Career Pathways to Quality Jobs in Construction, Hospitality, and Healthcare

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Career Pathways to Quality Jobs in Construction, Hospitality, and Healthcare

October 2016
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Written By:
Brandynn Holgate and Michael McCormack

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Dear Friends:

As a City, we are committed to building an economy in which every Boston resident can gain stable employment and earn a family-supporting living wage. To that end, I’m pleased to announce the release of the enclosed report, Career Pathways to Quality Jobs in Construction, Hospitality and Healthcare.

The Center for Social Policy at the University of Massachusetts at Boston (CSP), working with the Mayor’s Office of Workforce Development (OWD), examined the adult career pathway model by looking at our current efforts here in Boston. The report describes the model in three key industries, reviews lessons learned to date, and offers recommendations for the future.

Boston, like other cities, struggles with inequality. When our residents face barriers to success, this hurts our city’s growth. We know that it isn’t enough for residents to have jobs—they need to have quality jobs. This report suggests a “quality job” is one that pays $17-18 an hour, at a minimum, for a family of four with both parents working full time, to make ends meet in Boston.

While these quality jobs exist, they are not easy to get without the right education, training and support services that allow people to learn while earning. That’s why we are fortunate to have strong partnerships between employers, unions, education and training providers, and community-based organizations that can make this happen.

The career pathway framework requires a long-term view of the training and support people need to start and advance in a stable career with opportunities for promotion and growth. We need to move away from the strategy of “rapid job placement” to one that builds skills for career development and higher pay. Focusing on growth industries and building on career pathways must be a major part of our efforts to address income inequality.

I am grateful to CSP and OWD for their willingness to engage in this important work. I look forward to a continued partnership with all stakeholders to further develop existing career pathways and create new ones that lead to quality jobs for all of Boston’s residents.

Sincerely,

Martin J. Walsh
Mayor, City of Boston

Dear Colleagues:

I am pleased to join with the Center for Social Policy at the University of Massachusetts at Boston to share their report, Career Pathways to Quality Jobs in Construction, Hospitality and Healthcare. The City of Boston is enjoying one of the largest economic booms in recent history, and it’s imperative that we take the time to strategize, align systems, and work together to carefully design and implement meaningful career ladders for every Boston resident to capitalize on this growth.

With limited resources, we can no longer afford to think and act in silos, and we should expect more from the workforce system than a quick job placement. We must challenge ourselves to build bridges between our various educational and workforce training initiatives, such as strengthening the connection between adult basic education and English as a Second Language programs to community colleges, and linking post-secondary curriculums to vocational training. It is a longer term, more holistic and comprehensive approach, but well worth the investment for our residents if it leads to career pathways that pay family sustaining wages.

The report focuses on the three growth industries as a starting point, and provides a framework to creatively think about innovative ways to construct career pathways. But our efforts as stakeholders should not be limited to these industries and specific models outlined. Let them be a starting point for all of us as training providers, customers, employers and educators to share best practices and lessons learned so that we can be as innovative and flexible as possible to reflect current labor trends and resident needs. The use of tools such as articulation agreements between community colleges, employers and training providers can be applied to any industry, not just the ones examined in the report.

I want to express my gratitude and appreciation to all of you who contributed to this effort, and I look forward to incorporating the recommendations so that we can refine our workforce development policies and initiatives to best address the needs of Boston’s employers and workforce.

Thank you for your continued commitment,

Trinh Nguyen
Director, Office of Workforce Development
Introduction

The Mayor’s Office of Workforce Development (OWD) for the City of Boston is a key leader, funder, convener and policy stakeholder in the local workforce development system. OWD has recently focused attention on career pathways to quality jobs, particularly as a solution for Boston residents in frontline retail customer service or other entry-level jobs who want to advance. The career pathways framework is meant to help workforce development practitioners and policy makers map out articulated steps that low-wage workers can take to advance their careers. This framework takes a longer term perspective, especially compared to prior workforce development strategies that emphasized rapid job placement. We utilize the career pathways framework in this report to describe three industry case examples and develop a set of policy recommendations. Ultimately, we do so with the goal of charting a course for Boston residents who want to move on from low-wage entry-level jobs in retail and hospitality.

Three industries with strong projected employment growth and pathways for advancement were selected for review: construction, hospitality, and healthcare. Employer commitment has been key to developing these pathways and in most cases, but not all, the presence of unions has helped strengthen them over time. First, the unionized construction industry has established career pathways from a registered pre-apprenticeship program through 23 different trade union apprenticeships to journey-level careers. Next, there is a distinct career pathway in Boston’s luxury hotel industry, which counters the conventional idea that hospitality only offers low-wage jobs. The pathway in Boston’s luxury hotel industry includes a pre-apprenticeship program for room attendants, job placement assistance into unionized hotels, and incumbent training initiatives that advance workers up or across the job ladder or lattice (e.g., advancing from room attendant to banquet server). Finally, Boston’s healthcare industry has long enjoyed significant workforce development investments as it comprises over one-fifth of the city’s private sector employment. This industry poses numerous pathways to quality jobs supported by many capable stakeholders, including Jewish Vocational Services (JVS), other workforce development organizations and community colleges that operate bridge programs for low-income Boston residents looking to attend college in pursuit of a healthcare career.

The career pathways model sits within a broader OWD strategy. Recently, OWD (and partners) have secured a five-year, $3 million federal American Apprenticeship grant to support training in the construction and hospitality industries. The Greater Boston American Apprenticeship Initiative (GBAAI) has leveraged additional funds including $12.9 million in dedicated apprenticeship slots. The GBAAI will train 405 pre-apprentices within the career pathways described in this report. OWD also funds training programs through the Neighborhood Jobs Trust (NJT). NJT is a fund that collects linkage fees from developers in the city to train Boston residents po-
Recently, OWD commissioned a report in partnership with the Boston Redevelopment Authority’s Research Division that took a deeper dive into economic mobility for Boston residents. The report found significant disparities in wages between Boston residents and commuters who work in Boston. Some, but not all, of the difference in wages can be attributed to educational attainment. Despite the report’s findings that educational attainment for Boston residents is lower when compared to in-commuters from outlying areas, it is important to remember that between 1970 and 2010 the percentage of all Boston residents holding a bachelor’s degree increased from 10% to 45%.2

**OVERVIEW OF THE REPORT**

This report provides a description of the career pathway model and a definition of a quality job. It provides a description of Boston residents, mostly women and people of color, who are potential candidates for career pathways in construction, hospitality, and healthcare. An economic and labor market analysis is conducted for each industry, which is summarized as:

- **Construction** employment has been slow to grow since 2001 and it makes up a small percentage of employment in Boston, but it provides the highest average wages of the three industries. Union membership rates are high compared to the national average, but wages for Boston residents lag behind in-commuters in several occupations.
- **Hospitality** employment has been growing steadily since 2001, but it provides the lowest average wages of the three industries. Union membership rates are high compared to the national average, but wages for Boston residents lag behind in-commuters in several occupations.
- **Healthcare** employment has also grown steadily since 2001 and it currently constitutes just over one-fifth of total private sector employment in the City of Boston. Union membership rates are strong and median wages for Boston residents are mostly similar when compared to in-commuters.

Interviews with industry and career pathway stakeholders revealed the strengths of these pathways in helping low-income residents advance, as well as helped identify some gaps in the pathways that could be addressed. **Key policy recommendations include:**

- Government and philanthropic investments should focus on career pathways that lead to quality jobs. A quality job does not necessarily have to be a union job, but it should meet certain wage standards (like those suggested by the BRA, about $17 an hour), provide benefits and have opportunities for advancement. Additionally, potential career pathways for Boston residents looking to move out of low-wage jobs also exist in other growth industries like finance and IT and deserve consideration.
- Engaging committed employers is key since they are an integral part of any career pathway. Committed employers structure jobs so that they pay livable wages and provide career ladders for workers interested in advancement. They also possess a social commitment to the reduction of economic inequity and exclusion.
- Articulation agreements should be instated when feasible. They not only give trainees and apprentices college credit for their work, but also encourage low-wage workers to consider post-secondary education as a means of advancement.
- Potential career pathway partners in the three key industries have established many key best practices; there are some gaps to fill. These include English language learning in construction, connecting the hospitality career ladder to the community college system, and the establishment of dedicated entry points for Boston residents who are low-wage workers along healthcare career pathways.
- Keep in mind that some workers like where they are and will benefit most from policies that improve job quality and job security and make childcare and housing more affordable.

**METHODOLOGY FOR THE REPORT**

This report examines municipal government reports and career pathway initiatives; public data sets; and stakeholder interviews. We found that existing work on career pathways centers on educational institutions, with employers usually depicted as providing curriculum feedback. However, employers also create and fund career pathways and hire workers. We used a range of public data sets to provide economic and labor market context of the three industries, with respect to low-wage workers in frontline customer service positions that may benefit from career pathways. Lastly, we used stakeholder interviews to learn about training programs and benefits across the career pathways, the challenges in creating a pathway in a given industry, and possible policy alternatives to support career pathways for Boston residents (see Appendix).

The final section of the report provides policy analysis drawn from a synthesis of what we learned from existing research, the economic and labor market analysis in the three industries and our conversations with stakeholders.

**LIMITATIONS OF THE REPORT**

The focus of this report is limited to adult career pathways. Although, the issue areas are essential, due to constraints in resources, this report does not examine career pathways specific to young adults (i.e., ages 18-24) and it has not emphasized the role of adult basic education, including English as a Second Language education.
Career Pathways Initiatives

in Construction, Hospitality, and Healthcare

In 2014, the Workforce Innovation and Opportunity Act (WIOA) was signed into law and it included guidance for state and local workforce boards to develop “career pathways” with some of their funding. This federal legislation defined career pathways as a set of education, training and other services that helps employers meet their skill needs while providing participants with the credentials they need to enter or advance within a set of occupations. The Alliance for Quality Career Pathways (a project of the Center for Law and Social Policy) convened a group of states, including Massachusetts, to devise a career pathways framework. This first version of the framework sets out to better define the conceptual framework of career pathways and develop an initial strategy for measuring the success of such an initiative. The report offers some ideas on ways to strengthen career pathways by building on learnings from sector-based initiatives (i.e., the practice of targeting a specific industry and working to improve opportunities for workers), designing pathways to meet the varied needs of individual participants, addressing racial and ethnic disparities, and establishing a shared understanding of how to assess the quality of career pathways. The career pathways concept has not yet been rigorously evaluated, but has been employed by various cities across the U.S. Cities are learning how to implement career pathway models, how to develop pathways that meet the needs of low-income workers, and how to use them to help meet industry demand for skilled workers. The three industries discussed in this report offer potential career pathways out of frontline customer service or other low-wage work. The concept of career pathways has become more prominent in the fields of education and workforce development in the past decade. Notably, the career pathway framework forms a long term view of the training and support individuals need to advance into a career with promising prospects. Adult Career Pathways consist of an articulated set of steps that leads adult workers to rewarding careers and is supported by partnerships among employers, unions, training and education providers and community-based organizations. For this report, we focus on adult workers that are 25 years or older, have a high school diploma or equivalent, and at least some work experience in entry-level service sector jobs. Ideally, career pathways for this population include the following components:

- Ability to earn while learning
- Support and follow up services, including career counseling and mentoring
- Employer driven curriculums, competencies and hands on training
- Empowerment of adults to consider postsecondary education (e.g. providing college credit for training hours)
- Bridges gaps between adult basic edu-
A DEFINITION OF “QUALITY JOBS”

The quality of a job depends on wages, benefits, scheduling practices, access to advancement opportunities, health and safety, and fairness. The Boston Redevelopment Authority (BRA) has estimated that for a family of four with two working parents, each parent needs to earn at least $35,000 a year to make ends meet ($17-$18/hour for a full time, full year employee). Minimum wage jobs are not adequate for most Boston residents. Current median wages for retail or hospitality jobs in front-line customer service jobs in retail and hospitality, earn less than $35,000 a year (in 2014 dollars) and are not enrolled in school. According to the American Community Survey, the majority of these workers are women and/or people of color. These workers are divided fairly evenly across age groups, with the largest group being prime age workers (35-54). They are about 50% female, 50% male. Their racial and ethnic makeup is shown in Figure 1. Approximately 41% are white, 28% are Black or African American and 33% are Hispanic. Asians make up about 11% of this workforce. This means that this section of the workforce is more likely to be comprised of people of color when compared to the city as a whole.

In fact, an estimated 12% (or 1 in every 10) of Boston’s residents employed in the private sector work in front-line customer service jobs in retail and hospitality, earn less than $35,000 a year (in 2014 dollars) and are not enrolled in school. According to the American Community Survey, the majority of these workers are women and/or people of color. These workers are divided fairly evenly across age groups, with the largest group being prime age workers (35-54). They are about 50% female, 50% male. Their racial and ethnic makeup is shown in Figure 1. Approximately 41% are white, 28% are Black or African American and 33% are Hispanic. Asians make up about 11% of this workforce. This means that this section of the workforce is more likely to be comprised of people of color when compared to the city as a whole.

Sixty-two percent of these workers have a high school diploma or less, about one-quarter report having limited English skills, and about one-third of the women have children under the age of 18. More than half live in households that are at or below 200% of the federal poverty line.

The next three sections of the report describe the employment prospects for three industries: construction, hospitality, and healthcare. For each industry, we outline what is known about career pathways to quality jobs, how they work and how they connect to Boston residents. We also present some of the current challenges for the career pathways model.

CAREER PATHWAYS TO QUALITY JOBS IN CONSTRUCTION

In 2012 (the most recent year that data from the Economic Census is available), there were approximately 780 construction firms with paid employees operating in Boston. Boston’s construction industry has not recovered to pre-Great Recession levels. Total sales are down 21% since 2007 and payroll is down 20%. However, the construction industry is projected to grow between 2012 and 2022, with some of the fastest growing occupations being carpenters and electricians. Employment in the construction industry is projected to grow 27%, compared to 13% economy-wide.

In construction, average annual pay has grown from just over $30,000 in 2001 to nearly $50,000 in 2014. Figure 2 provides average annual pay (solid line) and relative annual pay (dashed line). Relative annual pay is calculated as average annual pay in construction each year divided by average annual pay in the private sector. Not only is annual pay growing in the construction industry, but wages are above average when compared to the private sector as a whole.

Boston’s construction companies employed about 12,000 workers in 2014 (see Figure 3). This is a small percentage (2%) of employment relative to Boston’s private sector as a whole. Employment by Boston’s construction firms has been trending down with an uptick in recent years.

Unionization in Boston’s commercial construction industry is strong when compared to the nation. This is important because unions play a critical role in career pathways to quality jobs. They help establish and fund training and apprenticeship programs that help workers advance in their trades. Union membership rate in construction is higher than the average national rate and construction union membership rates are higher in Massachusetts and Boston than the U.S. (see Figure 4).

Stakeholders note that there is considerable exploitation of workers in non-union commercial construction. The known viable career pathway to a quality job in construction is through a union. This is a crucial pathway because the lifelong benefits in terms of earnings are substantial for journey-level construction workers, but the pre-apprenticeship program is quite selective (meaning that relative to the number of applicants, the number of openings is small). Further, the pre-apprenticeship program Building...
Pathways graduates about 65 people a year. A large percentage of this group goes onto an apprenticeship program. Then approximately 42% of apprentices finish their apprenticeship in the trades. Although it is a small number, especially when compared to the size of the applicant pool, the pre-apprenticeship program sponsored by the Building and Construction Trades Council of the Metropolitan District, Building Pathways, helps advance Boston residents, minorities, and women into the trades. This is important because in the construction trades Boston residents have not fared as well as in-commuters coming from surrounding cities. Table 1 provides a sample of construction trades and reports on the differences in median wages between Boston residents and commuters that work in Boston. Boston residents lag behind commuters by $2 to $7 an hour with statistically significant differences for laborers, electricians, and plumbers. This would suggest that Boston residents would benefit from accessing the career pathway in construction through the pre-apprenticeship program.

It is important to note that the cause of the wage differentials is not known. This differential may exist within specific occupations across different employers. When we find that Boston residents have different wage outcomes than in-commuters by specific occupation, this is most likely not due to the choice of the worker on where they work, but more due to which pathways they get access to and whether those pathways have a higher quality job at the end. These differences may also be due to differences in experience levels. It is also important to note that the regression reported in the recent report released by OWD and the BRA found that Boston residents fare worse than in-commuters in terms of wages, that education and...
TABLE 1: MEDIAN WAGES FOR BOSTON RESIDENTS AND IN-COMMUTERS BY CONSTRUCTION TRADE, 2009-2014; SOURCE: U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY PUBLIC USE MICRODATA SAMPLE, 2009-2014; *STATISTICALLY SIGNIFICANT AT A 95% CONFIDENCE INTERVAL

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<th>CONSTRUCTION OCCUPATION</th>
<th>BOSTON RESIDENTS</th>
<th>COMMUTERS WORKING IN BOSTON</th>
<th>THE DIFFERENCE IN MEDIAN WAGES BETWEEN BOSTON RESIDENTS AND IN-COMMUTERS</th>
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<td>Brick Masons and Block Masons</td>
<td>$21.07</td>
<td>$26.20</td>
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<td>Painters, Construction and Maintenance</td>
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<tr>
<td>Plumbers, Pipefitters and Steamfitters</td>
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<td>Iron and Steel Workers</td>
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<td>$37.86</td>
<td>$(7.33)</td>
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work experience explain about half of the disparity and that demographics, like race and sex, also matter.

Building Pathways’ contribution to the career pathway in the unionized construction trades is depicted in Figure 5. The pre-apprenticeship has a fairly rigorous application process that considers 100-200 or more applicants for a class of 15. Minimum qualifications include having a high school diploma or equivalent, a valid driver’s license, weekly earnings of less than $560 and being a resident of the greater Boston area.

In addition to its status as a registered pre-apprenticeship and its strong relationships with the trades and construction employers, Building Pathways has forged a number of partnerships related to funding and recruitment. This includes state and city funding for the training program and alliances with the Boston Housing Authority and ABCD to recruit qualified applicants.

Figure 5 depicts the unionized commercial construction industry overlaid with the potential career pathway for Boston residents transitioning from entry-level service sector jobs. This includes the progression of wages and benefits as an individual progresses through each level from Building Pathways, into an apprenticeship and on to a journey-level career. The graphic also includes state and city funding for the training program and alliances with the Boston Housing Authority and ABCD to recruit qualified applicants.
CAREER PATHWAYS TO QUALITY JOBS IN HOSPITALITY

In 2012, there were approximately 1,750 hospitality firms (this includes both accommodation and food services) with paid employees operating in Boston. Boston’s hospitality industry has been operating at pre-Great Recession levels. Total sales are slightly up from 2007 by 3% and payroll has grown by 4%.\(^{14}\) The state minimum wage increased between 2007 and 2012 from $7.50 to $8.00 and has since increased to $10.00 an hour in 2016. These increases likely affect payroll for the industry. The hospitality industry in Massachusetts is predicted to grow at a faster rate than the economy as a whole between 2012 and 2022, with some of the fastest growing occupations being housekeepers, waiters, desk clerks and cooks in accommodation. Employment in the hospitality industry between 2012 and 2022 is projected to grow 21%, compared to 13% economy-wide.\(^{17}\)

Average annual pay in hospitality is much lower when compared to construction and shows a little growth, possibly due to the minimum wage increases during this same time period. In 2014, average annual pay in the hospitality industry was about $34,500, which is 39% of the average annual pay in Boston’s private sector economy (see Figure 6).

Employment rates in hospitality are larger than construction and growing. Employment in Boston’s hospitality industry grew from about 51,500 in 2001 to over 69,000 in 2014 – constituting about 13% of total private sector employment (see Figure 7).

Nationally and locally, union membership rates are low in hospitality. Union membership rates in hospitality are about equal when comparing Massachusetts to the nation and there is some indication that rates are slightly higher in the City of Boston (see Figure 8).

Most people assume that the hospitality industry does not provide quality jobs; however, unionized hotel jobs are one exception.
Average annual earnings (including tips) for all of Boston’s hotel workers was $46,383 in 2014. These earnings are 2 to 4 times greater than other non-hotel hospitality workers (e.g., workers in full service dining, bars, recreational facilities, and limited service dining). Union density in the hotel sector is relatively high in Boston. BEST Corp.’s Hospitality Training Center provides one known pathway into this sector. Jewish Vocational Services provides another pathway, but it does not generally lead to working in a unionized hotel. Moving into the hotel sector (into an entry-level housekeeping job) is a stepping stone for workers employed in lower wage jobs in hospitality and retail (e.g., front line customer service) and can provide workers with a high-quality job that requires limited formal credentials. Similar to the pre-apprenticeship training program in construction, this is a crucial pathway to a quality job. For example, between 2011 and 2014, BEST Corp. trained 108 individuals for housekeeping positions and 90% of their graduates were placed in union jobs.

BEST Corp. recruits from community groups, including through a new partnership with the Mel King Empowerment Institute. The majority of participants are immigrants and most work in frontline customer service jobs with an average wage of $9.40 before the training. About one-half of BEST Corp.’s participants are Boston residents. As with construction, this is important, because Boston residents do not fare as well as in-commuters in the hospitality industry. Table 2 provides the differences in median wages between Boston residents and in-commuters for various hospitality occupations, with significant differences for housekeeping, waiters and waitresses and dishwashers.

Housekeeping is the primary entry point into the luxury hotel industry for BEST Corp.’s pre-apprentices. Once established with an employer, workers can consider advancing to a housekeeping supervisor position or consider other lateral moves that require additional training like working in the kitchen or taking shifts in banquet service. Figure 9 depicts BEST Corp.’s contribution to the career pathway in hospitality. The pre-apprenticeship program has a strong connection with UNITE HERE Local 26. Within the past several years it has refined its strategy for engaging employers and can now count on input from the hotel industry to develop and improve its training programs.

Figure 9 depicts Boston’s luxury hotel industry overlaid with an abbreviated version of the job lattice that BEST Corp.’s training programs support. This includes approximate wages for different positions including the key entry-level position of room attendant.

Challenges and opportunities for the career pathways in hospitality include:

- Diversity was noted by stakeholders to be a challenge for BEST Corp and this has led to a new partnership with the Mel King Institute to increase recruitment in African American communities.
- There are many low-quality hospitality jobs, in general, and the city would benefit from improved employment practices across this industry that are similar to those seen in the unionized luxury hotel industry.

Figure 8: Average Union Membership Rates in Hospitality, 2005-2015

Table 2: Median Wages for Boston Residents and In-Commuters by Hospitality Occupation, 2009-2014
Source: U.S. Census Bureau, American Community Survey Public Use Microdata Sample, 2009-2014. *Statistically significant at a 95% confidence interval.
Additional advancement in the hotel industry beyond frontline positions often requires a bachelor’s degree.

CAREER PATHWAYS TO QUALITY JOBS IN HEALTHCARE

In 2012, approximately 1,350 healthcare organizations with paid employees operated in Boston. Boston’s healthcare industry as a whole was not as impacted by the Great Recession as were other industries. Total receipts are up in 2012 since 2007 by 14% as is payroll by 8%. These increases reflect rising costs in the healthcare system, which are not necessarily attributed to payroll costs. Employment in the healthcare industry is projected to grow 18%, compared to 13% economy-wide.

Average annual pay in the healthcare industry differs across different sub-sectors. Figure 10, Figure 11, and Figure 12 provide average and relative annual pay for ambulatory care, hospitals, and nursing facilities. Average annual pay in ambulatory care and hospitals is rising and in 2014 represents 102% and 87%, respectively, of the aver-
average private sector pay in each sub-sector. Nursing homes, which have different staffing needs (e.g., less physicians and more healthcare support jobs), have a lower average annual pay, not dissimilar to hospitality. Average pay has also stayed flatter over time resulting in declining relative pay in nursing homes to the private sector as a whole.

In 2014, the healthcare industry constituted just over one-fifth of all private sector employment in Boston. Employment in the industry has grown from about 81,000 workers in 2001 to over 110,000 workers in 2014 (see Figure 13). Union membership rates are strong in Massachusetts and Boston at 16%. This is significantly higher than the national average of 11% (see Figure 14). Approximately 6,000 Boston residents in healthcare positions belong to Service Employees International Union (SEIU) 1199. SEIU 1199 members have access to educational benefits from a labor management training and upgrading fund. These benefits allow members to pursue educational opportunities that help them advance in the labor market as they work. Currently, there is no dedicated pipeline to healthcare jobs covered by a SEIU 1199 contract, as there is with the pre-apprentice programs in construction and hospitality. Job seekers likely find these positions via word of mouth, but workforce development stakeholders report that job seekers do not inquire whether healthcare jobs are unionized. The largest Boston employer unionized by SEIU 1199 is Boston Medical Center.

Boston area hospitals, like Mass General Hospital and Beth Israel Deaconess Medical Center, which are not covered by SEIU 1199 contracts, have dedicated workforce development units embedded in their organizations and provide educational benefits for their employees as well as engage in the city’s workforce development system. These hospitals provide employees (including food and environmental services workers) with access to classes in English, math and science, as well as citizenship and financial literacy. Smaller healthcare providers like East Boston Community Health Center and Hebrew Senior Life also support skills training and bridge programs for their employees.
Currently, Jewish Vocational Services (JVS) provides training in healthcare as well, particularly for pharmacy technicians and certified nursing assistants. Importantly, JVS’s career center (CareerSolution) operates a dedicated healthcare initiative, which works to connect industry employers and job seekers, and a bridge program with Bunker Hill Community College. Outside of community college and private education programs that provide degrees and certificates for entry-level healthcare support positions, JVS appears to be an important entry point into the healthcare industry for low-income Boston residents.

In contrast to construction and hospitality, Boston residents fare a little better in the healthcare industry when compared to in-commuters. For example, wages for Boston residents are significantly higher for medical lab technicians; however, Boston residents are worse off as registered nurses when compared to in-commuters (see Table 3).

Career pathways to quality jobs depend on the employer. Many entry-level healthcare jobs do not pay enough to qualify as a “quality job” defined earlier. This is especially true for home health aides and certified nursing assistants who are not covered by a SEIU 1199 contract. If adult workers start in entry-level jobs like food and environmental services, home health aide, CNA, or help desk operator, they need to work for an employer that provides training and educational benefits in order to advance. These types of benefits allow adult workers to earn income as they train for advancement. If possible, starting out at the next tier of jobs (like those depicted in Figure 15) that pay $15 to $20 an hour is better, although these jobs often require prior training and/or a credential. Again, though, if the worker is seeking to advance beyond these positions, working for an employer that provides skill training, bridge programs and educational benefits facilitates the employee’s ability to work and earn while learning.

Figure 15 depicts Boston’s healthcare occupations by approximate wage level.

Challenges for healthcare career pathways include:

• Colleges and associations are the primary entry points to healthcare careers, but low-wage Boston residents may need a different entry point to transition from a retail or hospitality job to a college program for a certificate or degree while working.
• Advancement to a quality job in healthcare usually takes more time and has more degree requirements than in construction and hospitality.
• While many pathways are available to Boston residents, little is known about which pathways work for low-income residents looking to transition out of retail or other service sectors.
• The healthcare industry does face challenges with respect to job quality. There are several frontline healthcare support occupations that pay less than $17 an hour.

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Boston residents have numerous strengths. Boston is a multicultural and multilingual city and has an active and diverse civil society as evidenced by various community groups, a strong non-profit sector and engaged business leaders. Boston serves as a hub in a vibrant, innovative regional economy and is a leader in a more inclusive democracy.

However, as Boston residents, we live in one of the most unequal cities. Boston residents compete in a regional labor market where the consequences of inequality can put them at a disadvantage. On average, Boston residents have lower incomes and lower levels of educational attainment than many of the outlying suburbs and are more likely to be exposed to the consequences of poverty. This means compared to residents in surrounding cities and suburbs, we have poorer health outcomes and we are more likely to be exposed to antisocial behavior (e.g., violent crime), which is often a result of social exclusion.

In construction, hospitality and healthcare there exist potential career pathways to quality jobs in the City of Boston, especially for residents working in entry-level service sector jobs. These have been laid out in the report along with the public, union and employer training models that have demonstrated results. Although these jobs are located in the City of Boston, residents must compete in a regional labor market to get access to them. This means Boston residents compete with other job seekers that may have attended better performing schools or received more work experience as young adults. Therefore the policy alternatives presented here are not just evaluated on their contribution to the regional economy, but also on their potential to level the playing field for Boston residents, especially for those that are marginalized and those that are underrepresented in the three industries.

**CONSTRUCTION**

“Lifting the floor” for Boston residents is not a new idea; in fact, it formed the basis for establishing the Boston Residents Job Policy in 1983. The Boston Residents Job Policy recognized that most construction jobs within the city were being filled by residents of surrounding areas. The policy set rules that govern the amount of work hours conducted by Boston residents, as well as minorities and women, on city construction projects. The goal for Boston residents is clearly set – contractors should ensure that 50% of work hours on a craft-by-craft basis should be performed by Boston residents. However, this goal has not always been attainable and language in the policy has provided some flexibility. Contractors and developers should make their “best effort” to recruit and hire Boston residents, where “best effort” can be negotiated by key decision makers. The Boston Residents Job Policy is monitored by a seven-member employment commission and the Boston Redevel-
Earlier rules like the Boston Residents Job Policy have likely helped spur other strategies in the construction industry to encourage hiring from low-income Boston communities, many of which rely on partnerships between community-based organizations and unions, of which Building Pathways is a prime example. Strategies include: • apprenticeship utilization, • community benefit agreements, • job creation strategies associated with neighborhood economic development, • affordable housing development, • school construction, • and transportation initiatives.26 There are limits to the opportunities in the construction industry. Advancing from a pre-apprenticeship to an apprenticeship and then into a career in construction is a significant achievement and has life-long benefits in terms of earnings. Research shows that roughly half of apprenticeships are not completed.27 This has led stakeholders to the conclusion that increased or improved mentoring may help workers complete their apprenticeships. This may be particularly true for women and minorities, but could also be applied more broadly for Boston residents. Union apprenticeships have begun to experiment with retention counselors and mentoring programs to address high apprentice cancellation rates. These efforts: • provide workers with someone to talk to about their career, • help solve problems that can interfere with the apprenticeship, • and build networks and community among different generations of workers.28 The unionized commercial construction industry in Boston lacks the capacity to advance individuals who do not have strong English skills. Pre-apprenticeships and apprenticeships might consider incorporating contextualized English language learning into the career pathway.

HOSPITALITY

The primary pathway to a quality job in hospitality is through a hotel with a union contract. There continues to be a large landscape of low-quality jobs in the non-union sections of the industry and collective bargaining has been the main mechanism to improve job quality and protect workers from poverty level wages. For example, workforce development providers have noted that entry-level wages for housekeepers in the non-unionized hotel sector are about $11 an hour, whereas the average wage for a housekeeper covered by a union contract is close to $17 an hour. Hospitality differs from construction in that it has not received the policy attention that the construction industry has. Recent efforts to increase the minimum wage will substantially impact hospitality jobs outside of those represented by UNITE HERE Local 26. Additionally, Restaurant Opportunity Centers (ROC), an organization comprised of restaurant workers and employers, established an operation in Boston in 2013 to help address job quality in the hospitality industry.

The Workforce Training Fund which provides state tax dollars to employers for developing training for incumbent workers supplied grants to only two hospitality and food service employers, one being Legal Sea Foods in Boston in fiscal year 2016.29 This may be a source of training funds that the city could help employers leverage to improve job quality in the hospitality industry.

The career pathway to a quality job in hospitality is accessible to a small proportion of the total number of entry-level workers in the sector who may or may not want to advance. The public workforce development system has not engaged in a meaningful way with the industry, outside of a few culinary programs. Although Local 26 promotes its employers, there is a lack of publicly available data at the local level that can be used to demonstrate the effect of union density and collective bargaining coverage on hospitality workers as a whole. This lack of local data prohibits researchers from measuring the economic impacts (e.g., increased wages) of collective bargaining on the hospitality industry for the City of Boston, which are likely quite substantial. More research is needed to understand the wage differentials between Boston residents and in-comuters, since it is not known if employer differences in hiring practices contributes to this disparity.

Possible policy alternatives to support the unionized career pathway in hotel and food service industries diverge from traditional workforce development models. Generally, the federal workforce development system has done very little to address job quality in lower paying sectors. In recent years, cities in other states have developed “Responsible Employer Ordinances” for the construction industry. These ordinances have provided a definition of what a responsible employer is including their compliance with wage standards and proper classification of employees, in addition to meeting requirements of state and local laws that mandate health insurance and safety standards. A municipal government may have some capacity to define a responsible employer in the hospitality industry, depending on how the city contracts with vendors in this industry.

Further, a municipal government may have some leverage in identifying responsible employers, engaging them, and promoting their business practices.

• For example, OWD’s recent federal grant, which is in part designated for training Boston residents in hospitality, could be used to fuel the engagement and promotion of responsible employers in the industry if the city were interested in taking on a coordinating role in that area.

• Additional research could be done to identify other city activities and mechanisms that interact with the hospitality industry, including government activities that promote tourism, events at the convention center and other public venues and government purchasing practices in the hospitality industry, and begin to use those as leverage to improve job quality. Efforts to improve job quality across the hospitality industry would increase the availability of quality jobs in this sector.
Stakeholders point to the Boston Residents Job Policy as a good example of a rule that benefits Boston residents and suggest that this model could be extended to other industries. It is less clear how this type of rule might be extended to the hospitality industry in terms of the policy levers available to the City, although one lever may be purchasing power. Also, given the amount of low-wage jobs in the hospitality sector, a rule like the Boston Residents Job Policy may not be desirable unless job quality is improved.

HEALTHCARE
Workforce development and union activity in the healthcare industry in Boston are dynamic. Hospitals, health centers, and nursing homes are major employers in the city. The potential career pathways to quality jobs are quite vast, however advancement takes more time and requires more formal credentials from colleges. Most training and educational programming, as well as union activity, focuses on the regional labor market, not just Boston residents. Entrance into the Boston healthcare industry is primarily dependent on a job seeker’s credentials and their ability to compete in the regional labor market. Additionally, unlike the trade unions and UNITE HERE, there is no established pipeline specific to Boston residents into union jobs in the healthcare industry. Neither job seekers have demanded it, nor has SEIU 1199 provided one. Outside of going directly to the colleges and universities, job seekers can receive assistance from the career centers and other workforce development organizations to help them plot a course to quality jobs in the healthcare industry.

The Boston Healthcare Career Consortium (of which OWD is a member) has been an important coordinator of the many employers, educational and training programs, and other services. They meet regularly and have published a listing of Boston’s healthcare employers and the training they provide, along with the numerous training and education programs offered in the area. A possible next step for the City of Boston is to collect and analyze workforce development data on Boston residents that have received an Individual Training Account (ITA) voucher and have used it for training in the healthcare sector. This data will shed some light on which training vendors low-income Boston residents choose and what the quality (not just the quantity) of their outcomes are. This will help the City to identify and develop connections to the industry that work well for Boston residents that want to transition out of entry-level jobs in the service sector.

Currently, ITA vendors are evaluated based on the quantity of job placements. For example, a vendor must have a 60% job placement rate to stay on the ITA vendor list. There needs to be more focus, in general, on the quality of outcomes across the workforce development system. Importantly, the workforce development system in Boston should focus on whether or not Boston residents are achieving competitive wage rates and which employers are hiring Boston residents.

EMPLOYER COMMITMENT AND ARTICULATION AGREEMENTS
This report barely skims the surface with respect to identifying potential career pathways for low-wage workers in Boston, especially with respect to healthcare. There is much work to be done in terms of defining the career pathways framework and implementing this strategy. However, we can point to two elements that are consistent across these three industries: strong employer commitment and articulation agreements. In each of the three industries there are groups of committed employers interested in the advancement of Boston residents. These employers either work with unions or have formed a consortium to pool their resources and coordinate their efforts. Additionally, the pre-apprenticeship, apprenticeship and other training programs have developed (and in the case of hospitality, have begun to develop) articulation agreements with institutions of higher education. These articulation agreements are partnerships between entities that provide training and schools in the city that provide college credit for completing specified trainings. Articulation agreements encourage Boston residents who are looking to transition out of low-wage work to consider post-secondary education.

AFFORDABLE CHILDCARE AND HOUSING SECURITY
The combination of a lack of high-quality, affordable childcare and high housing costs impedes people’s ability to work. Initiatives like Mayor Walsh’s Universal Pre-Kindergarten Advisory Committee and the Boston Redevelopment Authority’s affordable housing programs contribute to a broader agenda – one that views affordable, high-quality childcare and housing as a right for Boston residents. As part of OWD’s interest to help Boston residents connect to career pathways, addressing these issues is paramount. By providing a place at the table for OWD in discussions that impact childcare and housing, other city departments and organizations will better incorporate issues of economic security in their planning.
Conclusion

The development of career pathways has been strongly encouraged as a strategy to help low-income women and people of color advance. We offer the following key policy recommendations:

- Government and philanthropic investments should focus on career pathways that lead to quality jobs. A quality job does not necessarily have to be a union job, but it should meet certain wage standards (like those suggested by the BRA, about $17 an hour), provide benefits and have opportunities for advancement. Additionally, potential career pathways for Boston residents looking to move out of low-wage jobs also exist in other growth industries like finance and IT and deserve consideration.

- Engaging committed employers is key since they are an integral part of any career pathway. Committed employers structure jobs so that they pay livable wages and provide career ladders for workers interested in advancement. They also possess a social commitment to the reduction of economic inequity and exclusion.

- Articulation agreements should be established when feasible. They provide obvious benefits in giving trainees and apprentices college credit for their work, but more importantly they encourage low-wage workers to consider post-secondary education as an avenue for advancement.

- Potential career pathway partners in the three key industries have established many key best practices; there are some gaps to fill. These include English language learning in construction, connecting the hospitality career ladder to the community college system, and the establishment of dedicated entry points for Boston residents who are low-wage workers along healthcare career pathways.

- Keep in mind that some workers like where they are and will benefit most from policies that improve job quality and job security and make childcare and housing more affordable.
MARY VOGEL
Executive Director
Building Pathways, sponsored by the Building and Trades Council of the Boston Metropolitan District
Building Pathways is a 7-week pre-apprenticeship program in the building trades and is an important entry point to a career pathway in construction for qualified applicants. This workforce development program aims to give Boston area residents, particularly minorities and women, access to apprenticeship programs in the union trades, to become carpenters, electricians, plumbers, or other craftsmen in the construction industry. Building Pathways is designed for individuals that do not meet the requirements for construction apprenticeship training to help them qualify for entry in less than six months. The Building Pathways program includes visits to training facilities and construction projects, classroom instructions and shop classes.

HARNEEN CHERNOW
Executive Director
SEIU 1199 Training Fund
The Massachusetts’s SEIU 1199 Training and Upgrading Fund is a negotiated benefit between multiple healthcare employers and SEIU 1199. Eligible healthcare workers throughout the state may benefit from the Fund’s following services: career and educational advising, adult education, skills enhancement programs, tuition vouchers/reimbursement and professional development opportunities. Additional services offered include individual case management and coaching, workplace skills, continuing education units, certification preparation, accessible class locations and a supported college-credit entry program. The Fund supports partnerships with higher education, co-development of part-time and evening Allied Health degree programs, and advocacy for career pathways and workforce policy for adult learners.

JOAN ABBOTT
Assistant Director
Hotel Training Center - BEST Corp
Boston Education, Skills and Training (BEST) Corp. is a non-profit organization focused on workforce development and the development of BEST Corp’s Hospitality Training Center. The Hospitality Training Center (HTC) aims to meet the workforce development needs of the hospitality industry by providing members with the education, skills and training needed to advance. HTC offers the following programs: English for hospitality, academic skills, U.S. citizenship preparation, certification courses, computer workshops, financial literacy and pre-employment. HTC skills training includes on-call banquet server certification, ServSafe training study group, basic culinary skills, busser/server training, CPR/AED, MA Allergen certification and housekeeping certification. HTC also has a technology center with access to free computer, fax, printer and scanner services.

Appendix
Stakeholder Interviews
Seaport Hotel opened in February 2016 and is a 180-room hotel with 851 sq. ft. of indoor meeting space located near the Aloft Boston Seaport Hotel in the Seaport District. The Aloft-Element Boston Seaport Hotels are both in proximity to the Boston Convention and Exhibition Center.

JOANNE POKASKI
Director of Workforce Development
Beth Israel Deaconess Medical Center
The Office of Workforce Development at Beth Israel Deaconess Medical Center (BIDMC) provides numerous opportunities for employees to strengthen job skills. This office offers free career and academic counseling, on-site English classes, college placement testing, on-site pre-college prep courses in math, reading and English and college-level science courses. Online courses on communication, patient customer service, accountability, and problem solving are also offered. Skills development and workshops ranging from citizenship preparation to financing education are offered to help employees grow in their careers. The office oversees BIDMC’s Pipeline programs for jobs needed at BIDMC. These programs provide training for positions such as Patient Care Technician, Medical Laboratory Technician, Nurse, and Research Administrator. BIDMC offers tuition reimbursement and scholarships to assist employees in their professional growth.

AMY NISHAM
Vice President of Pay for Success and Skills Training
Jewish Vocational Services – Boston
The Jewish Vocational Services (JVS) aims to empower individuals from diverse communities to build careers and seek employment. JVS delivered the nation’s first adult education/employment Pay-For-Success Bond Initiative in partnership with Social Finance and Jobs for the Future. JVS launched the Pay-for-Success Initiative, aimed to provide adult basic education and vocational services. The major goal of the Initiative is to help individuals transition to employment, higher wage jobs and higher education. Services and programming provide employment support, English advancement, and skills training; and bridges to college are provided to eligible residents across the greater Boston area, North Shore, and Metro-West.

SUSAN BUCKEY
Director of Training, Quality, and Healthcare Initiatives
Jewish Vocational Services – Boston
The Jewish Vocational Services (JVS) Training, Quality, and Healthcare Initiatives aims to help healthcare employers understand their staffing needs, and practices, and link them to suitable training resources for incumbent workers. Also, the Healthcare Initiative is designed to educate prospective and qualified employees about healthcare opportunities and help them market themselves effectively for securing jobs in the healthcare sector. Workshops through JVS’s CareerSolution help individuals find a job in the healthcare industry and learn about topics such as required competencies, varied healthcare settings, where to get training, and what steps to take to enter the healthcare workforce. A healthcare networking group and healthcare career coach have been provided for ongoing job search support.

DARLENE LOMBOS
Executive Director
Community Labor United
Community Labor United (CLU) is a non-profit organization that combines the power of community-based organizations and labor unions. The purpose of this union is to strengthen the interests of low and middle-income working families in Massachusetts. CLU leads and supports the development of strategic campaigns that promote and protect quality jobs, secure healthcare, affordable housing, and climate justice. The organization fosters coalition building, research and policy development, public education and grassroots mobilization to unite community members and unions based on shared interests of issues involved. Past successful campaigns have focused on career opportunities for Boston residents, increased wages for security officers and affordable home weatherization.


