



# Winning Wage Justice

Presentation to the

California Welfare Directors Association

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**NELP**

National Employment Law Project

# + The Problem

# + Wage Theft is a Defining Trend of 21<sup>st</sup> Century Labor Market

## Broken Laws, Unprotected Workers

3-city survey of workers found:



PLUS dozens of studies by organizing groups documenting violations in restaurants, day labor, domestic work

## **+ Survey Sample for *Broken Laws*:**

- ❖ 1,815 in Los Angeles 1,140 in Chicago and 1,432 in New York City**
- ❖ Bottom 15% of the labor market**
- ❖ Non-supervisory workers in key industries & occupations**

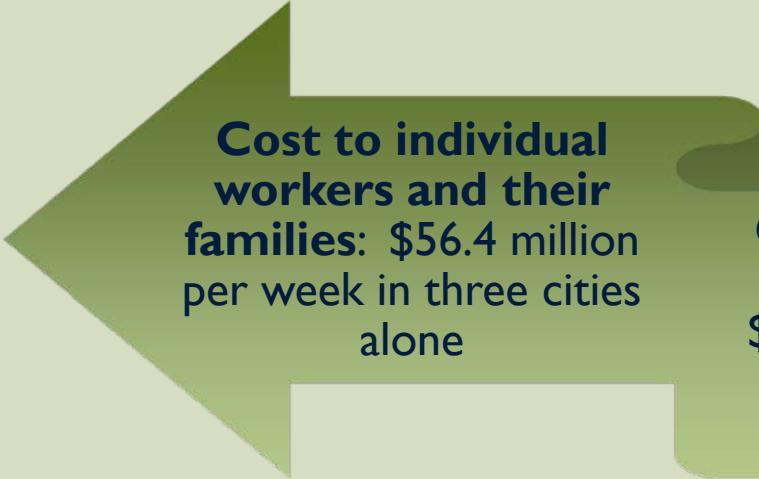
## **+ Wage Theft in Los Angeles** From “Wage Theft and Workplace Violations in Los Angeles”

- **30** percent of the L.A. workers were paid less than the minimum wage
- **63.3** percent of workers were underpaid by more than \$1.00 per hour
- **79.2** percent were not paid overtime


## + What are the roots of the crisis nationally?



## + Everyone has a stake in the fight



**Cost to individual  
workers and their  
families:** \$56.4 million  
per week in three cities  
alone



**Cost to taxpayers and  
local economies:**  
\$427 million a year in lost  
revenue in  
New York state alone

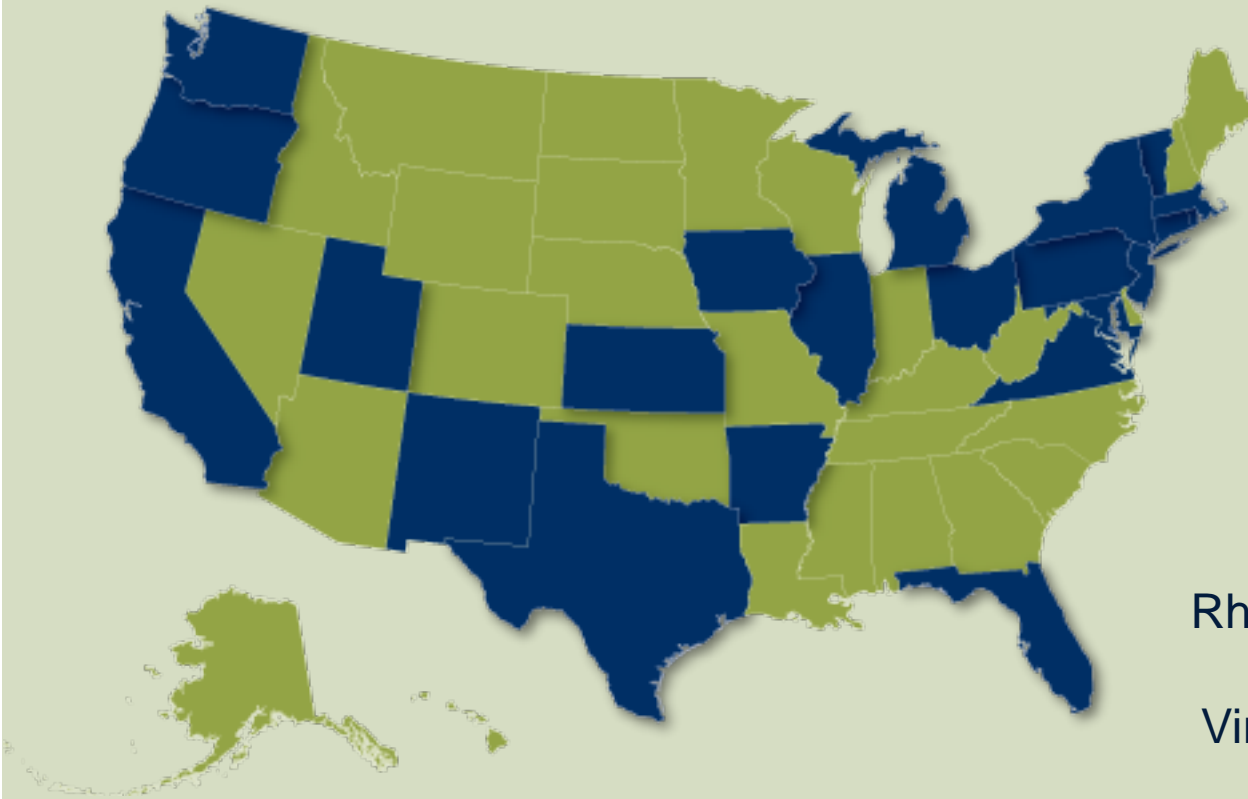


+ The Strategy:  
community  
campaigns



# Map of recent wage theft activity in the states

Arkansas, California, Connecticut, Florida, Illinois, Iowa, Kansas, Maryland, Massachusetts, Michigan, New Jersey, New Mexico, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Texas, Utah, Vermont, Virginia, Washington



## **+ State Campaigns v. City Campaigns**

- **Alternative where state action is not feasible**
- **Assess city's authority to set standards and/or enforce standards**
- **Consider risk that state law may block an ordinance**
- **Evaluate city's capacity to implement**



## NELP's Top picks (and how CA compares)

- **Raise the cost of violations**
  - Triple damages (CA double damages)
  - Revoke business licenses (SF, CA garment, FLC)
  - Attorneys fees (CA AB 469)



## NELP's Top picks

- **Ensure workers are paid for all hours worked**
  - Disclosures and wage statements (CA AB 469)
- **Guarantee that workers can collect wages owed**
  - Wage bonds (CA)



## NELP's Top picks

- **End exclusions from minimum wage and overtime laws** (CA includes household and ag workers; daily OT for ag workers, some OT exclusions for household workers)



## NELP's Top picks

- **Make government agencies effective enforcers**
  - Community input for smart enforcement
  - Beef up agency resources



## NELP's Top picks

- **Protect complaining workers**

- Presumption of retaliation (CA anonymous complaints, 3<sup>rd</sup> party claims)

### **Stop independent contractor misclassification**

- Broad definitions of employment (Joint Strike Force in CA)
- Written disclosure to workers of their status (CA AB 469)



## **Illinois Just Pay for All Coalition SB 3568**

- **New small claims division can oversee claims of \$3,000 or less**
- **Repeat violations prosecuted as felonies**
- **Employers found guilty of wage theft must pay higher penalties**
- **Additional protection from retaliation**





## **California AB 469 ( pending signature 2011 )**

- ❖ **Disclosures at time of hire and recordkeeping**
- ❖ **Notification in writing if terms change**
- ❖ **Strengthens misdemeanor criminal penalties for willful failure to pay wages**
- ❖ **Extends from one year to three years the time period that DLSE has to file a request for judgment**
- ❖ **Attorney's fees to enforce a court judgment**
- ❖ **Updates wage bond requirements**



## **California AB 240 (2011)**

**Allows recovery of double wages owed in proceeding before the Labor Commissioner.**



# **Make the Road NY and community-labor coalition S8380**

- **Increases retaliation protection for workers who speak up**
- **Adds tools for the Department of Labor and courts**
  - DOL can require wage bonds
  - DOL can collect asset information
- **Increases penalties for violations**

# How to get more information

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And download the report at:

[www.nelp.org/winningwagejustice](http://www.nelp.org/winningwagejustice)