

Wage Theft and Workplace Violations in Los Angeles

THE FAILURE OF
EMPLOYMENT AND
LABOR LAW FOR
LOW-WAGE WORKERS



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EXECUTIVE SUMMARY

The United States is facing a workplace enforcement crisis, with widespread violations of many long-established legal standards. The crisis involves laws dating back to the New Deal era that require employers to pay most workers at least the minimum wage and time-and-a-half for overtime hours and that guarantee the right to organize and bring complaints about working conditions. Also violated frequently today are more recent laws designed to protect workers' health and safety, laws that require employers to carry workers' compensation insurance in case of on-the-job injury, and laws that prohibit discrimination on the basis of age, race, religion, national origin, gender, sexual orientation, or disability. Los Angeles, as this report documents, has an especially high rate of workplace violations, even relative to the nation's other large cities.

This report focuses on the findings of a survey of 1,815 workers in Los Angeles County, conducted in conjunction with similar surveys of Chicago and New York City in 2008. Using a rigorous methodology, this research study included interviews with unauthorized immigrants and other vulnerable workers who are often missed in standard surveys. The goal was to obtain accurate and statistically representative estimates of the prevalence of workplace violations. All findings are adjusted so that they are representative of the larger population of front-line workers (that is, excluding managers and professional and technical workers) in low-wage industries in L.A. County in 2008. This population includes about 744,220 workers, or 17.0 percent of all workers in L.A. County.

The survey found that low-wage workers in Los Angeles regularly experience violations of basic laws that mandate a minimum wage and overtime pay and are frequently forced to work off the clock or during their breaks. Other violations documented in the survey include lack of required payroll documentation, being paid late, tip stealing, and employer retaliation. In nearly every case, the violation rates are higher in Los Angeles than in New York and Chicago.

■ MINIMUM WAGE VIOLATIONS

- Almost 30 percent of the L.A. workers sampled were paid less than the minimum wage in the work week preceding the survey, a higher violation rate than in New York City, but with no statistically significant difference from Chicago.
- The minimum wage violations were not trivial in magnitude: 63.3 percent of workers were underpaid by more than \$1.00 per hour.

■ OVERTIME VIOLATIONS

- Among all L.A. respondents, 21.3 percent worked more than forty hours for a single employer during the previous work week and were therefore at risk for an overtime violation. Over three-fourths (79.2 percent) of these at-risk workers were not paid the legally required overtime rate by their employers.
- Like minimum wage violations, overtime violations were far from trivial in magnitude. Those L.A. respondents with an overtime violation had worked an average of ten overtime hours during the previous work week.

■ OFF-THE-CLOCK VIOLATIONS

- Nearly one in five L.A. respondents (17.6 percent) stated that they had worked before and/or after their regular shifts in the previous work week and were thus at risk for off-the-clock violations. Within this group, 71.2 percent did not receive any pay at all for the work they performed outside their regular shift.

■ MEAL AND REST BREAK VIOLATIONS

- Among all L.A. respondents, 89.6 percent worked enough consecutive hours to be legally entitled to a meal break. However, more than three-fourths of these at-risk workers (80.3 percent) experienced a meal break violation in the previous work week. The L.A. meal break violation rate was higher than that found in New York City, but Chicago had the lowest rate of the three cities.
- California law requires employers to provide workers ten-minute rest breaks during each four-hour shift (or two ten-minute rest breaks in a standard eight-hour shift). However, this requirement is often violated. The survey found that 81.7 percent of respondents eligible for rest breaks were either denied a break entirely or had a shortened break during the previous work week.

■ OTHER PAY VIOLATIONS

- California law requires that all workers — regardless of whether they are paid in cash or by check — receive documentation of their earnings and deductions. However, 63.6 percent of L.A. respondents did not receive this mandatory documentation.
- California employers are generally not permitted to take deductions from a worker's pay for damage or loss, work-related tools, materials or transportation, or uniforms. However, among L.A. respondents who reported deductions from their pay, 45.3 percent were subjected to such illegal deductions.
- It is illegal for employers or managers to appropriate any portion of the tips provided by customers in restaurants or other settings where tips are customary. However, 19.2 percent of tipped respondents in L.A. experienced such “tip stealing” during the previous work week, a much higher rate than for the other two cities studied.

■ ILLEGAL EMPLOYER RETALIATION

- Among all workers in the L.A. sample, 14.7 percent had either made a complaint in the year prior to their interview or (in a few cases) had attempted to form a union. Nearly half (47.7 percent) of those L.A. respondents who had made complaints or attempted to organize reported that they had experienced retaliation from their employer or supervisor as a result.
- Another 20.1 percent of L.A. respondents indicated that they had not complained during the previous twelve months even though they had experienced a serious problem such as dangerous working conditions, discrimination, or not being paid the minimum wage. A majority of the respondents in this group (59.7 percent) indicated that they did not complain because they were afraid of losing their job, another 13.6 percent feared they would have their hours or wages cut, and 31.4 percent thought it would make no difference if they complained.

■ WORKERS' COMPENSATION VIOLATIONS

- The survey suggests that the workers' compensation system is very rarely used by low-wage workers. Only 4.3 percent of L.A. respondents who experienced a serious on-the-job injury during the previous three years had filed a workers' compensation claim for their most recent injury.

Of seriously injured L.A. respondents, 42.3 percent reported that they were required to work despite their injury, an additional 30.3 percent said their employer refused to help them with the injury, and 12.6 percent were fired shortly after the injury.

Just over half (51.3 percent) of L.A. respondents who experienced a serious injury at work sought medical attention, but within this group, only 48.6 percent indicated that their employers paid any part of their medical bills.

■ VARIATIONS IN VIOLATION RATES: JOB AND WORKER CHARACTERISTICS

Workplace violations are the result of employer decisions — whether to pay the minimum wage or overtime, whether to give workers meal breaks, or how to respond to complaints about working conditions. Because some types of businesses tend to violate employment and labor laws more than others do, there is considerable variation in violation rates across occupations and industries and related variables.

Violations of labor and employment law also vary with the demographic characteristics of the workforce. Among L.A. respondents, minimum wage violations were greater for women than for men, and greater for immigrants than for U.S.-born workers. The very highest minimum wage violation rates were for female unauthorized immigrants, well over half of whom had a minimum wage violation in the previous work week.

The impact of job characteristics like industry and occupation on violation rates was consistently greater than that of workers' demographic characteristics. Job characteristics were 3.9 times stronger than worker characteristics in predicting minimum wage violation rates; 4.0 times stronger in predicting overtime violation rates; 1.1 times stronger in predicting off-the-clock violation rates; and 2.2 times stronger in predicting meal break violation rates.

■ DOLLARS LOST TO WAGE THEFT IN LOS ANGELES

The various forms of nonpayment and underpayment of wages take a heavy monetary toll on workers and their families. L.A. respondents who experienced a pay-based violation in the previous work week lost an average of \$39.81 out of average weekly earnings of \$318.00, or 12.5 percent. Assuming a full-year work schedule, these workers lost an average of \$2,070.00 annually due to workplace violations, out of total annual earnings of \$16,536.00.

■ PUBLIC POLICY RECOMMENDATIONS

Public policy has a fundamental role to play in protecting the rights of workers. Three basic principles should drive the development of a new policy agenda at the federal, state, and local levels.

- **Strengthen government enforcement** of existing employment and labor laws through enhanced staffing and proactive strategies that target employers with the highest violation rates. Penalties for violations also need to be stiffened.
- **Update legal standards** by raising the minimum wage, updating health and safety standards, expanding overtime coverage, and strengthening the right of workers to organize through labor law reform.
- **Establish equal status for immigrants** to ensure that they have the full protection and remedies available under U.S. employment and labor law. Although in theory unauthorized workers are already covered by most employment and labor laws, in practice their lack of legal status, their fear of deportation, and the willingness of employers to exploit their vulnerability make enforcement especially difficult for this part of the workforce. This is particularly critical in Los Angeles, which has a larger unauthorized immigrant population than any other city or county in the United States.



INTRODUCTION

In February 2009, the L.A. city attorney filed criminal charges against two car wash owners for failing to pay 250 workers the minimum wage and for denying them legally required meal and rest breaks. The filing, which involved 176 separate charges, alleged that, in violation of minimum wage laws, workers were paid a flat rate of \$35.00 to \$40.00 a day for shifts of more than eight hours, that their lunch breaks were as little as fifteen minutes a day, that they received no pay for overtime work, and that no medical care was provided for lacerations and acid burns caused by the machinery and chemicals they used on the job. The owners were charged with failing to pay a total of \$450,000.00 in back wages over five years.¹

A similar lawsuit against a builder employing residential construction workers in California, Nevada, and Arizona was settled in October 2009, providing over \$242,000.00 in unpaid wages to eighty-five workers. The suit alleged that the company failed to pay employees for hours they worked, did not pay legally required overtime or provide breaks, and kept workers off the clock while they traveled between job sites and awaited materials.²

Unfortunately, such cases are neither new nor unusual. A decade ago the U.S. Department of Labor conducted a statistically representative survey of Southern California garment factories and found that fully two-thirds of them were not in compliance with federal minimum wage and overtime laws.³

The problem is not limited to small businesses like car washes or garment subcontractors. In 2008, for example, Wal-Mart announced a settlement of sixty-three cases in forty-two states, which involved charges

¹ Rebecca Cathcart, "Carwashes Accused of Labor Violations," *New York Times*, 11 February 2009, p. A18, available at <http://www.nytimes.com/2009/02/11/us/11carwash.html>. See also Howard Fine, "L.A. City Attorney Targets Car Wash Owners," *Los Angeles Business Journal*, 10 February 2009, available at <http://www.labusinessjournal.com/print.asp?aid=69529579.8552188.1743586.9845566.2756816.802&aID2=134113>.

² Patrick J. McDonnell, "Builder to Settle with 85 Workers in Overtime Case," *Los Angeles Times*, 13 October 2009, p. A4, available at <http://www.latimes.com/entertainment/news/arts/la-me-construction13-2009oct13,0,7344863.story>.

³ "Only One-Third of Southern California Garment Shops in Compliance with Federal Labor Laws," U.S. Department of Labor, Wage and Hour Division Press Release, 12 August 2000, available at <http://www.dol.gov/esa/whd/media/press/sfwh112.htm>.

that the company had forced employees to work “off the clock” without pay after their official shifts. The settlement totaled \$352 million in unpaid wages and involved hundreds of thousands of current and former Wal-Mart hourly employees across the country. Among other wage-and-hour lawsuits involving Wal-Mart was one in California in which a jury ordered the giant retailer to pay \$172 million for making employees miss meal breaks.⁴

In October 2008, a court-appointed official awarded more than 200 Federal Express drivers in California \$14.4 million in compensation for their illegal misclassification as “independent contractors.” Prior to their success in court, their lack of employee status meant that they had received no benefits, had been denied the protection of most employment and labor laws, and had been forced to pay out of pocket for job-related expenses such as fuel, vehicle maintenance, uniforms, and insurance.⁵

Today, at the start of the twenty-first century, the nation is facing a workplace enforcement crisis, with widespread violations of many long-established legal standards. The crisis involves laws dating back to the New Deal era that require employers to pay most workers at least the minimum wage and time-and-a-half for overtime hours and that guarantee employees’ right to organize and bring complaints about working conditions. Also violated frequently are more recently established laws that were designed to protect workers’ health and safety, laws that require employers to carry workers’ compensation insurance in case of on-the-job injury, and laws that prohibit discrimination on the basis of age, race, religion, national origin, gender, sexual orientation, or disability.

The exploitation of workers in manufacturing plants outside our borders is widely acknowledged, and everyone is aware that sweatshops flourished in the United States a century ago. But far fewer people are aware of the extent to which employers are breaking bedrock labor laws in core industries across the United States today. Los Angeles, as this report documents, has an especially high rate of workplace violations, even relative to the nation’s other large cities. Local community groups, researchers, and government agencies have documented many such violations in recent years. This report builds on those accounts but offers a more systematic assessment of the nature and extent of violations of workplace laws in contemporary Los Angeles.⁶

⁴ Steven Greenhouse and Stephanie Rosenbloom, “Wal-Mart Settles 63 Lawsuits over Wages,” *New York Times*, 24 December 2008, p. B1, available at <http://www.nytimes.com/2008/12/24/business/24walmart.html>.

⁵ “FedEx Drivers Win \$14.4 Million in Labor Case,” *San Francisco Chronicle*, 20 October 2008, available at <http://www.sfgate.com/cgi-bin/article/article?f=/n/a/2008/10/20/financial/f144914D06.DTL>.

⁶ Throughout this report the terms *Los Angeles* and *L.A. County* are used interchangeably; both refer to the county of Los Angeles.

This is no easy task. It is difficult to obtain accurate estimates of the proportion of workers experiencing workplace violations or of the proportion of employers committing them. As a result, robust benchmarks of the magnitude of the problem—including the industries that are the most frequent offenders and the workers who are most affected—are nonexistent. This lack of data, in turn, hampers effective policy responses.

This report presents new research that begins to fill this gap. Drawing on a survey of more than 4,000 workers in low-wage industries in the three largest U.S. cities — Chicago, Los Angeles, and New York — it focuses on the results for L.A. County, where 1,815 workers were surveyed in the period from April to August 2008.⁷ The study, which employed a rigorous survey methodology that ensured inclusion of vulnerable workers who are often missed in standard surveys, addresses the following questions:

- How common are workplace violations such as workers earning less than the minimum wage or working overtime without pay?
- Which industries and occupations have especially high concentrations of violations?
- What are the demographic characteristics of the workers most affected?

This report exposes significant, pervasive violations of core workplace laws in many of Los Angeles's low-wage industries and occupations. All too often, it shows, workers are paid less than the minimum wage, and many do not receive legally required overtime pay. Working off the clock without pay and not getting meal breaks are also common violations. When workers are injured, most do not receive workers' compensation. And those who assert their rights or attempt to organize often face illegal retaliation.

These problems are not limited to the underground economy or to a few bad apples; the survey found that both large and small employers in a wide variety of industries located throughout L.A. County regularly violate the law. Nor are these abuses limited to unauthorized immigrants or other vulnerable workers. Although women, immigrants, and people of color *are* disproportionately affected by workplace violations, the type of job in which a worker is employed is a far better predictor of violations than the worker's demographic characteristics.

⁷ Portions of the text are adapted from the national report. See Annette Bernhardt, Ruth Milkman, Nik Theodore, Douglas Heckathorn, Mirabai Auer, James DeFilippis, Ana Luz González, Victor Narro, Jason Perelshteyn, Diana Polson, and Michael Spiller, *Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America's Cities* (Chicago, New York, and Los Angeles: Center for Urban Economic Development, University of Illinois at Chicago, National Employment Law Project, and UCLA Institute for Research on Labor and Employment, 2008), available at <http://www.unprotectedworkers.org>.

Individuals who experience workplace violations are not the only ones who are hurt when basic labor standards are not enforced. Not all employers violate the law, even within high-violation industries, and responsible employers who comply with core employment and labor laws can suffer when low-road employers compete unfairly by short-changing their workers.

The findings reported here show that the situation in Los Angeles is particularly alarming. For many of the violations measured here, prevalence rates are substantially higher in Los Angeles than in the other two cities studied in the larger project, although all three cities have violation levels that are cause for serious public concern. The report closes with policy recommendations that aim to enhance enforcement and reduce the prevalence of workplace violations.



SURVEYING THE LOW-WAGE LABOR MARKET IN L.A. COUNTY

Studying violations of workplace laws is a challenging task. Employers are unlikely to admit that they are paying workers less than the minimum wage, denying workers meal breaks, or otherwise breaking the law. Businesses with the worst conditions may be operating underground and are thus difficult to find. Moreover, workers who depend on their jobs for daily survival may be reluctant to talk to researchers about their employers because they fear retaliation, because of their immigration status, or because they are working “off the books.”

Standard sources of labor market data are also inadequate to assess the state of employer compliance with U.S. employment and labor laws.⁸ Large-scale government surveys such as the decennial census do not gather the types of data needed to accurately identify workplace violations. And enforcement agencies, at best, document only the relatively small number of cases that come before them.⁹ It is impossible to determine, for example, whether the cases of overtime violations brought to the U.S. Department of Labor in a given year represent a small or a large share of actual violations.

This report builds on an emerging body of research that suggests that employment and labor law violations are extensive in workplaces across the contemporary United States.¹⁰ The survey, which was designed in col-

⁸ The exceptions here are: (1) the random compliance surveys conducted by the U.S. Department of Labor at the end of the 1990s (see *1999-2000 Report on Low-Wage Initiatives* [Washington, D.C.: U.S. Department of Labor, Employment Standards Administration Wage and Hour Division, 2001]); and (2) the misclassification of independent contractors, where state agencies have been able to use administrative data to robustly estimate the extent of misclassification (see *Employee Misclassification: Improved Coordination, Outreach and Targeting Could Better Ensure Detection and Prevention*, Report GAO-09-717 [Washington, D.C.: U.S. General Accountability Office, 2009]), available at <http://www.gao.gov/new.items/d09717.pdf>.

⁹ According to a 2009 report by the Government Accountability Office, the U.S. Department of Labor failed to even track all the complaints that were brought before it in recent years. See *Department of Labor: Wage and Hour Division Needs Improved Investigative Processes and Ability to Suspend Statute of Limitations to Better Protect Workers Against Wage Theft*, Report GAO-09-629 (Washington, D.C.: U.S. General Accountability Office Report, 2009), available at <http://www.gao.gov/new.items/d09629.pdf>.

¹⁰ See, for example: Annette Bernhardt, Siobhán McGrath, and James DeFilippis, *Unregulated Work in the Global City: Employment and Labor Law Violations in New York City* (New York: Brennan Center for Justice, 2007); Kim Bobo, *Wage Theft in America* (New York: The New Press, 2008); Fiscal Policy Institute, *The Underground Economy in the New York City Affordable Housing Construction Industry: Its Fiscal and Economic Costs* (New York: Fiscal Policy Institute, 2007); Daniel Flaming, Brent Haydamack, and Pascale Joassart, *Hopeful Workers, Marginal Jobs: LA's Off-the-Books Labor Force* (Los Angeles: Economic Roundtable,

laboration with colleagues in New York and Chicago, incorporated two key methodological innovations designed to overcome the inadequacies of previous research.¹¹ First, a cutting-edge sampling methodology captured the full range of workers in the low-wage labor market, including many unauthorized immigrants and off-the-books workers. Second, an extensive questionnaire rigorously assessed whether employment and labor laws were being broken without relying on workers' knowledge of these laws.

From April through August 2008, 1,815 interviews were conducted with low-wage workers in L.A. County. To qualify for the study, workers had to be:

- Age 18 or older.
- Currently working for an employer located in L.A. County.
- Not self-employed.
- A “front-line” worker—that is, not a manager, professional, or technical worker.
- Working at least eight hours per week in the week before the interview.
- Employed primarily in one of the jobs shown in Figure 1.¹²

The survey was designed to be broad enough to capture a range of industries and occupations across the urban economy, yet targeted enough to exclude upper-level occupations such as lawyer or stock broker, most of which are not covered by many of the laws of interest here. The final sample includes an estimated 17.0 percent of L.A. County's labor market. (See the Appendix for more details on fielding and methodology.)

The survey was conducted after the official start of the 2008 recession, but when unemployment rates were still relatively low. In August 2008, when the fielding was completed, the unemployment rate for the L.A. metropolitan area was 7.8 percent (and 6.2 percent nationally); a year later that rate was 11.8 percent (and 9.7 percent nationally). Economic conditions continued to deteriorate after the data were collected, so it is

2005), available at http://www.economicrt.org/pub/hopeful_workers_marginal_jobs/hopeful_workers_marginal_jobs.pdf; Siobhán McGrath, *A Survey of Literature Estimating the Prevalence of Employment and Labor Law Violations in the U.S.* (New York: Brennan Center for Justice, 2005), available at http://nelp.3cdn.net/1ef1df52e6d5b7cf33_s8m6br9zf.pdf; Chirag Mehta, Nik Theodore, Iliana Mora, and Jennifer Wade, *Chicago's Undocumented Immigrants: An Analysis of Wages, Working Conditions, and Economic Contributions* (Chicago: Center for Urban Economic Development, University of Illinois at Chicago, 2002); Abel Valenzuela, Nik Theodore, Edwin Meléndez, and Ana Luz González, *On the Corner: Day Labor in the United States* (Los Angeles: UCLA Center for the Study of Urban Poverty, 2005), available at http://www.sscnet.ucla.edu/issr/csup/uploaded_files/Natl_DayLabor-On_the_Corner1.pdf; and David Weil and Amanda Pyles, “Why Complain? Complaints, Compliance, and the Problem of Enforcement in the U.S. Workplace,” *Comparative Labor Law and Policy Journal* 27, no. 1 (2005): 59–92.

¹¹ The survey was closely coordinated across the three cities: the same instrument was used, and the methodology was implemented in the same way, with detailed fielding protocols ensuring full comparability.

¹² For details on how the industries and occupations shown in Figure 1 were determined, see the Appendix.

FIGURE 1.
LOW-WAGE INDUSTRIES AND OCCUPATIONS
SURVEYED IN LOS ANGELES COUNTY

Bank tellers
Car repair workers (excluding auto dealerships)
Car wash workers and gas station attendants
Child care workers, either in centers, or those who take children into their own homes
Dry cleaning and laundry workers
Furniture factory workers
Gardeners and landscapers
Garment workers, both in factories and those who work out of their home for a company
Grocery store, drug store, and supermarket workers
Hair stylists and nail salon workers
Home health care workers
Hotel housekeepers
Janitors or cleaners in buildings, hotels, or stores
Meatpacking, food processing and bakery workers, both in factories and those who work at home preparing food for a company or restaurant
Nannies, domestic workers, or housekeepers
Nursing aides in nursing homes
Parking garage and parking lot workers and valet parkers
Residential construction workers, including painters, laborers, drywall installers, and roofers
Restaurant, cafeteria, and fast food workers
Retail workers in department stores, clothing stores, office supply stores, furniture stores, or auto supply stores
Security guards
Teacher's aides
Warehouse workers

possible that the number of workplace violations is even higher than the 2008 numbers reported here.

■ RESPONDENT-DRIVEN SAMPLING

The survey goal was to obtain accurate, statistically representative estimates of the prevalence of workplace violations. One key challenge was how to reach the workers in the first place. Surveys that rely on telephone interviews or even home visits are unlikely to gain the participation of the full population of low-wage workers, many of whom are missing from official databases, vulnerable because of their immigration status, or reluctant to take part in a survey because they fear retaliation by their employers. Trust is also an issue when asking for details about workers' jobs, the wages they receive, and whether they are paid off the books.

These problems have recently received significant attention from statisticians and social scientists. This survey used an innovative sampling strategy that was developed to overcome the barriers of surveying

“hidden” or “hard-to-reach” populations: respondent-driven sampling (RDS), originally developed by collaborator Douglas Heckathorn.

The Appendix provides a detailed description of the RDS method and its implementation in this survey, but the basic concept is straightforward: sampling is done through social networks. In this case, recruiting started with a small number of workers who fit the study criteria. After they were interviewed they recruited other workers in their existing social networks; those workers completed the survey and then recruited others. Through successive waves of recruitment, the sample expanded over time. A key advantage of this method is that workers are recruited by trusted friends and acquaintances who have participated in the survey themselves and can vouch for its confidentiality. This provides a powerful way to overcome the barriers of fear and disclosure.

Several steps were taken to ensure that the survey sample would be representative of the larger population of front-line workers in low-wage industries. First, data were collected on the social networks of the respondents, taking into account the size and interconnectivity of those networks. This allowed adjustments for the fact that some individuals have more social connections than others and, thus, are more likely to be recruited into the survey. Second, the RDS method adjusts for the fact that respondents vary both in the types of workers they tend to recruit and also in the effectiveness of their recruitment efforts. A final adjustment ensured that the distribution of industries and occupations in the survey sample fully reflected the composition of the low-wage labor market.

Interviews were conducted at multiple sites, including community colleges, offices of community-based organizations, and churches scattered across L.A. County. All outreach materials were translated into multiple languages, and the surveys themselves were conducted in English, Spanish, Mandarin, Cantonese, and Korean. Interviews typically lasted between sixty and ninety minutes. Including surveyors, translators, field coordinators, and researchers, a total of twenty-two staff fielded the L.A. survey.

■ MEASURING WORKPLACE VIOLATIONS

The survey is unique in that it uses an original battery of detailed, in-depth questions to measure a range of violations of employment and labor law. It was designed to detect violations of laws that guarantee the minimum wage and overtime pay, full and timely payment of wages owed, provision of legally required meal and rest breaks, protection against retaliation by employers for complaints about working conditions or attempting to organize, and access to workers’ compensation in the case of an on-the-job

injury. Because of time constraints and other limitations, the survey did not measure violations of health and safety, family and medical leave, or most anti-discrimination laws, although these too are critical worker protections.

The questionnaire did *not* rely on workers' direct knowledge about either their rights under employment and labor law or whether they had experienced a workplace violation. Instead, the survey strategy was to gather raw "inputs" from workers — data about their hours, earnings, and working conditions, as well as relevant employer actions — which were then used to determine whether a law had been violated.

For example, workers were not asked whether they were being paid the minimum wage. Instead, the survey gathered day-by-day data on exactly how many hours each respondent worked the week before the survey, the amount of money he or she received, whether the employer made any deductions (for example, for uniforms or meals), and whether the respondent worked off the clock. On this basis, the worker's effective hourly wage was determined by the research team. In addition, care was taken not to double count violations. For example, if a respondent worked five overtime hours but was not paid for those hours, an overtime violation was recorded; once these five hours were "tagged" as unpaid, they did not contribute to any other violation (for example, they did not also count as a minimum wage violation).

■ RESPONDENTS AND THEIR CHARACTERISTICS

Table 1 shows the key demographic and employment characteristics of the 1,815 workers in the L.A. sample. Like the low-wage workforce in cities and towns across the United States, this sample has more women than men, more members of racial/ethnic minorities than whites, more immigrants than U.S.-born workers, and a range of age groups and education levels.¹³ Consistent with recent trends in the low-wage labor market, immigrants made up a large part of the sample — only 16.3 percent of the L.A. sample was U.S.-born, with the rest composed of naturalized citizens and authorized and unauthorized immigrants.¹⁴ The large number of unauthorized immigrants in the sample is both a reflection of the composition

¹³ Respondents self-reported their race/ethnicity to the interviewers and had the option of reporting multiple races/ethnicities. All respondents who listed Latino/Latina in combination with other races/ethnicities were coded as Latino/Latina; the remaining categories are all non-Hispanic. In addition, the sample includes small numbers of American Indians, Native Hawaiians, Alaska Natives, and people of mixed race; these groups are included in the "White/Other" category shown in the table.

¹⁴ Authorized immigrants include both those who are naturalized citizens and those with permanent resident status or other types of legal documentation.

TABLE 1.
RESPONDENT CHARACTERISTICS, LOS ANGELES COUNTY, 2008

	Number	Weighted Percentage^a
Gender		
Male	908	48.1
Female	907	51.9
Race/Ethnicity		
Latino	1,291	73.4
Black	202	6.3
Asian	236	17.9
White/Other	86	2.3
Nativity and Legal Status		
U.S.-born citizen	386	16.3
Foreign-born authorized (includes naturalized citizens)	490	27.3
Foreign-born unauthorized	919	56.4
Education		
Less than high school, no GED	1,016	59.3
High school graduate or GED	475	26.2
Some college or higher	312	14.5
Age		
18–25	297	28.9
26–35	458	24.6
36–45	485	22.6
46+	506	23.9
Main Industry during Previous Work Week		
Garment manufacturing	406	24.7
Domestic service	239	16.5
Restaurants and hotels	251	12.8
Residential construction	152	8.8
Building services (security, janitorial, and landscaping)	178	8.1
Transportation, warehousing and wholesale	150	7.4
Department stores and miscellaneous retail	109	5.4
Home health care	56	3.5
Social assistance and education	87	3.3
Grocery stores and drug stores	52	2.9
Food and furniture manufacturing	33	2.5
Auto repair and car wash	31	1.0
Other	71	3.0
Main Occupation during Previous Work Week		
Garment workers	324	20.3
Construction workers	196	13.1
Packaging and warehouse workers	177	10.0
Cooks, dishwashers and food preparers	137	7.7
Maids and housekeepers	103	6.3
Child care workers	102	6.1
Home health care workers	90	4.7
Grounds maintenance workers	79	4.7
Production workers (non-garment)	63	4.7
Janitors and building services workers	135	4.5
Waiters, cafeteria workers and bartenders	73	3.7
Retail salespersons	75	3.7
Cashiers	59	2.6
Security guards	58	2.4
Tellers and stock/office clerks	44	2.0
Auto repair workers, car wash workers, parking lot attendants	55	1.7
Other	45	1.7
Total	1,815	100.00

^aSee Appendix for details on weighting.

Source: Authors' analysis.

of Los Angeles's population and an indicator of the methodology's success in capturing this hard-to-reach part of the labor market.¹⁵

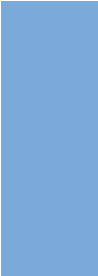
Given that the focus of this research is on the lower echelons of the labor market, it is not surprising that workers in the sample earned very low wages. The median wage (in 2008 dollars) for the sample was \$8.06 an hour, with few respondents earning significantly more than this amount.

Finally, the sample represents a range of industries (types of businesses) and occupations (job tasks or functions). About half of the respondents worked in the service sector — in restaurant, retail, domestic service, and home health care industries, for example — but a sizable number were in manufacturing (especially garments), residential construction, warehousing, and transportation. Similarly, although many of the occupations in the sample are service jobs, such as cashiers, cooks, childcare workers, waiters, and sales workers, factory and construction workers are also well represented.

The workplace violation prevalence rates and other findings reported in the following pages are weighted so that they are representative of the larger population of front-line workers (that is, excluding managers, professional, and technical workers) in low-wage industries in Los Angeles in 2008. That population includes an estimated 744,220 workers, which is 34.4 percent of all front-line workers and 17.0 percent of all workers in L.A. County (see the Appendix).

In addition to the survey, five focus groups and thirty-two in-depth interviews were conducted for this study. The focus groups were convened prior to the survey as one of several efforts to ensure that the questionnaire was adequate in its coverage of the issues facing low-wage workers. The in-depth interviews, in contrast, were conducted with a select group of survey respondents. The purpose was to gain a fuller appreciation of their experiences with workplace violations. Excerpts from some of those interviews are included to illustrate the various violations for which quantitative data are presented.

¹⁵ The L.A. metropolitan area has more unauthorized immigrants than any other metropolitan area in the United States, twice the number in New York City (which has a larger total population), and more than twice the number in Chicago. See Karina Fortuny, Randy Capps, and Jeffrey S. Passel, *The Characteristics of Unauthorized Immigrants in California, Los Angeles County, and the United States* (Washington, DC: The Urban Institute, 2007), available at http://www.urban.org/UploadedPDF/411425_Characteristics_Immigrants.pdf.



PREVALENCE ESTIMATES FOR WORKPLACE VIOLATIONS IN L.A. COUNTY

The survey found that low-wage workers in L.A. County regularly experience violations of laws that mandate minimum wage and overtime pay and are frequently forced to work off the clock or during their breaks. Other violations that are documented in the survey include lack of required payroll documentation, paying workers late, tip stealing, and employer retaliation. In many cases the violation rates were higher in Los Angeles than in New York and Chicago.

Table 2 summarizes the key workplace violations experienced by respondents. These violation rates are shown in two forms: column A shows the proportion of all respondents who experienced a violation, and column B shows the proportion of respondents experiencing a violation among all respondents who were at risk for that violation. For example, in the case of weekly overtime laws, a worker was only at risk of a violation if she or he had worked more than forty hours during the previous work week. As Table 2 shows, 15.5 percent of all respondents experienced overtime violations, but among those who worked more than forty hours during the previous work week, 79.2 percent experienced this violation.¹⁶ (Other sections of this report focus on the risk-set measures alone.)

■ MINIMUM WAGE VIOLATIONS

Minimum wage laws have been the basic standard of pay for workers in the United States since 1938, when the Fair Labor Standards Act was passed into law. Employers are required to pay workers at or above the minimum wage set by either federal or state law, whichever is higher.¹⁷ California's minimum wage (\$8.00 per hour in 2008 when the survey was conducted) is considerably higher than the federal minimum wage (\$6.55 per hour at the end of the survey period). These minimum wage laws

¹⁶ In the text, violation rates are reported as statistically significant based on an RDS-based bootstrapping process. For details, see Douglas Heckathorn, "Respondent-Driven Sampling II: Deriving Valid Population Estimates from Chain-Referral Samples of Hidden Populations," *Social Problems* 49, no. 1 (2002): 11–34; and Matthew J. Salganik, "Confidence Intervals, Design Effects, and Sample Size Calculation for Respondent-Driven Sampling," *Journal of Urban Health* 83 (2006): 98–111.

¹⁷ Some employees are "exempt" from minimum wage laws (e.g., managers) and other workers are not covered (e.g., independent contractors).

TABLE 2.
WORKPLACE VIOLATION RATES, LOS ANGELES COUNTY, 2008

Violation	A Percentage of All Respondents	B Percentage of Respondents “At Risk” of Violation
Paid below the minimum wage during previous work week	29.7	29.7
Unpaid or underpaid for weekly overtime during previous work week	15.5	79.2
Not paid required daily overtime rate during previous work week	16.4	79.1
Not paid for off-the-clock work during previous work week	14.1	71.2
Experienced at least one meal break violation during previous work week	69.8	80.3
Denied meal break during previous work week	17.4	20.4
Meal break interrupted by employer or supervisor during previous work week	10.4	13.5
Worked through meal break during previous work week	9.6	12.6
Meal break was shorter than legally required during previous work week	58.9	66.9
Denied rest break or had shortened rest break during previous work week	77.3	81.7
Paid late for previous work week	5.9	5.9
Did not receive a pay stub for previous work week	63.6	63.6
Illegal pay deduction for previous work week	2.4	45.3
Tips were stolen by employer or supervisor during previous work week	2.0	19.2
Worked off the clock without pay in previous 12 months	23.8	NA
Paid late in previous 12 months	27.3	27.3
Paid less than owed in previous 12 months	16.7	16.7
Not paid at all in previous 12 months	7.2	7.2
Experienced retaliation by employer for making complaint or organizing a union during the previous 12 months	4.5	47.7
Experienced a violation of workers’ compensation law for most recent on-the-job injury during the previous 3 years	8.4	89.8

Source: Authors’ analysis.

apply to both full- and part-time workers, whether they are paid by the hour, by the piece, or in some other manner. In California, unlike many other states, tipped workers have the same minimum wage as those who do not receive tips. Minimum wage laws cover unauthorized immigrants, as do all of the other laws discussed in this report.

Many workers are unaware of the exact amount of the wage to which they are entitled by law. When asked to cite the current minimum wage, only 50.1 percent of L.A. respondents were able to do so correctly. A higher percentage of respondents could do so in Chicago, but the percentage in New York was lower than that in Los Angeles. Among L.A. respondents, 18.1 percent believed that the minimum wage was higher than the current \$8.00 per hour, 16.2 percent believed it was lower, and 15.6 percent stated that they did not know. Furthermore, 28.9 percent of L.A. respondents were unaware that unauthorized immigrants enjoy the same protection under minimum wage laws as other workers do. Here the figures are not significantly different than those for New York or Chicago respondents.

As noted above, the estimates of minimum wage violations in this study do not rely on respondents' knowledge of the law, but instead are based on detailed information collected from each respondent about the work week immediately prior to his or her interview. Using these data, each respondent's hourly wage rate was calculated for the job(s) in which he or she worked that week by dividing total weekly earnings by the number of hours worked after taking into account any bonuses, taxes, deductions, and overtime pay. This rate was then compared to the California minimum wage to determine whether a minimum wage violation had occurred.

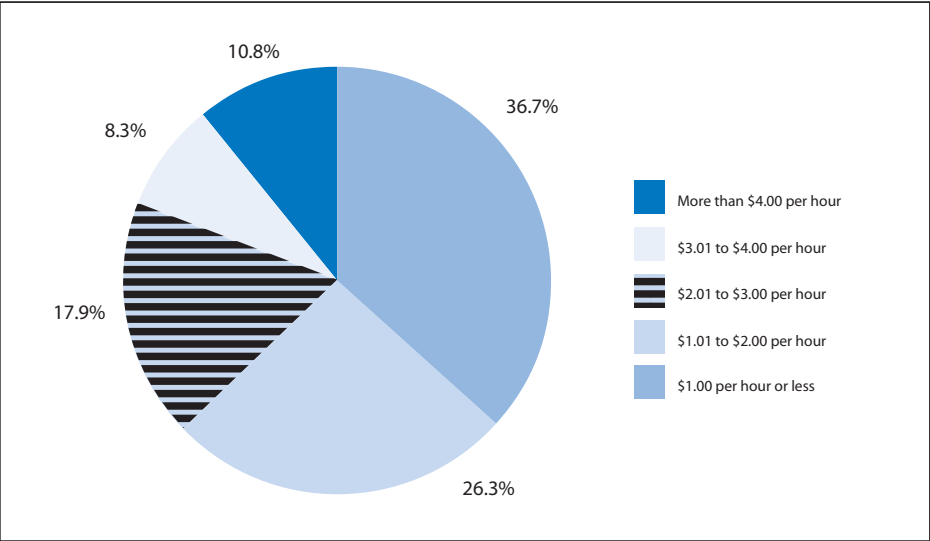
As Table 2 shows, 29.7 percent of the workers in the L.A. sample were paid less than the minimum wage in the previous work week, higher than the percentage in New York City, but with no statistically significant difference from Chicago.¹⁸ Moreover, the disparity between the actual wage and the minimum wage was not trivial: as Figure 2 shows, 63.3 percent of workers in the sample were underpaid by more than \$1.00 per hour, and the median underpayment was \$1.65 per hour.

■ OVERTIME VIOLATIONS

The Fair Labor Standards Act of 1938 stipulates that covered employees must be paid "time-and-a-half" (1.5 times their regular rate of pay) for all hours worked over forty during each week worked for a single employer. California also regulates daily overtime, as discussed below.

¹⁸ For this violation and others for which comparisons across cities are mentioned below, data on the three cities combined can be found in Bernhardt et al., *Broken Laws, Unprotected Workers* (see note 7). More detailed reports on New York and Chicago are forthcoming.

FIGURE 2.
AMOUNT OF UNDERPAYMENT FOR RESPONDENTS WITH A
MINIMUM WAGE VIOLATION, LOS ANGELES COUNTY, 2008



Source: Authors' analysis.

Workers are not necessarily aware of these laws. When asked, “As far as you know, do employers have to pay workers more than their usual wage when they work more than forty hours in a week?,” 85.8 percent of L.A. respondents (and about the same percentage of respondents in the other two cities) said “yes.” Respondents were not asked about the details of their weekly and daily overtime pay rates; most likely few would have this detailed knowledge. Once again, the measures of overtime violations reported here did not depend on workers’ legal knowledge; rather, violations were calculated based on the detailed data collected from each respondent.

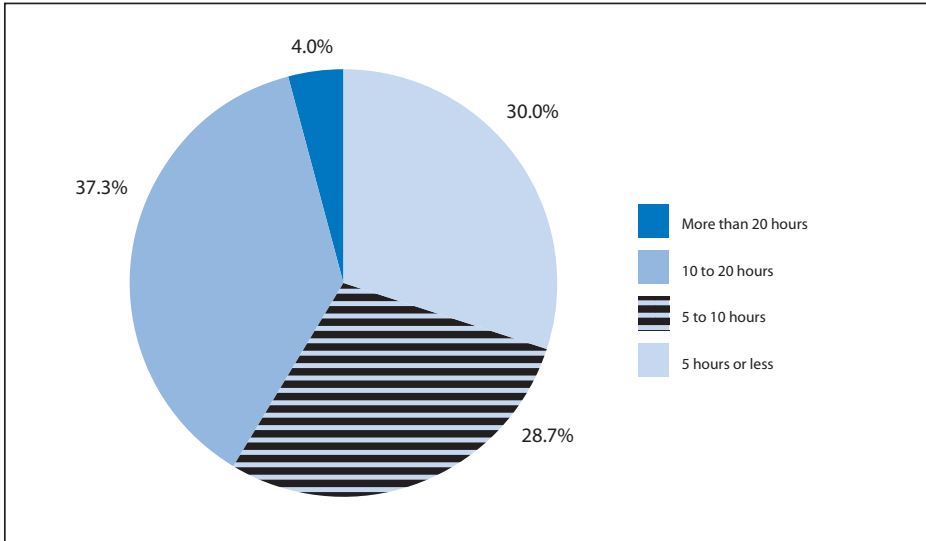
Among all L.A. respondents, 21.3 percent worked more than forty hours for a single employer during the previous work week and were therefore at risk for an overtime violation. As Table 2 shows, 79.2 percent of these at-risk workers were not paid the legally required overtime rate by their employers. The overtime violation rate among all workers in the L.A. sample (that is, regardless of whether they worked overtime in the previous week) was 15.5 percent.¹⁹

Nonpayment or underpayment for overtime work takes a variety of forms. Among L.A. respondents who experienced an overtime violation, 73.1 percent received only their regular hourly rate for the hours they worked over forty. Another 20.3 percent were not paid at all for those

¹⁹ If respondents had worked more than forty hours in the previous work week, they were asked how much they were paid for those hours. If the stated amount was less than 150 percent of their regular wage, they were counted as having an overtime violation.

hours, and 6.6 percent were paid less than their usual hourly rate or were promised “comp time.” Like minimum wage violations, overtime violations were far from trivial: L.A. respondents with an overtime violation worked an average of ten overtime hours during the previous work week, and as Figure 3 shows, 41.3 percent worked more than ten overtime hours.

FIGURE 3.
TIME WORKED BEYOND FORTY HOURS FOR RESPONDENTS WITH A
WEEKLY OVERTIME VIOLATION, LOS ANGELES COUNTY, 2008



Note: Percentages shown are for respondents who worked more than 40 hours for a single employer in the previous work week.

Source: Authors' analysis.

In addition to weekly overtime laws, California has daily overtime pay requirements. If a worker works between eight and twelve hours in a single day for a single employer, state law requires employers to pay 1.5 times the regular wage; the rate increases to double the regular wage after twelve hours of work in a single day. In addition, California law requires that if a worker works seven days in a given week for a single employer, on the seventh day the employer must pay 1.5 times the regular wage for the first eight hours and double the hourly rate for every hour beyond the eighth.²⁰ As Table 2 shows, among L.A. respondents whose hours met these daily overtime criteria, the large majority — 79.1 percent — did not receive the legally required wage.²¹

²⁰ Some workers are exempt from California's daily overtime rules, including public sector janitors and many child care and home care workers employed by private households.

²¹ In order to avoid double-counting violations, this violation rate does not include workers who worked more than forty hours in a week; these are counted in the forty-hour overtime violation measure.

OFF-THE-CLOCK WORK

Jennifer works for an upscale specialty retailer at a shopping mall in an affluent beach community in L.A. County. Although she is paid \$9.00 per hour, she is regularly expected to continue working after clocking out at the end of her shift.

Jennifer: When we close, we all leave together. But we still have to go to two locations after we close. We clock out. So we're done. We all lock up. Then we have two more locations to go to. The first one is to drop off the deposit at the bank. And the second one is to go to a remote location, our overflow location.

Interviewer: And you don't get paid for that time?

Jennifer: You do not get paid for that, no. And then sometimes, when we come in, they send out little video clips for us to watch to get caught up on the new products or what have you. Especially around the holiday season. It could be the way they're switching the wrapping, the way they want their wrapping changed. It could be a recall or something. It could be a whole host of different things. And our managers like us to come in early to watch that.

■ OFF-THE-CLOCK VIOLATIONS

In addition to unpaid overtime, some workers are required to perform “off-the-clock” work — work that takes place before or after a regularly scheduled shift and for which no pay is provided.²² Off-the-clock work is technically a type of minimum wage violation, but it is measured separately here. By law, employees must be paid for all the hours they work. That means any work performed before or after official start and end times must be compensated in accordance with minimum wage laws. This survey asked workers whether they came in before their official shift or stayed late after their official ending time (putting them at risk of being required to work off the clock) and if so, whether they received payment for this time. If respondents came in early and/or stayed late *and* were not paid at all for work they performed during those time periods, they had experienced an off-the-clock violation.

Nearly one in five L.A. respondents (17.6 percent) stated that they had worked before and/or after their regular shifts in the previous work week

²² Off-the-clock work can also occur during the middle of a work shift when workers are instructed to “punch out” but must continue to work. This survey only captured off-the-clock work that occurred immediately before or after a shift.

and were thus at risk for an off-the-clock violation. Within this group, 71.2 percent did not receive any pay at all for the work they performed outside of their regular shift. Respondents who experienced this type of violation worked an average of 2.5 hours per week without pay.

■ MEAL AND REST BREAK VIOLATIONS

California state law requires employers to provide most workers an uninterrupted thirty-minute meal break during any shift of five or more hours.²³ The law does not require the employer to pay workers during the meal break, but any work performed during the break must be compensated.

A large majority of L.A. respondents (89.6 percent) worked enough consecutive hours to be legally entitled to a meal break. However, as Table 2 indicates, 80.3 percent of at-risk workers and 69.8 percent of the total sample experienced a meal break violation in the previous work week. The meal break violation rate in Los Angeles was higher than that found in New York City; Chicago had the lowest rate.

Meal break violations took a variety of forms. One in five (20.4 percent) of L.A. respondents at risk for this violation received no meal break at all at least once during the previous week, and 66.9 percent had a meal break that was shorter than the legally mandated length. Respondents also reported being interrupted by their employer during the break (13.5 percent) or working during part of their meal break (12.6 percent).

California law also requires employers to provide workers ten-minute rest breaks during each four-hour shift (two ten-minute rest breaks in a standard eight-hour shift).²⁴ This requirement was often violated. The survey found that 81.7 percent of respondents eligible for rest breaks (and 77.3 percent of the full L.A. sample) were either denied a break entirely or had a shortened break.

■ OTHER PAY VIOLATIONS

In addition to minimum wage, overtime, off-the-clock, and meal and rest break violations, the survey examined several other pay-related violations (see Table 2). First, workers were asked if they had received their pay on time for the previous work week; 5.9 percent of L.A. respondents had not. Second, the survey asked workers if they had received a pay stub or other documentation of their earnings and deductions. California law requires that all workers — whether they are paid in cash or by check — receive

²³ Public sector janitors as well as nannies and home health care workers are exempt from state meal break requirements.

²⁴ State laws in New York and Illinois do not require rest breaks, so no comparisons for those cities are possible here.

MEAL BREAKS

Juanita works as a certified nursing assistant in a private hospital. Her pay is well above the minimum wage. For this reason she values the job highly and does not want to lose it, even though she is often asked to work “off the clock.”

Juanita: Employees clock in at various locations within the hospital complex. The hospital assigns an employee a code, and then the employee needs to choose a finger for a fingerprint that will be programmed into the system to validate who the employee is. To check in, you enter the secret code, place your finger in a designated space on the clock, your identity is determined, and then you are checked in. The arrival, departure, and the lunch and breaks are tracked in this way.

We have a clock machine on every floor. We are prohibited from using the machine on the first floor. If we are assigned to work on the second floor, then we are required to use the clock on the second floor; and if we are working on the third floor, then we are required to use the clock on the third floor. The clocks are located inside the break room.

We need our breaks, we are very tired after so much work, but they keep a very close eye on you. Near the front desk area where the break room is located, the staff is always keeping a very watchful eye on employees taking their breaks.

After an employee clocks out and starts to leave, the nurses that are right in front of the clocks — as you pass by the front desk area any one of them can tell you, “Oh, could you please empty that before you leave?” But you are already clocked out, ready to leave, and they know it. We tell them, “Look, I clocked out already, and I am going home.” But they insist that you stay. “Oh, come on, it will only take you a few seconds.” But that is not true, at times it can take up to twenty minutes to do what they tell you to do.

On Monday, as I was ready to take the elevator down to the first floor, a charge nurse approached me. I always go to the first floor, where nobody can bother me, nobody can see you, you can relax and take your lunch break in peace. And she said, “Juanita, is the patient in bed twelve yours?” I replied, “No.” She then asked me to go and take a look at him as he was screaming and needed help. I said, “I need to take my lunch break.” I stated that I had already clocked out and I was tired. Again she implored, “Please go and see what he wants.” In the end I went to see what the patient needed and spent twenty minutes of my lunch time caring for him. I did not have another option.

documentation of their earnings and deductions. However, 63.6 percent of L.A. respondents did not receive this mandatory documentation. Third, respondents were asked about deductions from pay during the previous work week. In California, employers are generally not permitted to take deductions from a worker's pay for damage or loss, work-related tools, materials or transportation, or uniforms. Among L.A. respondents who reported deductions from their pay, 45.3 percent were subjected to such illegal deductions.

Some pay-related violations specifically affect workers who receive tips. It is illegal for employers or managers to appropriate any portion of the tips provided by customers in restaurants or other settings where tips are customary. But 19.2 percent of tipped respondents in L.A. County experienced such "tip stealing" during the previous work week, a significantly higher rate than that for the other two cities studied.

■ VIOLATIONS DURING THE PREVIOUS TWELVE MONTHS

For all of the violation rates discussed above, the focus was the work week immediately prior to each respondent's survey interview. Another component of the survey involved questions about respondents' experiences in all the jobs they had held over the previous twelve months. The purpose was to measure the prevalence of workplace violations that occur relatively infrequently and thus might be missed by questions limited to a single work week. These estimates are less reliable than those for the previous work week because they rely on respondents remembering incidents that occurred over a longer time period.

Among all L.A. respondents, 42.1 percent had experienced at least one pay-related violation (off-the-clock work, late payment, being paid less than owed, or not being paid at all) in the twelve-month period prior to their interview. Nearly one-fourth (23.8 percent) of respondents had worked off the clock without pay at least once in that year. When respondents experienced this violation, they did so frequently — twenty-nine times during the previous year, on average.

Among all L.A. respondents, 27.3 percent were paid late at some point during that year; those in this group experienced, on average, five incidents of late payment. And 16.7 percent of L.A. respondents had been paid less than what they were owed by their employers at least once during the previous year; this occurred, on average, four times. Finally, 7.2 percent of workers in the L.A. sample were not paid at all for work they had performed at least once in that year; among these workers, nonpayment of wages occurred an average of 2.5 times.

TIP STEALING

Rosa worked for a brand-name hotel in the San Fernando Valley as a room cleaner. She was paid \$8.00 an hour for a forty-hour week, with a company check. No violations were apparent on her check stub, but in fact she was required to work much more than forty hours a week. She had to come in half an hour before her shift officially began to prepare her supply cart, and completing her assignments typically required more than eight hours of work. In addition, Rosa was a regular victim of tip stealing.

Interviewer: Do you receive tips in this job?

Rosa: Hotel guests sometimes do leave tips, but I don't get them. My supervisor goes into the rooms before I clean them and pockets the tips.

Rosa didn't complain about the tip stealing, but she did ask her supervisor why she was not getting paid for all the hours she worked. First he told her that she was not supposed to be paid for her meal breaks. But her unpaid time was much more than thirty minutes a day, so later she asked about it again. This time the supervisor told her, "Don't worry, you don't have to come in to work tomorrow." Later she figured out she had been fired for daring to complain.

Respondents were also asked about ways in which nonpayment or late payment occurred during the previous twelve months. Most often workers were simply told that they could not be paid because the employer did not have the money. In other cases workers were paid with checks that bounced, or their employers disappeared or closed up shop before they received their pay. A few workers said they were paid with goods or gifts instead of money.

Another violation the study measured was verbal abuse on the job. Regular and repeated verbal abuse by an employer or supervisor is illegal in California if the abuse involves race, religion, gender, sexual orientation, national origin, age, and/or disability. A small number (2.4 percent) of respondents experienced this type of abuse in the twelve months prior to their interview.

■ ILLEGAL EMPLOYER RETALIATION

The law protects workers from employer retaliation if they complain to their employer or to a government agency about their working conditions; retaliation against workers who attempt to organize a union is also illegal. Threatening to fire workers, actually firing or suspending workers, cutting

hours or pay, harassing or abusing workers, or giving workers a worse work assignment are all illegal forms of employer retaliation if they occur as a direct result of a complaint or union organizing effort.

Respondents were asked whether they had complained to their employer, to their supervisor, or to a government agency about an on-the-job problem during the year prior to their interview. If they had complained, follow-up questions were asked about the most recent complaint. If they had not complained, they were asked if they had any problems on the job and, if so, why they chose not to complain.

Among L.A. respondents, 14.7 had either made a complaint in the year prior to their interview or (in a few cases) had attempted to form a union. Nearly all the complaints (98.6 percent) were made directly to employers or supervisors. That this was the main approach is not surprising, since only 18.4 percent of L.A. respondents indicated that they knew where to file a complaint with the government. The level of knowledge was significantly higher in New York and Chicago.

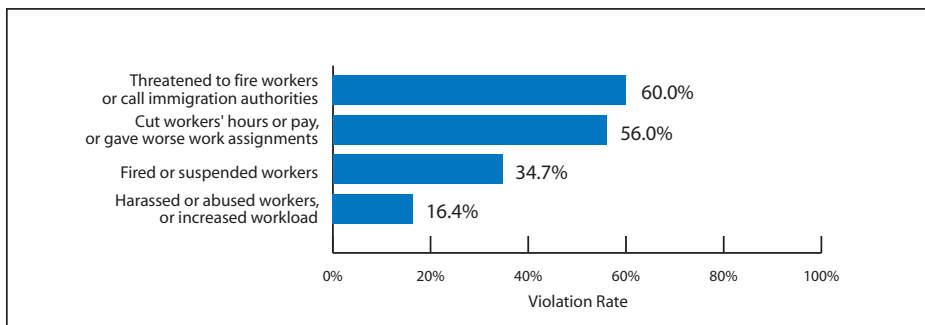
Nearly half (47.7 percent) of those L.A. respondents who had made complaints or attempted to organize a union reported that they had experienced retaliation from their employer or supervisor.

Moreover, despite the nominal existence of protection from retaliation, many workers chose not to make complaints to their employers, even when they encountered substandard conditions and other problems in the workplace. Among L.A. respondents, 20.1 percent indicated that they had not complained during the previous twelve months even though they had experienced a serious problem such as dangerous working conditions, discrimination, or not being paid the minimum wage. Among these respondents, 59.7 percent reported that they did not complain because they were afraid of losing their job, another 13.6 percent feared they would have their hours or wages cut, and 31.4 percent thought it would make no difference if they complained.

Those L.A. respondents who did complain identified a variety of on-the-job problems. Their complaints included not being paid for all hours worked (16.8 percent of all complaints), not being paid on time (11.8 percent), not being paid for overtime (12.2 percent), being paid below the minimum wage (11.1 percent), and dangerous working conditions (9.8 percent).

Figure 4 shows the various ways in which employers illegally retaliated against workers. These included cutting workers' hours and pay, threatening to call immigration authorities, firing workers, and increasing workloads.

FIGURE 4.
TYPES OF ILLEGAL EMPLOYER RETALIATION, LOS ANGELES COUNTY, 2008



Note: Percentages shown are for respondents who experienced illegal retaliation for making a complaint or attempting to organize a union during the previous year. Respondents could report more than one type of retaliation.

Source: Authors' analysis.

■ WORKERS' COMPENSATION

California law requires employers to pay into the state workers' compensation fund and to carry workers' compensation insurance to cover workers who become sick or injured on the job for work-related reasons. The insurance covers medical bills as well as wages lost due to the injury or illness.

Among all L.A. respondents, 11.3 percent reported that they had experienced a serious on-the-job injury at some time during the three years prior to being interviewed.²⁵ These workers were asked follow-up questions about their most recent work-related injury and about the way in which their employers responded to that injury.

The survey data suggest that the workers' compensation system is very rarely used by low-wage workers. Only 4.3 percent of L.A. respondents who had experienced a serious on-the-job injury during the previous three years had filed a workers' compensation claim for their most recent injury.

The data also suggest that employers frequently fail to observe the requirements of workers' compensation law in responding to on-the-job injuries. Fully 42.3 percent of seriously injured L.A. respondents reported that they were required to work despite their injury; an additional 30.3 percent said their employer refused to help them with the injury; 12.6 percent were fired shortly after the injury; 9.9 percent said their employer made them come into work and sit around all day; 4.1 percent were

²⁵ For purposes of this survey, a serious injury was defined as one that "needed medical attention," whether or not respondents received such attention. The three-year window was used for this question because on-the-job injuries are relatively rare events.

WORKPLACE INJURY

Veronica is employed as a housecleaner by a Mexican American woman who owns a domestic employment agency. The agency arranges the jobs with the homeowners, who pay \$90.00 to have their houses cleaned. Veronica cleans two houses a day — it takes four or five hours for each one — and is paid \$60.00 in cash, or \$30.00 per house. In addition, she has a car with which she picks up some of the other workers employed by the agency. She does not get paid for this driving time or for the gas and related expenses, and the work can be dangerous. Veronica complained that she was not given the proper equipment to do the work. For example, on one recent job, she had to clean the windows, but no ladder was available.

Veronica: I asked the boss what I could use to reach up to the widows, and she said, "You figure it out." So I used a stool I found in the house to climb up onto the kitchen counter, near the dish dripper. But then I fell down onto the floor. My legs are still swollen and my hand hurts a lot.

Veronica saw a doctor after this accident, which she paid for herself. She was unable to work for the next two days, and even after returning to work she was still in pain. When she told her boss about the incident, Veronica said that "she just laughed."

threatened with deportation or notification of immigration authorities; and 2.1 percent were told by their employers not to file a workers' compensation claim. Only 7.3 percent of employers instructed injured workers to file a workers' compensation claim. Although not all these employer responses violate the law, many do. Indeed, as Table 2 shows, 89.8 percent of L.A. respondents who suffered an injury in the three years previous to the survey experienced a violation of workers' compensation law for their most recent injury.

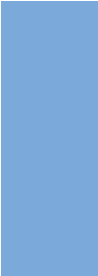
The survey also gathered information on who paid for injured workers' medical expenses. More than half (51.3 percent) of L.A. respondents who experienced a serious injury at work sought medical attention for that injury, but within this group only 48.6 percent indicated that their employers paid any part of their medical bills. Many respondents who sought medical attention after an on-the-job injury had to pay out of pocket (24.8 percent) or used their health insurance (16.4 percent) to cover the expenses. Workers' compensation insurance paid the medical expenses of only 7.5 percent of the L.A. respondents who visited a doctor for an on-the-job injury or illness.

■ SUMMARY

Low-wage workers in L.A. County frequently are paid below the minimum wage, not paid for overtime, work off the clock without pay, and have their meal breaks denied, interrupted, or shortened. In fact, 88.5 percent of workers in the L.A. sample had experienced at least one type of pay-related workplace violation in the week of work before the survey.²⁶ Almost a third (29.7 percent) of L.A. respondents received less than the minimum wage during the previous work week, and among those who worked more than forty hours, 79.2 percent were not paid the legally required overtime rate.

The data also show that workers are right to fear employer retaliation. Among L.A. respondents who made complaints or attempted to organize a union, nearly half (47.7 percent) experienced retaliation from their employer or supervisor. In addition, the survey found that the workers' compensation system is not functioning for the vast majority of workers in L.A. County's low-wage labor market, and the evidence suggests that many employers either directly or indirectly discourage workers from filing claims.

²⁶ This measure includes the following violations: minimum wage, tipped minimum wage, overtime, off-the-clock work, being paid in tips only, illegal deductions, and rest break violations.



VIOLATION RATES BY INDUSTRY, OCCUPATION, AND EMPLOYER CHARACTERISTICS

Workplace violations are the result of employer decisions about whether to pay the minimum wage or overtime, whether to give workers meal breaks, or how to respond to complaints about working conditions. Because some types of businesses tend to violate employment and labor laws more than others do, there is considerable variation in violation rates across occupations and industries. The analysis below examines those variations, along with pay arrangements and company size.²⁷

■ MINIMUM WAGE VIOLATIONS

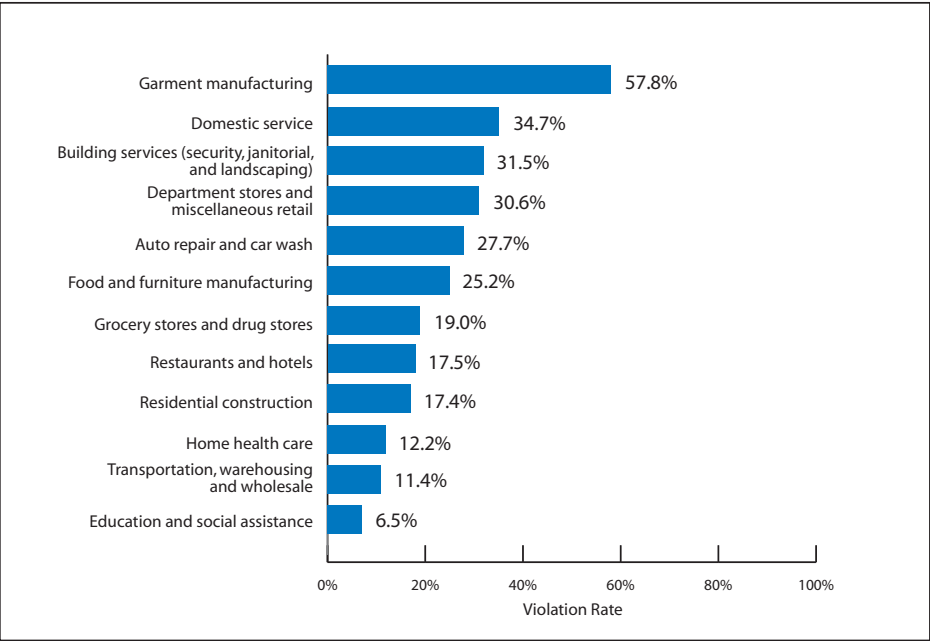
Minimum wage violation rates vary significantly by industry, as Figure 5 shows. Violation rates were especially high in the L.A. garment manufacturing industry, a sector that has long been notorious for high levels of wage and hour violations.²⁸ In this industry, well over half (57.8 percent) of L.A. respondents were paid less than the minimum wage. Although garment manufacturing is an extreme case, minimum wage violation rates were also relatively high in domestic service (34.7 percent), building services (31.5 percent), and department stores and miscellaneous retail (30.6 percent). The rates were much lower in education and social assistance (6.5 percent), transportation, warehousing and wholesale (11.4 percent), and home health care (12.2 percent).

Figure 6 shows that minimum wage violation rates also vary by occupation. The highest rate shown is for child care workers, many of whom work in private households: 74.9 percent of L.A. respondents who worked as child care workers experienced a minimum wage violation during the week prior to their interview. Garment workers also had an extremely

²⁷ Unionization is another important influence on the prevalence of workplace violations, but it could not be included in this analysis due to data limitations. Many unionized industries and occupations were excluded entirely from the study because they had median wages above the threshold used in constructing the sample (see the Appendix for details on the sampling universe). The small number of unionized workers who were surveyed (a total of eighty-one union members were in the L.A. sample, less than 5 percent of the total) were concentrated in a small set of industries, further limiting the reliability of any analysis of unionism's impact on prevalence rates.

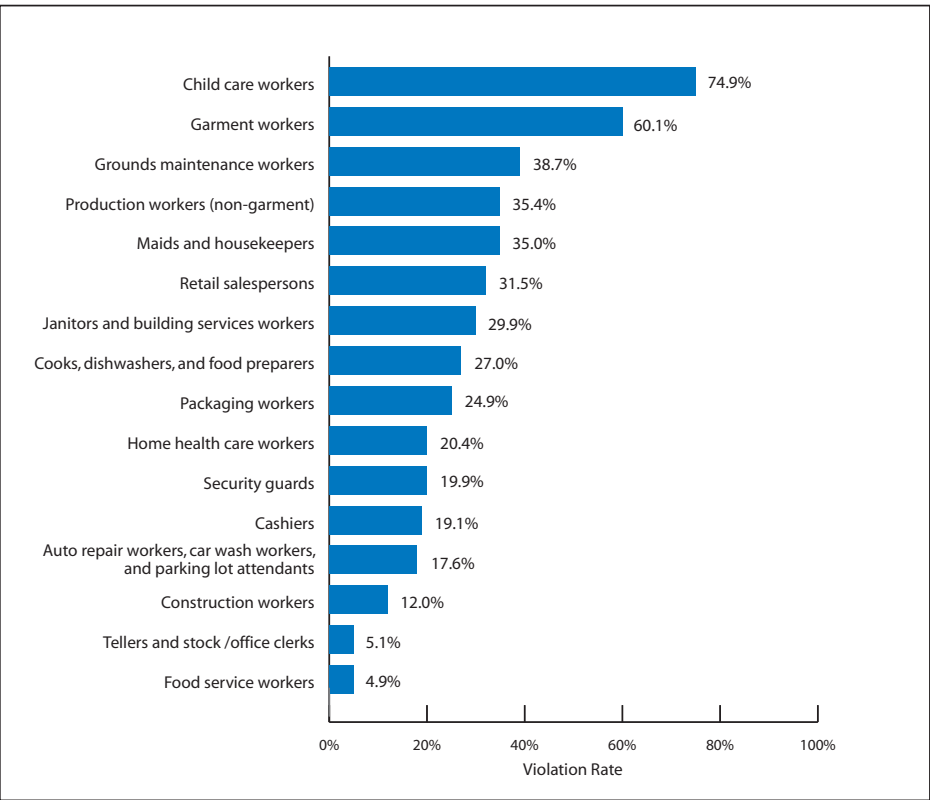
²⁸ See Edna Bonacich and Richard P. Appelbaum, *Behind The Label: Inequality in the Los Angeles Apparel Industry* (Berkeley: University of California Press, 2000); and Robert J. S. Ross, *Slaves to Fashion: Poverty and Abuse in The New Sweatshops* (Ann Arbor: University of Michigan Press, 2004).

FIGURE 5.
MINIMUM WAGE VIOLATION RATES BY INDUSTRY, LOS ANGELES COUNTY, 2008



Source: Authors' analysis.

FIGURE 6.
MINIMUM WAGE VIOLATION RATES BY OCCUPATION, LOS ANGELES COUNTY, 2008



Source: Authors' analysis.

WAGE THEFT

Claudia worked as a sewing machine operator in a garment shop in downtown Los Angeles. She was there from 6:00 a.m. to 8:00 p.m., five days a week. She was paid a piece rate of 14 to 16 cents for each item she sewed, and she typically earned around \$200.00 a week — well below the minimum wage. At the end of one week, on what was usually payday, she faced a new problem.

Claudia: The boss [a subcontractor] said to us, “I’m sorry, but I don’t have any money. I will pay you next week.” But when the next week came, the same thing happened. At that point he said, “That’s two weeks I owe you for, but I still don’t have the money, the company hasn’t paid me yet. Come to work another week and then I’ll pay you for all of the weeks together.”

We worked a total of four weeks, but we never got a penny. The fourth week, all the workers came to the factory and we saw that it was closed. We waited there for a while, hoping someone would come to open the doors, but no one came. Eventually the landlord showed up and told us that the space was vacant. They had taken out all the machines, there was nothing left. And they didn’t pay us at all. For four weeks.

high minimum wage violation rate of 60.1 percent. By contrast, workers in the following occupations had relatively low minimum wage violation rates: construction workers (12.0 percent), tellers and stock clerks (5.1 percent), and food service workers (4.9 percent).

Although many employers in low-wage industries and occupations pay their workers a regular hourly wage, others pay workers by the week, by the day, or even by the piece. Low-wage workers who are paid on a flat weekly basis typically are highly vulnerable to minimum wage violations, since their pay does not increase with the number of hours they work. A cook, for example, might be paid \$300.00 weekly and be expected to work a varying number of hours, depending on how busy the restaurant is and how the owner or manager schedules work shifts. The same problem affects workers who are paid on a flat daily basis. Thus a day laborer might receive \$80.00 for a day’s work, regardless of the number of hours involved. In apparel manufacturing, workers are often paid by the piece — for example, a worker might be paid seven cents for each shirtsleeve she sews. Piece rates are strongly associated with minimum wage violations. In order to earn the minimum wage, employers often mandate that piece-rate workers reach unachievable levels of productivity.²⁹

²⁹ For documentation of minimum wage violations in the apparel industry, see Bonacich and Appelbaum, *Behind the Label*, and Ross, *Slaves to Fashion* (see note 28).

Overall, 63.5 percent of L.A. respondents were paid an hourly wage; most of the rest (23.4 percent) were paid either a flat weekly or a flat daily amount. Of those remaining, 7.3 percent were paid piece rates, and the other 5.8 percent were paid in some other manner. As Table 3 shows, L.A. respondents who were paid on some basis other than an hourly rate had a substantially higher minimum wage violation rate (54.2 percent) than those who received an hourly wage (15.2 percent). This is not surprising, since for these workers, wages are only loosely tied to the number of hours they work.

TABLE 3.
WORKPLACE VIOLATION RATES BY PAY TYPE, PAY METHOD,
AND COMPANY SIZE, LOS ANGELES COUNTY, 2008

	Minimum Wage Violation Rate	Overtime Violation Rate ^a	Off-the-Clock Violation Rate ^a	Meal Break Violation Rate ^a
Pay Type				
Hourly	15.2	59.6	69.6	80.1
Non-hourly	54.2	94.2	71.2	77.9
Pay Method				
Paid in cash	34.5	90.7	74.9	80.2
Paid by company check	23.8	64.7	66.0	81.4
Company Size				
Fewer than 100 employees	29.6	82.8	70.0	79.2
100 employees or more	18.8	49.0	73.6	79.9

^aOvertime, off-the-clock, and meal break violation rates shown are for workers “at risk” for each violation during the previous work week.

Source: Authors’ analysis.

Minimum wage violation rates also vary sharply depending on whether workers are paid by a company payroll check or by some other means — typically in cash.³⁰ Although it is not illegal for employers to pay their workers in cash, the law does require that employers provide an itemized statement of earnings and deductions to all employees for each pay period. As noted above, 63.6 percent of L.A. respondents did not receive this statement from their employer. Among workers who were paid in cash, nearly all (94.6 percent) did not receive a statement.

Without the transparency provided by a statement of earnings and deductions, workers often are unable to determine whether they have received the wages they are legally due. As Table 3 shows, workers who

³⁰ Workers paid by direct deposit are included in the “company check” category in Table 3 and in the text. Those paid by personal check or by a mixture of cash and check are included in the “cash” category.

were paid in cash had a higher minimum wage violation rate than those paid by company check (34.5 percent and 23.8 percent, respectively). Although this difference is statistically significant, the minimum wage violation rates were identical (15.6 percent) for hourly workers paid in cash and those paid by company check; similarly, for non-hourly workers there is no significant difference between those who were paid in cash and those who received company checks (both rates were above 50 percent).

Finally, company size has a significant relationship to minimum wage violation rates. As Table 3 shows, L.A. respondents employed in companies with fewer than 100 employees had a much higher minimum wage violation rate than did workers in larger companies (29.6 percent and 18.8 percent, respectively).

■ OVERTIME VIOLATIONS

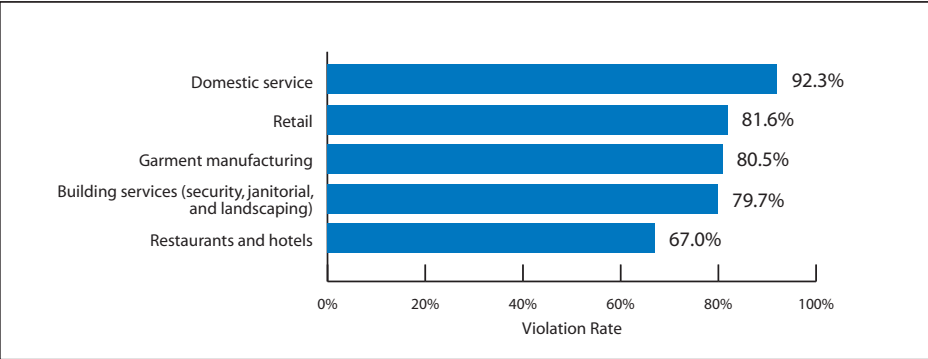
Overtime violations can occur in a number of ways. For example, some employers pay workers their regular hourly rate (sometimes called “straight time”) for overtime hours, rather than the time-and-a-half rate required by law. Other employers fail to pay workers anything at all for their overtime hours. This is especially common in connection with flat daily, weekly, or monthly rates. Thus a full-time child care worker might be paid \$400.00 a week to care for children and perform various house-keeping duties. She also may be expected to extend those hours beyond the forty-hour threshold, without any adjustment in her salary, whenever her employer returns home late. This can easily lead to an overtime violation. In another variation, some employers give workers a token payment for overtime — perhaps \$20.00 for working five hours on a Saturday in addition to a full week’s work.

As noted above, 79.2 percent of L.A. respondents who worked more than forty hours for a single employer during the previous work week were not properly paid for overtime as required by law. Overtime violation rates were high across a range of industries, ranging from 67.0 percent for L.A. respondents in the restaurant and hotel industry to 92.3 percent for respondents employed in domestic service, as Figure 7 shows.

Occupations also varied in regard to overtime violation rates, as shown in Figure 8. Rates were particularly high for home health care workers, child care workers, and maids and housekeepers; among those who worked more than forty hours during the previous week, 95.6 percent experienced an overtime violation. The rate for garment workers was nearly as high (92.5 percent).

Table 3 shows the relationship between pay arrangements and overtime violations. As was the case for minimum wage violations, non-hourly

FIGURE 7.
WEEKLY OVERTIME VIOLATION RATES BY INDUSTRY, LOS ANGELES COUNTY, 2008



Note: Percentages shown are for respondents who worked more than 40 hours for a single employer in the previous work week.
Source: Authors' analysis.

workers experienced disproportionately high overtime violation rates. Among those who worked more than forty hours for a single employer during the previous work week, 94.2 percent experienced an overtime violation. This extremely high rate is not surprising, since flat weekly or flat daily pay rates, by definition, do not vary with hours worked.

Hourly workers also faced high overtime violation rates: 59.6 percent were underpaid for their overtime hours in the previous work week. Similarly, when employers paid workers in cash, violations of overtime pay laws were markedly high: 90.7 percent of these workers experienced

UNPAID OVERTIME

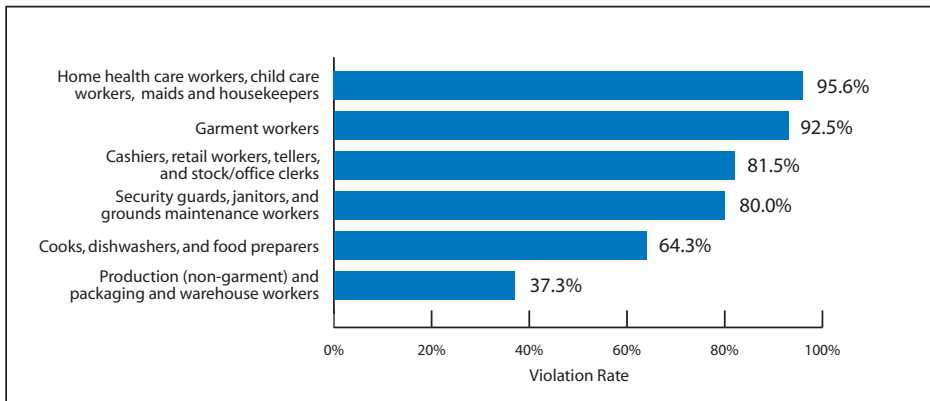
Maria is a live-out nanny who works for a Korean family. She cares for two small children and also does light housekeeping, all for a flat weekly rate of \$250.00. That pay rate violates California's minimum wage law: since Maria typically works fifty hours a week, her actual hourly wage is only \$5.00. Sometimes Maria is expected to work extra hours, beyond the usual fifty per week.

Maria: The lady, she is in something called Amway. So once a month she has to go to a meeting, and she always tells me, "You know, I have to go to the meeting. Would you stay until I come back?" I have no choice, I'm already there.

Interviewer: Do you get paid extra for that?

Maria: No. They just say, "Oh, thank you. I brought you a little chocolate." And that's it. They don't really give me more. Not even two dollars extra for staying a bit longer. It's not that much time but still — it's time that I could be with my kids.

FIGURE 8.
WEEKLY OVERTIME VIOLATION RATES BY OCCUPATION, LOS ANGELES COUNTY, 2008



Note: Percentages shown are for respondents who worked more than 40 hours for a single employer in the previous work week.
Source: Authors' analysis.

an overtime pay violation, compared to 64.7 percent of those who were paid by company check.

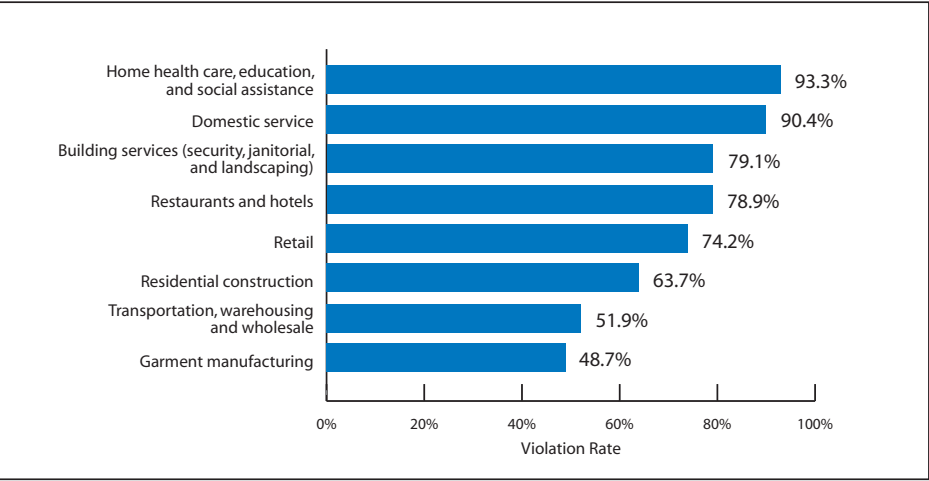
Overtime violation rates also varied with company size. As Table 3 shows, the violation rate for workers in companies with fewer than 100 employees was 82.8 percent. By contrast, the rate for workers in companies with 100 or more employees was 49.0 percent.

■ OFF-THE-CLOCK VIOLATIONS

A large majority (71.2 percent) of L.A. respondents who worked before and/or after their shift during the previous work week were not paid for that part of their working time, as noted above. Figures 9 and 10 show the variation in these off-the-clock violation rates by industry and occupation. As was the case for overtime violations, the rate for workers employed in domestic service was very high (90.4 percent), higher than the rate in any other industry except home health care, education, and social assistance (where the rate was 93.3 percent). When the data are divided by occupation, the highest off-the-clock violation rate is for home health care workers (97.3 percent), followed by maids and housekeepers and child care workers (87.3 percent).

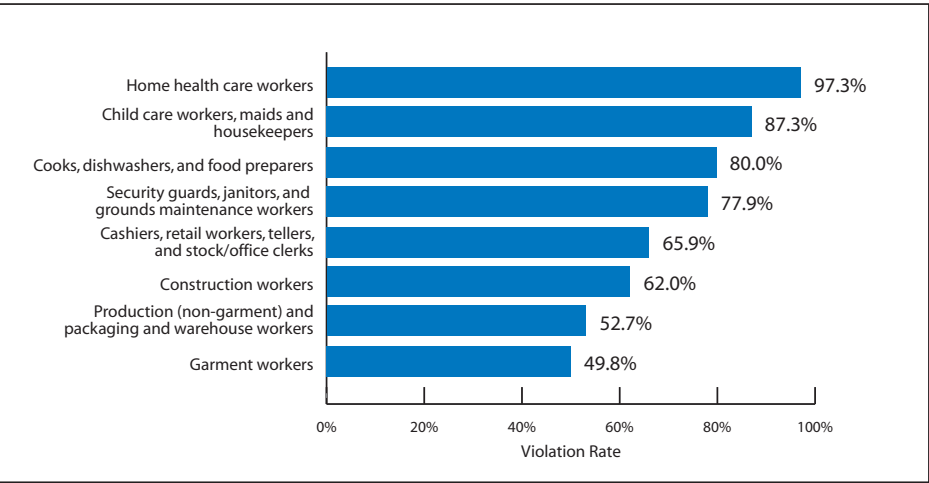
As Table 3 shows, workers with non-hourly pay arrangements (such as flat daily or weekly pay) experienced off-the-clock pay violation rates that were slightly higher than those for workers who were paid by the hour, but these differences are not statistically significant.

FIGURE 9.
OFF-THE-CLOCK VIOLATION RATES BY INDUSTRY, LOS ANGELES COUNTY, 2008



Note: Percentages shown are for respondents who worked before and/or after their official shift during the previous work week.
Source: Authors' analysis.

FIGURE 10.
OFF-THE-CLOCK VIOLATION RATES BY OCCUPATION, LOS ANGELES COUNTY, 2008

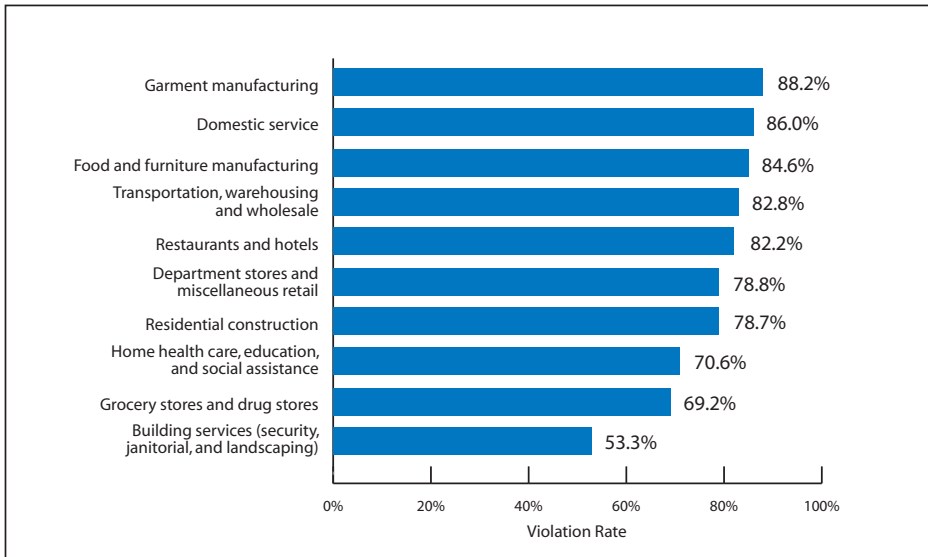


Note: Percentages shown are for respondents who worked before and/or after their official shift during the previous work week.
Source: Authors' analysis.

■ MEAL BREAK VIOLATIONS

Figures 11 and 12 show meal break violation rates by industry and occupation. Among L.A. respondents who worked enough hours to qualify for a meal break, 80.3 percent had their breaks denied, shortened, or interrupted. Violation rates were especially high for workers in garment manufacturing (88.2 percent) and domestic service (86.0 percent). Rates

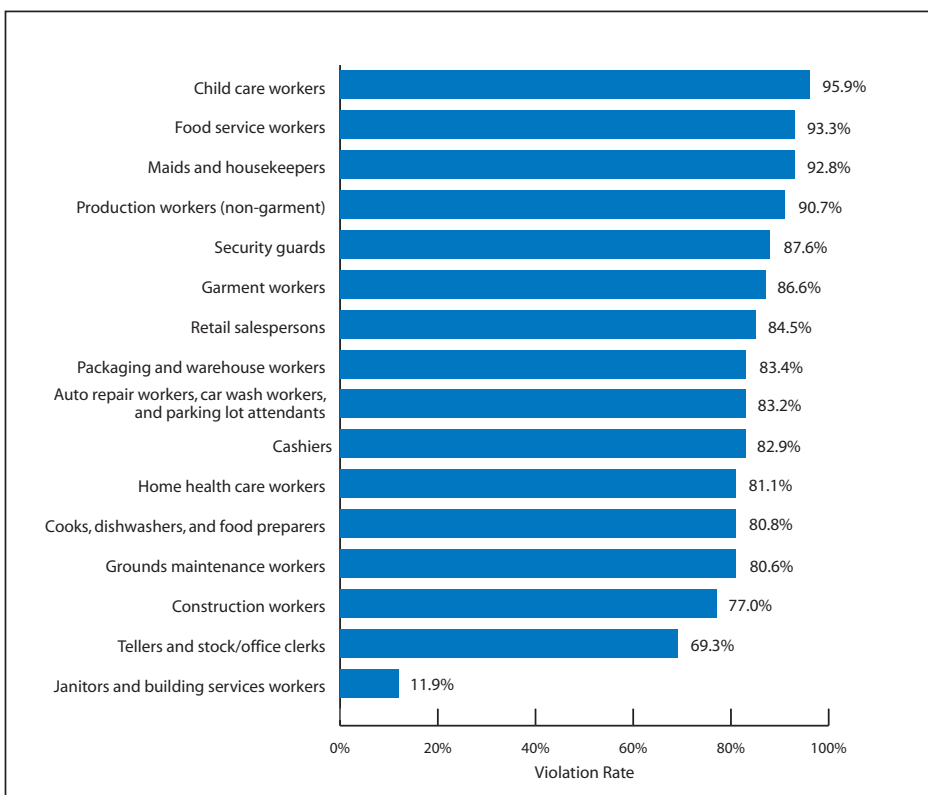
FIGURE 11.
MEAL BREAK VIOLATION RATES BY INDUSTRY, LOS ANGELES COUNTY, 2008



Note: Percentages shown are for respondents who were legally entitled to at least one meal break during the previous work week.

Source: Authors' analysis.

FIGURE 12.
MEAL BREAK VIOLATION RATES BY OCCUPATION, LOS ANGELES COUNTY, 2008



Note: Percentages shown are for respondents who were legally entitled to at least one meal break during the previous work week.

Source: Authors' analysis.

were lowest in building services, but even there more than half (53.3 percent) of respondents experienced meal break violations. When the data are analyzed by occupation, child care workers showed the highest violation rate, at 95.9 percent, followed by food service workers (93.3 percent), and maids and housekeepers (92.8 percent).

Meal break violation rates do not vary by pay type, pay method, or company size, in contrast to the other violations shown in Table 3.

■ WORKPLACE PRACTICES ASSOCIATED WITH LOWER VIOLATION RATES

Overall, these findings suggest routine violations of labor and employment laws across all industries and occupations in the sample. But the low-wage labor market is not monolithic: as the research literature shows, there is significant variation in employers' business strategies, even within specific industries.³¹ The findings of this survey are consistent with that claim.

Among L.A. respondents, 42.0 percent (a lower percentage than in Chicago or New York) indicated that their employers offered them health insurance, provided paid vacation days, paid sick days, and/or had raised their pay level in the past year. This aggregate indicator, which is a proxy for employer business strategy, as Table 4 shows, is associated with lower minimum wage and overtime violation rates. The relationship is statistically significant, and it suggests that employers' business strategies shape their decisions about whether to comply with labor and employment laws.

■ SUMMARY

The study reveals that workplace violation rates vary significantly by industry and occupation. Moreover, some industries and occupations have high levels of many different violations, suggesting that non-compliance with employment and labor laws may have become a standard business practice. For example, 60.1 percent of L.A. garment workers experienced a minimum wage violation and 92.5 percent experienced an overtime violation. High violation rates were also pervasive in domestic service.

Pay-related violations are often obscured by non-hourly pay arrangements and/or cash payment in the absence of legally required statements of earnings and deductions. Informal pay systems may facilitate minimum wage and other violations, while making it harder for workers to claim their rights under the law.

³¹ See Eileen Appelbaum, Annette Bernhardt, and Richard Murnane, eds., *Low-Wage America: How Employers Are Reshaping Opportunity in the Workplace* (New York: Russell Sage Foundation, 2003).

Finally, workers employed by companies with fewer than 100 employees are at greater risk of experiencing key violations than are those employed by larger companies. But the problem of workplace violations is by no means limited to small businesses. Nearly one out of five (18.8 percent) L.A. respondents working for a large company experienced a minimum wage violation in the previous work week, and among those who worked overtime, nearly half of those at large companies had been underpaid or not paid at all for their extra hours. For off-the-clock and meal break violations, the rates for respondents employed by large companies were just as high as for those employed at smaller ones.

TABLE 4.
WORKPLACE VIOLATION RATES BY OTHER EMPLOYER
PRACTICES, LOS ANGELES COUNTY, 2008

		Minimum wage violation rate	Overtime violation rate ^a	Off-the- clock violation rate ^a	Meal break violation rate ^a
All respondents		29.7	79.2	71.2	80.3
Employer gave worker a raise in the year prior to the survey	No	34.6	84.7	72.6	80.4
	Yes	16.2	67.1	69.9	80.4
Employer offered worker health insurance in the year prior to the survey	No	31.5	83.0	72.7	80.2
	Yes	20.7	60.2	52.7	74.4
Employer gave worker paid sick and paid vacation time in the year prior to the survey	No	31.7	85.5	71.7	80.9
	Yes	14.0	43.3	42.4	72.5

^aOvertime, off-the-clock and meal break violation rates shown are for workers “at risk” for each violation during the previous work week.

Source: Authors’ analysis.



THE IMPACT OF WORKER CHARACTERISTICS

Violations of labor and employment law vary not only with industry, occupation, and other job and employer characteristics but also with the demographic characteristics of the workforce. Industries and occupations are themselves highly segregated by gender, race/ethnicity, and nativity, but demographic characteristics can also have independent effects on violation rates. Violation rates may also be influenced by education, age and, among the foreign born, date of arrival in the United States, English-language proficiency, and immigration status.

Each type of workplace violation discussed here — being paid less than the minimum wage, not being paid properly for overtime work, working off the clock, and not receiving legally required meal breaks — has a distinctive pattern of distribution across these demographic variables.

■ MINIMUM WAGE VIOLATIONS

As Table 5 shows, 36.3 percent of female respondents in the L.A. sample experienced minimum wage violations, compared to 21.4 percent of males. Minimum wage violation rates also varied with race/ethnicity: over a third (38.3 percent) of Latino respondents in Los Angeles experienced minimum wage violations, compared to only 10.3 percent of white respondents. Nativity was also a salient factor: 35.8 percent of foreign-born workers had minimum wage violations, more than twice the percentage for their U.S.-born counterparts (15.5 percent). All these differences are statistically significant.

The aggregate patterns shown in Table 5 do not fully reveal the interrelationships among the various demographic categories, however: many show large within-group variations. For example, minimum wage violation rates for Latino workers varied dramatically by gender: Latina workers had a violation rate of 49.6 percent, compared to 27.3 percent for their male counterparts, a statistically significant difference. Similarly, as Figure 13 shows, the high violation rates for unauthorized immigrants were highly concentrated among women: well over half (57.4 percent) of female unauthorized immigrants in the L.A. sample experienced minimum wage violations in the previous work week, double the rate for

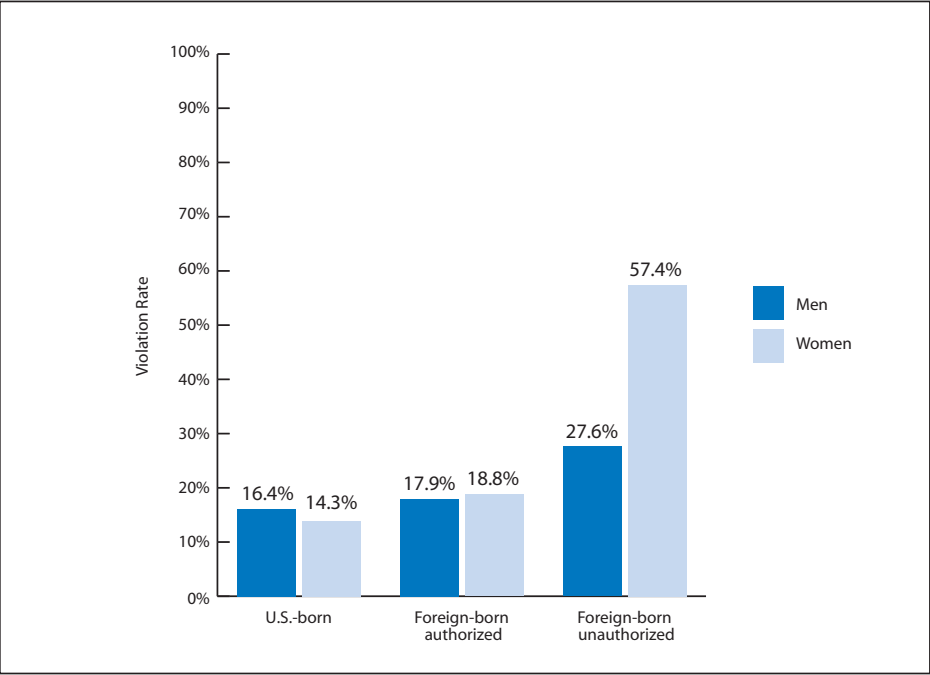
TABLE 5.
MINIMUM WAGE VIOLATION RATES BY WORKER
CHARACTERISTICS, LOS ANGELES COUNTY, 2008

	Percentage of Respondents with Violations		
	<i>All respondents</i>	<i>U.S.-born</i>	<i>Foreign-born</i>
All Respondents	29.7	15.5	35.8
<i>Gender</i>			
Male	21.4	16.4	23.6
Female	36.3	14.3	45.7
<i>Race/Ethnicity</i>			
Latino	38.3	18.4	39.3
Black	19.9	19.8	NA
Asian	13.6	NA	14.7
White/Other	10.3	11.5	NA
<i>Education</i>			
Less than high school, no GED	34.6	28.5	37.2
High school graduate or GED	27.1	12.5	33.4
Some college or higher	23.3	10.2	28.9
<i>Age</i>			
18–25	34.7	22.8	39.8
26–35	23.8	5.7	31.6
36–45	27.5	16.2	32.4
46+	30.5	10.2	39.2
<i>Vocational training</i>			
None	30.6	17.9	36.0
Completed training program	27.4	10.3	34.7
<i>Job tenure</i>			
Fewer than 3 years	31.4	15.7	38.1
3–4 years	28.4	17.7	33.0
5+ years	17.3	11.7	19.8
Foreign-born Respondents			
<i>Legal status</i>			
Authorized			28.4
Unauthorized			38.8
<i>Years since arrival in U.S.</i>			
Fewer than 6 years			39.5
6+ years			32.9
<i>English proficiency</i>			
Speaks very well/well			28.2
Speaks not well/not at all			36.2

Source: Authors' analysis.

Note: "NA" indicates that the data are insufficient to permit reliable estimates.

FIGURE 13.
MINIMUM WAGE VIOLATION RATES BY GENDER, NATIVITY,
AND LEGAL STATUS, LOS ANGELES COUNTY, 2008



Source: Authors' analysis.

unauthorized males (27.6 percent), a statistically significant difference. Among authorized immigrants and the native-born, however, women and men had similar minimum wage violation rates.

As Table 5 shows, U.S.-born workers in the L.A. sample had lower minimum wage violation rates than did foreign-born workers. Foreign-born Latinos had a minimum wage violation rate of 39.3 percent, double the rate of U.S.-born Latinos (18.4 percent). Although lower than the rate for Latino respondents, blacks had a minimum wage violation rate that was nearly double that of white workers (although the difference is not statistically significant).

Education might be expected to play an important role in predicting minimum wage violation rates. The L.A. data indeed show that workers without a high-school degree or GED had higher minimum wage violation rates than did workers with a high-school degree or who had attended college, but the differences are not statistically significant. Moreover, higher education did not insulate these workers from minimum wage violations. Similarly, violation rates were slightly lower for workers who had voca-

tional training than for those who had none, but the effect is small and not statistically significant.

Job tenure and age are often strong predictors of labor market outcomes, such as higher wages, benefits, promotions, and the like. But in this sample only job tenure had a statistically significant effect on minimum wage violations; age had virtually no effect.³²

Immigrants who reported that they speak English “well” or “very well” had lower minimum wage violation rates than those who reported speaking English “not well” or “not at all.” And minimum wage violation rates were also higher for recent arrivals than for immigrants who had been in the United States longer. Finally, unauthorized immigrants had higher minimum wage violation rates than did authorized immigrants. However, none of these differences within the foreign-born part of the L.A. sample is statistically significant.

■ OVERTIME VIOLATIONS

Overtime violations vary much less among demographic groups than do minimum wage violations. For L.A. respondents who worked more than forty hours for a single employer during the previous work week, the prevalence of overtime violations was very high across all demographic groups, as Table 6 shows.

While nativity by itself did not have a significant effect on overtime violation rates among L.A. respondents, there are statistically significant differences *among* immigrants by documentation status. Unauthorized workers had very high overtime violation rates, with 85.2 percent of those who worked over forty hours a week for a single employer reporting that they were not paid the legally required time-and-a-half rate for those extra hours, compared to 58.7 percent of authorized immigrant respondents.

Race/ethnicity, gender, job tenure, vocational training, and age — and, for the foreign-born, English proficiency and number of years since arrival in the United States — do not appear to have any systematic relationship to overtime violation rates.

³² This may be partly because workers who do advance in the labor market as they get older leave our sampling universe, which includes only low-wage jobs. However, in other parts of the labor market, age is often a good predictor of better outcomes, even for workers who remain in front-line occupations for their entire careers.

TABLE 6.
WEEKLY OVERTIME VIOLATION RATES BY WORKER
CHARACTERISTICS, LOS ANGELES COUNTY, 2008

	Percentage of Respondents "At Risk"		
	<i>All workers</i>	<i>U.S.-born</i>	<i>Foreign-born</i>
All Respondents	79.2	76.9	80.2
<i>Gender</i>			
Male	78.4	78.0	78.6
Female	81.5	NA	83.8
<i>Race/Ethnicity</i>			
Latino	79.6	NA	79.4
Black	58.1	59.7	NA
Asian	82.0	NA	79.2
White/Other	NA	NA	NA
<i>Age</i>			
18–25	82.3	NA	79.6
26–35	68.2	NA	68.7
36–45	86.8	NA	88.4
46+	83.4	NA	84.1
<i>Vocational training</i>			
None	80.0	82.9	78.8
Completed training program	78.7	66.8	83.9
<i>Job tenure</i>			
Fewer than 3 years	82.0	75.7	84.6
3–4 years	81.3	NA	78.8
5+ years	67.0	NA	61.9
Foreign-born Respondents			
<i>Legal status</i>			
Authorized			58.7
Unauthorized			85.2
<i>Years since arrival in U.S.</i>			
Fewer than 6 years			86.0
6+ years			75.1
<i>English proficiency</i>			
Speaks very well or well			72.5
Speaks not well or not at all			80.9

Source: Authors' analysis.

Note: "NA" indicates that the data are insufficient to permit reliable estimates.

■ OFF-THE-CLOCK VIOLATIONS

The patterns for off-the-clock violations are similar to those for overtime, as Table 7 shows. What is most striking here is how little the off-the-clock violation rates varied across demographic groups; among those at risk for this violation, even males and U.S.-born respondents in the L.A. sample had violation rates that are not much lower than those for females and the foreign-born. Blacks did have lower off-the-clock violation rates than other racial/ethnic groups, but the difference is not statistically significant. Off-the-clock violations increased with workers' age; compared with younger workers, older workers had higher violation rates. Among L.A.

OVERTIME AND OFF-THE-CLOCK VIOLATIONS

Wei was an algebra teacher in China before he emigrated to the United States. For the past ten years he has worked as a dim sum cook at various restaurants in L.A.'s Chinatown.

Wei: I make the food from scratch, sometimes I have to also prepare the sauces which is a bit of a headache. One person doing all this is already too much.

The Chinese restaurants, even though legally they should be giving time-and-a-half for overtime, none of them do that. On days you're supposed to be off, if they're busy and they call you in, they still only give you your regular wage. If I leave late, like thirty minutes, I don't get overtime for that. I only get it if I leave an hour or more late. And in the mornings, I come in early and I don't get overtime pay for that either. You automatically have to stay late if you don't finish what you do, you don't wait until your boss asks you to stay, you just do it.

The boss requires that you come in early, but you don't want to come in too early, because he will have you start working without pay. Every day I am expected to come in early about fifteen minutes, and if I don't, things start to get rushed because the "To Go" people are already waiting. Usually I leave late, about twenty to twenty-five minutes. When I stay late, it's not overtime hours, it's the same rate. Oftentimes what my employer does is, right before I'm about to leave, he has me do a task that will last beyond my scheduled time so I have to stay late.

Chinese workers don't complain. If you don't want to work, you can leave. At the most, we will complain behind his back, but the employer knows. Everything we do, the employer knows. He has installed surveillance cameras so he doesn't need to come into the restaurant to know what we are doing — he can just watch us from home.

TABLE 7.
OFF-THE-CLOCK VIOLATION RATES BY WORKER
CHARACTERISTICS, LOS ANGELES COUNTY, 2008

	Percentage of Respondents "At Risk"		
	<i>All workers</i>	<i>U.S.-born</i>	<i>Foreign-born</i>
All Respondents	71.2	67.5	72.7
<i>Gender</i>			
Male	66.0	65.7	66.1
Female	77.6	75.2	78.6
<i>Race/Ethnicity</i>			
Latino	70.7	66.7	70.8
Black	52.8	52.6	NA
Asian	84.2	NA	82.9
White/Other	NA	NA	NA
<i>Education</i>			
Less than high school, no GED	72.1	NA	73.2
High school graduate or GED	81.9	69.0	88.9
Some college or higher	60.7	62.7	59.9
<i>Age</i>			
18–25	64.8	67.3	63.8
26–35	75.7	NA	82.6
36–45	82.2	73.6	85.8
46+	83.1	74.6	86.8
<i>Vocational training</i>			
None	68.9	64.3	70.9
Completed training program	78.4	70.9	81.6
<i>Job tenure</i>			
Fewer than 3 years	68.9	70.9	68.1
3–4 years	88.3	NA	99.4
5+ years	80.1	NA	84.5
Foreign-born Respondents			
<i>Legal status</i>			
Authorized			72.5
Unauthorized			75.6
<i>Years since arrival in U.S.</i>			
Fewer than 6 years			61.0
6+ years			81.2

Source: Authors' analysis.

Note: "NA" indicates that the data are insufficient to permit reliable estimates.

respondents, age is statistically significant only for foreign-born workers (and for this group, the only significant difference is between the youngest and oldest age groups).

■ MEAL BREAK VIOLATIONS

Meal break violations also show very limited variation across demographic categories. Meal break violation rates were somewhat higher for women than for men, higher for foreign-born than for U.S.-born respondents, and lower for older U.S.-born workers and for white/other workers, as Table 8 shows. However, none of these differences is statistically significant.

■ SUMMARY

Gender, nativity, and race/ethnicity all influence workplace violation rates, independently and in interaction with one another.

Among L.A. respondents, minimum wage violations were significantly greater for women than for men and for immigrants than for U.S.-born workers. The very highest minimum wage violation rates were for female unauthorized immigrants, well over half of whom experienced a minimum wage violation in the previous work week.

Race/ethnicity was also linked to minimum wage violations. The violation rate for Latinos was dramatically and significantly higher than that for whites. And foreign-born Latinos had the highest minimum wage violation rates of any racial/ethnic group in the L.A. sample.

Higher levels of education, longer job tenure, and proficiency in English (for immigrants) all offered some protection from minimum wage violations, although only tenure showed a statistically significant difference. Moreover, even college-educated workers and those who had been with their employers for five or more years were at significant risk of experiencing violations.

In contrast to minimum wage violations, overtime, off-the-clock, and meal break violations varied little across the various demographic categories.

TABLE 8.
MEAL BREAK VIOLATION RATES BY WORKER
CHARACTERISTICS, LOS ANGELES COUNTY, 2008

	Percentage of Respondents “At Risk”		
	<i>All workers</i>	<i>U.S.-born</i>	<i>Foreign-born</i>
All Respondents	80.3	77.5	81.6
<i>Gender</i>			
Male	76.6	74.3	77.6
Female	83.7	83.1	83.9
<i>Race/Ethnicity</i>			
Latino	82.9	84.6	82.6
Black	70.0	70.4	NA
Asian	74.4	NA	NA
White/Other	63.5	68.3	NA
<i>Education</i>			
Less than high school, no GED	80.2	80.5	80.1
High school graduate or GED	86.5	87.9	85.9
Some college or higher	73.7	59.7	79.7
<i>Age</i>			
18–25	84.1	82.5	84.8
26–35	78.1	71.1	81.1
36–45	81.3	81.2	81.3
46+	74.6	64.4	79.0
<i>Vocational training</i>			
None	80.0	NA	81.1
Completed training program	82.3	NA	84.6
<i>Job tenure</i>			
Fewer than 3 years	79.2	NA	79.1
3–4 years	83.8	NA	85.7
5+ years	82.2	NA	85.6
Foreign-born Respondents			
<i>Years since arrival in U.S.</i>			
Fewer than 6 years			83.3
6+ years			80.3
<i>English proficiency</i>			
Speaks very well or well			83.3
Speaks not well or not at all			81.1

Source: Authors’ analysis.

Note: “NA” indicates that the data are insufficient to permit reliable estimates.



WAGE THEFT IN L.A. COUNTY

Minimum wage, overtime, meal break, and other violations are confined neither to the periphery of the economy nor to small employers. On the contrary, such violations are widespread across a variety of demographic categories and in industries and occupations that are at the heart of L.A. County's economy.

■ ASSESSING THE ROLE OF JOB AND WORKER CHARACTERISTICS

Although job and worker characteristics are related to workplace violations, they are not equally important. Statistical analysis reveals that although job and worker characteristics have *independent effects* on the violations documented in this report, job characteristics are more powerful predictors of violation rates than are worker characteristics.

Logistic regression models were developed to estimate the effects of selected independent variables on minimum wage, overtime, off-the-clock, and meal break violation rates.³³ This generated separate estimates for (a) the unique contribution of job characteristics, above and beyond the impact of worker characteristics, and (b) the unique contribution of worker characteristics, above and beyond job characteristics.

Both job and worker characteristics had statistically significant effects on minimum wage, off-the-clock, and meal break violations, but for overtime violations, only job characteristics had a significant effect. Moreover, the impact of job characteristics on violations was consistently greater than that of worker characteristics. Job characteristics were 3.9 times stronger than worker characteristics in predicting minimum wage violation rates; 4.0 times stronger in predicting overtime violation rates;

³³ The models include two groups of independent variables. The job characteristics group includes industry, occupation, pay arrangement, company size, union membership, and whether the employer was a temporary agency. The worker characteristics group includes gender, race/ethnicity, nativity, documentation status, education, age, job tenure, and whether the respondent had received vocational training.

1.1 times stronger in predicting off-the-clock violation rates; and 2.2 times stronger in predicting meal break violation rates.³⁴

■ MAPPING VIOLATIONS IN L.A. COUNTY

Labor and employment law violations, like low-wage jobs themselves, are widely dispersed across L.A. County. Figure 14 displays the locations of worksites for each zip code in L.A. County where survey respondents who experienced minimum wage, overtime, off-the-clock, and meal break violations were employed.³⁵ Not surprisingly, the single largest geographical concentrations of worksites with violations are in the central business district of downtown Los Angeles, as well as in South L.A. But substantial clusters of violations are also apparent in such affluent communities as Santa Monica and Beverly Hills, and smaller clusters are scattered all over the county.

■ THE HIGH COST OF WORKPLACE VIOLATIONS

It should come as no surprise that the extensive violations of employment and labor laws documented in this report have a direct impact on the earnings of low-wage workers. The various forms of nonpayment and underpayment of wages take a heavy monetary toll on workers and their families. L.A. respondents who experienced a pay-based violation in the previous work week lost an average of \$39.81 out of average weekly earnings of \$318.00, or 12.5 percent. Figure 15 shows the specific workplace violations that contributed to this wage theft and the average dollar amount for each. Assuming a full-year work schedule, workplace violations cost these workers an average of \$2,070.00 out of total annual earnings of \$16,536.00.

In a given week, an estimated 654,914 workers in L.A. County suffer at least one pay-based violation. Extrapolating from this figure, front-line workers in low-wage industries lose more than \$26.2 million *per week* as a result of employment and labor law violations.³⁶ The largest portion of

³⁴ The significance and the size of the effect of each group of variables were measured by recording the change in the deviance statistic (-2 log likelihood measure) when a group of variables was added into the models. Significance was tested at the .05 level using a chi-square test. The relative strength of the effects of the two groups of variables was measured by the ratio of the change in deviance. Full results are available on request.

³⁵ Data on the geographical location of the primary employer was obtained from 1,560 of the 1,815 respondents. If violations were found to exist for that primary employer, as was the case for 1,308 of the respondents from whom geographical data were obtained, the site is included in the map shown in Figure 14. Nineteen respondents experienced violations from a different employer; in such cases the geographic location of the violation is not known, because the survey only included location questions for the primary employer. Another thirty-nine of the respondents who provided geographical data were exempt from coverage under most laws; their worksites are omitted from the map.

³⁶ Eighty-eight percent of L.A. respondents had at least one pay-based violation in the previous work week. The estimated total cost of violations in the text is based on applying this percentage to the total number of workers in low-wage industries in L.A. County — 744,220 (see Appendix).

these lost wages is the result of minimum wage violations (54.8 percent), followed by rest break violations (21.7 percent), overtime violations (15.3 percent), and off-the-clock violations (7.2 percent).

Wage theft not only depresses the already meager earnings of low-wage workers, it also adversely impacts their communities and the local economies of which they are part. Low-income families spend the bulk of their earnings on basic necessities like food, clothing, and housing. Their expenditures circulate through local economies, supporting businesses and jobs. Wage theft robs local communities of this spending and ultimately limits economic growth.

FIGURE 15.



Source: Authors' analysis.



THE SOLUTION: RESTORING WORKER PROTECTIONS

This report exposes a world in which longstanding workplace protections — the right to be paid at least the minimum wage, the right to be paid for overtime hours, the right to take meal breaks, access to workers' compensation when injured, the right to advocate for better working conditions — are failing significant numbers of workers. The sheer breadth of the problem, which spans key industries in the economy, as well as its impact on workers, which entails significant economic hardship, demands urgent attention.

Los Angeles is not unique in this regard. Across the country, community groups, legal advocates, and regulatory officials have documented workplace violations: in tomato farms in Florida, poultry and meat processing plants in the South and Midwest, hotels in Miami, nursing homes in Dallas, day care centers in Kansas City, gas stations in Minneapolis, and residential construction in almost every town and city with day labor hiring sites.³⁷

The widespread prevalence of workplace violations documented here has broad effects that go well beyond the immediate impact on the workers who are directly affected. When low-wage workers and their families struggle in poverty and face constant economic insecurity, the strength and resilience of local communities suffers. When responsible employers are forced to compete with unscrupulous employers who violate the law by paying subminimum wages or by cost-cutting at the expense of worker safety, the result is a race to the bottom that threatens to bring down standards throughout the labor market. And when large numbers of workers are illegally underpaid, tax revenues are lost to the wider community.

Public policy has a fundamental role to play in protecting the rights of workers. Three basic principles should drive the development of a new policy agenda at the federal, state, and local levels.

1. Strengthen Government Enforcement of Employment and Labor Laws

Government enforcement must be the cornerstone of any viable response to workplace violations, but in recent decades, just as the need for worker

³⁷ For an inventory of studies that document workplace violations, see McGrath, *A Survey of Literature* (see note 10).

protections has become most acute, enforcement efforts at both the federal and state levels have been weakened. Significant resources and power reside with the various agencies responsible for enforcing laws that regulate wages and hours, health and safety, and related aspects of employment. These agencies need additional funding to increase staffing and, even more important, new strategies to address the reality that workplace violations seem to have become standard practice in many low-wage industries. Government enforcement agencies should:

- **Move toward proactive, “investigation-driven” enforcement in low-wage industries, rather than simply reacting to complaints.** This means identifying industries in which violations are systemic, conducting strategic, repeated, and well-publicized workplace audits, and cracking down on employers who are repeat offenders as well as those who misclassify their workers. The goal should be to signal that the government will conduct regular inspections and vigorously prosecute violators. Data like these in this report can identify the industries and occupations that have the most egregious violations and thus help agencies target proactive enforcement efforts.³⁸
- **Increase the reach and effectiveness of enforcement by partnering with immigrant worker centers, unions, community-based organizations, social service providers, legal advocates, and, wherever possible, responsible employers.** Government alone will never have enough staff and resources to monitor the vast number of workplaces on a regular basis. Community partnerships can provide vital information about where workplace violations are most concentrated, as exemplified by recent innovative state-level collaborations with community groups.³⁹
- **Restore funding that will allow enforcement agencies to increase the number of investigators and other staff.** Between 1980 and 2007, the number of federal minimum wage and overtime inspectors declined by 31 percent, even as the labor force grew by 52 percent.⁴⁰ Although the U.S. Department of Labor has recently announced plans to hire a new corps of inspectors, significantly

³⁸ In addition, agencies such as the U.S. Department of Labor should institute annual compliance surveys for the full range of low-wage industries, like those conducted in the late 1990s (cited in note 8).

³⁹ Similarly, the various government agencies that enforce workers' rights should coordinate their efforts to achieve maximum impact, given that unscrupulous employers often violate multiple laws.

⁴⁰ See National Employment Law Project, *Rebuilding a Good Jobs Economy: A Blueprint for Recovery and Reform* (New York: National Employment Law Project, 2008), available at http://nelp.3cdn.net/107e65168f65eacd6e_11m6ibpdr.pdf.

more are needed to match the growth in the number of workplaces that has occurred over recent decades.

- **Strengthen penalties for violations.** Currently, penalties for many workplace violations are so modest that they fail to deter many employers. For example, the savings to employers from paying their workers less than the minimum wage often outweigh the costs. Enforcement agencies must prosecute violations of wage and hour laws and other established legal standards, but it is equally important to significantly strengthen and update penalties to ensure compliance and deterrence.

Most enforcement involves federal and state laws, which limits the ability of local governments to act on the findings of this report. One promising approach that should be considered by local governments is to create ordinances that criminalize the practice of wage theft. (Federal and state laws typically stipulate civil penalties for workplace violations.) A few cities, including Denver and Austin, already have wage theft ordinances in place. A member of the L.A. City Council recently proposed that Los Angeles should join them, although this is still in the exploratory stage.⁴¹

2. Update Legal Standards for the Twenty-first Century Workplace

Strong enforcement is critically important, but so are legal standards that take into account the changing organization of work in the United States. Specifically, changes are needed on three fronts:

- **Strengthen legal standards.** Weak laws can encourage the adoption of “low-road” business strategies to cut labor costs. When the legal bar is set too low, employers have little or no incentive to comply. Raising the minimum wage, updating health and safety standards, expanding overtime coverage, and strengthening the right of workers to organize through labor law reform — all are key improvements that will raise compliance in the workplace and improve the competitive position of employers who play by the rules.
- **Close coverage gaps.** Some employers exploit historical “coverage gaps” that exclude certain categories of workers from protection; these gaps must be closed once and for all. For example, many home health care and domestic workers are not covered by key employment and labor laws.

⁴¹ See Anna Gorman, “Getting Workers Their Pay,” *Los Angeles Times*, 27 October 2009, p. A8, available at <http://www.latimes.com/news/local/la-me-wage27-2009oct27,0,4846063.story>.

- **Hold employers responsible for their workers.** Employment and labor laws need updating when unscrupulous employers devise strategies for evading their legal obligations, such as misclassifying workers as independent contractors or subcontracting work to fly-by-night operators who break the law. Employers must be held responsible for the workplace standards they control, whether directly or indirectly.

3. Establish Equal Status for Immigrants in the Workplace

The best inoculation against workplace violations is workers who know their rights, have full status under the law to assert them, have access to sufficient legal resources, and do not fear exposure or retaliation when bringing claims against their employers. Achieving this is never easy, but for unauthorized immigrant workers, it can be a near impossibility. While in theory unauthorized workers are covered by most employment and labor laws, in practice they are effectively disenfranchised in the workplace by lack of legal status, fear of deportation, and the willingness of all too many employers to exploit their vulnerability. The result is the high prevalence of workplace violations among unauthorized immigrants documented in this report. Any policy initiative to reduce workplace violations must therefore act on two fronts:

- **Prioritize equal protection and equal status in national immigration reform.** Immigration reform that does not include provisions to address labor market impacts and workers' rights could push more workers into the informal economy and lead to greater economic insecurity for immigrant families. A guiding principle for reform must be that immigrant workers receive equal protection and equal status in the workplace, with the full protection and remedies available under U.S. employment and labor law. Any immigration reform that fails to embrace this key standard will only worsen the problems exposed in this report, ultimately hurting all U.S. workers.
- **Maintain a strong firewall between workplace and immigration inspections.** Agencies enforcing minimum wage, overtime, and other workplace laws must maintain a firewall between themselves and immigration authorities so that workers will not fear deportation when bringing a wage claim or grievance. Without such protection, unauthorized immigrants will be unfairly deterred from asserting their right to workplace protections.

Government enforcement is only part of the solution. Equally important is public policy, which should foster the efforts of worker centers and unions to represent and organize low-wage workers, enhance the capacity of legal services organizations to assist workers in claiming their rights, and facilitate the efforts of private attorneys to advance strategic litigation. Public policy also should explicitly support responsible employers.



APPENDIX: DATA AND METHODS

■ DEFINING THE SURVEY POPULATION

The goal of this study was to survey workers in low-wage industries in L.A. County.⁴² “Low-wage industries” are industries whose median wage for front-line workers (that is, those who are not managers, professional, or technical workers) was less than 85 percent of the median wage for all workers age 18 or older who were not self-employed — \$14.00 (in 2006 dollars). This median was derived from an analysis of the 2006 Current Population Survey (CPS) conducted by the Center for Economic Policy Research. Industries whose median wage was below the 85 percent threshold — or less than \$11.90 (in 2006 dollars) — were included in the sampling universe.

Because the sample size in the CPS is too small to allow estimates of median wages at the detailed industry level, the 2000 U.S. Census (5% Public-Use Microdata Series, or PUMS) was used to generate a list of industries and occupations whose median wage fell below 85 percent of the median hourly wage in L.A. County (after adjusting from 2006 to 2000 dollars) and had at least thirty respondents in the 2000 PUMS. The results are the jobs listed in Table 1.

■ SAMPLING METHODOLOGY

Standard survey techniques — phone interviews or census-style door-to-door interviews — rarely are able to fully capture low-wage workers, who may be hard to identify from official databases, who may be vulnerable because of their immigration status, or who may be reluctant to take part in a survey because they fear retaliation from their employers. Trust is an issue when asking for the details about a worker’s job, the wages

⁴² Although it would have been ideal to include independent contractors such as taxi drivers and street vendors in the survey, this would have made it almost impossible to construct a manageable questionnaire (one that would work for both employees with wage income, as well as independent contractors, who would need to answer detailed questions about both business income and costs). However, many low-wage independent contractors, such as the L.A. and Long Beach port truckers, are effectively in an employment relationship with working conditions similar to those of the workers surveyed here.

they receive, whether they are paid off the books, and their personal background.

To address these difficulties, the authors adopted a recruitment technique known as chain-referral sampling, an innovative sampling method that operates through respondents' own social networks. All of the workers in the low-wage worker population have friends, family, and co-workers with whom they come into regular contact and on whom they rely for support.

The best-known sampling method using this form of recruitment is snowball sampling, but that approach yields only convenience samples, which are not representative of the target population. Snowball sampling cannot replicate the desirable properties of probability sampling methods that allow inferences about the population.

A method designed to overcome this limitation was developed by collaborator Douglas Heckathorn in the late 1990s and subsequently further developed in collaboration with other scholars. Called "respondent-driven sampling" (RDS), it is based on a mathematical model of the social networks that connect survey respondents.⁴³ Since some individuals or groups have more social connections than others, they are more likely to be recruited into a survey. To make the results of an RDS-based survey representative of the whole population (and not just workers with large social networks), the data are weighted based on respondents' social network size — that is, based on their probability of being recruited — as well as other features of the network that can affect the sampling process.

RDS also differs from snowball and other traditional chain-referral methods in its reliance on a dual-incentive structure. Respondents are remunerated not only for the time they spend responding to the survey but also for each eligible population member they recruit. To increase the breadth of the social network captured by the sample (and to prevent a cottage industry of survey recruitment), the number of recruitments that each respondent can make is limited through a coupon-based quota system.

The Los Angeles RDS survey, which was conducted from April through August 2008, began with an initial set of population members who were recruited with the help of community organizations. These "seeds" were surveyed and then given a fixed number of uniquely numbered dollar-bill sized coupons to pass on to other eligible population members. These recruits brought the coupons to one of several survey sites, where the

⁴³ See Douglas D. Heckathorn, "Respondent-Driven Sampling: A New Approach to the Study of Hidden Populations," *Social Problems* 44, no. 2 (1997): 174–99; and Douglas D. Heckathorn, "Extensions of Respondent-Driven Sampling: Analyzing Continuous Variables and Controlling for Differential Recruitment," *Sociological Methodology* 37, no. 1 (2007): 151–207.

number on the coupon was recorded; the recruit was interviewed and afterward given a fixed number of coupons with which to recruit other workers. Respondents were paid an incentive of \$30.00 for being interviewed, as well as an additional \$20.00 for each of their recruits who was eventually interviewed. The maximum incentive was \$90.00.

This process was repeated over a period of several months, yielding a total of 1,815 respondents in L.A. County, spread over seven interview sites. As the recruitment progressed, the sample became increasingly diverse, eventually becoming independent of the initial sample of “seeds.”

An important part of the RDS method is clearly communicating to recruiters which types of workers are eligible for the survey. For this purpose, the set of industries being sampled was converted into the list of simple job titles shown in Figure 1 (accompanied by pictographs for respondents with limited literacy); these job titles were listed on a flyer (printed in English, Spanish, Chinese, and Korean) that was distributed with the coupons. The flyers also included the other criteria for recruitment into the survey.

The L.A. research team, which included twenty interviewers, staffed the interview sites, which were scattered around the region. These sites were well recognized and welcoming to low-wage workers. They included spaces in community colleges, churches, and offices of community-based organizations — neutral spaces that offered privacy and anonymity to workers. Recruitment coupons served as ID, so that workers did not have to show other identification at building entrances.

■ POST-STRATIFICATION ADJUSTMENTS TO THE DATA

One feature of the RDS methodology is the ability to track recruitment patterns in detail throughout the sampling period in order to identify and adjust for deviations from pure random recruitment from respondents’ social networks. For example, recruitment might be driven by strong social identities, such as race/ethnicity or age, so that respondents recruit disproportionately within their own group.

The RDS methodology anticipates that personal networks are not randomly distributed, and it therefore adjusts for small to moderate levels of network clustering (that is, people having ties to others like them) by weighting the post-sampling results. For example, if a sample contains more members of a given group than would be expected under purely random sampling, then cases in that group are given less weight in the final analyses of the data. If network clustering becomes pronounced on one or more dimensions, however, then it is necessary to use additional,

external sources of data to weight the final sample to be representative of the intended population.

This study developed high levels of non-random recruitment among some key racial/ethnic groups, as well as between U.S.-born and foreign-born workers. Fortunately, however, there was no significant non-random recruitment on other dimensions, such as the workers' industry and occupation, employer, or, most important, the experience of workplace violations.

Another challenge was that some racial/ethnic groups were more difficult to recruit than others. In particular, white workers, as well as Korean immigrants, proved reluctant to participate in the L.A. survey.

The high level of racial/ethnic homophily, as well as homophily by nativity, meant that the RDS approach generated representative samples *within* the various race/ethnic/nativity groups, but not across the sampling universe as a whole. In effect, this study generated multiple sub-samples. To address this problem, RDS violation rate estimates were generated within each of the sub-samples (which are representative of the target population of low-wage workers) and then recombined using a weighting system based on estimates of the relative sizes of the race/ethnic/nativity groups in order to generate the overall estimates. Specifically, the sample was adjusted to match the racial/ethnic and nativity distribution of L.A. County, as measured by the 2007 American Community Survey (ACS), within major occupational groups. The ACS race/ethnicity/nativity distribution was also adjusted for the likely undersampling of unauthorized immigrants, drawing on estimates of the number of unauthorized workers in L.A. County in 2005.⁴⁴

These adjustments, combined with the success of the RDS methodology in capturing hard-to-reach populations, were designed to ensure that the sample is representative of front-line workers in low-wage industries in L.A. County. Such post-stratification adjustments are standard in complex social surveys; all surveys are subject to sampling error and thus are often adjusted using demographic distributions generated by the census or other large surveys. This mechanism enables the extra information available in supplementary surveys (in this case the ACS) to be incorporated in the estimates, which improves accuracy.

The L.A. sample represents a total of 744,220 workers, or an estimated 34.4 percent of front-line workers and 17.0 percent of all workers in L.A. County.

⁴⁴ Data on the number and characteristics of unauthorized immigrants in L.A. County were generously provided by Jeffrey S. Passel of the Pew Center for Hispanic Research.



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