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Will Infrastructure Investments Mean Better Jobs for Californians?

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The Infrastructure Investment and Jobs Act (IIJA), signed last November by President Biden, will bring an estimated $45 billion dollars to California over the next several years. About three-quarters of the funding is slated for projects related to highway and public transportation infrastructure; other spending will support broadband, water infrastructure, and airports, among other projects. These federal investments would complement several infrastructure proposals included in this year’s state budget, like the California Five-Year Infrastructure Plan and the Transportation Infrastructure Package.

This large influx of funding will create new infrastructure jobs in California. Workers in the sector perform a wide range of jobs, some of which require skills and training that can command higher salaries than other occupations. If these historic investments result in more of the former, and if Californians are able to train for them, some infrastructure workers may gain greater economic mobility.

The infrastructure workforce includes occupations involved with the
design, construction, operation, and governance of California’s infrastructure. Nearly two-thirds of the workforce are in low-paying jobs in operations—including stock and freight handlers, delivery truck drivers, and packagers. About 20% of infrastructure jobs are construction-related, while 11% involve infrastructure design. A small share of jobs are associated with governance.

The majority of infrastructure jobs are in operations

SOURCE: 2018-2019 American Community Survey data for California accessed through IPUMS.
NOTES: Infrastructure jobs are not defined as a single category in official survey and labor market data. We classify infrastructure jobs based on 92 Standard Occupational Classification (SOC) occupations proposed by Kane and Puentes (Brookings, 2014). Includes full-time, full-year workers age 25-64.
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As infrastructure projects ramp up in California, initial workforce needs will likely be in design and construction. In design occupations like architecture and engineering, workers tend to hold at least a bachelor’s degree, whereas construction workers have lower education levels. We find very low rates of poverty or near-poverty (i.e., annual household income below $53,400 for a family of four, though it varies across regions) among workers in design (8%), but higher rates for those in construction (21%).
Infrastructure workers in operations have higher rates of poverty than those in construction

% workers in or near poverty

SOURCE: 2018-2019 American Community Survey data for California accessed through IPUMS.  
NOTES: Figure shows share of full-time, full-year workers age 25-64 living below 150% of regional poverty threshold from the California Poverty Measure. Infrastructure workers are identified based on 92 Standard Occupational Classification (SOC) occupations proposed by Kane and Puente (Brookings, 2014). Other occupations are based on 2-digit SOC codes.  
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Full-time workers employed in the construction side of infrastructure have higher average earnings than those on the operations side (about $61,000 vs. $45,000). In operations, about 33% of full-time workers are poor or near poor, only slightly better than those in other low-wage jobs like personal services or health care support but much better than full-time workers in food preparation and serving positions.

Demand for training in skilled trades will likely grow as infrastructure workforce needs grow and as Californians seek better job opportunities. While training new workers who could assist soon in design is an aspirational goal, training more workers in construction may be more immediately actionable. But in today’s tight labor market—with wages growing most rapidly in some of the lowest paid sectors—it may
be difficult to attract workers to new sectors or to training programs that might prepare them for infrastructure work.

Work-based education like apprenticeships and skills upgrades could help build an infrastructure talent pipeline, while improving workers’ productivity and economic opportunities. For this to happen, community colleges, workforce development partners, employers, labor unions, and others will need to work together to create efficient, effective, and equitable pathways—and soon. Creating more effective pathways between employers and career education programs at community colleges will be an important part of the solution.

Policymakers and practitioners should be preparing California to make the most of historic infrastructure investments. The latest funds and projects have the potential to equip the state for future economic growth while also providing workforce opportunities to more Californians.

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