Working Without Laws:
A Survey of Employment and Labor Law Violations in New York City

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Presented at the Murphy Institute for Worker Education and Labor Studies, CUNY
NYC community & labor advisory board

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<th>African Services Committee</th>
<th>New York Hotel and Motel Trades Council</th>
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<td>New York Jobs with Justice</td>
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<td>New York Taxi Workers Alliance</td>
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<td>Community Voices Heard</td>
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<td>Fifth Avenue Committee</td>
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<td>Garment Industry Development Corporation</td>
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<td>Greater New York Laborers — Employers</td>
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<td>Cooperation and Education Trust (LECET)</td>
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<td>Latin American Workers’ Project</td>
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<td>Make the Road New York</td>
<td>UFCW Local 1500</td>
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<td>MinKwon Center for Community Action</td>
<td>Urban Justice Center — Community Development Project</td>
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<td>New York and Vicinity Carpenters Labor Management Corporation</td>
<td>Workers United</td>
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<td>New York City Central Labor Council</td>
<td>New York Committee for Occupational Safety and Health (NYCOSH)</td>
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New York City survey

- Surveyed 1,432 front-line workers
  - 14 low-wage industries
  - 18 front-line occupations
  - March-August 2008

- What’s new?
  - Statistically representative sampling – used innovative methods so that we could reach vulnerable and hard-to-reach workers
  - Rigorous measures of employment and labor law violations – we did not rely on workers’ knowledge of the law
Finding 1

Workplace Violations are Severe and Widespread in New York City’s Low-Wage Labor Market
Percent of workers with violations

- Minimum wage violations last week: 21%
- Tipped minimum wage violations last week (tipped workers only): 37%
- Overtime violations last week (if worked overtime): 77%
- Off-the-clock work last week (if came in early or stayed late last week): 69%
- Meal break violations last week: 70%
- Pay stub violation last week: 55%
- Paid late at least once in last 12 months: 22%
- At least one pay-related violation last week: 54%
Illegal retaliation

- When workers made a complaint to their employer or government agency, or attempted to form a union: 42 percent experienced illegal employer retaliation
  - Employers cut workers’ hours or pay, fired or suspended workers, or threatened to call immigration authorities

- But many workers didn’t complain or try to organize
  - 41 percent were afraid of losing their jobs
  - 40 percent thought it would not make a difference
Workers’ compensation

- Of injured workers: only 11 percent filed a workers’ comp claim
- When they sought medical attention: 75 percent had to pay out of pocket or use insurance
- When workers told their employer about the injury: 16 percent experienced illegal employer action
  - Employer fired the worker for filing a claim or instructed the worker not to file
Finding 2

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

Laundry & dry cleaning: 52.7%
Private households: 37.5%
Beauty salons, nail salons & barber shops: 36.3%
Grocery stores: 32.0%
Courier & messenger services: 28.7%
Apparel & textile manufacturing: 23.6%
Food & furniture manufacturing, transportation & wholesale: 19.5%
Retail & drug stores: 17.9%
Restaurants: 16.9%
Other (other health care, banking, auto repair, carwashes): 12.6%
Janitorial, security & grounds services: 11.2%
Home health care: 7.3%
Social services, child day care centers & schools: 5.7%
Residential construction: 2.0%

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

- Hairdressers, laundry & dry-cleaning workers: 98.4%
- Home health care workers: 82.9%
- Child care workers, teacher’s assistants, maids & housekeepers: 82.4%
- Retail salespersons & tellers: 80.5%
- Waiters, bussers & bartenders: 79.5%
- Production, residential construction & transportation workers: 79.3%
- Cashiers: 76.7%
- Cooks, dishwashers & food preparers: 76.1%
- Stock & office clerks: 74.6%
- Janitors, ** building cleaners, grounds workers & security guards: 62.6%

Source: Authors’ analysis of 2008 Unregulated Work Survey.
* Calculated as a percent of workers who worked more than 40 hours for a single employer during the previous work week.
** Janitors in small commercial & residential buildings only.
All Workers are at Risk of Workplace Violations – But Some More Than Others
Minimum wage violations by gender, nativity & legal status

Source: Authors' analysis of 2008 Unregulated Work Survey.
Minimum wage violations by race/ethnicity & nativity

Source: Authors’ analysis of 2008 Unregulated Work Survey.
The Stakes

Wage theft, and the future of opportunity in New York City
## Wage theft in NYC

<table>
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<tr>
<th>Amount</th>
<th>Description</th>
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<tbody>
<tr>
<td>$3,016</td>
<td>What the average worker loses to wage theft every year, out of annual earnings of $20,644</td>
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<tr>
<td>317,263</td>
<td>The number of workers in NYC who experience wage theft in a given week</td>
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<td>$18.4 million</td>
<td>The total amount of lost wages due to wage theft every week in NYC</td>
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### Top ten growth jobs in NYC by 2016

7 are high-violation jobs (in red)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Job Description</th>
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<tbody>
<tr>
<td>1</td>
<td>Retail salespersons</td>
</tr>
<tr>
<td>2</td>
<td>Home health aides</td>
</tr>
<tr>
<td>3</td>
<td>Cashiers</td>
</tr>
<tr>
<td>4</td>
<td>Waiters and waitresses</td>
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<tr>
<td>5</td>
<td>Customer service representatives</td>
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<tr>
<td>6</td>
<td>Personal and home care aides</td>
</tr>
<tr>
<td>7</td>
<td>Office clerks</td>
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<tr>
<td>8</td>
<td>Janitors and cleaners</td>
</tr>
<tr>
<td>9</td>
<td>Executive secretaries and administrative assistants</td>
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<tr>
<td>10</td>
<td>Child care workers</td>
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The Solution

How New York Can Strengthen Worker Protections
Strengthen enforcement

- **State**
  - Commit more resources for investigators
  - Institutionalize recent successes (e.g. proactive industry investigations, outreach to community groups)
  - Enact new legislation to strengthen enforcement tools (e.g. stronger damages)

- **City**
  - Enforce labor standards under its authority (living wage, prevailing wage)
  - Dedicate resources to public education, and support enforcement by community groups
Strengthen the laws

- Strong laws and strong enforcement are intertwined
  - Weak employment and labor laws send the wrong signal, opening the door to low-road business strategies to cut labor costs

- Some examples of stronger standards that would improve the competitive position of employers who play by the rules:
  - Raising New York’s minimum wage
  - Closing loopholes that exclude workers from key protections
  - Ensuring that state and city resources like subsidies are used to create living wage jobs
For the full report, go to:
www.nelp.org/WorkingWithoutLawsNYC