

May 16, 2022

Keith E. Sonderling Commissioner U.S. Equal Employment Opportunity Commission 131 M St. NE Washington, DC 20507

Re: Invitation to the Hearing on Race, Sex and National Origin Discrimination in Construction—May 17, 2022

Dear Commissioner Sonderling:

Thank you for the invitation to the May 17 hearing on Race, Sex and National Origin Discrimination in Construction. Regrettably, I am unable to attend this event, but would like to share with you some of the proactive steps ABC has taken related to the important issues that will be discussed at the hearing.

Background:

ABC is a national construction industry trade association representing more than 21,000 members. ABC and its 69 chapters help members develop people, win work and deliver that work safely, ethically and profitably for the betterment of the communities in which ABC and its members work.

ABC's membership represents all specialties within the U.S. construction industry and is comprised primarily of general contractors and subcontractors that perform work in the industrial and commercial sectors for private and government customers. Moreover, the vast majority of ABC's contractor members are classified as small businesses. This is consistent with the Census Bureau and U.S. Small Business Administration's Office of Advocacy's findings that the construction industry has one of the highest concentrations of small businesses (82% of all construction firms have fewer than 10 employees)¹ and industry workforce employment (more than 82% of the construction industry is employed by small businesses).² In fact, construction companies that employ fewer than 100 construction professionals compose 99% of construction firms in the United

¹ U.S. Census Bureau 2019 County Business Patterns:

https://data.census.gov/cedsci/table?q=CBP2019.CB1900CBP&n=23&tid=CBP2019.CB1900CBP&hidePreview=true and https://www.census.gov/programs-surveys/cbp/data/tables.2019.html.

² 2020 Small Business Profile, U.S. Small Business Administration Office of Advocacy (2020), at Page 3, https://cdn.advocacy.sba.gov/wp-content/uploads/2020/06/04144224/2020-Small-Business-Economic-Profile-US.pdf.

States; they build 63% of U.S. construction, by value, and account for 68% of all construction industry employment.³

In addition to small businesses that build private and public works projects, ABC also has large member companies that contract directly with federal, state and local governments to successfully build projects subject to government acquisition regulations and subcontract work to qualified small businesses that meet federal, state and local government small business contracting goals.

Our diverse membership is bound by a shared commitment to the merit shop philosophy in the construction industry. The philosophy is based on the principles of nondiscrimination due to labor affiliation and the awarding of construction contracts through open, competitive bidding based on safety, quality and value.

ABC's Proactive Steps To Address Race, Sex and National Origin Discrimination in Construction:

ABC Champions Inclusion, Diversity and Equity in the Construction Industry

ABC believes that career opportunities in this nation should be created and made available to all people.

We believe in creating—and championing—conditions where individuals and organizations are limited only by their own potential and desire. This is the driving force behind the merit shop philosophy and ABC's inclusion, diversity and equity initiatives. With the founding principles of fair and open competition as the foundation, ABC's IDE initiatives are focused on bettering the individual, the industry and the nation. ABC values inclusion, diversity and equity as an empowering competitive advantage.

The barriers to entry into the construction industry are minimal. The opportunities to grow, earn new credentials and move up through leadership are exceptional. Construction is among the few industries where someone can become an apprentice or trainee, earn a paycheck while training for their career and receive a portable, industry recognized credential that will further their career.

The construction industry is full of opportunities for recent high school and college graduates, people interested in changing careers or a second chance at the American dream. Construction provides opportunities for a well-paying, fulfilling career, not just a job.

³ U.S. Census County Business Patterns by Legal Form of Organization and Employment Size Class for the U.S., States, and Selected Geographies: 2019, Available at https://thetruthaboutplas.com/wp-content/uploads/2021/07/Construction-firm-size-by-employment-2019-County-Business-Patterns-Updated-071321.xlsx.

ABC and its members are working hard to recruit, educate and upskill the nation's future construction workforce. ABC estimates that the construction industry needs to hire an additional 650,000 workers in 2022 alone. ABC has a network of more than 800 apprenticeship, craft, safety and management education programs—including more than 300 government-registered apprenticeship programs—across 20 different occupations.

ABC contractor members invested \$1.6 billion on workforce education in 2021, providing craft, leadership and safety education to more than 1.3 million course attendees to advance their careers in commercial and industrial construction, according to the 2022 ABC Workforce Development Survey.

The Workforce Development Survey also found that diversity is an important and growing factor at member companies: Women in management/supervisory roles increased to 19% in 2021 from 17% in 2020, and women in craft/trade roles increased from 14% to 15% year over year; more than half of respondents in the survey said they employ reentering citizens; and Hispanics and Latinos made up over 20% of trade course attendees last year.

To increase the pool of available workforce, ABC is continuing to identify, create and develop entry points into the industry. ABC chapters have 291 entry-point programs in place around the country that welcome individuals from all walks of life to begin a career in construction: reentering citizens; students in K-12 schools, community colleges and universities; active military and veterans; second-career seekers, faith-based organizations; charities; workforce boards; and more.

ABC's diversity outreach is led by the association's Inclusion, Diversity and Equity Committee, which was established in 1999 as a key component of ABC's value proposition to develop people, win work and deliver work safely, ethically and profitably for the betterment of the communities in which they work.

Through the annual Inclusion, Diversity and Equity Summit, Diversity Resource Groups and the National Inclusion, Diversity and Equity Excellence Awards, ABC provides education and supports and recognizes success in achieving a diverse construction workforce.

Inclusion, Diversity and Equity Summit

ABC's <u>annual Inclusion</u>, <u>Diversity and Equity Summit</u> is a gathering of industry leaders and key stakeholders who understand the value of diversity in construction and whose goal is to help promote the association's mission within diverse groups.

ABC National Inclusion, Diversity and Equity Excellence Awards

The National Inclusion, Diversity and Equity Excellence Awards honor members that display exemplary inclusion, diversity and equity leadership in their company, workforce, supply chain and community with best-in-class recruitment policies, retention practices and training and mentoring programs.

ABC's Diversity Resource Groups

Diversity resource groups are voluntary associations of ABC members who have common interests, which may center on race, ethnicity, gender, etc., and commit to mentoring, developing and networking with diverse communities.

These groups play a vital role in articulating, promoting and supporting the needs and goals of Blacks, Asian Americans and Pacific Islanders, Hispanics and Latinos, the LGBTQ+ community, Native Americans, people with disabilities, veterans and women in construction.

The DRGs also solicit input on how ABC can deliver more value to membership, provide suggestions for the Inclusion, Diversity and Equity Summit, promote the ABC National Diversity Excellence Awards and recruit new diverse firms.

ABC's Inclusion, Diversity and Equity Initiative Grant

ABC has established a \$100,000 matching grant fund to assist chapters in their efforts to develop long-lasting chapter inclusion, diversity and equity programs that support the strategic initiatives of both the chapter and ABC National.

The Chapter Inclusion, Diversity and Equity Initiative Grant recognizes and honors chapter-based inclusion, diversity and equity programs. The primary purpose of the grant is to build the capacity of the local chapter to increase the diversity of the chapter's membership to reflect the diversity of the construction industry; provide education to minorities, women, veterans, members with disabilities and LGBTQ+ construction firms to increase their ability to be competitive in an environment of fair and open competition; and/or attract more diverse groups into the construction workforce.

To date, ABC has awarded over \$40,000 in matching grant funds to chapters to advance their efforts in providing education, workforce development and membership opportunities to minorities, women, veterans, people with disabilities and LGBTQ+ construction firms.

Construction Inclusion Week

Founded by ABC members, Construction Inclusion Week harnesses the collective power of the construction industry to build awareness regarding the need to improve diversity, equity and inclusion in the industry.

To support the observance, ABC serves as an industry affiliate partner, hosting webinars and promoting additional best practices for inclusion, diversity and equity to its 21,000 member companies.

Construction Inclusion Week is an invitation to every member of the more than 7.5 million-strong construction workforce to unite to advance inclusion, diversity and equity. Work environments must be free of harassment, hate and bigotry of any kind. Achieving an inclusive, equitable and culturally competent workforce that is welcoming to all people is the essence of the merit shop philosophy, and ABC is proud to be an integral part of this important week.

The second annual Construction Inclusion Week will take place Oct. 17-21, 2022.

Contractor Bonding Education & Mentoring Program

In January 2022, ABC joined the Surety & Fidelity Association of America and the National Association of Surety Bond Producers in launching the Contractor Bonding Education & Mentoring Program, which supports the development of new and emerging minority and disadvantaged contractors. This free program helps small, new, emerging, minority-owned and other disadvantaged contractors learn how to qualify for critical construction surety bonds, thereby expanding their business opportunities and providing the services and benefits of these bonds.

The Contractor Bonding Education & Mentoring Program includes eLearning modules and a mentoring program with industry professionals who can provide practical advice and recommendations to help the mentee in their efforts to achieve bonding.

ABC Chapter Programs

ABC chapters have many programs to attract women and minority job-seekers to careers in construction, such as ABC Illinois' <u>Community Builders</u>, ABC Greater Baltimore's <u>Project JumpStart</u>, ABC Alabama's <u>PowerUp: It's a Mother-Daughter Thing</u> partnership and ABC Keystone's <u>All 'Bout Construction (ABC) Girls Camp</u>.

Community Builders was created in 2017 after the Illinois Chapter received a grant from the Illinois Department of Employment Security to help fill the shortage of skilled craft professionals. It offers apprenticeship training to underserved communities and those

with barriers to employment. Participants enter the program with no experience and leave with three industry-recognized credentials and job placement leads. Community Builders has also partnered with Project H.O.O.D., a Chicago-based organization that offers mentorship, training and community, since 2019.

Project JumpStart is an 87-hour pre-apprenticeship training program that provides intensive classroom and hands-on training to Baltimore city residents every year. Its mission is to train low-income city residents to enter the building trades on a construction career track that will help them advance beyond the entry level.

ABC Alabama has partnered with PowerUp: It's a Mother-Daughter Thing, an event that allows participants to take part in hands-on activities, speak with employers about jobs and network with dynamic women in the field.

All 'Bout Construction Girls Camp is a four-day summer camp designed to introduce young women to careers in construction. Campers experience several construction trades as they build skills through multiple hands-on activities thanks to a partnership with ABC Keystone.

Promoting Diverse-Owned Companies Online

ABC promotes veteran-, women- and minority-owned companies via its <u>Top Performers</u> lists and <u>FindContractors.com</u>, where members can find and do business with ABC member companies holding special designations.

Conclusion:

ABC is proud of its initiatives and programs and will continue to champion inclusion, diversity and equity in the construction industry. We look forward to further discussing our proactive efforts with you.

Respectfully submitted,

Ben Brubeck

Vice President of Regulatory, Labor and State Affairs