%	180	10%
Service workers	63	0%	54	0%	9	1%
Total	20,097	100%	18,359	100%	1,738	100%

18,359 Males Employed in the Largest Construction Firm in the Balance of State: 2011

Occupational Groups	White	Black	Hispanic	Asian	Amer Indian	Other
Executives, sr. managers	340	0	0	0	1	1
Mid-level managers	1,388	6	3	3	6	0
Professionals	787	7	4	4	2	3
Technicians	402	4	6	2	4	2
Sales workers	142	0	0	0	0	0
Office/Clerical	306	1	4	3	1	1
Skilled craft workers	8,348	64	213	20	105	23
Operatives (incl. apprentices)	2,447	25	32	3	23	5
Laborers	3,192	106	185	12	53	16
Service workers	53	0	0	1	0	0
Total	17,405	213	447	48	195	51

1,738 Females Employed in the Largest Construction Firms in the Balance of State: 2011

Occupational Groups	White	Black	Hispanic	Asian	Amer Indian	Other
Executives, sr. managers	45	0	1	0	0	0
Mid-level managers	111	0	1	1	0	0
Professionals	153	0	1	1	0	1
Technicians	128	0	1	0	1	2
Sales workers	36	0	0	0	0	0
Office/Clerical	880	6	11	3	4	3
Skilled craft workers	77	3	1	0	5	2
Operatives (incl. apprentices)	64	3	1	0	1	2
Laborers	161	3	3	0	9	4
Service workers	9	0	0	0	0	0
Total	1,664	15	20	5	20	14

Statewide Employment in Large Construction Firms

The exclusion of minorities from employment in the largest construction firms in Wisconsin begins at the top levels of the companies. Of 515 executives and senior managers employed in 2011 by the 136 largest construction firms in Wisconsin only 3 were minorities. Of the 1,864 mid-level managers only 37 were minorities.

25,912 Workers Employed in the 136 Largest Construction Firms of Wisconsin: 2011

Occupational Groups	All Employees		Males		Females	
Executives, sr. managers	515	2%	459	2%	56	3%
Mid-level managers	1,864	7%	1,709	7%	155	7%
Professionals	1,400	5%	1,201	5%	199	9%
Technicians	715	3%	579	2%	136	6%
Sales workers	286	1%	245	1%	41	2%
Office/Clerical	1,546	6%	385	2%	1,161	52%
Skilled craft workers	11,956	46%	11,807	50%	149	7%
Operatives (incl. apprentices)	3,113	12%	3,027	13%	86	4%
Laborers	4,335	17%	4,133	17%	202	9%
Service workers	182	1%	148	1%	34	2%
Total	25,912	100%	23,693	100%	2,219	100%

23,693 Males Employed in Wisconsin's Largest Construction Firm: 2011

Occupational Groups	White	Black	Hispanic	Asian	Amer Indian	Other
Executives, sr. managers	457	0	0	0	1	1
Mid-level managers	1,677	9	8	8	7	0
Professionals	1,169	9	9	6	4	4
Technicians	547	8	11	6	5	2
Sales workers	245	0	0	0	0	0
Office/Clerical	367	6	5	4	1	2
Skilled craft workers	11,081	145	346	80	125	30
Operatives (incl. apprentices)	2,877	57	59	4	24	6
Laborers	3,607	177	249	16	61	23
Service workers	138	4	3	1	2	0
Total	22,165	415	690	125	230	68

2,219 Females Employed in Wisconsin's Largest Construction Firms: 2011

Occupational Groups	White	Black	Hispanic	Asian	Amer Indian	Other
Executives, sr. managers	55	0	1	0	0	0
Mid-level managers	150	1	2	1	1	0
Professionals	191	2	2	2	0	2
Technicians	131	0	1	1	1	2
Sales workers	41	0	0	0	0	0
Office/Clerical	1114	17	15	5	7	3
Skilled craft workers	115	7	3	15	7	2
Operatives (incl. apprentices)	75	6	2	0	1	2
Laborers	177	5	4	0	11	5
Service workers	29	3	2	0	0	0
Total	2,078	41	32	24	28	16

Are Construction Companies Meeting Federal Affirmative Action Requirements?

Construction firms receiving \$10,000 or more in federal contracts or subcontracts (including Recovery Act monies) are required under Executive Order 11246 to meet affirmative action steps at least as extensive as the following 16 steps. The Office of Federal Contract Compliance Programs (OFCCP) is charged with monitoring this compliance and responding to complaints by workers reporting non-compliance or discrimination.²

OFCCP Requirements for Construction Contractors

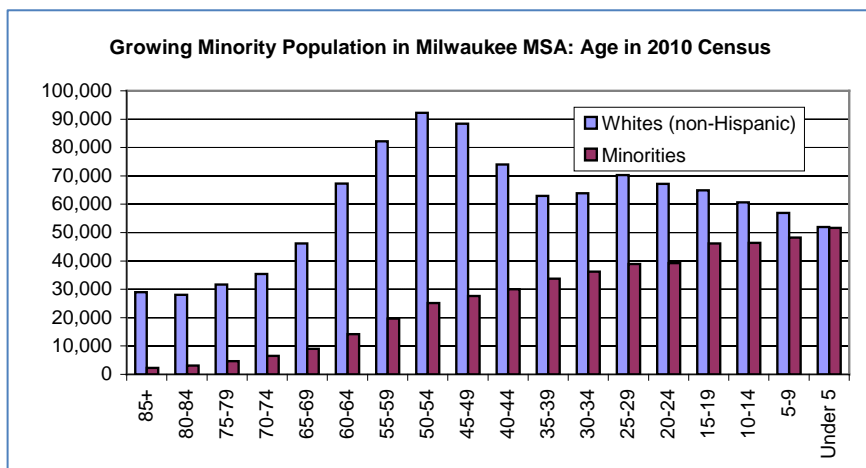
1. Contractors and subcontractors must maintain a **work environment free of harassment, intimidation, and coercion** at all sites and in all facilities at which the contractor's employees are assigned. Contractors must also take specific steps to ensure that all foremen, superintendents and other on-site supervisory personnel are aware of and carry out the company's contractual obligations to maintain such a working environment, with specific attention to minorities and women working at all work sites and facilities.
2. Contractors and subcontractors must establish and maintain **current lists of minority and female recruitment sources**, provide written notification to minority and female recruitment sources and to community organizations when the contractor or its unions have employment opportunities available, and **maintain a record of the organizations' responses**.
3. Contractors and subcontractors must maintain **current files containing the names, addresses and telephone numbers of each minority or female off-the-street applicant and minority or female referral** from a union, recruitment source or community organization **and of what action was taken** with respect to each individual. Occasionally, contractors/subcontractors will send individuals to the union hiring hall for referral back to the contractor. If the union did not refer the individual to the contractor or if the individual was referred but was not hired, the contractor/subcontractor must keep a record of all actions taken along with the reasons why the referral or hiring did not occur.
4. Contractors/subcontractors must immediately **notify the Deputy Assistant Secretary in writing** when the union or unions which the contractor/subcontractor has a collective bargaining agreement has not referred a woman or minority individual sent by the contractor/subcontractor. Similarly, contractors/subcontractors must notify OFCCP when the contractor/subcontractor has other information that the union referral process has impeded the contractor's efforts to meet its EEO and affirmative action obligations.
5. Contractors and subcontractors must develop **on-the-job training** opportunities or participate in training programs for the job area(s) which expressly include minorities and women. Contractors' actions must include **upgrading programs, apprenticeships and trainee programs** approved by the Department of Labor. Contractors and subcontractors must provide notice of these training opportunities and job programs to recruitment sources, state employment offices and other referral sources that the contractor/subcontractor has complied under Specification 2 above.
6. Contractors and subcontractors must **disseminate EEO policies** by (1) providing notice of the policies to unions and training programs and requesting their cooperation and assistance in meeting EEO obligations, (2) including EEO policy statements in all policy manuals and collective bargaining agreements; (3) publicizing these policies in company newsletters, the annual report, etc.; (4) specifically reviewing the policy with all management personnel and with all minority and female employees at least once a year; and, (5) posting the EEO Policy on bulletin boards accessible to all employees at each location where construction work is performed.

7. At least once a year, contractors and subcontractors must **review EEO policies and affirmative action obligations** (under these specifications) **with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions**. These EEO policies and affirmative action obligations must be specifically reviewed with on-site supervisory personnel such as superintendents, general foremen, etc., prior to starting construction work at any job site. Contractor/subcontractor personnel must **maintain records that identify the time and place of these meetings, persons attending, subject matter discussed and disposition of the subject matter**.
8. Contractors/subcontractors must **disseminate EEO policies externally** by including them in any advertising in the news media (including minority and female news media). Contractors and subcontractors must also provide written notification to and discuss EEO policies with other contractors and subcontractors with whom the contractor/subcontractor does or anticipates doing business.
9. Contractors/subcontractors must **direct recruitment efforts, both oral and written, to minority and female students**, and to minority and female recruitment and training organizations serving the contractor's recruitment area and employment needs. Contractors/subcontractors must **send notice to its recruitment sources for women and minorities announcing acceptance of applications for apprenticeship or other training**. This notice must be sent **no later than one month before** publication of apprenticeship and training announcements. Sources must describe the openings, screening procedures and tests to be used in the selection process.
10. Contractors and subcontractors must **encourage current minority and female employees to recruit other minority persons and women** and, where reasonable, **provide after school, summer and vacation employment to minority and female youth** both at the work site and in other areas of the contractor's work force.
11. Contractors and subcontractors must **validate all tests and other selection requirements** where there is an obligation to do so under 41 CFR Part 60-3, the "Uniform Guidelines on Employee Selection Procedures (1978)." Actions for demonstrating compliance vary by the number of people employed by the contractor.
12. At least **once a year**, contractors and subcontractors must **inventory and evaluate all minority and female personnel for promotional opportunities**. Contractors must also encourage these employees to seek or prepare for, through appropriate training, etc., promotional opportunities.
13. Contractors and subcontractors must **ensure that seniority practices, job classifications, work assignments** and other personnel practices **do not have a discriminatory effect**, by continually monitoring all personnel and employment related activities to ensure that EEO policies and contractors' obligations under the contract specifications are being carried out.
14. Contractors and subcontractors must ensure that **all facilities and company activities are non-segregated** except that separate or single-user toilets and necessary changing facilities designed to assure privacy between the sexes shall be provided.
15. Contractors and subcontractors must document and **maintain records of all solicitations of others for subcontracts from minority and female contraction contractors and suppliers**, including circulation of solicitations to minority and female contractor associations and other business associations.
16. At least **once a year**, contractors and subcontractors must conduct a **review of all supervisors' adherence to and performance under the company's EEO policies** and affirmative action obligations.

Who's Building Milwaukee? Wisconsin?

The low numbers of minorities employed by the largest construction firms are troubling on several levels. First, is the concern that current Milwaukee workers are not obtaining employment in these industries – even on projects supported by state and federal funds. Secondly, is the concern that these low employment levels send a message to minority youth about their few possible job prospects should they pursue technical trades.

The 2010 U.S. Census count showed minority populations in the four-county Milwaukee metro area reaching 50% among the youth. White populations are peaking in their fifties, with a modest baby boom echo among 25 to 29-year-olds while minority populations are showing steady growth by age.



Racial isolation of African American youth is continuing, according to the Census. In the metro area 92% of black youth under age 15 reside in the city of Milwaukee, with only 5% in the Milwaukee County suburbs and 3% in the WOW counties. For Hispanics 69% of youth under age 15 live in Milwaukee, 16% in the Milwaukee County suburbs, and 15% in the WOW counties. Meanwhile only 14% of white youth under age 15 live in Milwaukee while 26% live in the Milwaukee County suburbs and the majority (60%) live in Waukesha, Ozaukee and Washington counties.

Engagement of African Americans, Hispanics, Asians, and Native Americans will be essential for the coming-of-age labor force.³

¹ Wisconsin Legislative Audit Bureau, **An Evaluation, Minorities and Women in Construction Trade Apprenticeships**, September 2012, posted at <http://legis.wisconsin.gov/lab/reports/10-12full.pdf>.

² Office of Federal Contract Compliance Programs, **Technical Assistance Guides for Federal Construction Contractors** (U.S. Department of Labor Employment Standards Administration), May 2009, posted online at <http://www.dol.gov/ofccp/TAGuides/consttag.pdf>.

³ See, "Milwaukee Drilldown, August 2011" prepared for the Milwaukee Area Workforce Investment Board by the UWM Employment and Training Institute, online at <http://www4.uwm.edu/eti/2011/August2011Drilldown.pdf>.

This report was prepared to assist the Labor and Industry Committee of the NAACP-Milwaukee Branch. For more research on employment challenges for 2013, see the University of Wisconsin-Milwaukee Employment and Training Institute website at www.eti.uwm.edu.