



# Hiring Equity

## Can MnDot End 20 Years of Failure to Meet Hiring Goals for People of Color?

On a warm summer morning in 2009, the Minnesota Department of Transportation had an unusual number of visitors. The lobby of the state Transportation Building overflowed with community members, the sound of their 1960s-era protest songs and chants bouncing off its cool marble walls.

A large group of construction students, almost all of them people of color, donned construction helmets and bright yellow reflective vests and carried signs conveying handwritten slogans like *We are ready to work!*, *Jobs for all!*, and *HIRE us!* They joined hands with faith leaders and organizers from a variety of community organizations and asked to deliver a report.

An obviously flustered MnDOT official greeted the crowd. As reporters looked on with tape recorders and notebooks, community leaders presented him with a large letter printed on poster board, which read:

**MISSING PERSON(S):** Skilled, determined, hard-working people of color and women seeking living-wage jobs in Minnesota.

**LAST SEEN LOCATION(S):** At construction job training programs throughout the state.

**MISSING DATE:** From the beginning.

**ACTION NEEDED:** Commitment by the commissioner to locate these persons at MnDOT road construction sites so that these sites reflect our diverse Minnesota community.

The official accepted the report and thanked the leaders for their presence. Some protestors booed

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### Race and Regionalism: How Growth and Development Policies Shape Racial Disparities in the Twin Cities Region



If you asked a visitor for their impression of the Twin Cities, you would be likely to receive a positive response. A high quality of life, an educated workforce and a clean environment are things that our region is known for. But for nearly a quarter of the population—our region's population of color and indigenous community—the Twin Cities do not live up to that promise. Despite our many resources, people of color here experience some of the worst disparities in the nation.

Dig into our history, and one will find a legacy of public policymaking that favored, either intentionally or as a

byproduct of poor decision-making, the needs of white people over those of people of color and indigenous people. An examination of some of these policies, many of which directly relate to the growth and development of our region, shows that racial discrimination was and is at the heart of what makes our region what it is today.

The good news is that there are strategies that can help reverse these disparities and sweep away the institutional barriers that have persisted. And our region has the added benefit of being able to rely on a rich network of community-based

organizations that can provide leadership and partner with policymakers to arrive at effective and sustainable solutions to these complex problems.

Over the next year, the Alliance for Metropolitan Stability will release a series of Race and Regionalism stories that illustrate some of our past failures as well as some of the ways communities and decision-makers are showing the way forward for equity.

To read other papers in the series, please visit [www.metrostability.org](http://www.metrostability.org). ■

and laughed as he promised that the agency would meet with community groups to discuss their concerns. There wasn't much trust between the two sides because of a history of confrontations over a key issue: since MnDOT first set hiring goals for people of color in 1992, the agency had never once met the goal. At the time of this confrontation, only 6.1 percent of Minnesota's construction workforce was comprised of people of color, compared to a goal of 11 percent.<sup>1</sup>

Fast forward three years. As of July 2012, MnDOT was still falling short of its goal. But the agency's improvement over a few short years was impressive. Between 2009 and 2012, MnDOT increased the number of women and people of color building Minnesota's roads and bridges by 189 percent.<sup>2</sup> In addition, 13 of the largest 14 projects in the state were meeting their goals for people of color.<sup>3</sup> Those are transformative numbers for an agency that hadn't budged in two decades, and for Minnesota's communities of color, which had nearly lost hope that anything would ever change. Here's how it happened.

### The Rationale for Hiring Goals

In 1985, the Minnesota legislature passed a law that established a state Equal Employment Opportunity program to ensure women and people of color obtained a fair share of state-sponsored construction jobs. Minnesota's hiring goals have their roots in federal programs that date back to the World War II era. The first federal program was established by President Franklin Roosevelt, who issued an executive order that prohibited racial discrimination by defense contractors. The largest expansion of federal affirmative action policies occurred under the leadership of President Richard Nixon, who said, "A good job is as basic and important a civil right as a good education."

Affirmative action programs are frequently criticized as promoting reverse racism and interfering with the hiring practices of private businesses. The former claim ignores the centuries of privilege that give white people a built-in advantage in the hiring market. The latter ignores the fact that private businesses receive large taxpayer-funded contracts that keep them in business. Despite some

opposition, recent polling shows that 70 percent of Americans support affirmative action programs that help women and people of color obtain jobs and education.<sup>6</sup> Yet eight decades after affirmative action programs were initiated, people of color are still more likely to live in poverty, to be unemployed and to earn less than whites, and also less likely to receive promotions.<sup>7</sup> This is because they are so rarely implemented with meeting the goal in mind. Rather, they are frequently approached with the goal of making "good faith efforts."

This context is particularly important in Minnesota. The Twin Cities have attracted negative national attention over the past few years, continually appearing near the top of the list of metro regions with the worst racial employment disparities. Black people living in this region are more than three times more likely to be unemployed here than white people.<sup>8</sup> The largest groups of people of color in Minnesota—African Americans, East Africans, Latinos, Southeast Asians and American Indians—all have significantly lower proportions of adults in the workforce than do whites.<sup>9</sup>

The public sector can't solve this problem on its own, but it has a definite responsibility to take leadership. MnDOT alone funds thousands of construction jobs each year—3,614 workers at the peak of

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the 2012 season—so the agency has the capacity to make a significant dent in the employment gap by hiring people of color into well paying jobs.<sup>10</sup>

### Labor Unions and People of Color

Yet the public sector isn't solely responsible for hiring gaps in the construction industry. Public sector agencies contract with private businesses to complete their projects, and those businesses rely heavily on labor unions to fill their workforce. In many ways, the ability to achieve a diverse workforce on construction projects depends on the diversity of the labor unions that feed the system. And the American labor movement has a history of racial tension that has not been fully resolved.

Scholars have traced the racial tensions within the

labor movement back to the time of the Emancipation Proclamation, when African Americans began seeking work in the free market.<sup>11</sup> The wealthy class began to pit working class whites and blacks against one another in an attempt to distract them from organizing for better wages, benefits and working conditions.<sup>12</sup> Politicians and political organizations attracted votes by stirring up whites' fears that freed blacks would organize to take over jobs historically performed by white males.<sup>13</sup> White workers responded by refusing to work with blacks and using violence against black workers to keep them out of the trades.<sup>14</sup> Working class whites, who in many ways were struggling themselves, feared losing what little social standing they had and therefore suppressed other groups seeking work.<sup>15</sup> Ironically, they were also unable to benefit from better working conditions themselves, because the threat of losing their jobs to workers of color loomed.<sup>16</sup>

Inevitably, though, unionized white workers began demanding better conditions. When that happened, business owners often escalated racial tension by enlisting African Americans as strikebreakers.<sup>17</sup> That widened the divide between white and black workers, keeping employers in a position of power. These tactics caused African American Sociologist W.E.B. Du Bois to remark in 1913 that labor unions had successfully "convince(d) the American Negro that his greatest enemy is not the employer who robs him, but his fellow white workingman."<sup>18</sup>

By the 1920s and 30s, people of color had begun to organize themselves in new unions such as the Brotherhood of the Sleeping Car Porters, which organized African-American railway workers.<sup>19</sup> Later, white-led unions like the United Auto Workers and the Transport Workers Union of America became key supporters of the civil rights movement.<sup>20</sup> And labor organizer Cesar Chavez gained fame by organizing low-income agricultural laborers, many of them people of color, in the United Farm Workers during the 1960s and 70s.<sup>21</sup> Still the relationship between many unions and people of color has largely been characterized by distrust over the past century.

Today, people of color make up around 30 percent of total union membership in the U.S.<sup>22</sup> But despite

this increasing enrollment, barriers to full participation in the labor movement persist. In a survey conducted by the AFL-CIO, 64 percent of union members said people of color continue to face barriers in assuming leadership within labor unions.<sup>23</sup> Indicating that strong racial divides still exist in the movement, 89 percent of union members of color say that caucuses for people of color are still necessary to promote equitable decision-making.<sup>24</sup>

### Making Progress: Changes in Agency Practices & Outcomes

The historical context of affirmative action policy and the labor movement helps shed light on why hiring goals for people of color are still necessary in

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the 21st century. There is not a shortage of skilled workers of color. Indeed, a recent analysis by the State Demographic Center demonstrated that the number of people of color trained to work in the construction industry was almost three times the state goal of 11 percent.<sup>25</sup> This indicates that a large pool of eligible workers of color is being overlooked by unions, contractors and public agencies.

A whistleblower named Joanne Wagner took the first steps to change all of that. Formerly MnDOT's director of civil rights, Wagner was fired by the agency after refusing to cover up a contractor's shortfall in subcontracting to firms owned by people of color.<sup>26</sup> She filed and won a lawsuit against the agency in 2007, alleging that MnDOT routinely ignored the recommendations of its Office of Civil Rights, often awarding contracts to firms that did not meet the minimum basic requirements for diversifying their workforce and contractor base.<sup>27</sup>

The lawsuit opened MnDOT up to a new level of public scrutiny. A group of pastors, lay leaders and organizers from churches affiliated with the ISA-IAH coalition began meeting with MnDOT officials and demanding better outcomes. Later, as federal dollars poured into Minnesota through the 2009 economic stimulus plan, more than 70 organiza-

tions formed the HIRE Minnesota coalition to raise public pressure on MnDOT for real results from these investments. The next years were filled with public protests that filled MnDOT's headquarters, highway construction sites and legislative hearing rooms, and led to embarrassing press stories and increased attention to the agency's actions.

MnDOT had to do something to prove that hiring diversity was an important goal. The agency responded by significantly increasing its investment in a working group of community leaders, agency staff, union representatives and contractors that met monthly to monitor MnDOT's performance and hammer out agreements for more transparent and accountable hiring practices.

That turned out to be a turning point for community leaders. Where they had previously been on the outside looking in, they had now claimed a seat at the table with all of the stakeholders who made decisions about who was hired on construction sites. Community leaders balanced what they called an "inside game" strategy of working with the agency and other key players with an "outside game" strategy of monitoring progress, pushing for more transparency and accountability, and continuing to protest when necessary.

Slowly, the culture and the outcomes in the landscape began to shift. Under pressure from the community, contractors made substantial annual gains in hiring people of color on job sites. In absolute terms, 329 people of color worked on MnDOT projects in 2012, compared to only 114 in 2009.<sup>28</sup> That amounts to an estimated increase of \$8.5 million in

wages to people of color in 2012 alone.<sup>29</sup>

Community groups have also made headway working with labor unions. For example, after noticing a racial disparity in contractors' heavy equipment operators, the North Minneapolis-based workforce training organization Summit Academy OIC forged a training partnership with the International Union of Operating Engineers Local 49. This partnership has produced 44 trained workers, many of whom have been hired by MnDOT contractors.<sup>30</sup> MnDOT also reports major improvements in trades like carpentry, electrical, semi-skilled labor and painting.<sup>31</sup>

The very public scrutiny of employment disparities in the Twin Cities region has opened the door for big changes in the state's hiring goals themselves. In 2012, the Minnesota Department of Human Rights announced an increase in the state's minority hiring goal to 32 percent for Hennepin and Ramsey Counties (home to Minnesota's two largest cities

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of Minneapolis and St. Paul) and to 22 percent in the remainder of the region for all future projects.<sup>32</sup> MDHR says the new goals reflect the real demographics of the region's construction workforce.<sup>33</sup> The change affirmed the importance of several years of struggle by the community groups who see the negative effects of Minnesota's racial employment disparity on people of color, low-income communities and the greater Twin Cities region every day.



### Breaking Down the Barriers: Evan Sanders

Evan Sanders never had a problem finding employment. With a two-year degree in automotive

service, he had steady employment straight out of high school. Then the economy crashed, and so did the company he worked for.

"I don't fly by the seat of my pants, I like to plan," he says. "But for the

first time in my life, I didn't know what I was going to do."

Like many other people of color in the Twin Cities region, Evan struggled to find employment during the economic downturn. But rather than sit around and wait for a job to open up, Evan decided to train in a new field.

He enrolled in the heavy equipment operators program at

Summit Academy OIC, a nonprofit workforce training program. The program, which was new to Summit, was designed to break down the barriers many people of color face in entering the union construction workforce.

Summit partnered with the International Union of Operating Engineers Local 49, which already offered training and apprenticeship programs to prepare workers

for the industry and assist with job placement. The 49ers, as they are known, take on a limited number of apprentices each year, which makes the program highly competitive. Historically, many people have gained access to unions through family connections—maybe their father or uncle was a part of the union, for example. Since people of color don't often possess the same generational connections as >

## Workforce diversity for a stronger economy

As with the original civil rights movement, a well organized, community-based constituency is essential to sustaining efforts and ensuring accountability over time. When public dollars are at work, the community has a role and a stake in ensuring the benefits of investments accrue to all communities.

Yet the government must play a leadership role to ensure the opportunities it provides are fairly distributed—and MnDOT has taken the first steps toward proving that it can. However, the fact that the agency hasn't yet met state hiring goals, even under intense community scrutiny, illustrates how institutional barriers impede economic progress for people of color. MnDOT's improvements demonstrate that race-conscious public policy, which explicitly names the ways that people of color will be impacted, is essential to ending employment disparities.

The obvious qualifier of that statement, however, is that policies alone cannot end racial discrimination. Solving this problem will require increased public leadership and commitment, as well as new relationships between public agencies, contractors, trainers and community organizations. To overcome inertia and resistance, oversight must be institutionalized, but connected to the community through accountable processes. At MnDOT, community leaders have helped develop systems to ensure results, transparency and accountability using real-time data.

The imperative of ending racial employment disparities is both moral and economic. In just a few

decades, people of color will comprise the majority of the Twin Cities population. Wilder Research projects that by 2040, the white working population will have decreased by 21 percent while the working population of color will have increased by 140 percent.<sup>34</sup> With these changes coming, our economic success will depend on well trained, highly skilled and equitably employed people of color.

We need a confluence of leadership from the public and private sectors to eliminate some of the pervasive barriers that stand in the way of our shared prosperity. It is clear that external pressure helped shift MnDOT culture and produce more jobs for people of color. But the disparities facing the Twin Cities region are too big to rely on community oversight. The institutional and cultural changes

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needed to end racial discrimination in the Twin Cities can't fall solely on the shoulders of determined community activists. For the health of our entire region—its culture, its vibrancy and its economic stability—more people and organizations in positions of power must take a proactive role in closing the employment gap. This has to be everyone's job.

> whites do, it was exceptionally difficult for them to access this well paying trade.

The partnership between Summit and the union has started to break down those barriers. Students who are accepted into the program now complete a 15-week training in basic construction skills at Summit, followed by 5 weeks of apprenticeship at the 49ers' Hinckley-based training facility. Since 2010, 44 Summit students have graduated from the heavy

equipment operators program.

Evan was one of those students. After graduating, he got jobs on two different MnDOT projects--most recently on the I-694 expansion project in the northern suburbs, which will keep him employed during the construction season over the next three years. Evan says he now knows that he'll have "solid, hard work" no matter how the economy performs. And that will translate to financial stability both now and in the future.

"Now I'm contributing heavily to my retirement account. I'm saving money," he says. "I feel confident I will be able to provide for my family."

Historic and systemic barriers to employment for people of color in the trades and on MnDOT projects are firmly entrenched. But Evan's experience reflects how progress can occur when multiple aspects of the system are addressed simultaneously. When we invest in training, change the structure

of relationships between communities of color and labor unions and create public accountability for public investments we can make real progress in closing racial employment gaps. But it's not about statistics. These efforts transform real people's lives—and ultimately can move our region from one that has the worst hiring disparities into one that is known for the opportunities that it affords all residents. ■





## Alliance for Metropolitan Stability

A coalition of grassroots organizations that advances racial, economic and environmental justice in growth and development patterns in the Twin Cities region.

2525 Franklin Ave E, Ste 200 • Minneapolis, MN 55406  
P 612-332-4471 • F 612-338-2194 • [metrostability.org](http://metrostability.org)

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