

# News Flash! Employers Constantly Cheat Low-Paid Workers!

[This is a *New York Times* article I forwarded to friends on September 2, 2009, together with some short introductory comments. –S.H.]

Hi everybody,

It is always astounding when some ruling class news publication admits some tiny bit of the truth about how the working class is victimized in “this great country”. The news item below, from today’s *New York Times*, reports about a new study that says—surprise!—that “low-wage workers are often cheated” by their employers. Anybody with any knowledge at all of the life of the lower working class has known this full-well all along. But it appears to be news to the government and the media.

Of course even academic studies and the *New York Times* will never admit the much deeper truth that even if employers paid their workers every penny they were legally due, *they would still be cheating them* because of the extraction of [surplus value](#). Capitalism is a system that is *based* on cheating the working class, and could not possibly function if it didn’t do so. However, that concept is way beyond anything the *New York Times* will ever understand or report.

One further note: The article mentions that this study occurred *before* the current economic crisis broke out in such a major way last fall. Does this mean that things are better now than they report, or worse? Of course even worse. Workers who were often afraid to complain about how they were being cheated, because they feared losing their jobs, etc., are even more afraid now (assuming they still have jobs at all!).

Scott

“I am a gentleman; I live by robbing the poor.”  
—A line from a George Bernard Shaw play

September 2, 2009

## Low-Wage Workers Are Often Cheated, Study Says

By Steven Greenhouse

Low-wage workers are routinely denied proper overtime pay and are often paid less than the minimum wage, according to a new [study](#) based on a survey of workers in New York, Los Angeles and Chicago.

The study, the most comprehensive examination of wage-law violations in a decade, also found that 68 percent of the workers interviewed had experienced at least one pay-related violation in the previous work week.

“We were all surprised by the high prevalence rate,” said [Ruth Milkman](#), one of the study’s authors and a sociology professor at the University of California, Los Angeles, and the City University of New York. The study, to be released on Wednesday, was financed by the Ford, Joyce, Haynes and Russell Sage Foundations.

In surveying 4,387 workers in various low-wage industries, including apparel manufacturing, child care and discount retailing, the researchers found that the typical worker had lost \$51 the previous week through wage violations, out of average weekly earnings of \$339. That translates into a 15 percent loss in pay.

The researchers said one of the most surprising findings was how successful low-wage employers were in pressuring workers not to file for workers’ compensation. Only 8 percent of those who suffered serious injuries on the job filed for compensation to pay for medical care and missed days at work stemming from those injuries.

“The conventional wisdom has been that to the extent there were violations, it was confined to a few rogue employers or to especially disadvantaged workers, like undocumented immigrants,” said [Nik Theodore](#), an author of the study and a professor of urban planning and policy at the University of Illinois, Chicago. “What our study shows is that this is a widespread phenomenon across the low-wage labor market in the United States.”

According to the study, 39 percent of those surveyed were illegal immigrants, 31 percent legal immigrants and 30 percent native-born Americans.

The study found that 26 percent of the workers had been paid less than the minimum wage the week before being surveyed and that one in seven had worked off the clock the previous week. In addition, 76 percent of those who had worked overtime the week before were not paid their proper overtime, the researchers found.

The new study, “Broken Laws, Unprotected Workers,” was conducted in the first half of 2008, before the brunt of the recession hit. The median wage of the workers surveyed was \$8.02 an hour — supervisors were not surveyed — with more than three-quarters of those interviewed earning less than \$10 an hour. When the survey was conducted, the minimum wage was \$7.15 in New York State, \$7.50 in Illinois and \$8 in California.

Labor Secretary Hilda L. Solis responded to the report with an e-mail statement, saying, “There is no excuse for the disregard of federal labor standards — especially those designed to protect the neediest among us.” Ms. Solis said she was in the process of hiring 250 more wage-and-hour investigators. “Today’s report clearly shows we still have a major task before us,” she said.

The study’s authors noted that many low-wage employers comply with wage and labor laws. The National Federation of Independent Business, which represents small-business owners, said it encouraged members “to stay in compliance with state and federal labor laws.”

But many small businesses say they are forced to violate wage laws to remain competitive.

The study found that women were far more likely to suffer minimum wage violations than men, with the highest prevalence among women who were illegal immigrants. Among American-born workers, African-Americans had a violation rate nearly triple that for whites.

“These practices are not just morally reprehensible, but they’re bad for the economy,” said [Annette Bernhardt](#), an author of the study and policy co-director of the National Employment Law Project. “When unscrupulous employers break the law, they’re robbing families of money to put food on the table, they’re robbing communities of spending power and they’re robbing governments of vital tax revenues.”

When the Russell Sage Foundation announced a grant to help finance the survey, it said that low-wage workers were “hard to find” for interviews and that “government compliance surveys shy away from the difficult task of measuring workplace practices beyond the standard wage, benefits and hours questions.”

The report found that 57 percent of workers sampled had not received mandatory pay documents the previous week, which are intended to help make sure pay is legal and accurate. Of workers who receive tips, 12 percent said their employer had stolen some of the tips.

One in five workers reported having lodged a complaint about wages to their employer or trying to form a union in the previous year, and 43 percent of them said they had experienced some form of illegal retaliation, like firing or suspension, the study said.

In instances when workers' compensation should have been used, the study found, one third of workers injured on the job paid the bills for treatment out of their own pocket and 22 percent used their health insurance. Workers' compensation insurance paid medical expenses for only 6 percent of the injured workers surveyed, the researchers found.