

**Title: Demographic and Geographic Composition of the Philadelphia Building Trades**

**Author: Kevin C. Gillen, PhD**

**Date: April 2008**

**Objective: *To provide statistics on the geographic and demographic composition of construction jobs in Philadelphia.***

**Motivation:** Recent public discussion has focused on the perception that jobs on large-scale construction projects in Philadelphia may not be representative of the city's residents. The issue arose in December of 2007 in City Council hearings over minority hiring for the planned expansion of the Pennsylvania Convention Center. Councilman Clarke repeatedly questioned Philadelphia Building and Construction Trades Council's business manager, Pat Gillespie, on the ethnic composition of its membership. Frustrated by Mr. Gillespie's evasiveness on the issue, Council declared the expansion project open to nonunion contractors and workers. As Councilwoman Marian Tasco declared, "We've been doing this for years - round and round and round and round. We ask all the time what is the membership of the trades, and we never get an answer."<sup>1</sup>

Subsequent to that event--which is unprecedented in a large union city like Philadelphia--the local media began to focus increasing attention on the makeup of the trades' membership. In January, Inquirer columnist Tom Ferrick published two columns that were critical of the trades' perceived exclusiveness. In a column dated January 20<sup>th</sup>, Ferrick questioned why "in a city that is 60 percent black, Latino and Asian, 87 percent of these choice jobs were going to go to white guys."<sup>2</sup> By February, Philadelphia Magazine published a lengthy article calling Philadelphia "The Last Union Town, in which the author charged that "The city has long been held economic hostage by trade unions that overcharge for everything from building skyscrapers to screwing in light bulbs at the Convention Center."<sup>3</sup>

**Data:** In order to ascertain the extent to which these perceptions about the Philadelphia building trades are true or not, we obtained data on all construction projects receiving public funds in Philadelphia. This data was obtained via a Freedom of Information Act inquiry to the City's Office of Housing and Community Development. All construction projects receiving any city, state or federal funding are required to collect information on each worker's home address, gender, race and job title. The data spans the years 2004 through 2007, and covers 47 specific projects in the city. Since all significant construction projects in Philadelphia employ union labor working under a collective bargaining agreement, it is essentially guaranteed that 99% of the jobs in this data are filled by union trades.

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<sup>1</sup> Philadelphia Inquirer, "Opening doors to nonunion workers," Jeff Shield and Marcia Gelbart, 12/7/07

<sup>2</sup> Philadelphia Inquirer, "City political climate is changing on union hiring," Tom Ferrick Jr., 1/20/08

<sup>3</sup> Philadelphia Magazine, "The Last Union Town," Matthew Teague, February 2008

However, an important caveat is that the data does not cover projects which are 100% privately funded (Cira and Comcast being two notable ones). Since a variety of laws, regulations and political forces that affect public funding for development promote diversity and equal opportunity in hiring for such projects, this data is likely to be more favorable to showing inclusionary outcomes than if private projects were included. Hence, we believe that, if anything, this sample of projects is likely to be biased in favor of showing greater diversity in the trades than if private projects were included in the dataset. So, while almost all jobs in this data are certain to be filled by union labor, the allocation of jobs to minorities may be somewhat larger than in projects which are funded privately.

There are a total of 12,466 records in the data. Each one represents a specific job<sup>4</sup> at a specific project. Provided with each record was the name of the individual fulfilling the job, their home address, race (minority v. non-minority), gender, job title and the name of the project at which they were employed. Each record was geo-coded using their home address. Lastly, jobs were assigned to one of three classifications based upon their job description:

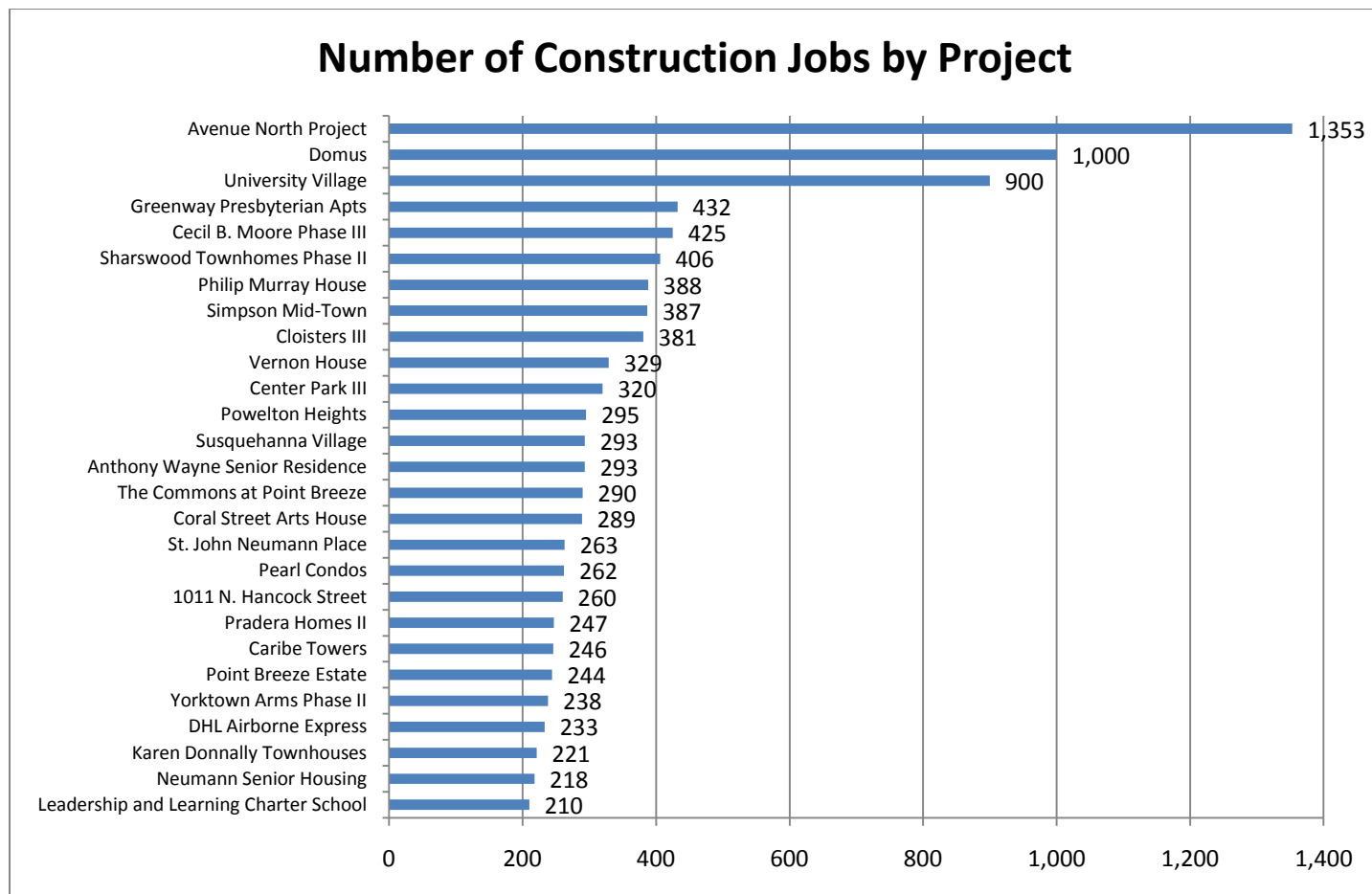
- “Laborer” if the job description was “laborer”, “worker” or “helper”.
- “Skilled Trade” if the job description described a specific skill; e.g. plumber, electrician, carpenter, mason, sheet metal worker, operating engineer, etc.
- “Management” if the job description included the words “foreman”, “superintendent” or “supervisor”<sup>5</sup>.
- “Unknown” if the job description was limited to just “apprentice” or “journeyman” with no further information provided.

The following table shows the largest projects in the data (#workers>=200), ranking them according to the number of jobs employed on site:

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<sup>4</sup> Although each record is a person, we use the term “job” instead of “employee” because an individual may appear multiple times in the data. For example, one person can work on more than one job over the course of several years.

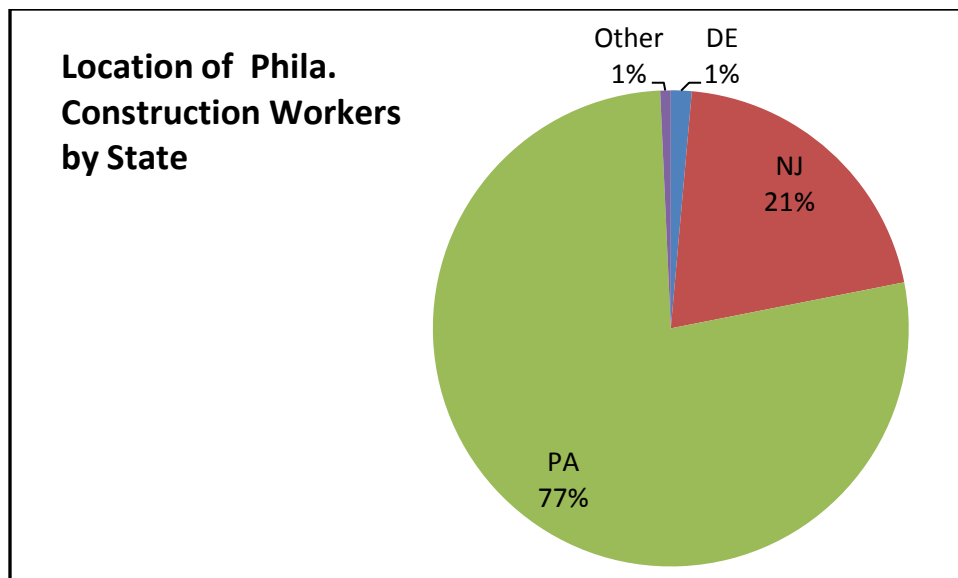
<sup>5</sup> Note: a skilled trade in which the description also indicated a supervisory position was assigned to management. For example, a “foreman carpenter” was assigned to “management” and not “skilled trade”.



A number of projects are recognizable to those who follow trends in local real estate development. The top three are Avenue North (1,353 jobs), Domus (1,000 jobs) and University Village (900 jobs). Notably, all three of these projects are University-related; one is at Penn and the other two are at Temple. Because Universities are one of the largest institutional promoters of diversity and inclusionary practices, this provides further support to the idea that this data should be more relatively favorable to inclusionary outcomes than if the data included privately-funded projects as well.

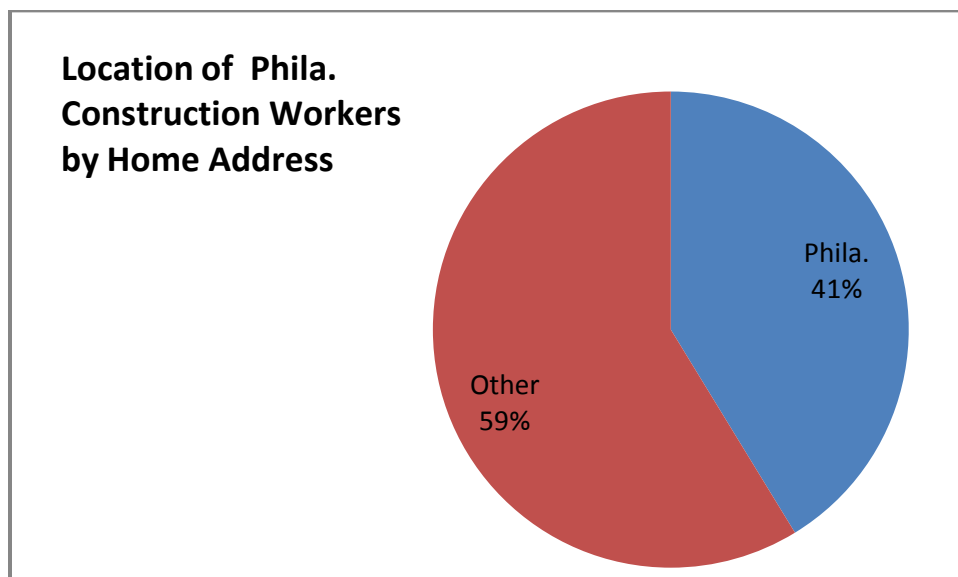
### Results:

The first chart shows the composition of each worker's home state in the data:



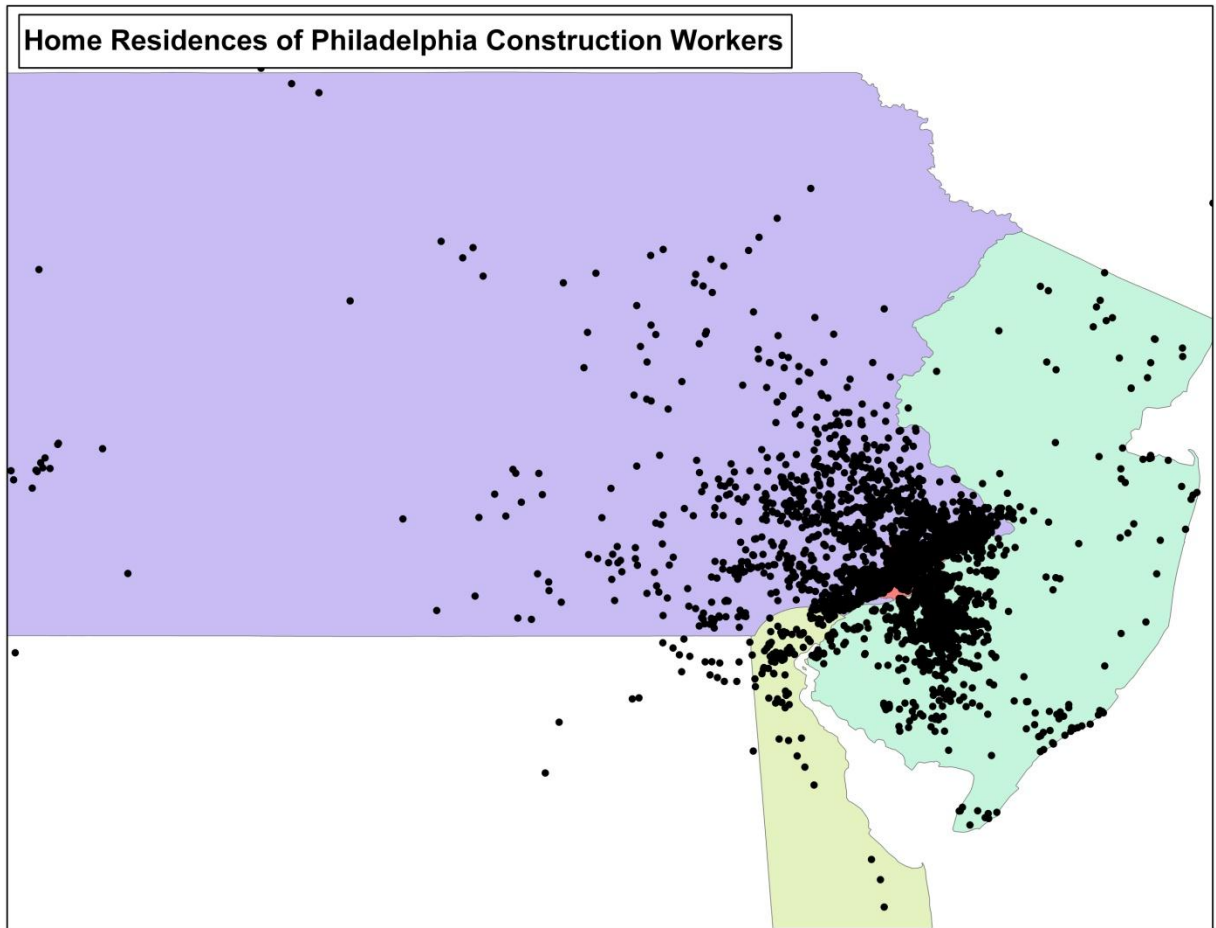
77% of all jobs went to persons with a home address in Pennsylvania. New Jersey was second with 21%, while Delaware had only 1%.

Next we examine by city. Here, anything that is not Philadelphia County is classified as "other":



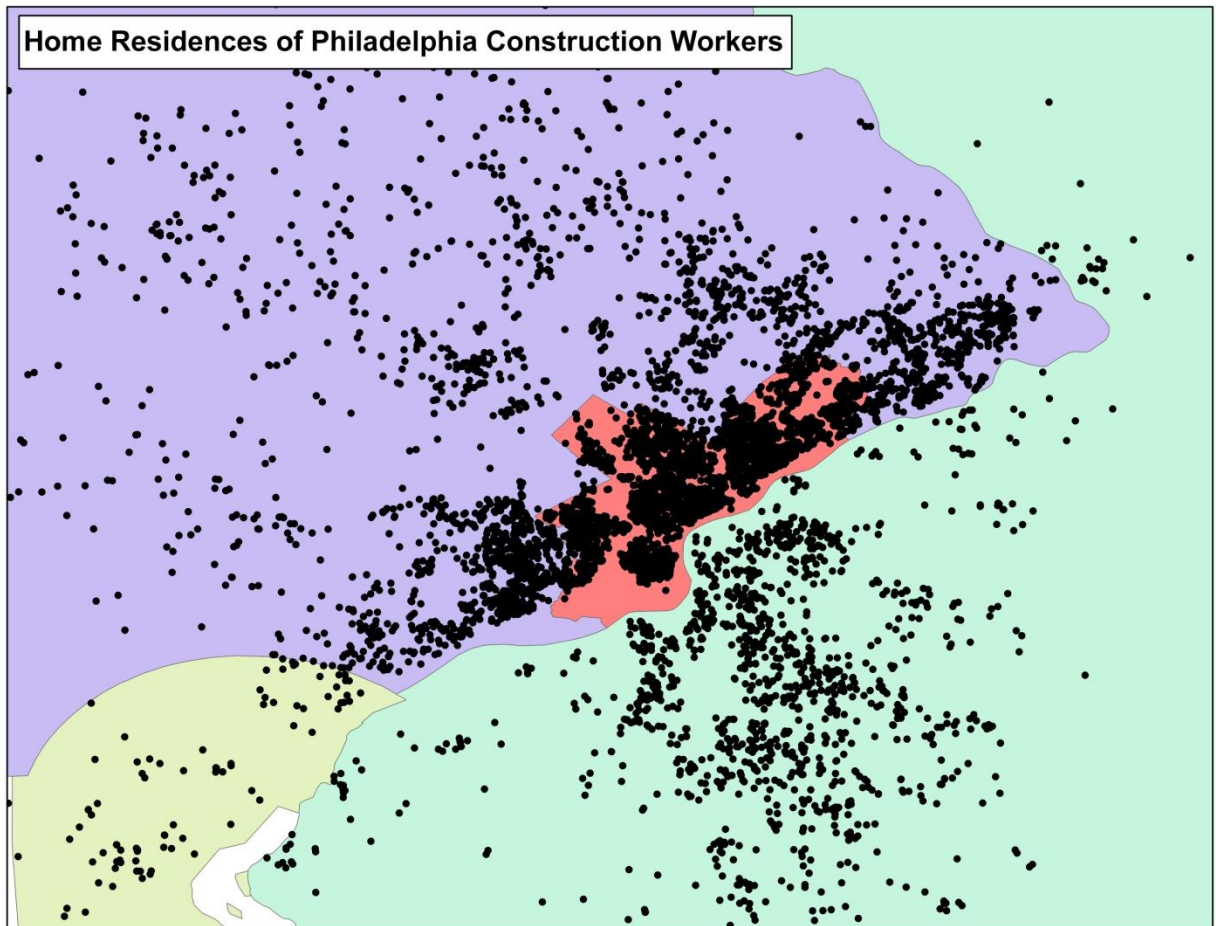
41% of all construction jobs went to workers whose primary residence is in the city, while 59% went to persons who are not Philadelphia residents. Hence, while the construction industry's labor pool is overwhelmingly regionally located, this chart would support the perception that the majority of jobs go to non-residents of Philadelphia.

The following map shows the location of each worker's home residence in the tri-state area, represented by a black dot:



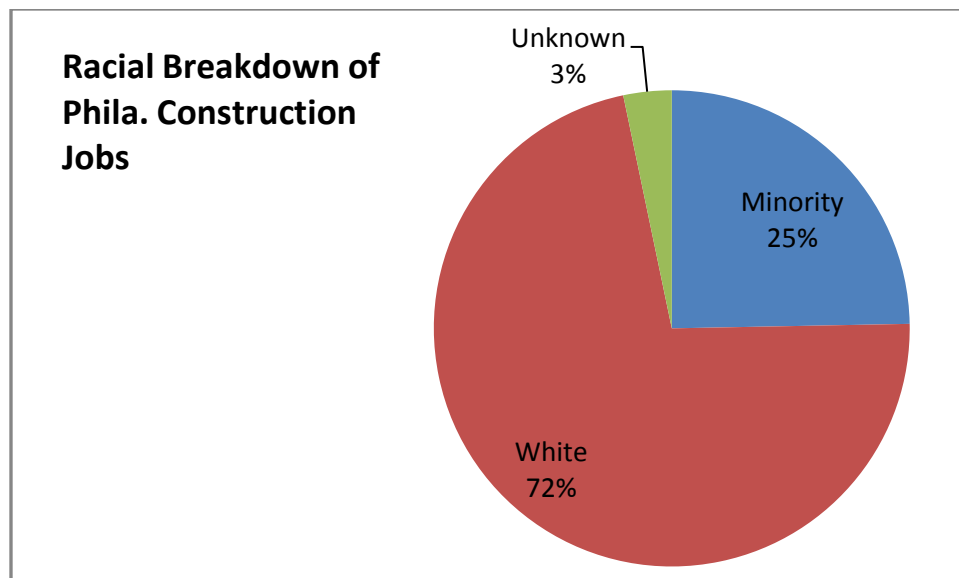
Perhaps surprisingly, the geographic distribution of workers may be somewhat larger than might be expected. A significant number of jobs were filled by people with home addresses in northern and central PA, northeastern Maryland, and even as far away as Missouri and Georgia.

Here is a closer look at the Philadelphia metro area:



Within the region, the greatest density of jobs is within the city and its inner-ring suburbs. Perhaps surprisingly, the geographic distribution of jobs within the city appears fairly uniform, and no particular area appears to be home to a disproportionate percentage of workers' residences.

Next, we examine the racial composition of the labor force. It is assumed that anyone classified as "minority" is non-white, and vice-versa.

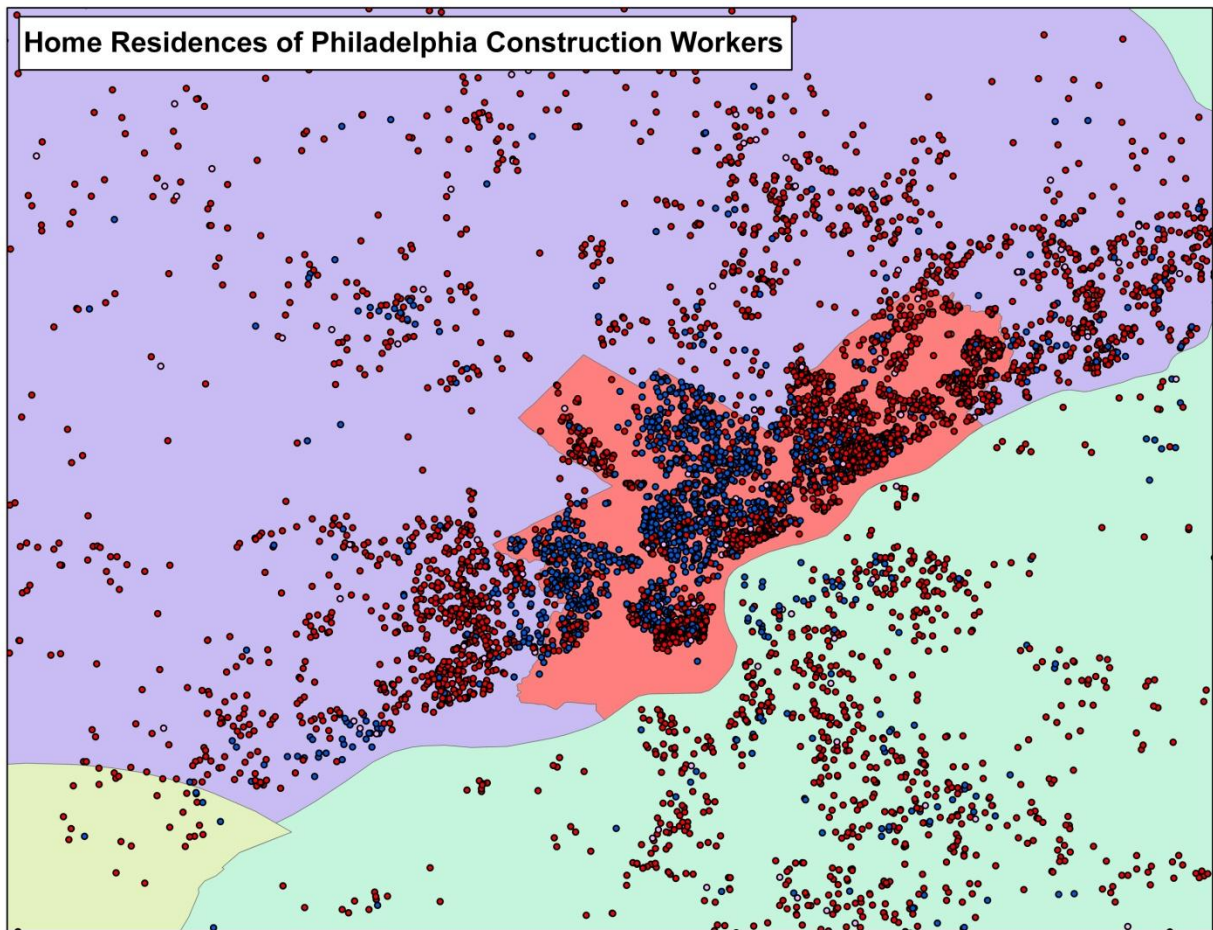


72% of all construction jobs in the data went to non-minority whites. Hence, in a city that is 58% minority<sup>6</sup>, this chart confirms the perception that the majority of jobs in the construction industry go to whites.

To further examine this result, we re-produce the map of home residences, color-coded by the occupant's race. Blue dots represent minorities, while red dots represent whites:

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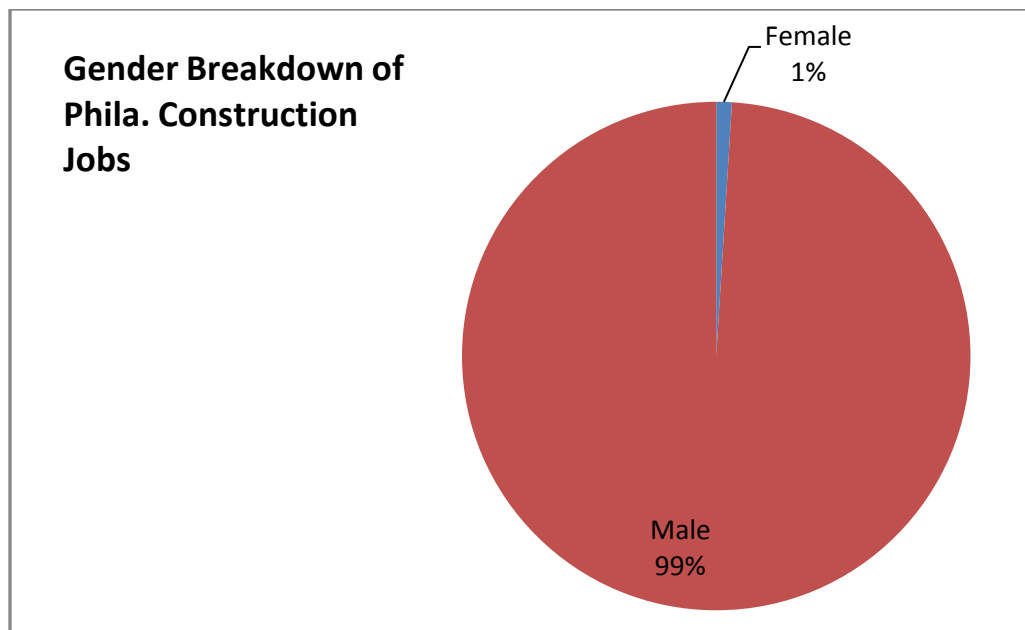
<sup>6</sup> Source: U.S. Census



The map confirms that most minority workers live in Philadelphia. However, the geographic distribution within the city is not uniform. The most significant concentrations of minorities are in the (low-income) neighborhoods of West and North Philadelphia, while the whites disproportionately live in the (higher-income) neighborhoods of Northeast and Northwest Philadelphia.

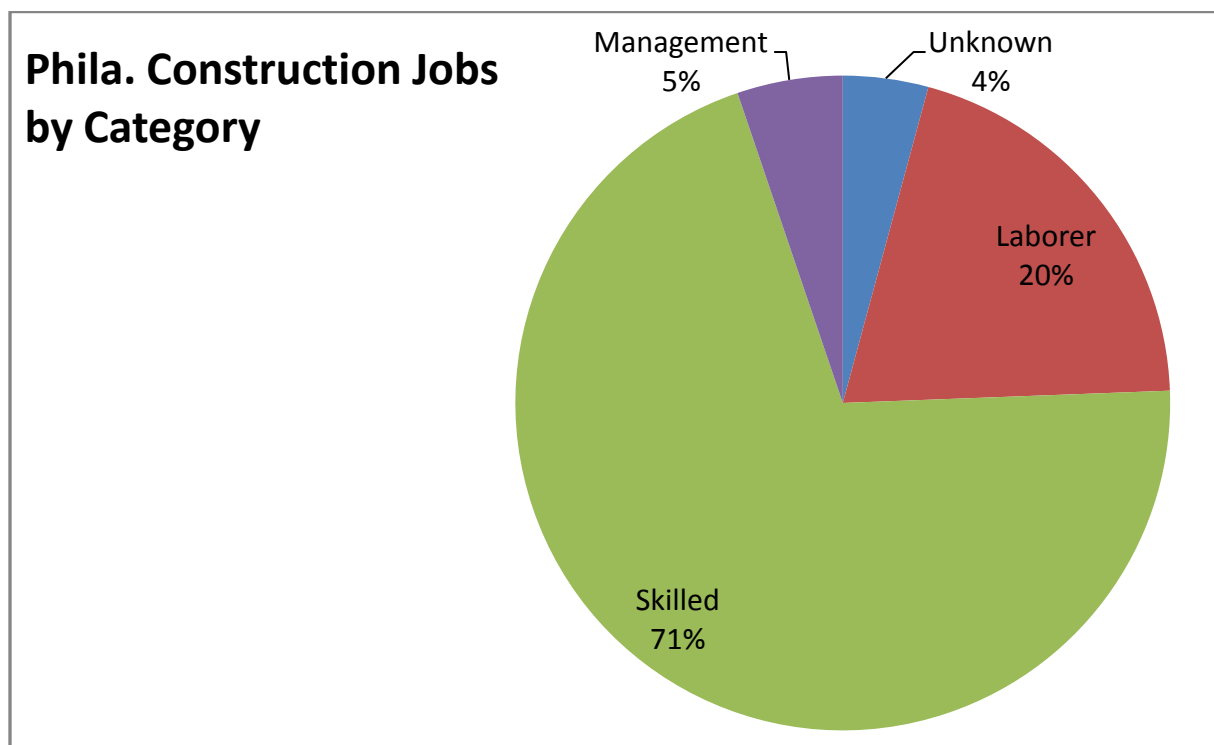
Next we examine the breakdown by gender:





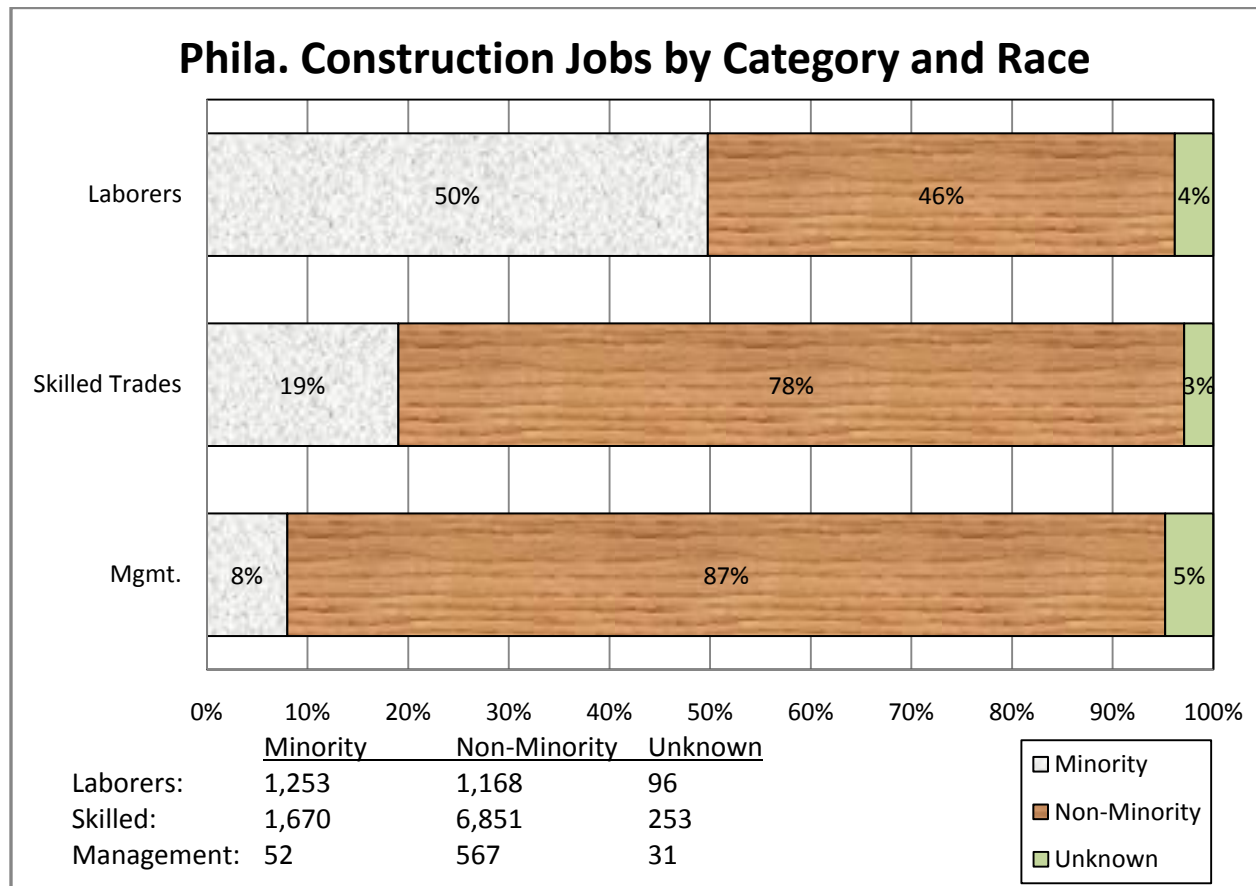
The trades are overwhelmingly male-dominated. While initial criticisms of the trades' perceived lack of diversity has focused on ethnicity, an increasing amount of attention is also being given to gender. This chart would certainly seem to support the notion that attention to greater balance may be merited.

Next, we examine the distribution of jobs by the categorization scheme described in the previous section:



The majority of jobs (71%) are filled by the specialists from the skilled trades. 20% of jobs are for general laborers, while 5% are managerial positions. However, although the majority of jobs may be filled by skilled tradesmen, laborers constitute the single biggest specific job description; (i.e. there are more laborers than plumbers, more laborers than carpenters, etc.)

Next we look at how job categories are broken down by the race of the person filling the job:



Of all the laborers' positions, the jobs are approximately distributed evenly between minorities and whites. 50% of all laborers' positions are filled by minorities, while 46% were filled by whites.

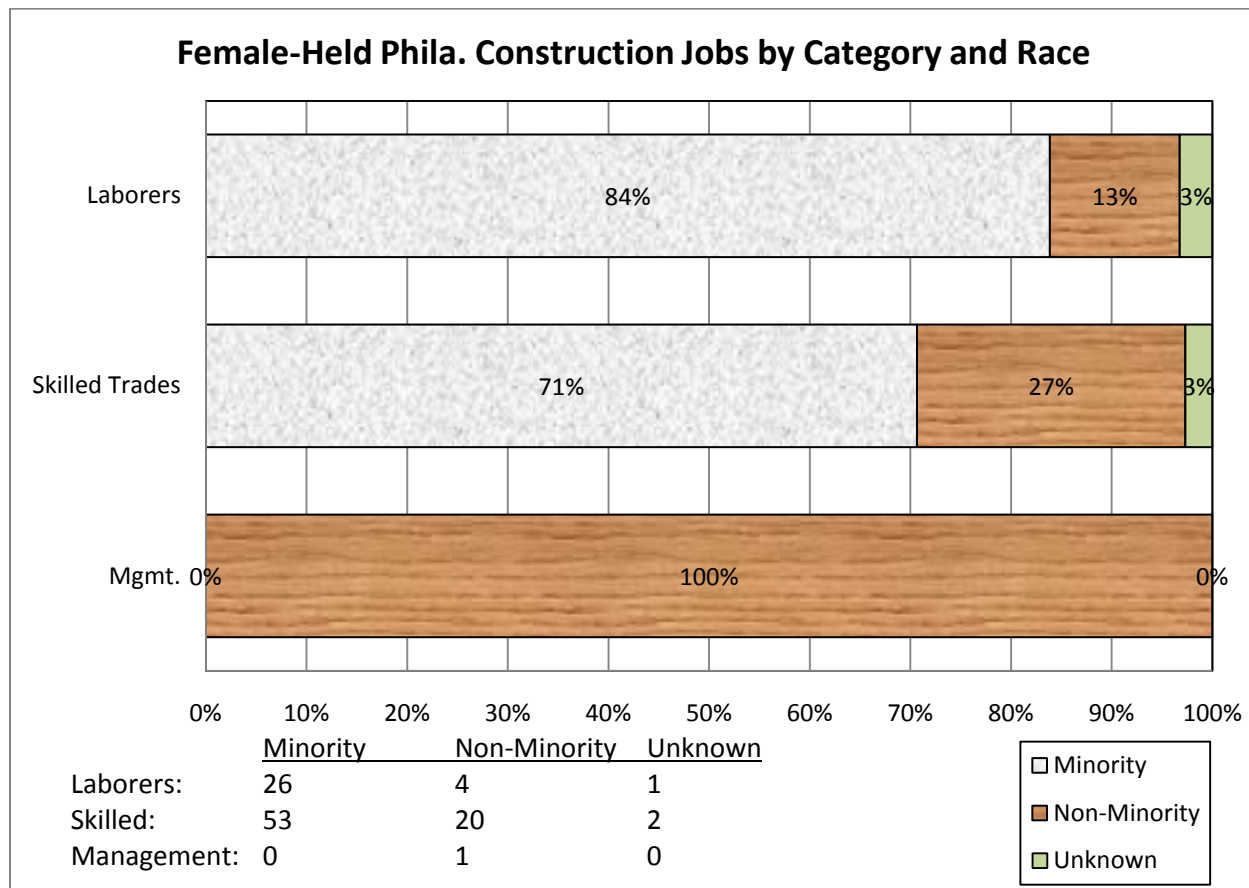
In the skilled trades, however, there is a sharp imbalance. Only 19% of all skilled positions are filled by minorities, while the other 78% are filled by whites.

The disparity is even more pronounced in management positions. Only 8% of all management positions are filled by minorities, while an overwhelming 87% are occupied by whites.

Approximately 3% of all records were missing a racial classification.

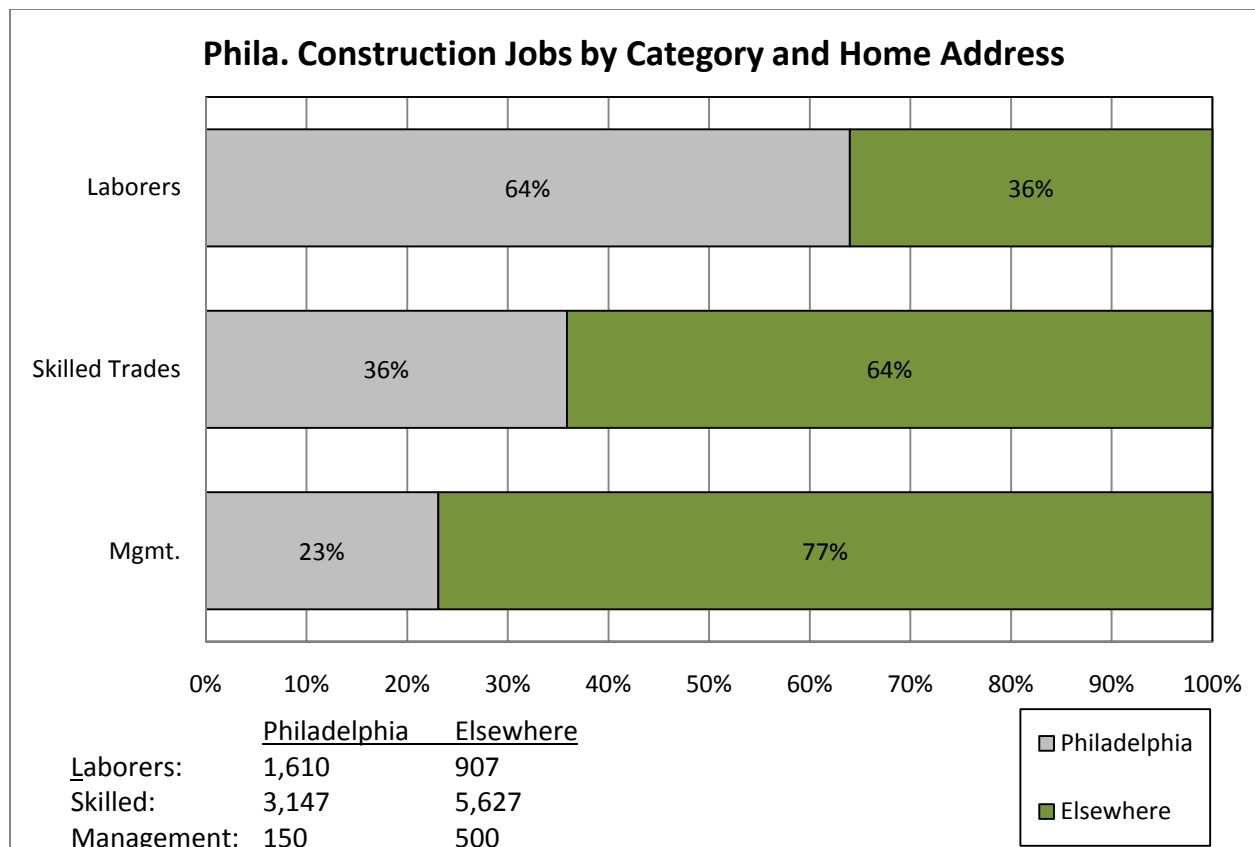
Thus, this data strongly supports the perception that the relatively higher-paying jobs in the skilled trades or management go to whites.

Next, we produce this same breakdown for only those jobs held by women.



Female-filled positions produce a more nuanced picture. While minorities dominate the laborers (84%), they also dominate the skilled trades (71%). Although whites may appear to dominate management positions as well, this is only based upon one data point. But, in general, there appears to be greater racial balance in the trades for those jobs occupied by women.

Lastly, we examine how race is correlated with location. The following chart indicates the home residence (Philadelphia v. not Philadelphia) for each of the three job categories. For ease of display, we drop observations with “unknown” values for any categories.



The majority of laborers (64%) lives in Philadelphia, while 36% list somewhere outside the city as their home address.

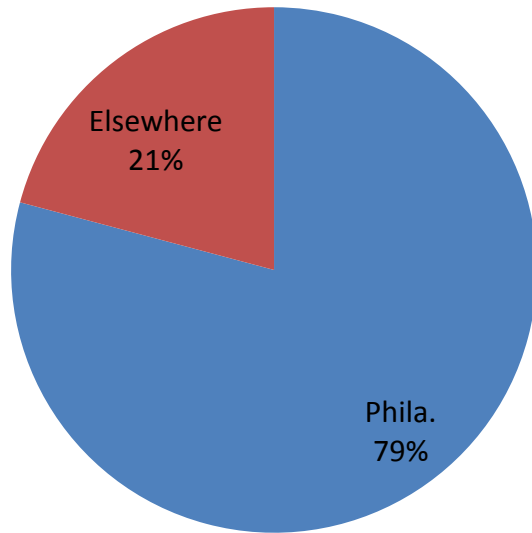
The exact opposite is true of the skilled trades. The majority of skilled tradesmen (64%) live outside the city, while only 36% live in Philadelphia.

And, this result is even more pronounced for managers, of which an overwhelming majority of 77% list a non-Philadelphia address as their primary residence. Only 23% of managers live in Philadelphia.

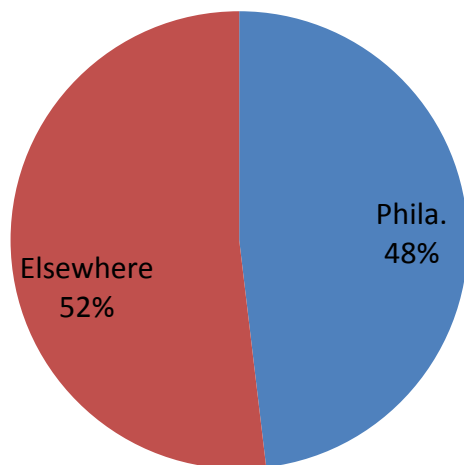
Thus, these results also strongly support the perception that the higher-paying skilled and managerial jobs are occupied by non-Philadelphians, while the lower-paying laborers' jobs are disproportionately relegated to city residents.

Lastly, we combine these results to compare race and home address by job category in the following sequence of pie charts:

### Home Addresses of Minority Laborers

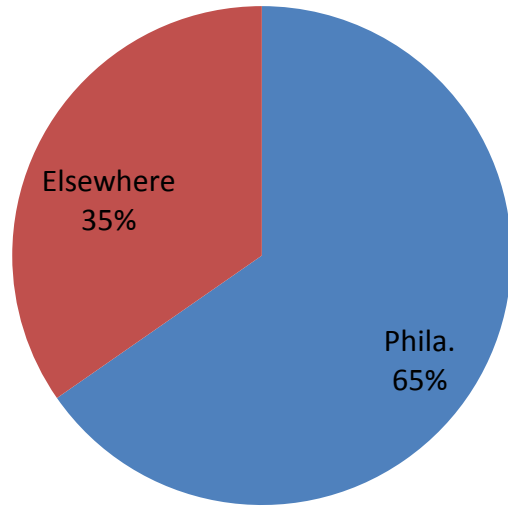


### Home Addresses of Non-Minority Laborers

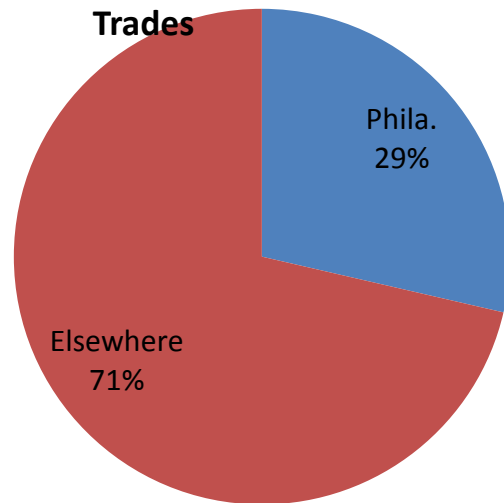


Of all minority laborers, the overwhelming majority live in Philadelphia (79%). For white laborers, the distribution is roughly balanced, with a slight minority (48%) living in the city.

### Home Addresses of Minority Skilled Trades

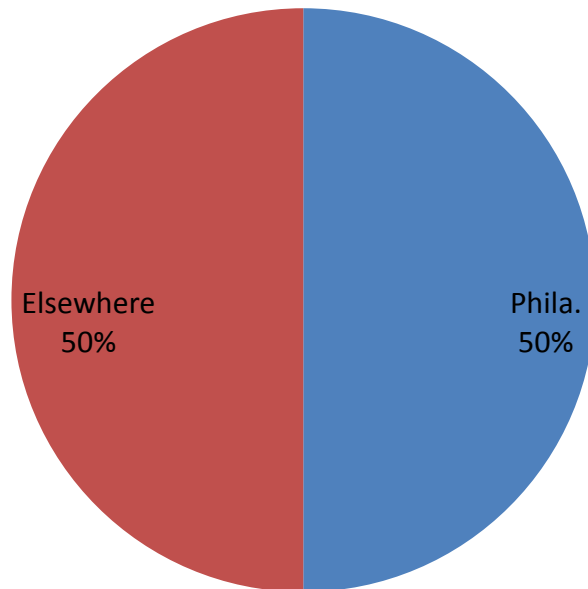


### Home Addresses of Non-Minority Skilled Trades

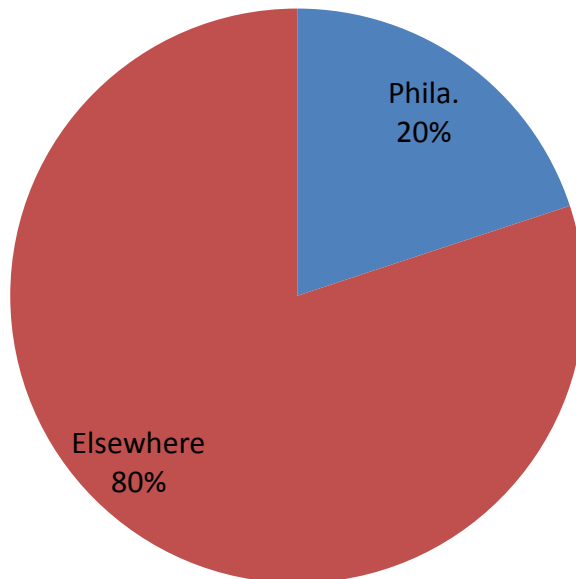


For minorities in the skilled trades, 65% list Philadelphia as their primary residence, while only 29% of whites in the skilled trades do likewise. This result is rather striking, since although most skilled trades choose to live outside the city, most *minority* skilled trades still elect to live in the Philadelphia.

### Home Addresses of Minority Managers



### Home Addresses of Non-Minority Managers



For minorities with managerial positions, the distribution is split 50/50, with half living in Philadelphia, and half living elsewhere. But for white managers, only 20% live in Philadelphia.

Across all categories of job classifications, a majority of non-whites live in Philadelphia. For whites, the opposite is true. The greater the skill and salary of a construction job, the greater is the likelihood the person is white and a non-Philadelphia resident.

## Summary

These results seem to confirm widely-held local perceptions about the building trades in Philadelphia:

- Most workers live outside Philadelphia.
- Of those that do live in Philadelphia, the majority are non-white minorities.
- The relatively higher-paying jobs of the skilled trades and management are dominated by whites.
- Even in the relatively higher-paying jobs held by minorities, the majority still live in the city.
- The more a construction job pays, the greater the probability it is held by a white male who does not live in Philadelphia.

If anything, this data represents the most favorable depiction of the geographic and demographic composition of the building trades in Philadelphia. A similar analysis done by Inquirer columnist Tom Ferrick reported that “80 percent are white and 70 percent live outside the city.”<sup>7</sup> In a recent Inquirer story describing a compromise reached about minority hiring for the Convention Center, the numbers provided by the unions themselves confirmed this distribution<sup>8</sup>. However, this report provides a more detailed breakdown of these numbers, as well as a more extensive breakdown by job category. We hope that this can help inform future public debate over the distribution of job opportunities in the construction sector in Philadelphia.

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<sup>7</sup> Philadelphia Inquirer, “Why the unions won’t share,” Tom Ferrick Jr., 1/06/08

<sup>8</sup> Philadelphia Inquirer, “‘Historic’ accord on unions, minorities,” Jeff Shields, 2/05/08



## Appendix 1: Raw Data

### Breakdown of Philadelphia Construction Jobs by Trade, Race and Home Address

Trade	Race	Home Loc.	# Jobs	Percent
Laborer	Minority	Elsewhere	262	2.1%
Laborer	Minority	Phila	991	7.9%
Laborer	Non-Minority	Elsewhere	606	4.9%
Laborer	Non-Minority	Phila	562	4.5%
Laborer	Unknown	Elsewhere	39	0.3%
Laborer	Unknown	Phila	57	0.5%
Skilled	Minority	Elsewhere	579	4.6%
Skilled	Minority	Phila	1,091	8.8%
Skilled	Non-Minority	Elsewhere	4,891	39.2%
Skilled	Non-Minority	Phila	1,960	15.7%
Skilled	Unknown	Elsewhere	157	1.3%
Skilled	Unknown	Phila	96	0.8%
Management	Minority	Elsewhere	22	0.2%
Management	Minority	Phila	30	0.2%
Management	Non-Minority	Elsewhere	456	3.7%
Management	Non-Minority	Phila	111	0.9%
Management	Unknown	Elsewhere	22	0.2%
Management	Unknown	Phila	9	0.1%
Unknown	Minority	Elsewhere	28	0.2%
Unknown	Minority	Phila	76	0.6%
Unknown	Non-Minority	Elsewhere	244	2.0%
Unknown	Non-Minority	Phila	149	1.2%
Unknown	Unknown	Elsewhere	16	0.1%
Unknown	Unknown	Phila	12	0.1%
<b>Totals</b>			<b>12,466</b>	<b>100.0%</b>

## Appendix Two: Media Coverage of the Issue

### Opening doors to nonunion workers

By Jeff Shields and Marcia Gelbart  
Inquirer Staff Writers  
Fri, Dec. 7, 2007

Accusing trade unions of standing in the way of minority hiring objectives, City Council yesterday declared the \$700 million Convention Center expansion open to nonunion contractors and workers - an unprecedented gesture in a city dominated by organized labor.

Citing the construction industry's repeated failures to meet minority hiring goals on public projects and the unions' refusal to disclose the racial makeup of their memberships, Council voted to amend the Convention Center's operating agreement to allow nonunion workers, to help increase minority participation.

Such a change would face final Council approval Thursday, and Gov. Rendell would have to agree to it.

Mayor-elect Michael Nutter appeared to support Council's action yesterday.

"Clearly, that amendment represents the frustration that many of us have felt in creating opportunities for African Americans and Latin Americans in terms of access to the construction trades and participating in all the tremendous construction activity in Philadelphia," said Nutter. "We must create a more diverse workforce in the construction industry in the city."

The very thought of allowing nonunion contractors on a major public works project in Philadelphia stunned longtime observers.

"Wow," said public relations executive A. Bruce Crawley, one of the city's leading critics of the union's efforts at hiring minorities. "Wow."

"This is very encouraging for African American contractors who would simply like not to be excluded from the work," he said.

Patrick Gillespie, business manager for the Philadelphia Building and Construction Trades Council, said such a requirement would endanger the project labor agreement the 42 local unions he represents are negotiating with the Convention Center Authority. Such agreements are common before major projects - they set the standards of work and pay, usually require union labor, and are meant to avoid job disruptions.

"I wouldn't enter into a deal where it would allow people to work nonunion. What's the point of that?" he said. "To lose the protection of collective bargaining?"

"People can amend things there [in Council], I guess, but they cannot amend our world."

Albert Mezzaroba, Convention Center president and CEO, said he thought approval of the agreement by Council should allow the project to move forward.

Gillespie's failure to produce statistics on the racial makeup of the council's unions - he also would not provide that information in 2003, when the stadiums for the Eagles and Phillies were being built - prompted Councilman Frank DiCicco to offer the amendment.

"With there being no movement from the building trades . . . they essentially left this Council no choice," said Councilman W. Wilson Goode Jr. "And thus begins an era ending the monopoly of the training and supply of construction labor."

It all began peacefully as Council members praised new and increased hiring goals for the Convention Center expansion - 50 percent of the jobs and contracts are to go to minorities and women. But Councilman Darrell L. Clarke and others said that while the city had progressed in awarding more contracts to minority-owned firms, the makeup of the construction trades continually frustrated goals for hiring individuals.

The hearing turned sour as Council members questioned Gillespie, pressing him for statistics, even taking an hour-long break and offering him use of the clerk's office to make phone calls. Gillespie told Council members he didn't know - and couldn't find out on short notice - the racial makeup of the council's 42 local unions.

"We've been doing this for years - round and round and round and round," said Councilwoman Marian Tasco. "We ask all the time what is the membership of the trades, and we never get an answer."

That's when DiCicco stepped in with an amendment to the operating agreement involving the city, state and authority that requires Council approval.

"It's been a long time coming," said DiCicco. "In the 12 years I've been here, nothing has really changed regarding minority hiring."

DiCicco and Gillespie are both members of the Convention Center's board.

Gillespie said he resented Council's insinuations, and said the building trades council did meet hiring goals consistently.

"Everything you've done here today is a canard," he told DiCicco. "There's some perception here that the building trades are entirely made up of white people."

Gillespie said about 300 of 400 apprentices taken from the Philadelphia School District were minority.

Tom Muldoon, president of the Philadelphia Convention and Visitors Bureau, told Council that six major events in 2010 had to be canceled because of delays. The expansion project has had repeated delays and is now supposed to be completed by early 2011.

"We're beginning to lose credibility," Muldoon said.

## Tom Ferrick Jr. | Why the unions won't share

**Data on their membership here show they are mainly white, male and suburban.**

By Tom Ferrick Jr.  
For The Inquirer  
Posted on Sun, Jan. 6, 2008

When Pat Gillespie appeared before City Council last month, he said he did not know the number of minority workers who were members of the city's building-trade unions - the electricians, plumbers, carpenters, glaziers and others who have a virtual monopoly on construction jobs in town.

This was odd because, if anyone should know, Pat Gillespie should.

He is president of the Philadelphia Building Trades Council, the umbrella group that is the public face of the unions.

But here was his reply when asked to provide a demographic breakdown of the unions' memberships: "I don't know who has the data or whether it exists."

Well, the data exist and I have them.

One look reveals why Gillespie was so shy about sharing information.

Despite 30 years of talking about getting minorities and women into these well-paid union jobs, the crafts remain all-male, nearly all-white, and the majority live in the suburbs.

Of the alphabet soup of unions that make up the building trades, only one - the Laborers Union - has a majority of minority members: 54 percent, according to the data I analyzed.

And - no surprise here - laborers are on the bottom rung of the trades, the lowest-paid jobs in an industry where skilled workers can make \$40 an hour.

Set the laborers aside and what picture emerges of the other unions and their members?

To summarize: 80 percent are white and 70 percent live outside the city.

That's a problem in a majority minority city. And it's a political problem for city officials who have given the unions a de facto monopoly over construction in Philadelphia. Meanwhile, the unions they have protected for so long do little to help city residents get good-paying jobs.

Now you know why City Council members and Mayor-elect Michael Nutter talk about "economic apartheid."

There are exceptions, but for too many unions, the civil-rights era in America is still just a rumor.

I did not get any data from the unions. When it comes to detailed information on race and gender, their doors remain locked. I went through a side window.

Any construction job that gets city, state or federal money is required to keep information on the race, sex and home addresses of union members.

These reports are filed with the city's Office of Housing and Community Development (OHCD), which enforces federal guidelines that encourage the use of minority workers.

Acting on my Freedom of Information request, the OHCD handed over five years' worth of the data it had.

The data covered 73 projects - most of them large residential or commercial jobs - worth more than \$500 million combined and employing 10,480 workers, almost all of them union members.

I extracted the information on minorities and women from these OHCD files.

To be clear - this is a partial picture. OHCD does not keep data on the private construction projects that have gone up in the city the last five years; the Comcast Center and Cira Centre are two big examples. There is no requirement of minority hiring for these projects.

The \$500 million spent represents a relatively small slice of all money spent on new construction in the city between 2002 and 2007.

Also, OHCD pushes contractors who work on these government-subsidized projects to hire minorities. So the agency's data should show the unions in the best possible light.

Hmmm. Some light.

To review the OHCD data:

The overall average of minority workers among all trades - including laborers - was 26 percent. Of the minority members, 68 percent lived within the city. Among white members, 30 percent lived in the city.

A handful of job categories beat or matched the 26 percent average, including cement masons (30 percent) and drywall finishers and tapers (26 percent).

The trades other than laborers that had the highest minority participation were electricians at 25 percent, and operating engineers at 24 percent.

A number of trades fell below the overall average of 26 percent minority participation. The list includes roofers (20 percent), carpenters (19), ironworkers (17), sheetmetal workers (15), bricklayers (14), plumbers (12) and steamfitters (5).

A note here: The data list workers by their trades, not by their unions, some of which have locals for each specialty. Hourly rates for workers vary depending on their craft and experience.

The OHCD data cannot tell us reliably whether pay disparities exist among blacks, Hispanics and whites. But here is one indicator: One of the best-paid jobs is foreman. Of the 113 men listed as foremen on these projects, 102 were white - 90 percent.

As to women in the crafts, fughedaboutit. Of the 10,478 workers listed in this data, 109 were women. A touch over 1 percent.

(I wonder if they have signs posted outside union halls - à la *Spanky and Our Gang* - saying, "No Girls Allowed!")

Gillespie was called before Council because some Council members wanted a showdown over minority hiring at the city's next huge public project: the \$700 million expansion of the Convention Center.

The project will yield about 1,400 construction jobs. The original plan called for 13 percent to go to minorities.

Council members threatened to open the Convention Center project to nonunion workers unless the number was higher. The goal they set was 50 percent.

With the exception of small projects, using nonunion construction workers is taboo in Philadelphia. The unions' allies in the Democratic Party rigidly enforce Philly's status as a union-only town.

It sets up this dilemma for black and Hispanic workers: To get well-paying construction jobs, they must be union members. Yet, traditionally, the door to union membership has been closed. As Nutter said: economic apartheid.

I can also see the dilemma faced by unions' leaders. The membership that elected them is mostly white. The crafts have a strong tradition of "legacy" candidates - the OHCD list has lots of fathers and sons in the same craft. There is only so much work to go around. Do you open the doors wide to minorities, but end up with too many workers for too few jobs?

Because of these factors, the unions have been, um, incremental in their approach to integration.

Because they never share their data, we don't even know exactly how incremental.

Gillespie told me this week that the unions have had "inclusionary programs" for minorities since the 1980s. He pointed to a spate of recent minority recruitment by the Carpenters Union, the Cement Workers and the Electricians.

"There are a number of unions that still have to do things," he said. "And the Building Trades Council continues to encourage them to do it."

(A suggested motto for the council: *Now in our 30th year of encouraging them to do it!*)

To defuse the City Council threats over the Convention Center, he said, the building trades did agree to the 50 percent minority worker figure, as an "aspirational goal."

"I think our efforts are on the right track," Gillespie said.

My question to Gillespie was:

When are they going to reach the station?

## Tom Ferrick Jr.: City political climate is changing on union hiring

### First, Goode breaks through. Then comes Mayor Nutter.

By Tom Ferrick Jr.  
For The Inquirer  
Posted on Sun, Jan. 20, 2008

Sometimes, you can go from heretic to hero in the blink of an eye.

Consider the case of City Councilman W. Wilson Goode Jr.

The oh-so-serious Goode has been talking for years about economic opportunities for minorities or - more precisely - the lack thereof.

Included in his criticism were the city's building-trade unions, which boast high-paying jobs that go mostly to white guys.

Goode was the proverbial voice in the wilderness on this issue - until late last year, when the folks building the extension to the city's Convention Center unveiled a plan that called for minorities to get - tah dah! - 13 percent of the estimated 1,400 jobs it would take to build the \$700 million project.

To put it another way, in a city that is 60 percent black, Latino and Asian, 87 percent of these choice jobs were going to go to white guys. Hmmm.

In response, Goode helped round up enough Council members to lay down a threat to the Building Trades Council, the umbrella group that represents the area's construction unions:

Either increase minority representation on this job, Council said, or we will open it up to nonunion workers.

This is where the heresy part comes in. As I have reported before, Philadelphia is mostly a closed shop when it comes to construction jobs.

Usually, the Democratic apparatus works hand-in-glove with the unions to keep it that way, even though there is no legal restriction against open-shop work in construction.

Even talking about allowing nonunion work was considered taboo, let alone acting on it.

As Goode put it, the Building Trades Council "had been questioned before, but never challenged."

This time, the gloves came off.

The backstory here is that many Council members were already miffed at the Building Trades Council.

The threat to open up the Convention Center project was, in part, payback for the unions' refusal to endorse most of the Democratic Council incumbents in the May primary.

The unions, which favor new casinos in the city because of the construction jobs they will bring, were angry at Council for working to delay these projects.

That is one change in the political climate. The other was the election of Michael Nutter as mayor.

The Building Trades Council had a good and loyal friend in John Street when he was mayor. As mayor, Street would not countenance such anti-building-trades talk. Nutter was a different matter. In fact, he joined Council in urging an end to what he called "economic apartheid" when it came to these jobs.

Once you subtract the laborers - the only construction union that has a majority of minority members - the rest of the crafts are 99 percent male, 80 percent white and 70 percent suburban.

Now, contrast this with the small number of nonunion construction jobs in the city, where 72 percent of the workers are minorities and 71 percent of them live in the city.

These data on union and nonunion projects were collected by the Office of Housing and Community Development and represent a \$550 million slice of the total construction done in the city in the last five years.

In the showdown with Council, the unions blinked. They agreed to a goal of 50 percent minority participation in the Convention Center project.

"It was a matter of making sure that at least we held our ground in terms of trying to fight for fair contracting," Goode said of Council's stand.

He said Council had planned to make the same demands on other public projects in the future.

Of course, there's a problem with playing the open-shop card. How often can you do it before everyone realizes it is a bluff and you have no intention of acting on it?

My sense of realpolitik tells me the Democratic apparatus isn't ready to declare war on the unions. And that is what an open-shop declaration would be.

But once you speak a heresy, it enters into the slipstream of public discussion. People begin to ask their own questions, such as:

Why are we so rigid on keeping projects closed-shop when the rest of the region is open-shop? Doesn't it put the city at a competitive disadvantage, given that union wages are 15 percent to 30 percent higher?

Wouldn't it help the city to have some projects - such as private and public housing - be open-shop and, therefore, more affordable and doable?

How can the city's ruling party support and sustain a closed-shop system when it is so exclusionary when it comes to race?

No one has answers to those questions, at least not now. But Goode and Council have raised them. And it is time for the unions to provide answers that are more than lip service.

As Goode put it: "We have come beyond a wink and a smile."



# The Last Union Town

**The city has long been held economic hostage by trade unions that overcharge for everything from building skyscrapers to screwing in light bulbs at the Convention Center. Can a reform-minded mayor and a surprisingly feisty City Council stop them?**

**By Matthew Teague**

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**Frank Keel** recently placed an enormous hand on a hallway wall in City Hall. The broad-shouldered spokesman for Philadelphia's electricians union grimaced, and literally leaned on the corridors of power.

"We'll be all right," he said.

Inside its chambers, City Council considered what might at first seem like just another bit of legislative drudgery: whether to allow non-union workers to bid for jobs at the new Convention Center expansion. But everything that led up to that moment — and much that followed — signals a turbulent time for unions, and so likewise for the City of Philadelphia.

In the hallway, Keel shook his head, incredulous at the very idea. "We expect to see this — this problematic amendment about non-union workers — removed," he said.

A few days earlier, a couple of blocks away, the same electricians union had been outbid for a job repairing a bit of wiring at the Five Guys burger joint. The electricians are headed by John Dougherty, one of the city's most vocal and visible union leaders, who has a reputation for rough tactics when it comes to union business. The union — Local 98 — sent picketers who insinuated that the restaurant was unclean due to a vermin infestation. The restaurant manager posted a small bill on the storefront, titled, "What is Really Happening Outside?" It said there were no vermin anywhere inside and never had been; also: "We are being picketed by members of the electrical workers' union (Local 98) because they are upset that a Local 98 subcontractor didn't win a contract. ... The Local 98 bid was three times higher than the bid by the winning subcontractor."

The Convention Center expansion is worth \$700 million. Allowing lower bids from non-union contractors could cost the unions vast sums, entire horizons of money. When Local 98 was outbid for a job wiring up a burger joint, it sent troops with signs and rumors to try and shut down the business. Now, facing the loss of this — the single largest expenditure in the history of the state — the union sent Frank Keel.

He's a massive man with a rumbling manner, and he moved through the gilded passageways of City Hall like a Sherman tank through a field of tulips. He's John Dougherty's mouthpiece, brash and warm at the same time. In his gray suit and kelly green tie, he looked like a distillation of the history of Philadelphia trade unionism poured into the vessel of one man: big and Irish, with long arms and a loud voice.

The "problematic" piece of legislation stemmed from a push by City Council for more racial balance in the trade unions, following a series of stunning revelations in previous weeks.

The prospect of non-union competition sent a tremor through unions across the city. The maneuvers by City Council had joined a confluence of social, financial and political circumstances that together offer one of the biggest challenges to Philadelphia's unions in the past two centuries.

On the day Council deliberated on the idea, 400 people packed into Council chambers at City Hall, stuffed into rows of creaking wooden chairs and peering down from the balcony.

Among them sat Frank the Tank, looking well-rested and prepared for a siege.

Continued: [http://www.phillymag.com/articles/the\\_last\\_union\\_town/](http://www.phillymag.com/articles/the_last_union_town/)

## 'Historic' accord on unions, minorities

By Jeff Shields  
Inquirer Staff Writer  
Posted on Tue, Feb. 5, 2008

City Council cleared the way yesterday for the \$700 million expansion of the Convention Center by a "historic" compromise with the building trades unions over increasing the number of minorities in their ranks.

Under the agreement, reached after a day of negotiations, the unions for the first time disclosed their demographics and pledged to pursue Council's goals for the makeup of the workers who will build the two-year construction project: 50 percent of the workers have to live in the city, and 25 percent must be African American, 10 percent Hispanic American, 5 percent Asian American, and 10 percent women.

The unions also agreed to work on long-term diversity plans with a commission Mayor Nutter established yesterday. Critics wanted the unions to have those plans ready now, but Council agreed to allow the unions to report quarterly to the Mayor's Advisory Commission on Construction Industry Diversity, and to subject them to "remedial actions" approved by Council if they failed to meet goals. The mayor will appoint the 15-member board.

The resolutions passed yesterday cleared the way for the city to sign a joint operating agreement with the state and the Convention Center Authority, and allows the Philadelphia Building and Construction Trades Council to sign a labor agreement with the authority and contractors to guarantee labor peace on the project.

"All the obstacles are out of the way," Convention Center Authority Chairman Thomas "Buck" Riley said last night. "This was the last big piece."

Bids could go out within the next few weeks, Riley said. The center is supposed to be completed by late 2010.

Council and Nutter, who chose the state's largest-ever public-works project to take a stand on minority hiring in the city construction industry, declared victory with the agreement, although four of the 15 building trades unions did not sign on.

"This is a historic moment in the city," Nutter said, citing the unions' actions. "Nothing like this has ever happened."

Councilman Darrell L. Clarke acknowledged that he and his colleagues were not totally satisfied with the long-term goals outlined, to greater or lesser degrees, by each union.

But the unions' show of good faith in issuing their minority statistics and committing to report to the mayor's committee "demonstrates to me that they are willing to address the problem," Clarke said.

Council has long sparred with the unions on access to jobs for city residents, particularly minorities.

Numbers provided by 12 unions yesterday bore out what was reported in an Inquirer analysis - that about 80 percent of the regional construction union workforce is white, and about 70 percent lives outside the city.

According to figures compiled from Council, the total percentage of African American building trades workers was 13.8 percent; Hispanic, 4.9 percent; Asian, 0.2 percent; and women, 1.5 percent.

Removing Laborers International Union of North America Local 332 - which has by far the highest minority population at 83 percent - puts those figures at 89 percent white, 5.7 percent African-American, 3.3 percent Hispanic, and 0.5 percent women, with the figure for Asians remaining unchanged.

Patrick Gillespie, business manager of the building trades, said some unions have members who live as far away as the Eastern Shore and Northeastern Pennsylvania. Gillespie said he expected the mayor's commission to come up with a more realistic picture of the city's minority workforce with a demographic study, and to establish what improvements in the numbers need to be made.

Unclear last night was whether Council's action would satisfy Gov. Rendell, whose approval is critical, and what would happen to the four unions - the roofers, operating engineers, carpenters and electricians - that did not comply with Council's demands.

Rendell, who warned earlier in the day that the state would have to "blow the whistle" on the project if continued delays put it over budget, issued a measure of approval last night.

"We appreciate the step Council has taken to ensure diversity on the project, and we look forward to reviewing Council's action more thoroughly to ensure that it complies with our long-held position," Rendell spokesman Chuck Ardo said.

John J. Dougherty, business manager of the electricians union, said yesterday that he would cooperate with the commission but that he was "not about to be bullied by people who are not concerned about this issue."

Whether Dougherty will suffer any consequences is unclear.

Convention Center executive director Albert Mezzaroba said unions not in compliance would be notified that they would be barred from signing the Project Labor Agreement for the construction until they met Council's requirements.

But that does not necessarily mean they cannot work on the project.

"I don't know what happens after that," Riley said. Mezzaroba said he didn't know, either. Dougherty said he was "fine" with that sanction.