

PRESS RELEASE

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Multisector Bay Area Partnership Issues Recommendations to Increase Quality of Residential Building Decarbonization Jobs

Paying prevailing wage would increase local GDP by between \$115 and \$189 million, benefiting 71% of workers in the industry and eliminating the racial wage gap

Oakland, California—The [Bay Area Residential Building Decarbonization High Road Training Partnership](#) (the Partnership) has released detailed [recommendations](#) for incentives and requirements that would create better paying jobs in the growing residential building decarbonization industry while increasing access to those jobs for workers and job seekers who have been locked out of similar opportunities.

Residential decarbonization is the process of replacing all gas appliances in a home while increasing the home's energy efficiency to control electricity costs. With buildings accounting for 25% of California's greenhouse gas emissions, decarbonization has emerged as a key strategy for meeting the state's climate goals; billions of dollars of state and federal investment go towards building retrofits.

California saw similar investment in "green jobs" in 2009, but the economic promise of that investment was limited by the perpetuation of low-wage jobs. The Partnership was formed in 2021 to prevent this from recurring. The Partnership focuses on the residential construction sector, where labor practices can undermine worker well-being.

Led by nonprofit Rising Sun Center for Opportunity in partnership with the Construction Trades Workforce Initiative, the Partnership brings together regional cities, government agencies, labor unions, employers, workers, and equity advisors to center workers in the emerging residential building decarbonization industry. In 2024, the Partnership commissioned two studies to inform its work: an [Industry Analysis](#) providing an overview of the landscape of public investment, workers, and firms in the Bay Area; and an [Economic Impact Assessment](#) exploring the impacts of adopting High Road labor standards in the nine Bay Area counties.

Both studies highlight the demand for skilled workers in residential building decarbonization and the positive impact that wage standards would have for those workers and the broader economy. The studies show that:

- Requiring that workers be paid prevailing wage would result in an average increase of \$25,951 annually for those workers. This represents a 71% percent increase in workers' annual earnings.
- The broader Bay Area economy would see an estimated net public benefit of between \$44 and \$70 million with a prevailing wage requirement on these jobs.
- These gains are delivered while increasing project costs by only 3-9%, while also delivering the employer benefits of better talent recruitment, retention, and work quality while advancing climate action.

"It's clear that requiring employers to offer good jobs to Californians working on projects funded by our taxpayers and ratepayers can move the needle on economic equity," said Julia Hatton, President and CEO of Rising Sun Center for Opportunity. "But we haven't always been clear about what a 'good job' is. That's why the Partnership has developed a detailed set of recommendations for public agencies and employers to consider, covering everything from wages, to training and certifications, to improving access to opportunities for priority workers. These standards are based on the gold standard that a union job offers, but we've worked with contractor representatives to ensure that any employer can adopt them and build a strong, equitable workforce."

The Partnership's recommended labor standards aim to ensure that the promises of its industry studies are realized. Moving forward, the Partnership plans to advocate for the adoption of these standards in more public programs, and to provide direct support to agencies and to small, BIPOC and women-led contractors with the aim of moving the industry towards the High Road and providing both climate and economic benefit to individuals and communities.

"The most important finding in these studies, particularly from Rising Sun's perspective, is the potential to eliminate the racial wage gap by requiring that all workers on these projects be compensated fairly," said Hatton. "Right now, Latine workers, who represent the majority of the residential decarbonization workers in the Bay Area, earn only 65 cents for every dollar that White workers earn. A prevailing wage standard makes that gap disappear."

A list of voting members of the Partnership can be accessed [here](#).

About Rising Sun Center for Opportunity

[Rising Sun](#) is a nonprofit workforce training organization offering training and employment programs that build economic equity and climate resilience. With offices in Oakland and Stockton, we prepare people throughout the Bay Area and San Joaquin County who have been locked out of prosperity for good jobs and green pathways that offer economic mobility while building a climate resilient future for all. Since our founding in 1994, Rising Sun has trained over 3,000 youth and adults while helping nearly 60,000 households reduce their carbon footprint.

The Bay Area Residential Building Decarbonization High Road Training Partnership is part of the California Workforce Development Board's High Road Training Partnership, which is funded through California Climate Investments, a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health, and the environment—particularly in disadvantaged communities.



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