Report: Half of Texas construction workers undocumented

Yearlong study by Workers Defense Project and University of Texas makes a case for immigration reform

By Dave Harmon

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Half of the construction workers in Texas are undocumented, according to a new report by an Austin immigrant rights group and University of Texas researchers that surveyed nearly 1,200 workers throughout the state.

The report released Thursday by the Austin-based Workers Defense Project and a team of UT academics estimates that as many as 400,000 undocumented immigrants work in construction statewide. Those workers receive lower pay than their U.S.-born counterparts and are less likely to receive safety training or be covered by workers' compensation if they are injured on the job, according to the report.

The report says the state's construction industry is at a crossroads — that it is dependent on undocumented workers and unable to find enough qualified workers to keep pace with the state's growth. That situation should be addressed through federal <u>immigration</u> reform, the report says.

"Now that undocumented immigrants comprise significant portions of industries like construction, more employers are left with few choices other than to hire unauthorized workers, or risk going out of business," the report says. "Employers need an <u>immigration</u> system that allows them to legally hire the workers they need so they can focus on managing their businesses, not managing <u>immigration</u> policy."

"Our <u>immigration</u> policies are broken," said Cristina Tzintzun, the group's executive director. "They're not working for businesses, they're not working for our workers and they're not working for our state."

The group was founded in 2002 to address the problem of unpaid wages for low-income workers.

The report, based on a survey of 1,194 workers at randomly selected construction sites in Austin, Dallas, El Paso, Houston and San Antonio, found that:

• U.S.-born construction workers earned an average of \$3.12 per hour more than undocumented workers, who reported earning an average of \$11.10 per hour.

- 73 percent of undocumented workers reported they had not received basic safety training, while40 percent of U.S.-born workers had not received such training.
- 29 percent of undocumented workers said they were covered by a workers' compensation policy, compared to 65 percent of U.S.-born workers.

The study says that 81 percent of the workers surveyed were Hispanic and 73 percent were foreign born.

Construction industry representatives said they couldn't confirm the report's conclusion that half of Texas construction workers are undocumented.

"That sounds a little high," said Frank Fuentes, chairman of the Austin-based U.S. Hispanic Contractors Association. Licensed trades like plumbing and electrical tend to have few undocumented immigrants, he said, while specialties like concrete and drywall probably have more than 50 percent undocumented workers, he added.

Tzintzun said researchers surveyed both licensed and unlicensed workers. She said undocumented immigrants make up such a large part of the construction workforce because they are hired through a vast network of subcontractors who typically pay them in cash and classify them as independent contractors rather than employees — which means they're not officially working for the developers or general contractors in charge of a project.

There are 5.7 million construction jobs in the United States, and 591,000 construction jobs in Texas, according to the U.S. Bureau of Labor Statistics. The researchers estimate that 41 percent of construction workers don't show up in government statistics because they're misclassified as independent contractors instead of construction employees.

By improperly classifying workers, employers avoid paying payroll and unemployment taxes, which helps them underbid competitors who follow the law, Tzintzun said.

With President Barack Obama and members of Congress saying they're serious about passing <u>immigration</u> reform this year, groups like the Workers Defense Project are trying to help shape the debate.

The researchers focused on construction because of its prominent role in the state's economy: the industry generates one out of every 20 dollars generated in Texas, which had 16 percent of the nation's new housing construction permits in 2011, the report found.

Phil Thoden, president and CEO of the Austin chapter of the Associated General Contractors of America, said his group supports <u>immigration</u> reform and said he is more optimistic that it will happen than he's been in more than a decade.

"In order to grow, you need to build, so we need a talented and available workforce," said Thoden, whose group represents roughly 300 local general contractors and subcontractors. "<u>Immigration</u> reform is key to the future growth of not only Austin, but all of Texas."

Thoden said he doesn't agree with all of the report's conclusions, adding that his group's members for the most part follow the law, give workers safety training and want to do the right thing for their business and their workers. "I get frustrated when the industry as a whole is painted in a black light," he said.

Carlos Arellano, a 19-year-old construction worker from Mexico, said it's harder to find good work without the proper documents. He and seven other workers, including his father Juan Cruz, said they went to the Workers Defense Project after an Austin subcontractor didn't pay them about \$2,500 in wages for jobs they did in College Station and Austin.

"We can't speak out because we're not from here," Arellano said.

Patricia Zavala, the group's workplace justice coordinator, said the Austin contractor who hired the subcontractor paid six of the workers more than \$1,500 last week and two others still hope to receive their money.

"We are here asking for an opportunity to have papers and be documented, and the same for our children so they can study," said Luis Rodriguez, a construction worker from Mexico who lost part of a finger in a workplace accident.

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