

**HARD TIMES FOR HARD HATS:** Veteran painter Wallace Jordan couldn't afford to keep his son in college.



# The Hardest Hit

## Sky-high jobless rates for construction workers shake up industry, labor politics

BY DANIEL MASSEY

NINE MONTHS of daytime television nearly drove 53-year-old Wallace Jordan crazy. And arguments over finances with his wife of 30 years stressed him out. But the worst moment of the veteran painter's stretch on unemployment last year came when he got a bill from his 19-year-old son's college.

"I'm ashamed to say it," he said. "They asked for a check for \$2,800, and I couldn't cover it."

His son's being forced out of school was the nadir for Mr. Jordan, who as of last week was again out of work. The past two-plus years on and off the job have been the toughest in the Queens resident's 25 years in the construction field.

And it's not just him. Maybe more so than any other group of workers in the city, the Great Recession socked those who make their living putting up drywall, laying pipes, installing glass or painting walls. The building boom gave New Yorkers without much formal education a chance

to rise into the middle class, but the bust has left them with little place to turn.

With so many developers unable to finance projects since the real estate bubble popped, unemployment in the city's unionized construction trades is now nearly triple the rate for the overall workforce—as high as 25%, industry officials estimate, compared with 8.9% for the city at large. The jobless rate reaches 50% for tradesmen like drywallers.

All told, the construction industry in the city has lost 18,200 jobs, or nearly 14% of the sector's total jobs, since employment peaked here in 2008, according to real estate services firm Eastern Consolidated.

"This is the worst I've ever seen it," said

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# Hardest hit on jobs? Hard hats

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Jack Kittle, political director of DC 9 International Union of Painters and Allied Trades. "I can't count how many times a guy has told me he hasn't worked in eight months, 16 months. It's been a couple of really rough years."

The sky-high unemployment rate is altering the dynamics of the construction industry and challenging labor unity in New York, pitting construction workers against unionized workers in other industries and thrusting the construction union into political battles in the city and Albany.

Rampant joblessness already has forced unions into concessions with builders who have cut construction costs and over the last two years salvaged some \$16 billion in projects, creating 54 million hours of work, according to the New York Building Congress. Still, stalled construction sites are on the rise throughout the city, with 682 projects grounded across the five boroughs, up 25% from a year ago, according to the Department of Buildings.

Leaders of the building trades also point to their unemployment problem when expressing their anger over retail union objections that torpedoed the Kingsbridge At-mory mall-redevelopment proj-

ect—and its 1,000 construction jobs—in late 2009. The Building and Construction Trades Council of Greater New York this year inked a deal with Walmart—a company that retail and supermarket unions here vehemently oppose—to build new stores it opens in the city in the next five years. The BCTC also joined the business community's Committee to Save New York, which was formed after the November elections to back Gov. Andrew Cuomo's cost-cutting agenda for state government.

## Union contracts expire June 30

"THE REASON we're involved in some of these broader policy issues is we need to find ways to put our members back to work," said Gary LaBarbera, president of the BCTC. "When you actually think about people losing their homes, not giving their kids the opportunity to go to college or losing their medical benefits, you have to be as proactive as possible."

High unemployment is clearly part of the backdrop for negotiations on 30 union contracts that expire June 30. Many contractors believe the plethora of idle workers gives them unprecedented leverage to seek concessions from union workers. They want to cut into the

25% cost premium between union and nonunion work, which they contend has allowed nonunion contractors to gain market share, particularly on midsize projects.

"It's not Wisconsin—we'll do everything we can to keep jobs 100% union—but we're hitting a threshold moment," said Louis Coletti, president of the Building Trades Employer's Association, which represents 1,700 local employers in 28 trades. "We need to address the cost issue head-on, or projects won't get built."

In a letter late last year to the BCTC's Mr. LaBarbera, Mr. Coletti said the economic crisis "permanently changed the financing of private-sector commercial, residential, institutional and interior construction projects." He offered a list of 26 potential cost-reduction measures, including a 20% reduction in wages and benefits, elimination of what he called nonproductive work rules, and no limitations on the use of labor-saving tools and devices.

"The long-established loyalty of many of New York City's most prominent developers and corporate clients has been placed in doubt—if they have not already declared an outright willingness to build nonunion," he wrote.

Mr. LaBarbera said the contractors are "severely miscalculating"

that union workers are so desperate for jobs that they will cross over in large numbers to do nonunion work. Yet officials are taking nothing for granted. Painters received a letter from their union late last month, urging them to stick together: "Make no mistake about it: we are in a fight for survival here, brothers and sisters," wrote DC 9 Business Manager Joseph Ramaglia. "If we abandon each other, we risk losing it all."

Mr. Coletti said that out-of-work union workers are already holding down nonunion jobs "because they have to feed their families," though several unemployed construction workers interviewed in union halls last week said they would never cross that line, no matter how bad things get.

And they are bad, especially for a workforce that earns a median wage of \$35,000 a year. Electricians are facing 30% unemployment and are "starving to death," according to Vincent McElroy, financial secretary of the International Brotherhood of Electrical Workers Local 3.

George Reilly, business manager at Plumbers Union Local No. 1, said unemployment in his union is around 25% and that members have started drawing down on their 401(k) funds to survive. He wants to start offering financial counseling.

During brighter times, 30-year-old glazier Martin Zakowski of Queens helped build the city's glass-heavy Apple stores. He has been out of work for seven months and relies on his fiancée's salary as a nurse.

"It makes me feel a little insecure, like I can't provide for her," he said. "I also miss working, doing something productive, sitting back and saying, 'Hey, I built that, I was part of it.'"

## Anger at 1,000 jobs lost in the Bronx

Bobby Trim has that feeling every time he thinks of The Plaza hotel where he worked on the renovation as a member of Laborers Local 79, his union for the past 12 years.

Now he's among the 1,255 of the local's 8,000 active members whose names appeared on a list of job seekers. The printouts of names took up most of a wall at union headquarters in midtown last week.

"It seems like I've been out of work for three years," said the 34-year-old from Brooklyn, who has worked only about six months during that time. Unemployment checks of about \$400 a week haven't been enough for him to keep up with his \$3,500-a-month mortgage. His house went into foreclosure in 2009.

"I'm stressed out; I'm losing weight; my life seems like it's falling apart," Mr. Trim said. "I just want to get back to work." ■