

America's Tomorrow: Equity Is the Superior Growth Model



March 14, 2014

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Features

A Blueprint for Equitable Growth



Our nation's economic growth depends on the inclusion and advancement of all people — regardless of race, zip code, or income level. President Obama's FY 2015 budget proposal contains important, targeted investments in people and places that would help build a stronger, healthier, more inclusive economy with longer periods of sustained economic growth.

Some highlights in the budget proposal:

- **Grow Good Jobs:** Almost \$9 billion to increase employment in jobs that improve our nation's infrastructure and pay living wages.
- **Invest in Our Future:** \$68.5 billion through the U.S. Departments of Education and Labor to address child

In Brief

Remembering a Remarkable Leader

Last month, the nation lost a [great leader](#) for social equity and economic justice. Chokwe Lumumba, mayor of Jackson, Mississippi, died of a heart attack after only eight months in office. [Read our interview](#) with him last December about his vision to build a solidarity economy and join hundreds of others to continue the work he started at the [Jackson Rising: New Economies Conference](#) this spring.

More Evidence That Inclusion Is Good for Growth

The International Monetary Fund — a leading voice on global economics — recently released a new [analysis](#) that showed redistributive tax policies do not slow down growth directly and can actually strengthen growth by [increasing equality](#). The same day the study was released, the Organisation for Economic Cooperation and Development (OECD) and the Ford Foundation convened a workshop, "Changing the Conversation on Growth:

poverty and provide better educational, economic, health, and social outcomes for children and young workers.

- **Create Communities of Opportunity:** Over \$400 million in place-based programs and over \$43 billion in housing and transportation, along with tax incentives and retirement and savings accounts, that will help allow children and families to sustain themselves and reach their full potential.
- **Build Healthier Communities:** Over \$77 billion to support the implementation of the Affordable Care Act, health-care workforce training, and early childhood programs and other programs to promote health equity.

These proposals and others would create all-in cities and regions, each a strong piece of an all-in nation, and we hope they will be adopted in full. [Read the full budget equity analysis here.](#)

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Building It Better in Texas



Recent protest in Austin.

They build the skyscrapers that rise as symbols of urban prosperity. Now construction workers in Texas — most of them young Latino men — are campaigning to reshape their industry to create good jobs for the people who need them most, reverse longstanding inequities for workers, and encourage developers and contractors to invest in the workforce.

Going Inclusive," that highlighted the importance of pursuing economic growth that is fairly shared and explored win-win policies for equity and growth (see the video and download materials [here](#)).

Cities Innovate to Keep Residents in Their Homes

Rapid urban revitalization is creating increased housing pressures for low- and middle-income residents in cities across the nation. Philadelphia is implementing possibly the most far-reaching effort to help long-time residents stay and benefit from reinvestment by freezing property taxes: "We feel the people who toughed it out should be rewarded," said Darrell L. Clarke, president of the Philadelphia City Council, in this [New York Times article](#) on how cities are responding to gentrification pressures.

The effort, organized by the Austin-based [Workers Defense Project \(WDP\)](#), has achieved impressive policy victories to raise the floor on the construction industry in the city and the state.

The latest win is a landmark ordinance in Austin, one of the fastest-growing cities in America, that requires companies receiving government subsidies for development to guarantee fair wages and other protections for construction workers. The law sets a minimum wage of \$11 an hour, a prevailing wage standard for specialized jobs, and tough safety standards. The law also requires workers' compensation in the only state that does not mandate it.

The law marks a win for high-road contractors, because it enables them to compete for business against contractors who would cut corners on wages and safety to keep costs down. The law stands to benefit the city economy too by lifting the lowest-wage construction workers out of poverty. Supporters of the law hope it will serve as a model for equitable change in the construction industry statewide, which employs nearly one million people, or one of every 13 people in the workforce.

"We need to set the bar higher for developers across Texas so that companies that prove to be good stewards can compete, and the workers building our communities have the wage and safety protections they deserve," said City Councilmember Mike Martinez. "Companies that come to Austin should know that we value our workforce and expect them to invest in our city and the people who build it."

The city council approved the ordinance last fall, as hundreds of workers demonstrated in support. It is modeled on standards that WDP has pushed for, project by project. In 2012, WDP secured safety monitoring and a \$12-an-hour wage floor for the one million-square-foot operations center that Apple is building in Austin. The [project](#) has received \$30 million in state and city subsidies and will employ 1,500 construction workers over 10 years, said Emily Timm, WDP deputy director.

WDP also got the large Texas-based developer Trammell Crow Company, which is building a mixed-use project downtown, [to agree](#) to hire 20 percent of the workers from programs that train disadvantaged residents, at \$16 an hour, and to permit safety monitoring by a WDP representative.

With a membership of 2,000, WDP is part of a national movement of organizations bringing hope, opportunity, and power to some of the most vulnerable workers in the nation, including many undocumented immigrants. WDP has trained more than 13,000 low-wage workers about their rights and graduated hundreds of immigrant workers from English language and leadership development courses. The organization recently opened an office in Dallas and is working with low-wage workers across the state.

A WDP member named Quirino told an all-too-common story of putting in long days and weeks on several jobs that refused to pay him for all the hours he worked. He thought he had no recourse — until he came to WDP. "I thought being an immigrant I didn't have any rights. I thought only Americans have rights," he said in a [video](#) on the group's website. "WDP has taught me that I have the same rights as Americans. That's a beautiful thing that I have come to understand."

The construction industry in Texas generates \$1 of every \$20 of its economy, according to [research](#) by WDP. Most construction workers are under 40, foreign born, and have not completed high school.

WDP research also shows that more construction workers are injured or killed on the job in Texas than in any other state — 140 deaths a year. More than half of workers report earning poverty-level wages, more than one in five have been denied payment for their work, and 64 percent lack basic safety training.

WDP has run up a list of achievements to change these numbers:

- Won back pay totaling \$1 million for more than 1,100 workers over the past decade.
- Passed safety ordinances in Austin requiring rest breaks for construction workers and ensuring that all workers on city-funded sites receive basic safety training.
- Won state legislation against wage theft and misclassification.
- Defeated local and state anti-day-labor measures.
- Spurred a federal investigation of working conditions at hundreds of construction sites, leading to nearly \$2 million in fines.

WDP continues to focus on getting developers to hold

contractors accountable for high labor standards. The group collaborates with developers who buy in — among them the Pflugerville Community Development Corp., a CDC in an Austin suburb where the majority of residents are people of color. The CDC signed an agreement with WDP that covers an infrastructure project employing about 50 people. "We want to ensure that all contractors are treating workers fairly," said Floyd Akers, executive director.

And WDP is keeping up the pressure on developers who refuse to make such a commitment. In February 2014, 200 placard-carrying WDP members and supporters rallied outside a new Austin condo tower built by luxury real estate developer Gables Residential. The protestors spoke of mistreatment by subcontractors on the job — wage theft, safety hazards, denial of rest breaks — and chanted what has become the WDP rallying cry: "Build it better."

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America's Tomorrow highlights campaigns, leaders, policies, reports, and local models that are advancing equity as an economic imperative. It is produced by Chris Schildt, Sarah Treuhaft, Fran Smith, and Ana Louie. To learn more, visit the *America's Tomorrow* [webpage](#).

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