Broken Laws, Unprotected Workers
Violations of Employment and Labor Laws in America’s Cities

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The 2008 Unregulated Work Survey

- **Purpose:** to examine the state of worker protections in the low-wage labor market in the three largest cities in the United States
  - How common are workplace violations?
  - Which jobs have the highest violation rates?
  - Who are the workers most affected?

- **Surveyed 4,387 front-line workers in Chicago, Los Angeles and New York City**
  - 12 low-wage industries
  - 16 front-line occupations
  - Survey fielded January-August 2008
What’s new?

- Statistically representative sampling: used innovative methods so that we could reach vulnerable and hard-to-reach workers
  - Respondent Driven Sampling (RDS), developed by D. Heckathorn
  - Workers recruit other workers, tapping social networks of trust
  - Post-sampling adjustments for network size, network segregation, and the cities’ industry and demographic distributions

- Rigorous measures of employment and labor law violations – we did not rely on workers’ knowledge of the law
Finding 1

Workplace Violations are Severe and Widespread in America’s Urban Labor Markets
Percent of workers with violations

- Minimum wage violations last week: 26%
- Tipped minimum wage violations last week (tipped workers only): 30%
- Overtime violations last week (if worked overtime): 76%
- Off-the-clock work last week (if came in early or stayed late last week): 70%
- Meal break violations last week: 70%
- Pay stub violation last week: 57%
- Paid late at least once in last 12 months: 25%
- At least one pay-related violation last week: 68%
Illegal retaliation

- When workers made a complaint to their employer or government agency, or attempted to form a union: 43 percent experienced illegal employer retaliation
  - Employers cut workers’ hours or pay, fired or suspended workers, or threatened to call immigration authorities
- But many workers didn’t complain or try to organize
  - 51 percent were afraid of losing their jobs
  - 36 percent thought it would not make a difference
Workers’ compensation

- Of injured workers: only 8 percent filed a workers’ comp claim

- When they sought medical attention: 55 percent had to pay out of pocket or use insurance

- When workers told their employer about the injury: 50 percent experienced illegal employer action
  - Employer fired the worker for filing a claim or instructed the worker not to file
Finding 2

Job and Employer Characteristics are Key to Understanding Workplace Violations
Minimum wage violations by industry

Source: Authors’ analysis of 2008 Unregulated Work Survey.
Overtime violations by occupation

- Child care workers: 90.2%
- Stock/office clerks & couriers: 86.0%
- Home health care workers: 82.7%
- Beauty, dry cleaning & general repair workers: 81.9%
- Car wash workers, parking lot attendants & drivers: 77.9%
- Waiters, cafeteria workers & bartenders: 77.9%
- Retail salespersons & tellers: 76.2%
- Building services & grounds workers: 71.2%
- Sewing & garment workers: 69.9%
- Cooks, dishwashers & food preparers: 67.8%
- General construction: 66.1%
- Cashiers: 58.8%
- Factory & packaging workers: 44.3%

* Calculated as a percent of workers who worked more than 40 hours for a single employer during the previous work week.

Source: Authors’ analysis of 2008 Unregulated Work Survey.
# Violations by job and employer characteristics

<table>
<thead>
<tr>
<th></th>
<th>Percent of workers with violations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Minimum wage violation rate</td>
</tr>
<tr>
<td><strong>All respondents</strong></td>
<td>25.9</td>
</tr>
<tr>
<td><strong>Pay type</strong></td>
<td></td>
</tr>
<tr>
<td>Hourly</td>
<td>14.9</td>
</tr>
<tr>
<td>Non-hourly</td>
<td>46.2</td>
</tr>
<tr>
<td><strong>Pay method</strong></td>
<td></td>
</tr>
<tr>
<td>Paid in cash</td>
<td>34.1</td>
</tr>
<tr>
<td>Paid by company check</td>
<td>17.2</td>
</tr>
<tr>
<td><strong>Company size</strong></td>
<td></td>
</tr>
<tr>
<td>Less than 100 employees</td>
<td>28.5</td>
</tr>
<tr>
<td>100 employees or more</td>
<td>15.2</td>
</tr>
</tbody>
</table>

* Calculated as a percentage of all workers who were at risk for a violation during the previous work week.

Source: Authors’ analysis of 2008 Unregulated Work Survey.
Not all employers violate the law

<table>
<thead>
<tr>
<th></th>
<th>Minimum wage violation rate</th>
<th>Overtime violation rate*</th>
<th>Off-the-clock violation rate*</th>
<th>Meal break violation rate*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All respondents</strong></td>
<td>25.9</td>
<td>76.3</td>
<td>70.1</td>
<td>69.5</td>
</tr>
<tr>
<td><strong>Employer gave worker a raise in the 12-month period prior to the survey</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>31.8</td>
<td>80.7</td>
<td>72.7</td>
<td>70.3</td>
</tr>
<tr>
<td>Yes</td>
<td>13.7</td>
<td>68.8</td>
<td>66.6</td>
<td>68.3</td>
</tr>
<tr>
<td><strong>Employer offered worker health insurance in the 12-month period prior to the survey</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>28.9</td>
<td>80.3</td>
<td>72.4</td>
<td>70.3</td>
</tr>
<tr>
<td>Yes</td>
<td>12.9</td>
<td>58.1</td>
<td>54.6</td>
<td>63.4</td>
</tr>
<tr>
<td><strong>Employer gave worker paid sick and paid vacation time in the 12-month period prior to the survey</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>27.9</td>
<td>80.6</td>
<td>71.6</td>
<td>70.7</td>
</tr>
<tr>
<td>Yes</td>
<td>12.1</td>
<td>53.5</td>
<td>55.2</td>
<td>64.1</td>
</tr>
</tbody>
</table>

* Calculated as a percentage of all workers who were at risk for a violation during the previous work week.

Source: Authors’ analysis of 2008 Unregulated Work Survey.
Finding 3

All Workers are at Risk of Workplace Violations – But Some More Than Others
Minimum wage violations by gender, nativity & legal status

Percent of workers with minimum wage violation

- US-born
  - Men: 15%
  - Women: 16%

- Foreign-born authorized
  - Men: 14%
  - Women: 24%

- Foreign-born unauthorized
  - Men: 30%
  - Women: 47%
The Stakes, and the Solution
# Wage theft in America

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,634</td>
<td>What the average worker loses to wage theft every year, out of annual earnings of $17,616</td>
</tr>
<tr>
<td>1,114,074</td>
<td>The number of workers in NYC, LA and Chicago who experience wage theft in a given week</td>
</tr>
<tr>
<td>$56.4 million</td>
<td>The total amount of lost wages due to wage theft every week in NYC, LA and Chicago</td>
</tr>
</tbody>
</table>
The Solution

1. **Effective enforcement** of employment & labor laws
   - Improved government enforcement
   - Strategic litigation by unions & worker centers

2. **Updated standards** for the 21st century workplace
   - Stronger workplace laws with broader reach
   - Greater worker voice in the workplace

3. **Equal status for all workers** in the workplace
   - Comprehensive immigration reform