

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?

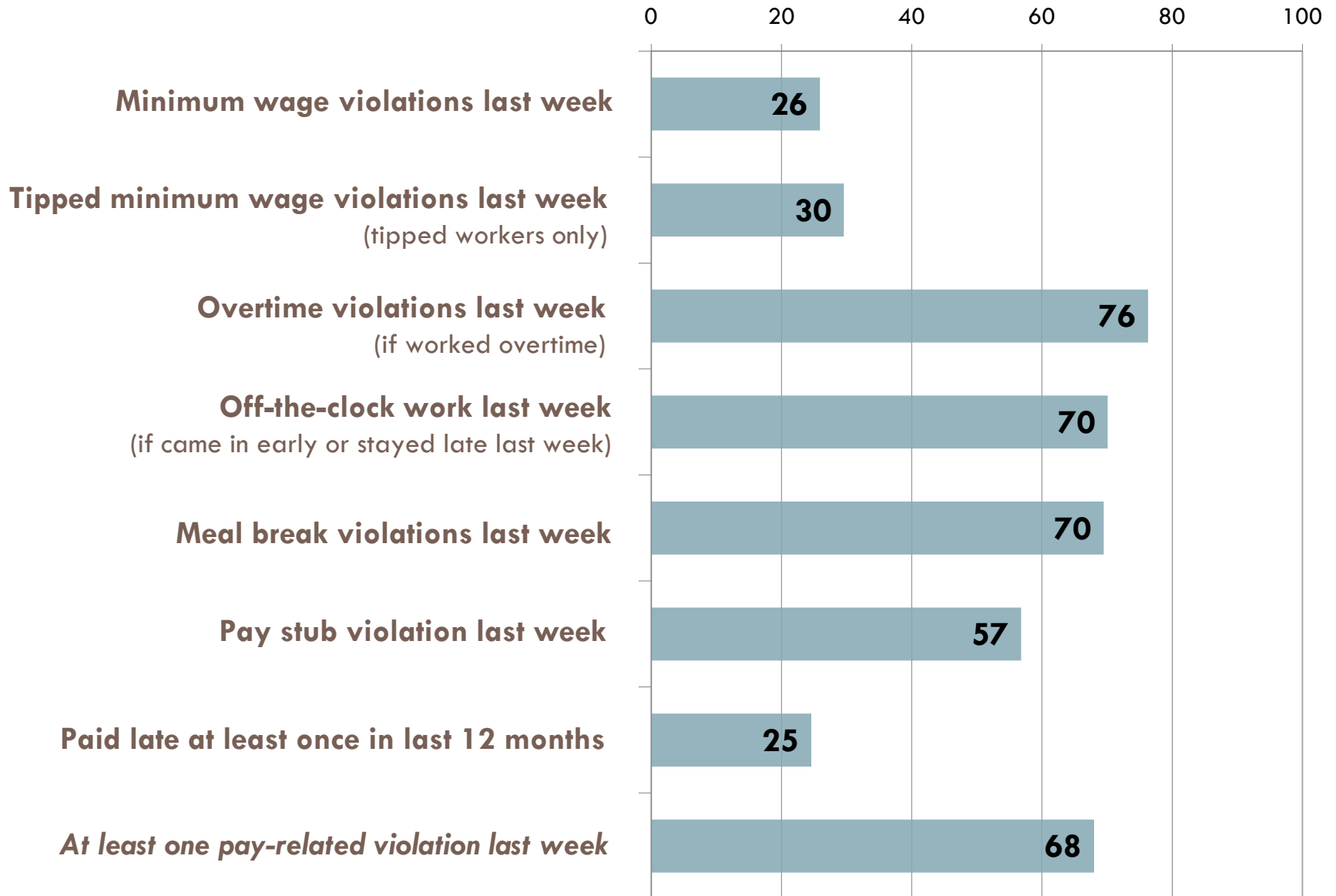
- Statistically representative sampling: used innovative methods so that we could reach vulnerable and hard-to-reach workers
 - Respondent Driven Sampling (RDS), developed by D. Heckathorn
 - Workers recruit other workers, tapping social networks of trust
 - Post-sampling adjustments for network size,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



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

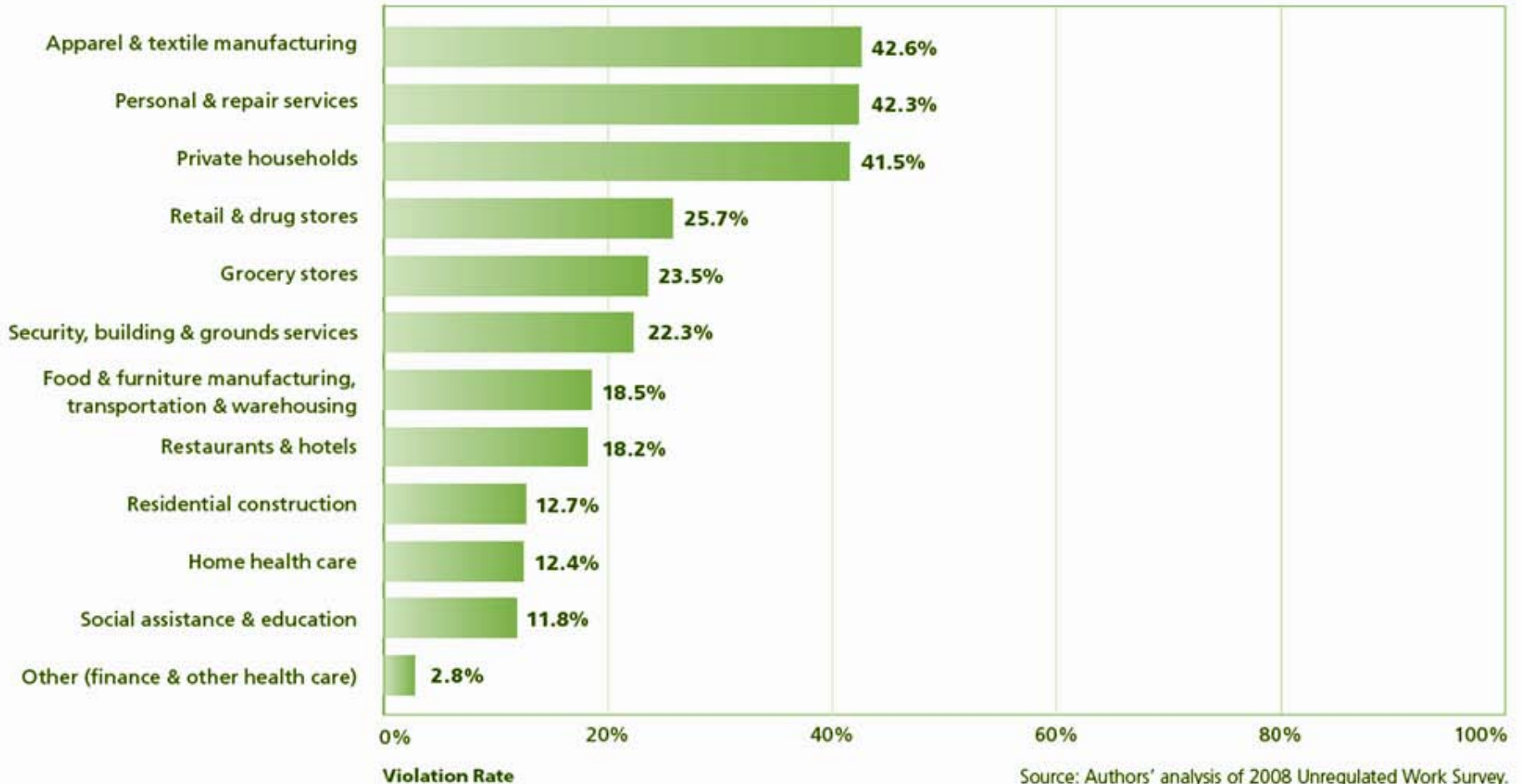
Workers' compensation

- 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

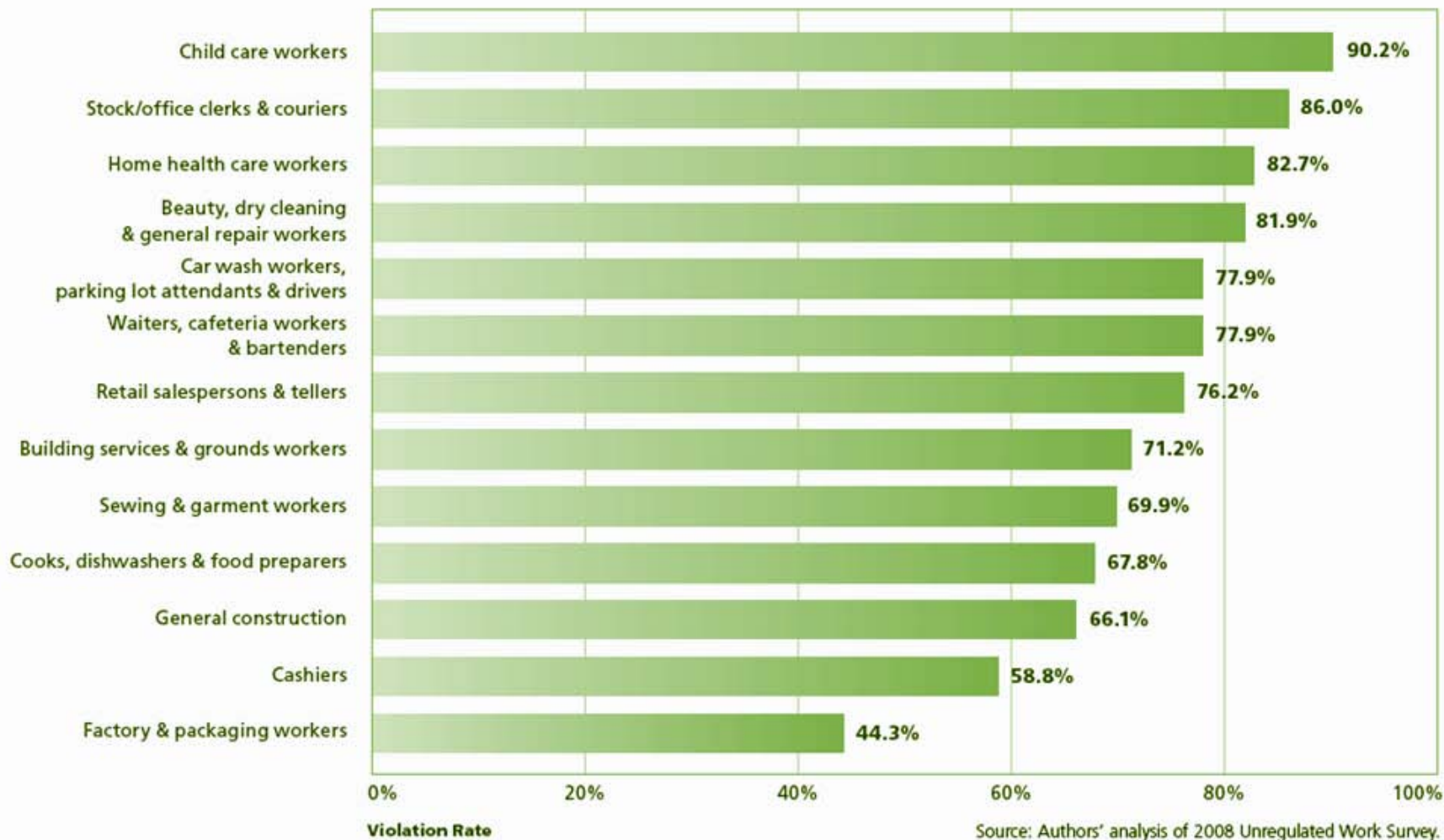
Finding 2

Job and Employer Characteristics are Key to Understanding Workplace Violations

Minimum wage violations by industry



Overtime violations by occupation



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

Violations by job and employer characteristics

		Percent of workers with violations			
		Minimum wage violation rate	Overtime violation rate*	Off-the-clock violation rate*	Meal break violation rate*
All respondents		25.9	76.3	70.1	69.5
Pay type	Hourly	14.8	60.7	64.8	67.5
	Non-hourly	46.2	92.3	78.9	73.7
Pay method	Paid in cash	34.1	87.8	74.6	72.9
	Paid by company check	17.2	61.5	64.4	67.4
Company size	Less than 100 employees	28.5	82.4	73.6	73.5
	100 employees or more	15.2	52.8	64.9	63.8

* 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

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

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

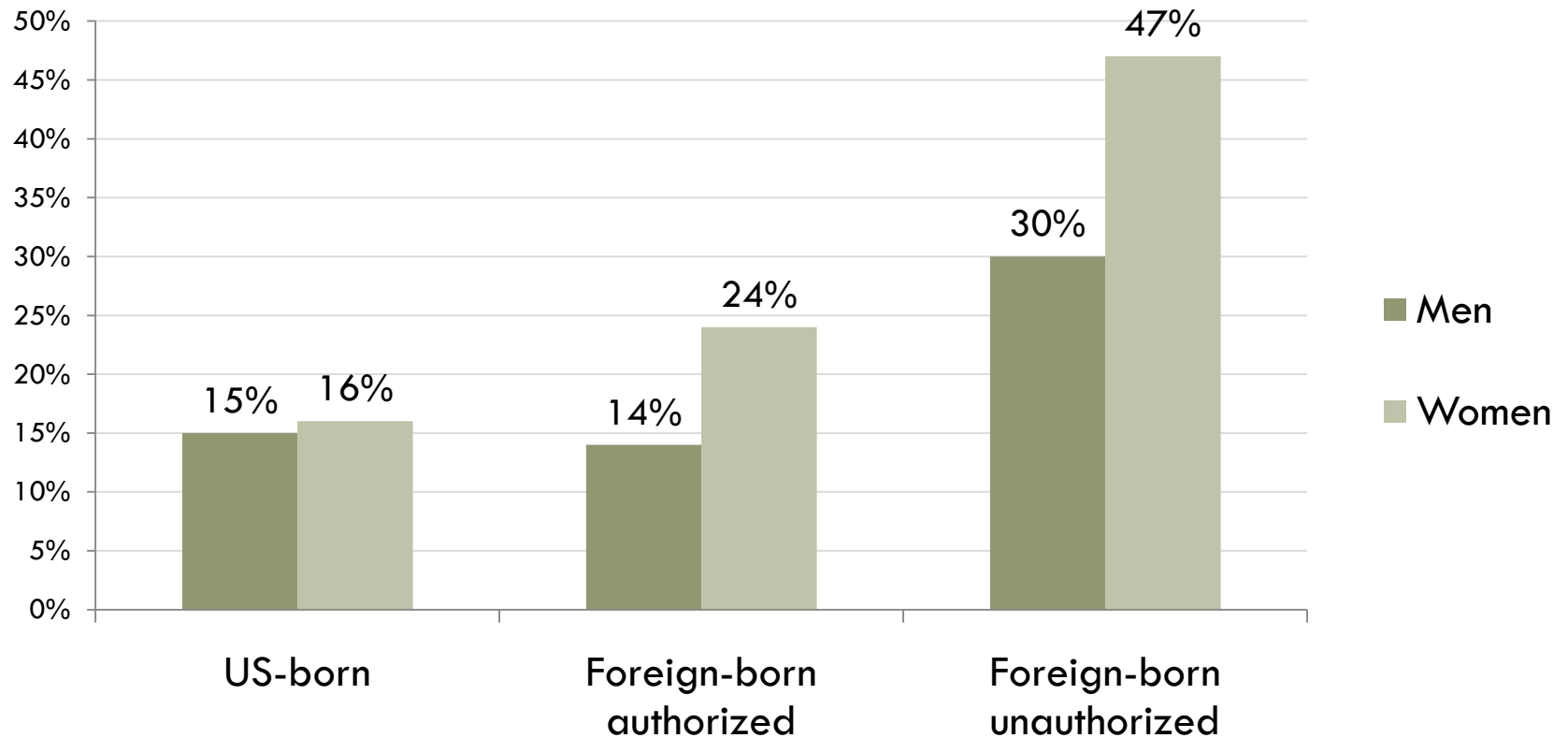
Source: Authors' analysis of 2008 Unregulated Work Survey.

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





The Stakes, and the Solution

Wage theft in America

\$2,634	What the average worker loses to wage theft every year, out of annual earnings of \$17,616
1,114,074	The number of workers in NYC, LA and Chicago who experience wage theft in a given week
\$56.4 million	The total amount of lost wages due to wage theft every week in NYC, LA and Chicago

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