



Construction Working Conditions in Texas: Survey Instrument Development and Pilot Project

The Workers Defense Project
Austin, Texas

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AFL-CIO, is uniquely situated to serve construction workers, contractors, practitioners,

and the scientific community. This report was prepared by the authors noted.

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Abstract

Workers Defense Project undertook a pilot study beginning in March 2012 with the support of the CPWR Small Studies grant program. The study, “Construction Working Conditions in Texas: Survey Instrument Development and Pilot Project,” sought to conduct a pilot study of the construction industry in Austin prior to launching a statewide study. WDP completed the final aspects of the pilot project in August 2012, and used findings to improve the statewide study survey instrument, determine interview questions, and fine-tune overall study methodology. The report for the statewide study was published January 29, 2013. Results of the study, titled *Build a Better Texas: Construction Working Conditions in the Lone Star State*, showed that numerous employment violations occur regularly on Texas construction sites. One in five workers statewide has experienced wage theft; one in five has been seriously injured while working; and 41% of the workforce is estimated to be misclassified as independent contractors or paid in cash with no taxes deducted. Nearly every construction site surveyors visited had multiple safety violations, as documented on the Site Observation Checklists that they completed at each worksite. Further, interviews with industry leaders revealed that the poor working conditions experienced by workers also negatively impact honest businesses, which are unable to compete in the current environment of lax enforcement of employment laws. The study also provides best practice recommendations for industry leaders and policy recommendations to improve working conditions and reward honest business practices. WDP was able to use the same dataset to generate a second report, *Build a Better Nation: A Case for Comprehensive Immigration Reform*, which will be released February 13, 2013. This report examines working conditions through the lens of immigration, as 50% of the Texas construction workforce was found to be undocumented.

Key Findings

Construction is one of Texas' most important industries, employing one out of every 13 working Texans, ***but workers do not share in the industry's prosperity***. Fifty-two percent of construction workers in Texas earn poverty-level wages. Further, One in five workers reported not being paid for their work in construction in Texas.

Construction in Texas is unsafe. One in five workers reported experiencing a workplace injury that required medical attention in Texas. Thirty-nine percent of workers don't receive rest breaks during the workday, and 59% of workers have employers who don't provide them drinking water, as is required by law. Further, 61% of workers lack an OSHA 10-hour safety training. Only 40% of workers reported being covered by a workers' compensation policy, and few had employer-provided health insurance, making workplace injuries a frightening burden on working families. Worse, basic safety violations were present on 93% of worksites, increasing workers' risks of being injured.

Workers are robbed of their wages and stripped of workplace protections. One in five workers reported not being paid for work that they had performed in construction in Texas. Thirty-one percent of workers who attempted to reclaim their wages faced retaliation, such as being fired or threatened. Further, 41% of workers reported being misclassified as independent contractors or being paid in cash without having taxes deducted from their paychecks. This practices strips workers of their workplace rights and leaves many unprotected when attempting to reclaim stolen wages or receive compensation for injuries.

Industry leaders support many practices that are good for workers. Industry leaders indicated that better enforcement is needed to combat worker misclassification, and also indicated that

workers often lack the training they need to build a sustainable industry. Leaders discussed the difficulty in attracting a talented workforce because of the prevalence of poor working conditions and low pay. Interviews pointed to developers and project owners as being the agents of change, because they control the quality on their sites. Contractors believe that if owners set higher standards, general contractors and subcontractors would rise to meet those expectations.

Poor industry practices hurt everyone. Researchers estimated that wage theft results in \$117 million in lost wages and \$8.8 million in lost sales taxes, which hurts cash-strapped state and local governments. Construction workers also account for a disproportionate share of uncompensated care costs in hospitals. In one hospital, workers account for nearly 20% of uncompensated care costs, although they comprise 6% of all workers. Finally, payroll fraud (worker misclassification) costs an estimated \$54.5 million in unemployment insurance tax revenue for the state of Texas.

Pilot Study Overview and Objectives

The Texas construction industry is the most deadly in the nation, yet there has been little data available to characterize the specific factors that place Texas workers at greater risk for injury and death than construction workers in other parts of the country. The study “Construction Working Conditions in Texas: Survey Instrument Development and Pilot Project,” sought to conduct a pilot study of the construction industry in Austin prior to launching a statewide study. The goals of the pilot were to:

- Develop and test an effective survey instrument to be administered to construction workers regarding the factors that contribute to high injury and fatality rates in construction, and
- Develop and test the in-depth interview questions that will be administered to construction workers and construction operators to obtain their perspectives on factors that contribute to worksite hazards and place workers at risk for injury or death.

Final deliverables from the pilot study were to include:

- Survey instrument in English and Spanish;
- Interview question sets for workers (English and Spanish), developers, general contractors, and subcontractors;
- Survey and interview protocol and training materials for researchers; and
- 15 completed pilot surveys with workers and 4 completed pilot interviews with workers and employers.

From this study, WDP hoped to develop highly effective survey and interview instruments and a training protocol that would allow researchers to successfully complete a statewide study of the industry that provided highly relevant, useful data.

Accomplishments

All deliverables have been met for the pilot study. WDP developed an effective survey instrument in English and in Spanish that successfully captures important details about construction workers’ experiences in the industry. Interview questions have been revised after conducting pilot interviews with input from worker and academic advisor focus groups. Although comprehensive analysis is forthcoming, WDP researchers believe the questions are able to elicit valuable qualitative data that will be a strong complement to survey data collected from surveys with workers.

Further, protocol for all aspects of the study: random selection of worksites, internal documentation of study progress and finance tracking, communication with research teams, data entry, and data analysis were developed. Before and during the pilot survey period, WDP created training materials for surveyors, piloted and revised training agendas and content, and selected and piloted its data analysis system. Similarly, WDP created training materials and piloted trainings for interviewers. WDP now has final versions of all training materials, including instructions for conducting trainings, as well as a method for data collection and analysis that has been thoroughly tested.

During the pilot survey period, WDP surveyors completed 18 surveys with workers, 16 of which were entered into Qualtrics, the web-based program WDP selected for survey data entry. Two surveys could not be entered because some survey questions were altered significantly between the beginning and end of the pilot period. WDP interviewers completed four interviews with: an English-speaking worker, a Spanish-speaking worker, a developer, and a general contractor.

Finally, WDP was able to add the violation observation component to its study, improving the breadth of information the research study will be able to report. An initial checklist was developed and revised with the help of a group of University of Texas students who conducted 50 observations around Austin on construction sites of different sizes and types to ensure the instrument captured relevant information about safety violations on all worksites.

The pilot study enabled WDP to successfully complete the final statewide study. In total, nearly 1,200 surveys were completed in three months in five cities around the state. Thirty-five interviews with workers, developers, general contractors, and subcontractors contributed to the quantitative data gathered by the surveys. WDP was able to develop a comprehensive picture of the Texas construction industry, its problems, and potential solutions to improve working conditions and the ability of honest employers to compete.

Relevance and Application

Build a Better Texas: Construction Working Conditions in the Lone Star State will inform policy work WDP conducts on the local, state, and national level in 2013 and beyond. Its sister report, *Build a Better Nation: A Case for Comprehensive Immigration Reform* will be used to educate legislators, labor unions, and community groups about the need for immigration reform that benefits workers. The findings from these reports highlight the urgency of the need for changes in policy and enforcement surrounding construction in the state.

Publication/Presentation

WDP released *Build a Better Texas* on January 29, 2013 with a press conference at the Texas state capitol building. WDP's partner organizations around the state had press conferences to announce the report release in Houston, Dallas, and the Rio Grande Valley as well. The report is available online at <http://www.workersdefense.org/build-a-better-texas-report/>. *Build a Better Nation* was released February 13, 2013.

