

“It doesn’t **add up**”



Ten North Carolina Workers Share Experiences of **Wage Theft**

A Report by the North Carolina Justice Center  
and the  
UNC Immigration/Human Rights Policy Clinic

SEPTEMBER 2012



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BY

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## EXECUTIVE SUMMARY

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“I’ve read about it before in the newspaper, but never in [my] life did I think it would happen to me. ... Now what? How do [I] go forward?” – Freddy

Wage theft, or an employer’s underpayment or nonpayment of wages to workers who have earned those wages, is a growing epidemic. Recent studies and surveys confirm staggering rates of wage and hour violations—such as minimum-wage and overtime violations, the shorting of hours, and the refusal to pay workers at all—in low-wage industries across the country.<sup>1</sup> One survey of more than 4,000 workers in New York, Chicago, and Los Angeles found that more than three in four workers surveyed were not paid the legally required overtime rate, one in four were paid less than the minimum wage, and seven in ten did not receive any pay for work outside of their regular shift.<sup>2</sup> Industry and geography-specific research around the country confirms that far from being rare incidents, wage and hour laws are regularly and systematically violated in such core industries as construction, retail, home health, and restaurants.<sup>3</sup>

In North Carolina, research is sparse, but data from the state Department of Labor’s Wage and Hour Bureau show that employers owed North Carolina workers more than \$4.6 million in fiscal year 2010-11 and that, similar to national trends, complaints are concentrated in low-wage industries.<sup>4</sup> While significant, these numbers likely underestimate the occurrence of wage theft in the state. Workers may not report wage theft because they fear retaliation or have difficulties seeking redress.

In the wake of the one of the worst economic downturns of the modern era, the

fundamental contract between worker and employer—that the worker will be paid for the work performed—is being repeatedly broken. At the same time, core labor laws are failing to protect many of the state’s workers. The consequences are severe for workers, honest employers, and communities. For workers, underpayment or nonpayment of a single paycheck can translate to an inability to pay bills or afford basic needs like housing and sufficient food. Those businesses doing right by their employees suffer when they are unable to compete with those breaking the law. And when unscrupulous employers shirk their legal obligations, tax revenues are shorted and local economies suffer.

This qualitative inquiry into wage theft is designed as a first look at the impacts of wage theft on North Carolina workers, the conditions that make workers vulnerable to the severe consequences of wage theft, and the options—or lack of options—available to workers for redress.<sup>5</sup> The strength of qualitative research is its inquiry into the depth and complexity of experience through individuals’ stories. This report offers insight into these questions through 10 workers’ experiences. In-depth interviews were conducted in the Triangle region of North Carolina from January to April 2012, and participants were chosen from a diverse set of low-wage industries.<sup>6</sup> While each worker’s story is unique, the following common themes emerged and are instructive for moving policy forward:<sup>7</sup>

- **Wage theft creates economic uncertainty, and even small wage**

**violations have significant financial consequences.** While the dollar amounts stolen from participants might be considered relatively small, these amounts undermined participants' financial stability, pushing some deeper into debt or even into homelessness. Most participants described how they meticulously budgeted their limited resources, and when employers failed to pay promised wages, the inability to plan ahead caused stress and uncertainty. For some participants who experienced multiple wage-theft violations, living with uncertainty became the norm.

- **Serious barriers to redress exist, including the threat of retaliation, financial obstacles, and a lack of information about options.** Not one of the ten participants had been able to recoup their lost wages at the time of the interview. By far, the greatest obstacle to redress was the threat of employer retaliation, especially in the cases of undocumented workers. Other barriers included the inability to pay court filing fees, a lack of information about legal and administrative options for redress, and little faith that anything could be done.
- **Low-wage work increases worker vulnerability and the severity of consequences when wage violations occur.** While the Triangle region of North Carolina is often known for its technology boom and steady economic rise, participants in this study did not reap the rewards of the area's recent job and wage growth. For all participants, their work, which combined low wages with often sporadic or unpredictable hours, created unstable financial realities. Some participants were already living paycheck to paycheck and barely able to meet basic needs before wage violations occurred. Moreover, for some workers,

the lack of available job opportunities in the current economic downturn affected their ability to leave jobs with poor conditions.

While this study's findings are not designed to be generalizable, the themes and conclusions emerging from respondents' stories clearly demonstrate the serious damage caused by wage theft and the need for better solutions, including the following:<sup>8</sup>

- **Wage-theft remedies must be more accessible.** North Carolina policymakers should address obstacles such as the threat of retaliation, the lack of available information about redress options, and financial barriers to accessing redress.
- **Wage theft is a pressing problem.** For all respondents, wage theft had a significant financial as well as emotional impact. This reality, together with the national quantitative evidence of increasing incidents, calls for immediate action.
- **Addressing wage theft in isolation is not enough.** Low-wage work, which often comes with sporadic or unpredictable hours, creates unstable financial realities that are exacerbated by wage theft. In addition to ensuring that workers are paid for the work they do, policymakers should ensure that jobs pay living wages and enable workers to support themselves and their families.

*Carlos, Carrie, Diego, Esther, Francesca, Freddy, Karen, Natalia, Roger and Sarah*<sup>9</sup> talked about experiences that were their own. Together, their stories illustrate how workers suffer when they do not get paid, and provide insights into concrete tools that would help level the playing field for both workers and employers.

## INTRODUCTION: The Triangle’s other workforce

“It’s just so much going on. ... We only have this little bit of money to work with.” – Karen

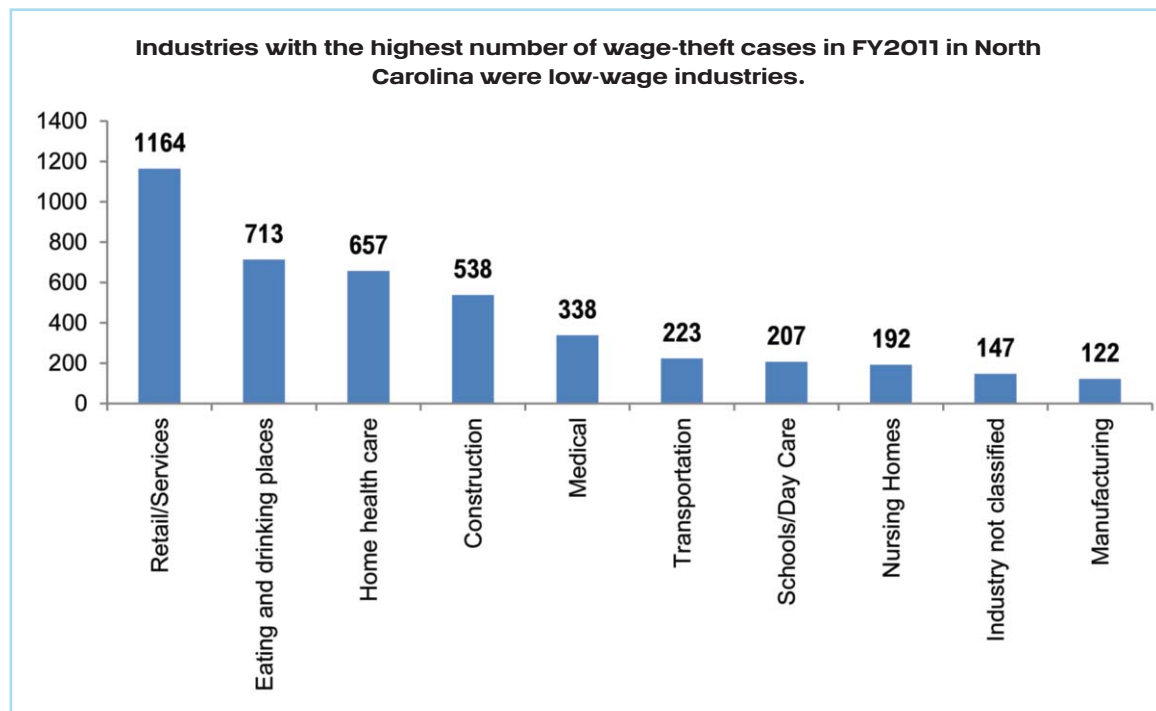
The Triangle region of North Carolina (Raleigh, Durham, Cary, and Chapel Hill)<sup>10</sup> is home to growing high-tech industries, three world-renowned universities, and a concentration of pharmaceutical research companies. In the wake of the Great Recession, this region overall has fared better than much of the state, with an average unemployment rate in June 2012 of 8.0 percent, compared to 9.4 percent for North Carolina.<sup>11</sup> The median annual wage in the region for 2011 was \$51,896, compared to \$42,120 for the state.<sup>12</sup> The region has clearly benefitted from the ongoing post-recession boom in metro area employment growth; in fact, virtually all of the state’s job growth since 2009 has been concentrated in

urban areas like the Triangle.<sup>13</sup> Yet within this sea of relative plenty exists a low-wage workforce struggling to make ends meet.

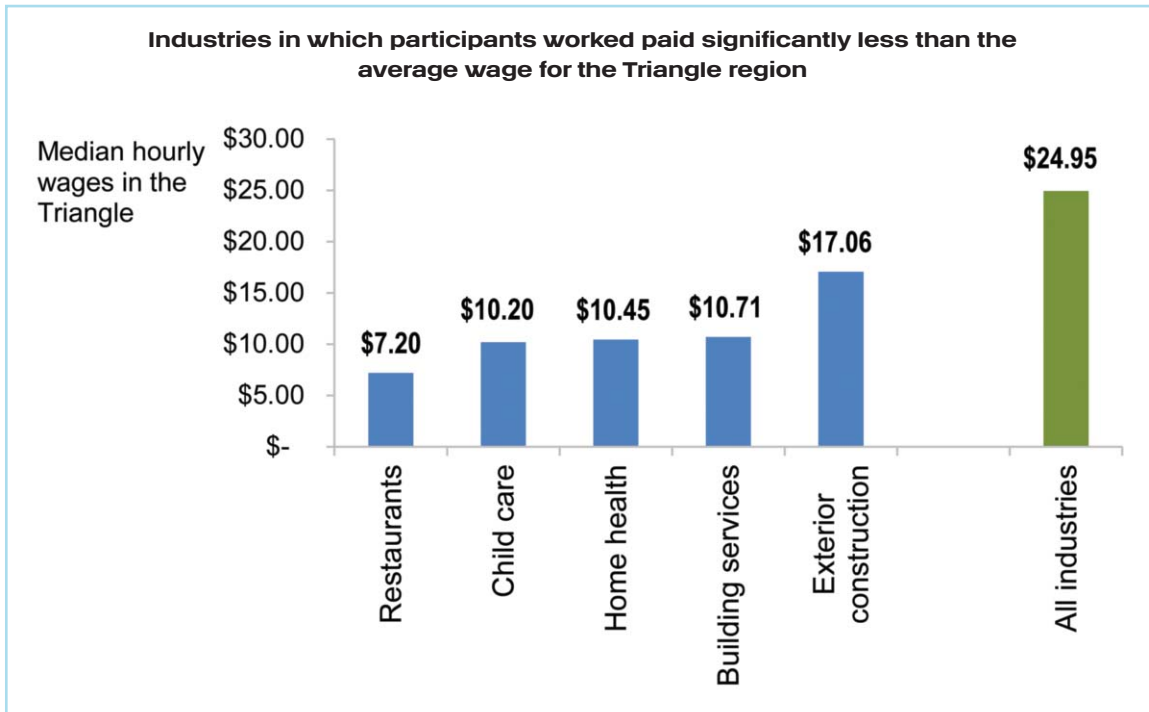
The authors of this report chose participants through a convenience sample that sought to include voices from industries and occupations with the highest rates of wage-theft complaints or incidences (Figure 1).<sup>14</sup> Even in the prosperous Triangle region, these industries have some of the lowest median wages, often placing workers’ incomes close to the official poverty threshold and significantly below what it actually takes for a family to make ends meet (Figure 2).<sup>15</sup>

Wage theft and low-wage work often go hand

**FIGURE 1: Industries with the Highest Number of Wage-Theft Complaints in FY 2011**



SOURCE: Special data request to the NC Department of Labor, December 2011<sup>16</sup>

**FIGURE 2: Median hourly wages of selected industries in the Triangle in 2011**

SOURCE: North Carolina Department of Commerce, Division of Employment Security.<sup>17</sup>

in hand, and low-wage workers, with already precarious economic realities, frequently have the most to lose. Although every participant except one lived in North Carolina's Triangle region over the last two years, a region which has recovered from the Great Recession more quickly and robustly than the rest of the state,

most participants did not feel the benefits of economic recovery. Instead, they continued to work for low wages, often with sporadic hours, with little to no job mobility or opportunity. When wage violations occurred, the harm was great for those who were already struggling to make ends meet.

## WHEN EMPLOYERS STEAL: The financial and emotional consequences of wage theft

When wages are shorted or a paycheck is missing, it is often enough to push already economically vulnerable workers into financial crisis. Most participants spoke about multiple wage-theft violations,

but even those who experienced only one said it caused great emotional and financial injury. Multiple violations destroyed the possibility of budgeting or planning, and even one missed paycheck could tip the delicate balance for those living paycheck to paycheck.



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### Economic uncertainty becomes an expectation

“The first few times, it feels bad. ... After, one has become accustomed.”  
– Carlos

A criterion for participants in our sample was a self-identification of having experienced a form of wage theft in the last two years. In the “call for participants,” we listed such forms of labor-law violations as minimum-wage violations, overtime violations, and underpayment or non-payment of wages, and we asked interviewees if they would be willing to talk about their experiences within one of these categories. It quickly became clear, however, that few of the participants had experienced only one form of wage theft. Eight of the ten participants had experienced at least two forms of violations, and some interviewees had experienced as many as five in the last two years. For some participants, especially those who were undocumented workers, every recent job had included some form of wage theft.

Some participants who experienced wage theft over and over came to expect these violations, making the uncertainty of getting paid a part of their reality. Carlos and Diego were day laborers who had multiple jobs over the last two years, and both men described multiple violations at each job.

Diego, who worked in landscaping, spoke about times his employers denied him overtime pay, underpaid him, and made illegal deductions from his paycheck. Carlos, who worked in construction, received only partial

payment for his work, was denied his final paycheck at one job, and at another was forced to work overtime—“I would work until 7 or 8 at night”—but was not paid overtime wages.

Carlos talked about the delicate balance he established in paying for food, transportation, and rent. The expectation of his promised wage used to provide him with the security to spend a little more on food or transportation toward the beginning of the month.

*... [I thought] it’s not a problem because [the employer] is going to pay me on this day. On Friday, for example, he’s going to pay me on Friday so I’ll spend it today or I’ll send more money to Mexico. One starts spending it.*

Over the last few years, however, Carlos had been taught over and over again that his promised pay would likely not arrive.

*So that day comes when you get paid and you confront the employer and say, “Where’s my money?” and you’ll never see him. One never sees him. That’s when you feel very bad.*

While Carlos was frustrated about every incident, he said that he eventually came to feel resigned. “The first few times, it feels bad .... After, one has become accustomed,” he said. When asked about the typical wages in his industry, he included the potential of wage theft in his answer. He noted that a typical wage was \$15 an hour, “but sometimes they rob you.”

Diego also spoke about the dismantling of the expectation of getting paid a rightful wage and the difficulty of having any sense of security

**Figure 3: Many participants experienced multiple wage violations**

	MW Violation	OT Violation	Non-payment	Under payment	Not paid on time	Illegal Deductions
Carlos		◆	◆	◆	◆	
Carrie			◆			
Diego		◆		◆		◆
Esther			◆		◆	
Francesca	◆		◆			
Freddy	◆		◆			
Karen			◆			
Natalia		◆		◆	◆	◆
Roger			◆	◆		
Sarah		◆		◆		

about spending money, even for basic needs. Diego was upset when he spoke about paychecks that never arrived. “Because we earn so little, we already make—that is, when we count together the hours, we believe we are going to earn a certain amount.”

*had to pay all my bills at one time, so now I’m back down to zero. And I can’t do anything because I don’t know what’s going to happen next time paychecks come around. Am I going to have anything then?*

Similar to the way that Carlos and Diego spoke about the difficulties in planning ahead when a paycheck is not guaranteed, Roger discussed the uncertainty that is common for those working in restaurants where wage theft is rampant. For Roger, missing wages meant making late payments toward his bills. Even when he did get paid there was always something missing. “There was \$15 missing here, \$20 missing here. All the time. Like once a week, really.”

That \$15 or \$20 added up. For Roger, it meant late fees on cable bills and car payments and the inability to count on his paycheck.

*You can’t buy anything for yourself because you’re not sure if the next paycheck’s going to go in. So I can’t do this because I don’t know if I’ll get paid Monday, and I’m almost out as it is because I got paid late last week and I*

**The immense financial impact of wage theft**

“For some people, that’s that tank of gas that they were going to use to get to work, and now they just can’t do it. Or somebody’s kid’s meal that they couldn’t buy that day.” – Roger

Minimum-wage violations, overtime violations, underpayment of wages, even nonpayment of whole paychecks—from a middle-class perspective, the dollar amounts stolen from individuals in low-wage jobs might be considered relatively small. For all of our participants, however, these amounts were far

from trivial and undermined their financial stability. Natalia, who experienced wage theft in her work as a housecleaner, spoke about her three children asking her for money and not being able to fulfill their needs. Diego and Carlos both juggled food and rent, while Karen faced creditors’ calls, and Carrie, who had worked as a home health aide, lost her home. From giving up on extras to sacrificing basic needs, for each participant, every dollar stolen was sorely needed and sorely missed.

For Carrie, one paycheck, or \$1500 for one month’s work, was the difference between struggling to make ends meet and homelessness. Late checks were nothing new

## NATALIA

Natalia cleaned residential homes for a cleaning company. Though she had no formal occupational training, she worked at her current job long enough to achieve the title of team captain. In spite of her seven years of dedication to the cleaning company, she experienced several forms of wage theft. A few times in the last year, Natalia’s bosses failed to pay her on time. In other instances, the employer paid Natalia less than what she was promised by changing the payment terms.

Natalia also experienced wage theft in the form of illegal deductions. When driving from home to home during the working day, using one of the employees’ personal vehicles, the company docked Natalia’s earnings to pay for gasoline. “For me, this is an abuse—a robbery. I shouldn’t be paying for the gasoline.” Relatedly, Natalia is also not paid for the time she spends traveling from house to house on the job. Natalia’s time log will read the full amount of hours, but she is not paid for all of those hours.

Natalia worried that if she complained further, her employer would fire her. She considered leaving her job but knew it would be difficult to find new employment, and so she felt stuck.

for her. She had been working as a live-in home health care provider for the same family for the past six years, and often she was asked to wait a week or two past her promised payday to receive her wages. Most of the time, despite the fact that the late checks were hurting her credit, Carrie was understanding of her employer’s delay. “I went along with that,” she said. “I understand, everybody runs into a financial situation.”

Her employers’ financial situation became more strained, however, and Carrie found herself shopping for her client at the grocery store with insufficient funds. “And they would leave checks there for me to go to the grocery store, but there wouldn’t be no money there. I got tired of going to the store being embarrassed, cart full of food, no money’s there.”

Carrie began using her own money to help pay for the food. “I would take money out my check to make sure [my client] ate.”

Finally, in December of last year, no paycheck arrived. “But here comes Christmas, you don’t give me nothing in the month of December,” Carrie remembered.

As a live-in home health care provider, she lost not only her paycheck but a place to live when her employment ended. While she had enough money to stay at a hotel for a few weeks, ultimately she was forced to move to a local women’s shelter. “So, I moved out Christmas Eve. The money that I had saved up, I had to pay my car insurance and everything else. So, that’s what led me here.”

The lack of a single paycheck pushed Karen over the edge into financial instability. When Karen’s company closed its doors, most

**FIGURE 4: WHEN EMPLOYERS STEAL:  
The immense financial impact of wage theft**

“And I’ll tell you something. I had planned on that money. ... I’ll be 61 in May, and this is the worst I have ever seen myself in a predicament like this.”  
– Karen

“...it adds up to a whole lot of money. And you’re missing \$10 twice a week, that’s—for some people, that’s that tank of gas that they were going to use to get to work and now they just can’t do it. Or somebody’s kid’s meal that they couldn’t buy that day.”  
– Roger

**THE  
IMMENSE FINANCIAL  
IMPACT OF  
WAGE THEFT**

“I know what I spend like rent and power and food and everything...When it’s time to get my check and I see that it’s not what I was—what I thought I was going to get. ... I have to spend less.”  
– Diego

“But here comes Christmas, you don’t give me nothing in the month of December. The money that I had saved up, I had to pay my car insurance and everything else. So, that’s what led me here [to the homeless shelter].”  
– Carrie

“Yes, it was hard ... it’s difficult. ... The problem is the rent. When it’s the end of the month, that’s when it hurts more.”  
– Carlos

employees did not see it coming. After noticing that her latest paycheck had not been deposited, she called the office. The human resources representative she spoke to asked if she was sitting down.

*I said, “Yes, I’m sitting down.” [The HR representative] said, “The company is closing immediately and we don’t have money for staff.” I said, “How could that be?” She said, “That’s the way it is.”... That was it. So when I got off the phone I hollered and cried. I mean I was just shocked about this because I should have known something before this.*

Not only had Karen lost her job, she was told she would not receive her last paycheck. She had barely stayed afloat in the preceding years and had accumulated debt. Without this last paycheck, she did not know what she would tell her creditors.

*And the thing about it, the creditors don’t care whether you have a job. They don’t care. If you tell them that you’re going to pay them on that day, that’s what they want on that date. They’re not sympathetic with you at all. When they want their money, they want their money.*

As Karen described the increasing numbers of

## DIEGO

Diego was used to hard work, having worked in a rock mine in Virginia before coming to North Carolina. He now works in landscaping—installing underground pipes for irrigation systems, working with electrical systems for lighting, pruning trees, and maintaining yards—“everything that is landscaping ... All of that ... it’s what we do.” Despite the hard work and the lack of income stability because much of the work is weather-dependent, he enjoyed his job. His job responsibilities, however, are separate from the challenge of making sure he is paid fairly.

*Favorite part of my job? No, well, I like it very much. I do like the work. It’s interesting. I am pleased with the work. Only that there are some things that [I] no longer agree with, you know? To me, that work is good. I like it. But there are some things that... but those are things that have nothing to do with the work.*

Diego, who is a Hispanic immigrant, works with both with other immigrant workers and with workers who are citizens. The work, however, is unevenly divided and unevenly paid. The harder work is assigned to the Hispanic workers, and across the board the immigrant workers are paid less. “They pay the Americans well. ... But the heavy work and all that, only we do it.”

Diego can’t talk to his supervisor about the working conditions. He tried to ask for a raise once.

*He said “Right now, I can’t give you a raise but if you want to leave, leave.” “Anyhow, like 1,000 Mexicans,” he says, “are at the border coming over here. So there, whatever you want.” With answers like that, how is one going to feel comfortable?*

In addition to the threat of losing a job, the supervisor maintains an environment of disrespect and control. He yells at the workers and tries to intimidate them.

*...the first thing he does is he stands like this in front of you. ...he speaks a little Spanish, mostly vulgarities. ... When he wants to shout at me, he wants to shout in my face.*

Despite the fact that Diego does not have an employment contract, he is paid by check and receives pay stubs. However, his supervisor has sole control over recording Diego’s hours and regularly undercounts them. Diego explains, “It’s that there isn’t a control of the hours. [The supervisor] takes them down however he wants. ... [He has] the power to put down the hours.” And every week, the hours are undercounted.

**KAREN**

After 13 years of working for the same company, Karen received a phone call that changed her life. The company was shutting its doors with no prior notice, and all employees were told they were being let go immediately. “That was it. So when I got off the phone I hollered and cried. I mean I was just shocked about this because I should have known something before this,” Karen said.

In addition to losing her job, Karen lost her last two weeks of pay. She had already been living paycheck to paycheck, trying to get out of debt. Before the news that her job was no longer available, she had already experienced a gradual reduction in pay.

*I used to make 40 hours plus. And then I came down to 35. And then I came down to 25. And then I came down to 20. . . . But during that time when I first started I was making less, but I was making more hours too. That compensated for not making enough money. But whenever you don’t make enough money and then your hours are cut, that’s not compensating anything but getting you in debt more and more.*

Karen needed her last paycheck, but what she needed even more was a job.

*And the thing about this right here, money come and go. Like the money owed me, the paycheck, it comes and goes. But what I really want more than anything is a job. You know, you can spend those paychecks and that’ll be it. But where’s the other money coming in from? So what you really need is a job.*



calls from creditors, she began to cry. “I’ll be 61 in May, and this is the worst I have ever seen myself in a predicament like this,” she said.

Both Carlos and Diego made trade-offs between basic needs when their wages were stolen. Both men were committed to sending money home to their families in Mexico, but with the fluctuating pay, they had difficulties paying for their own basic expenses such as rent and food. Diego noted that he did not vary the amount he sent to his family and simply cut down on his own spending.

*When it’s time to get my check and I see that it’s not ... what I thought I was going to get. And so since it’s always less ... I’ll have to make—I’ll have to spend less here.*

Cutting down on spending, however, meant trying to pay for basic needs such as rent and food with less money. Carlos noted that it was especially hard toward the end of the month when his rent was due: “When it’s the end of the month, that’s when it hurts more.”

He found himself needing to turn to friends or pantries for food when he was not paid, grateful for the help: “The good thing is that there are a lot of places that help in the way of food ...”

From unpaid bills to going without some basic needs, each participant spoke about the financial impacts of wage and hour violations. A missing \$15 per paycheck or a week’s worth of wages was often enough to push already economically vulnerable workers into crisis.

## Vulnerability to the consequences of wage theft: Low-wage work and the effects of the Great Recession

“...whenever you don’t make enough money and then your hours are cut, that’s not compensating anything but getting you in debt more and more. — Karen

Although interviews focused on the topic of wage theft, it is not surprising that most participants spoke in terms of living “paycheck to paycheck” and often struggled to meet basic needs, even outside of incidences of labor violations. For these workers, low-wage work often translated to economic instability, which exacerbated the consequences of wage-theft violations. Low-wages and sporadic work schedules created already precarious budgets. Moreover, many of the respondents’ work situations had deteriorated due to the economic downturn.

Karen spoke at length about the stresses of working for only a few cents more than minimum wage. For the last 13 years, she worked as a receptionist. She stuck with it not because of the promise of advancement or higher pay—she never received more than a ten-cent raise during this time period and ended up at \$7.50 per hour—but because she needed and, in some ways, truly liked her job.

*The reason I stayed there was because that little money did help, but not a whole lot. But I stayed there anyway. I sure did.*

*I stayed there anyway. Because, like I said, I liked my job. I liked the people I worked with.*

The reality of working for just over minimum wage, however, created daily struggles. She found herself constantly prioritizing and making trade-offs when paying her bills.

*When you only have a little bit of money to work with, it’s just hard to pay some bills when, you know, you really need to pay it. There’s the light bill, water bill, gas. There’s gas for the vehicle. It’s just so*

### ROGER

Roger had worked for four different restaurants over the last six years and had finally found a job he loved. His boss treated him well and paid her employees what they were owed. At previous restaurants it was common for kitchen staff to not get paid, for tips to be held, and for everyone’s check to bounce.

*I’ve had probably three checks bounce. In the matter of two months, I had about three checks bounce and a couple situations where we were told don’t cash it until—don’t deposit this into your bank until Tuesday of next week, you know, five days. Just like an ongoing process of nobody getting paid.*

At one restaurant, the owner fixed up his house and bought a new car while telling his workers that he had run out of money.

*... and then it would be delayed and you’d just get the one paycheck the next week and he’d still owe you the current one and it would just be backed up and backed up. And that’s not their money. That’s the money that the workers are making. What he sells is his money, but what people leave for us is our money and often times, it’s not treated like that.*

## Low-wage Work and the Lack of Benefits

The great majority of the participants we spoke with had no benefits. No one had paid sick days and nine out of ten participants lacked health insurance—including the two participants who worked in the health-care field.

Carrie had been working as a certified nursing assistant since 1998: “I’ve done live-in, part-time, full-time.”

Each job was slightly different, but after taking a deep breath, she quickly counted off her main job responsibilities on her fingers.

*Assist the client with bathing, toileting, medication reminder, dishes, take out the trash, make up the bed, empty the urinal, retrieve the newspaper, and just really listen out for them [if they] couldn’t walk for [themselves]. ... There were times that lifting was involved.*

It was the lifting that eventually caused her back problems. She described the first time her back went out after a client woke her up in the middle of the night to pull up the bed covers. “I reach over to the pull the covers up on him and pulled a muscle in my back. I thought, ‘Oh my goodness.’ I could not move. I couldn’t hardly breathe. I just froze,” she said. It was several minutes before her client’s wife found her.

*I don’t know what made her come in but when she came in, I was standing there. She said “What’s wrong with you?” I said, “I can’t move.” I just couldn’t take a breath because every time I got ready to take a breath, it would hurt so bad. So I had to stand there for a few minutes and collect myself, and she helped me get back to the bed and she had to help me get dressed that day.*

Since she was not offered any help or care through the agency for which she worked—“I thought it was terrible because my boss at that time, he didn’t send me no help”—Carrie tried to work through her pain. “I had went on assignments where I have literally had to go in a room and cry because I’m hurting so bad ... and come back out and participate and do what I have to do.”

Ultimately, though, her back was in such bad shape that she had to stop. “Your body is just not a machine that you can just put another part on,” she said.

Without benefits or paid sick days, she could not take the time or receive the care to recover. A few months after quitting her latest CNA job, Carrie had to move to a neighborhood homeless shelter. Without work, she couldn’t pay her rent.



*much going on. ... We only have this little bit of money to work with.*

Six of the participants spoke about working in industries with sporadic work schedules or where their hours would be unexpectedly cut, which made financial security elusive and planning difficult.

Diego, who worked in landscaping, noted that between May and August there was the possibility of a steady wage with frequent overtime, but during the rest of the year work was sparse. Roger, who worked in the restaurant industry for more than six years, talked about the daily and weekly unpredictability of wages when business was slow.

*... so if it's a bad week, sometimes you'll see a paycheck that has a couple dollars in it just to make up for the money that they owe you to bring you up to minimum wage for payment.*

Other participants talked about hours being cut without notice. Francesca, for example, received no notice when her schedule shifted. She had finally found a full-time housecleaning job after juggling three jobs—working at a fast food restaurant, providing child care for a three-month old child, and working as a part-time housecleaner—to make ends meet. It was through a co-worker at the restaurant that she found out about the full-time housecleaning job. It was a relief to have a regular schedule with regular pay—“all week long, from Monday to Friday.”

Then she received an unexpected call from her boss. “One day he told me that we were not going to work on Monday, Tuesday, or Wednesday of the following week. He told me

that on a Friday,” Francesca said. Without notice, Francesca was back to feeling uncertain about her income.

Karen also experienced a loss of much-needed hours. A few years ago, her hours were cut from full-time to 35 hours per week, and after a few months she found herself working only 20 hours per week. Having been on the edge of making ends meet for many years, working part-time pushed her into the red. She explained, “... whenever you don’t make enough money and then your hours are cut, that’s not compensating anything but getting you in debt more and more.”

## ESTHER

Esther had been living with the same family as a home health aide for the past year and a half. She was the primary caregiver for an 89-year-old woman and was responsible for her well-being from morning to night. “[I] cook, clean, bathe her, do physical therapy work with her, I took her out to get her hair done, everything,” she said.

Esther eventually developed a close relationship with her client, doing tasks for her that her own family would not do. “I made sure her hair was done. I would take her out in my own car just to get her out of the house,” Esther explained. She went the extra mile because she cared for her client and “treated her like she’s [my] mother.”

Esther soon began noticing that the family was having financial difficulties. When the family refused to pay her for an entire month according to her contract, she took them to small claims court. At the same time, the family filed for bankruptcy, and Esther was unable to collect her judgment. Small claims court had “drained the little money [she] had saved,” and hiring a bankruptcy attorney was unaffordable. After three years in the home health field, she found herself without a job, without savings, and without the funds to get paid.

## CARLOS

At his most recent job, Carlos waited for a paycheck for his last two weeks of work, but the paycheck never came.

I worked and the job was finished and when it was over, they didn't pay me. It was two weeks of work... and Christmas began right now recently, I thought if he pays me on Christmas, well it's Christmas and nothing. New Years? [Much] less. Now, we're in February. He hasn't paid me.

It was not an isolated incident. At another job, Carlos's boss continuously underpaid him. He worked 40 hours per week at \$10 an hour but would only receive part of his pay on payday.

*So he would come by and give me 380, 300, or 280 and then he would say he would give me the rest another week and I would say ok. And the next week would come and he would only give me—again the same and it would accumulate.*

Often, payday was delayed from Friday to Monday or Tuesday, but sometimes payday just didn't arrive. Carlos explained, "If one doesn't get paid on Monday or Tuesday, one doesn't go back anymore. And that's how it happens." Carlos tried calling the employer, until he found that calling would do no good.

*... and he says "no, I'm coming this day or this day," and no, that day never comes until the day comes when the tiredness comes from calling so much that it's better to not*

*seek them—one doesn't keep calling him by telephone. So yes, it's lost.*

Despite the fact that the amount stolen from him was significant, Carlos felt powerless to remedy these wrongs. He could not confront his employer for fear of retaliation: "Because one is undocumented, one can have more problems than what the other person is going to pay." He thought about filing a claim but could not afford the filing fee: "\$120 and one doesn't have any

money? How can one do that? It can't be done." He sought help at a community organization but was unaware of other resources.

The multiple experience of wage theft made Carlos feel frustrated and discouraged.

*Sometimes, I feel bad because one thinks, "No, it's never going to happen again." That is what one says. And in the end, they do it to one again and again. Yes, and you feel it again. Nothing can be done.*



Without being asked, most participants noted that the economic downturn hurt their abilities to earn decent wages. For some, the recession made it more difficult to find work, and for others the lack of job security caused them to accept lower wages and to remain quiet when their employers broke labor laws.

Due to the economic downturn, for instance, work was more sporadic than usual for Carlos, forcing him to accept jobs offering wages lower than his usual rate. He had been in the

construction industry for 15 years and had the skills to work on every stage of a project: "If it's a new house, everything from the bottom until the house is finished is what I do." Through years of hard work, he became a master carpenter. Contractors knew his work and often recommended him when a job came up. Carlos explained that the accepted wage for his skills had been at least \$15 per hour, yet he now takes jobs that pay \$10 per hour or less.

Similarly, Diego talked about how the wages

**SARAH**

When Sarah was offered a job at her son’s daycare, she jumped at the chance. Having recently received a degree in child development, she had been searching for a job in her field, and this position would let her spend her days closer to her son. Looking back on that time, Sarah remembered thinking, “It’s a job and I get to be with my son... What could go wrong?”

When she was hired, Sarah didn’t know the daycare was extremely understaffed and that she would be asked to care for 27 children aged 3 to 12 for hours at a time. She could not have imagined that due to the understaffing, bathroom breaks for teachers would be a rarity. “There is no one to relieve us because everyone’s classrooms are at capacity, so you can’t leave the classroom for two minutes to go to the bathroom,” she said. Six teachers in six classrooms at the daycare had left within the preceding year.

On top of the poor working conditions, Sarah started noticing that hours were missing from her paycheck. A full day of training was uncompensated, early-morning hours spent getting her classroom ready were not counted, and curriculum planning was considered “volunteer time.”



When she asked her supervisor about the missing hours, she was told that these tasks were expected but did not constitute paid time. Sarah said, “Coming in early to make sure that my classroom is set up is a requirement, which makes sense, except that

you are not getting paid for that time.”

Curriculum planning was also expected to be done on teachers’ own time. “[We] are expected to do it on our lunch break or before work or after work or during nap time—but that’s when we are required to be cleaning, filling out daily forms, dealing with bathroom breaks,” Sarah said. “There is no time to work on the curriculum. ... When I go home at the end of the day, I’m still expected to be working on a volunteer basis.”

in landscaping had decreased over the last five years. He said, “...around four years ago, \$13, \$14... Now they pay at \$9.50.”

The lack of available jobs caused Freddy, who used to work in restaurants and call centers in his home state of Texas, to accept a job working in the fields in North Carolina. He found himself harvesting cilantro from dawn to dusk. “That’s the first time in my life I’ve ever done field work,” he noted.

Roger summed up many of the participants’ frustrations with having to accept low wages

and poor working conditions because the only other alternative was not working.

*... especially nowadays, a job is a job. So, it’s hard to complain because there’s a lot of people making nothing. Saying, “I don’t want to work here because I’m not going to make enough,” when you could be sitting at home making nothing. It’s hard to stay away.*

As will be discussed in the next section, the lack of opportunities also translated into an obstacle for redress.

## RECLAIMING RIGHTFUL PAY: The obstacles to redress

**D**ue in part to the differing time frames that had elapsed after wage-theft violations occurred, participants' descriptions of seeking redress varied. However, none of the workers we spoke with had been able to recover their wages at the time of the interview. Fear of retaliation was the most common obstacle, but financial hurdles, a lack of control over record-keeping, and lack of access to needed information were also discussed. Most workers did not have faith that they could successfully recover their wages.

Participants who experienced multiple wage-theft violations, with no consequences for

their employers, sometimes developed a feeling of powerlessness, which resulted in resignation, itself an obstacle to redress. Carlos noted that “one has to endure it because there is no other way out.” Sarah stated that every teacher at her child-care center felt replaceable and powerless. After failed attempts at confronting her employer, Natalia gave up. Roger said that most workers felt like there was “literally nothing you can do besides go to the labor board, which so far has—from my experience, from watching—has done nothing.”

*I mean, if you're not going to get it, most*

### FRANCESCA

**F**rancesca remembered feeling deceived and frightened about how she would make ends meet when her boss refused to pay her a full week's wages and avoided her phone calls and requests to be paid. She was unaware that she could report the theft, unaware that the theft was legally actionable, and unaware that she had a legal right to the past wages earned. Francesca believed her theft was simply an unfair fact of working life in North Carolina.

Before her employer stole her wages, she held three jobs—she worked at a fast food restaurant, as a daytime caregiver for a young baby, and as a housecleaner for a cleaning service company. Francesca heard about job opportunities through her community. “We're always communicating ... in the community, we help each other look and find jobs.” She also went directly to restaurants or hotels to ask for work applications. Francesca found her housecleaning position through a friend at the fast food restaurant where she worked.

For about three months, Francesca worked steadily as a housecleaner for her employer. One Friday, her boss called her to tell her she was not needed the following week. “But he hadn't paid me for that week, and I thought he would pay me when he called me again,” Francesca recalled. Many unsuccessful attempts to contact him followed.

She sought assistance at a community organization, which made attempts on her behalf, but three months went by without any response. She eventually ran into her employer while depositing a paycheck from another job. He agreed to pay her with money he had stored in his truck, but again, Francesca waited in vain for him to return.

The next time Francesca ran into him, the situation had changed. Her former supervisor now accused her of theft. He said,

There was a robbery in the houses we were cleaning. They stole jewelry and many other things, even a computer was lost, he said. So the woman called the police, they sent a report, and your name is in the report with the police, because it could have only been you or the person who followed after you.

The accusation was the final straw, and Francesca sought legal advice. For \$50, a lawyer sent the employer a letter, which ultimately did nothing to further her attempts. When thinking back on her wage theft experience, Francesca felt a lot of fear. She was an immigrant without proper documentation, so she felt threatened and concerned that her employer would report her. She explained that people without papers are afraid and don't have a way to defend themselves.

**FIGURE 5: OBSTACLES TO REDRESS –  
Feeling expendable and the threat of retaliation**

“I stood up to her one time, I told her I didn’t like the way she treated us. She said, ‘If you don’t like it you can go.’”

– *Natalia*

“It’s easy to lose you because you’re replaceable.”

– *Sarah*

**THE THREAT  
OF RETALIATION  
AND FEELING  
EXPENDABLE**

“And I told him whatever we do with our money, that’s our money, you know? Basically, he just, pretty much said, ‘You know what? You guys are fired and er - you guys need to leave.’”

– *Freddie*

“If I go complain, he is going to fire me.... One has to endure it, right? Well, it can’t be helped.”

– *Diego*

“The workers feel replaceable... That’s a horrible way to work, especially not getting paid the right way, making next to nothing, trying to support families.”

– *Roger*

*people just let it go and walk away from it instead of raising a big stink about it or trying to get a lawyer. A lot of people just eat the money, which is terrible because then it gets to points like these where it's becoming so popular to not pay your workers because nobody's doing anything about it. There's no repercussions for anything in [the restaurant] industry.*

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### The threat of retaliation and feeling expendable

“It’s easy to lose you because you’re replaceable. – Sarah

By far, the greatest obstacle to redress for participants was the threat of retaliation, implicit or explicit. Most participants spoke about fragile job stability and feeling expendable. All participants who were still working for the offending employer talked about the fear of job loss. In addition to these fears, undocumented workers talked about potential threats based on their immigration status.

Although none of the participants were fired directly for speaking out about wage theft, most respondents were well aware of retaliation as a likely consequence. Natalia, who cleaned residential homes for a cleaning company, tried to confront her boss after she noticed deductions for gas without her consent as well as underpayment. She quickly realized that her job was at stake. “I stood up to her one time ... She said, ‘If you don’t like it you can go.’” Natalia explained.

Natalia noted that her boss takes advantage of her and the other housecleaners because of their ethnicity. “[The boss] has a way of [making us feel that] because we’re Hispanic, she yells at us and makes us feel like we’re not as worthy.” Despite the poor working conditions and the illegal withholding of wages, Natalia ultimately stayed.

When asked if he had tried to confront his employer after not receiving his pay, Diego quickly responded, “If I go complain, he is going to fire me.” Diego’s certainty was based on experience. His boss had not hesitated to fire those who complained in the past. Diego explained, “He tells them, ‘Tomorrow, there is no work anymore.’ I don’t see them again.” Diego noted that if he were only supporting himself he might risk saying something, but knowing that his family depends on him caused him to stay quiet. “One has family and everything, there are people behind you,” he explained. “One has to endure it, right? Well, it can’t be helped.”

Roger explained that the practice of firing workers for questioning wage theft was not uncommon in his past jobs at restaurants. He worked for four different restaurants over the last six years and had finally found a job he loved. His boss treated him well and paid her employees what they were owed. “If whoever’s at the top is treating everybody below them with the same respect they want back, it filters throughout the whole place and everybody’s happy.” But he knew that the certainty with which he was paid and the working conditions he enjoyed were rare in the industry. “Nine times out of ten, it’s never like this. This is the first restaurant it’s ever been like that.”

At previous restaurants it was common for kitchen staff to not get paid, for tips to be withheld, and for everyone’s checks to bounce. Roger remembered a few employees standing up to the employer and asking for their wages.

*I know of a couple workers that had just had enough and would just stay on top of him and stay on top of him and stay on top of him that were fired for just having an “attitude.” They don’t want to pay you, but they don’t want to see the attitude from it because then it messes with their business.*

He noted the effect of working in such an environment.

*The workers feel replaceable, and you don’t want to work somewhere where you think, where you know that the person at the top knows you’re replaceable. That’s a horrible way to work, especially not getting paid the right way, making next to nothing, trying to support families.*

Out of all the participants, Sarah, who worked at child-care center, was the only one who quit her job after confronting her employer and seeing nothing change. She too noted that many teachers had been let go over time and that all teachers knew they had no job security. “It’s easy to lose you because you’re replaceable,” Sarah noted.

For Sarah, leaving was a difficult choice—not because of the working conditions or pay, but because she genuinely cared about the children with whom she worked.

*It’s just really hard to look at one of those*

## FREDDY

It was Freddy’s first time working in the fields, pulling cilantro from dawn to dusk. He had worked at restaurants and call centers previously but took this job for the promise of work and pay. What he found were difficult working conditions, isolation, and ultimately wage theft.

Pulling cilantro was hard work—“You gotta dig them out of the earth”—especially working all day, every day. “You work from six to six, sun up to sun down every day,” Freddy said.

Freddy soon discovered that the promised pay of \$11 per hour was unachievable through a piece rate pay scale: “Whatever you pick, that’s the amount you get.” When asked how long it would take to pick the 1,000 plants per box that would earn a worker \$11 per hour, Freddy talked about the difficulty of working quickly enough to pick that many plants.

*...that’s honestly, that’s slavery, man. ... You really have to be <snaps fingers> quick, quick, quick because if you’re not, then you don’t balance out the hours. [The foreman was] like, “whatever boxes you fill, that’s what you get.”*

On top of making less than minimum wage, Freddy did not receive his final paycheck. He was told he was fired and then never got paid. He and his co-workers complained to their employer, who told them to leave. “Basically, he just, pretty much said, ‘You know what? You guys are fired and ... you guys need to leave.’”

*kids, especially, and there’s always one who’s going to do something so sweet and loving and right when you’re just about to freak out ... then they’re like ... “Let me show you something, let me show you this picture, this is me and you on the school bus.” I’m like, “Oh, okay, I’ll stay. We’ll do this for one more day.”*

But Sarah had been brought to tears on multiple occasions because of poor working

conditions—being in charge of three times as many children as allowed by law, making do with deficient supplies, often working with no bathroom breaks, and, finally, not getting paid. “You’re just trying to get through every single day, and you look at your paycheck, and you’re like, crap, this is all I made? It’s not worth it.” She felt fortunate she had a college degree and the income from her husband’s full-time job, which were enough to cushion her when she finally resigned.

Sarah’s co-workers were surprised when she gave notice. “Several of the other teachers were amazed that I stood up for myself,” Sarah noted. They told her they were scared to complain for fear of losing their jobs.

As noted above, for undocumented workers, the threat was often even greater than job loss. Francesca explained that immigrant workers without papers are scared and don’t have a way to defend themselves from abuse on the job. Similarly, Carlos noted that wage theft is often not the primary concern.

*Because one is undocumented, one can have more problems than what the other person is going to pay. The money doesn’t matter, for what it is, whether it’s 100 or 200 dollars, and that’s why people don’t want to fight it sometimes.*

Diego talked about the climate of fear his employer created. No direct threats were spoken, but Diego explained that his boss “wants to transmit fear.” Diego said the boss would often tell his workers, “Over there, there are more Mexicans,” and “You get in line, work on the right, or well, over there, there are more.” Diego explained that despite the rampant wage theft in his industry, his co-

workers continued to work for those who stole from them. “They don’t complain. They don’t say anything,” said Diego. “In order to not anger the boss and so they won’t have problems ... that’s why they don’t say anything to them.”

### The lack of proof

“It doesn’t add up to what she said. It’s always less.”  
– Natalia

More than half of the participants, including all of the undocumented workers we spoke with, had no control over recording their hours. Most of these same participants worked with no employment contract. Natalia, Carlos, Diego, and Francesca emphasized that all conditions of work were verbal. “No... contract. Only words,” Diego said. These same participants received no pay stubs or record of hours worked.

When most participants spoke about record keeping, they noted that their employers had full control of recording the hours worked, and that it often came down to a he said/she said situation. “It is said to them that it was these [amount of] hours and in the end they say no, that they were less ...” Carlos said. Similarly, Natalia’s boss shorted her staff’s pay by manipulating the hours.

*When we do our own counting, well I may have not studied much or know math, but I know how to add the numbers, and when we do our own calculations, it doesn’t add up to what she said. It’s always less.*



Diego’s boss kept his workers’ hours in a notebook, but at the end of the week the workers would never agree with his record keeping. “Almost always it’s two, three hours that they take off. It’s not a lot but with everyone, the whole group, it’s pretty good money,” Diego said.

But even for some participants with employment contracts and pay stubs, record keeping was a problem. Sarah, who worked in childcare, kept track of her own hours after realizing her employer was rounding her time down to the nearest hour and not recording her overtime hours.

*I average five to seven hours of overtime every week. I’m not getting paid for five to seven hours of overtime every week. I’m maybe making two to four hours of overtime on a paycheck, so every two weeks.*

**Insufficient information, resources, and the lack of hope**

“If one doesn’t have any money— they didn’t pay you—one doesn’t have any money, one can’t do that [pay attorneys’ fees].  
– Carlos

For participants who had been let go or who were no longer working for the offending employer, affordability of redress options or the lack of knowledge about where to turn were the primary obstacles to getting the wages they were owed.

**CARRIE**

Carrie saw her job as a nursing assistant as helping people and noted that she received satisfaction from her work.

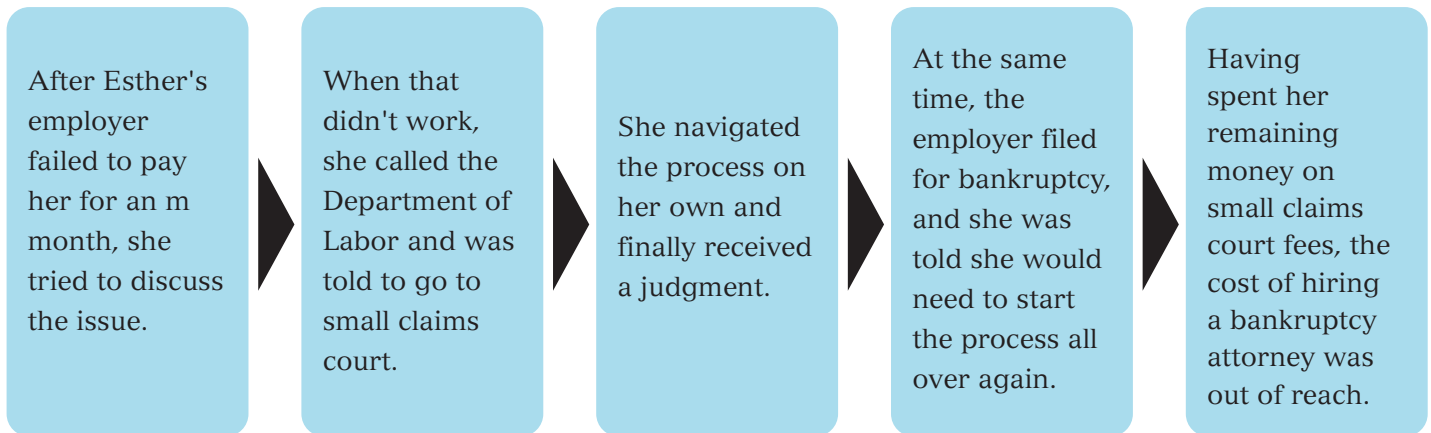
*It really touches my heart to hear an elderly say you know, nobody has ever washed my feet this way and really rubbed the lotion in or has never washed my back this way or have really cleaned me thoroughly. ... But I do, I like working with people. I like helping people.*

She had dreams of one day opening up her own home health agency, but then she found she could no longer physically do her job. While she had tried to work through back pain for years, it finally got to the point where she could no longer perform her job duties. Her agency provided her with no work supports—“You don’t get no benefits. You don’t get no insurance. It’s sad because you stand to injure yourself.”—and she had to stop working.

In the meantime, she did not receive her last paycheck, which she needed for a deposit and first month’s rent on an apartment. When we spoke with her, she was living at a local women’s homeless shelter.

Of those who spoke about their experiences, or lack of experiences, with the Wage and Hour Bureau, none navigated the process successfully. Carlos, Natalia, and Diego said they did not know where the Wage and Hour Bureau was or who to call. Carrie tried calling but her message was not returned: “I left a message and she never got back with me.” Karen noted that some of her co-workers tried to file claims with the Wage and Hour Bureau without success. “They told them to go to small claims court,” she explained.

Some participants talked about trying to find legal representation or navigate the legal process on their own. Freddy was the only one able to successfully seek representation. Three

**FIGURE 6: Esther's story: A chronology of actions and consequences**

participants attempted the small claims process on their own, but they found the fees were an obstacle. Karen explained, “Some of my co-workers have told me we can go to small claims court. But on that paper it says you have to pay \$96. I don’t have that.”

Carlos also spoke about his attempt to seek redress through legal channels. A few years ago, he tried to file a complaint but could not afford the fees.

*I went to put in the complaint and first you had to give \$80 to do the fine and then another 30 for who knows what or something like that. So it was like \$110. And so, if one doesn't have any money—they didn't pay you—one doesn't have any money, one can't do that.*

Esther initially tried to go through her employer to get the wages she was owed, eventually called the Wage and Hour Bureau, and finally filed in small claims court. She was ecstatic that she would finally get the month of

pay she was owed. Unfortunately, before the court date, the family for which she worked filed for bankruptcy, and Esther was told she would have to start the process all over again in bankruptcy court. At the time, she was already living at the women’s shelter, and the claims process had “drained the little money that [she] had saved up.” The day we spoke with her, she had just received the notice from the bankruptcy court. “I mean, I read it and I don’t understand it,” she said. She tried to call the court, and no one would return her call. Finally, she sighed, and said, “I can’t afford a bankruptcy attorney.”

After many failed attempts to get her last paycheck from her employer, Francesca sought help through a community organization. The organization made attempts on her behalf, yet a total of three months went by without any response. She scraped together the \$50 needed for a lawyer to send a letter on her behalf, but even this had no effect. She became demoralized and gave up.

## WHAT CAN BE DONE?

### Recommendations from participants and the application of emerging themes

“People’s livelihoods being ripped apart because they’re going to work and not being paid for it. I think there’s something, something needs to be done for this. – Roger

While this report’s findings are not designed to be generalizable, the stories of these 10 workers demonstrate the damaging impacts of wage theft and the need for solutions.

Each participant was asked what should be done about wage theft. Most participants spoke generally about the need for change. Some participants had specific recommendations. Freddy suggested more enforcement: “... somebody watching employers rather than just letting people ... do their own thing.” Natalia suggested more support through community organizations. Sarah noted that workers needed more information and more protections against retaliation. Diego simply wished for a more honest employer-employee relationship.

*People who are in charge, honest people, you know, that would be in charge of the hours ... a person that would not forget the hours that we did and then they say “Oh, I don’t remember anymore but they were like six hours,” but they were eight, nine hours. I know there are many [potential solutions], but I would only put that one, in my case, more than anything.*

The individual and collective experiences of the ten participants can inform policy in the following general ways:

- **Remedies must be more accessible.**

Not one of the respondents was able to successfully reclaim lost wages at the time of the interview. The very real fear of retaliation as well as financial obstacles and gaps in information kept most respondents from successfully seeking redress.

The threat of retaliation was the primary obstacle to redress for participants, which is far from uncommon. A National Employment Law Project national survey found that 43 percent of workers who complained to employers about wage violation or working conditions experienced some form of retaliation.<sup>18</sup> Worker complaints are the primary way wage theft is brought to the attention of administrative agencies and the courts. As such, workers need strong protections from employer harassment or retaliation when they come forward to complain or file a complaint.

Other obstacles for participants were related to lack of information – many participants simply did not know where to turn for help. While the services of worker centers, community agencies, and legal services organizations are crucial, more outreach by the Wage and Hour Bureau would assist workers in knowing where and how to file a complaint. In addition, requiring employers to provide new hires with basic information, including name, address, and employer identification number, would help workers once they reached the stage of filing a claim.

Finally, participants spoke about financial obstacles. While filing a complaint with the Wage and Hour Bureau does not cost money, most participants never made it to this stage. Some were referred to Small Claims court. One participant tried to hire a private attorney, but could not afford the fees. More agency funding would allow the Wage and Hour Bureau to take on more cases, thereby allowing workers to access a complaint process without worrying about paying additional fees. In addition, providing for guaranteed attorneys' fees would make legal assistance more accessible to wage theft victims.

● **Wage theft is a pressing problem - prevention and the ability to collect are key.** Respondents clearly voiced the potentially devastating financial impacts of wage theft. In one case, a single lost paycheck meant the difference between tenuous financial stability and homelessness.

Stiffer penalties for violating the law would deter many employers from routinely stealing workers' wages. A comprehensive publicity campaign by the Wage and Hour Bureau would let employers know they could be scrutinized, while also informing more workers about how to make claims.

Even if employees are able to access the complaint process, the collection of lost wages is often challenging. Extending the statute of limitations for wage claims would enable workers to wait to recoup wages until they have left their employment. Providing a simple way for workers to place liens on employers who fail to pay wages can be an effective tool for fast recovery of wages owed.

● **Addressing wage theft in isolation is not enough.** Low-wage work can create unstable financial circumstances for workers and families. Respondents spoke about the difficulties of making ends meet even before the wage violation occurred. In addition to ensuring that workers are paid for the work they do, policymakers should ensure that jobs pay living wages and enable workers to support themselves and their families.

Rising outrage over wage theft has led to local and state organizing efforts across the country. Anti-wage-theft laws have been approved in such states as California, Washington, New York, Illinois, and Maryland.<sup>19</sup> Last year, legislation to aid in the recovery of unpaid wages was introduced in North Carolina.

Enforcing laws to ensure that workers are paid for all hours worked and making sure all workers have access to basic wage protections are policies that reinforce the value of work, help struggling families, and accelerate the economic recovery.

## METHODOLOGY

This report is based on ten qualitative interviews conducted in the Triangle region of North Carolina from January to April 2012. This approach was adopted in order to get a deeper understanding of the working conditions that give rise to incidences of wage theft, the financial and emotional impacts on workers, and obstacles to redress.

The semi-structured interview guide was created following a literature review of existing wage theft studies and in collaborations with workers’ rights and immigrant rights advocates at the North Carolina Justice Center and with students at the University of North Carolina School of Law’s Immigration/Human Rights Policy Clinic (HR Policy Clinic). The interview questions covered five broad areas: (1) current work experience and background; (2) specific violations and working conditions; (3) whether the interviewees had reported their wage theft, and if not, why not; (4) what impact their wage theft experience has had on their lives; and (5) the interviewees’ ideas for improving working conditions.

Interviewers, which included four third-year law students from the HR Policy Clinic, were trained in conversational interview techniques. Interview teams included both

English and Spanish speakers. Interviews ranged from half an hour to close to two hours and were conducted in person. Each participant was provided with a consent form, which assured that no personal identifying information would be disclosed or used in any publications.

Participants were chosen by a convenience sample, a non-probability sampling technique, utilized as a first look at the issue and chosen in part due to the difficulties locating workers willing to speak about their experiences. Recent research has shown that the industry and type of employer are better predictors of violations than demographics.<sup>20</sup> As such, participants were chosen according to a list of low-wage industries with high complaints and incidences. To create this list, we looked both at North Carolina Department of Labor complaint data, national survey data, and anecdotal evidence from North Carolina advocates. Attempts were made to vary the sample as much as possible by gender, ethnicity, and immigration status.

Interviews were recorded. The four interviews conducted in Spanish were translated, and all interviews were transcribed. Subsequently, these transcripts were analyzed to distill the principal themes.

### DEMOGRAPHICS OF PARTICIPANTS

	Age Group	Gender	Immig. Status	Ethnicity	Industry	Industry/Job Tenure
<b>Carlos</b>	35 to 40	Male	Undocumented	Latino/Mexican	Construction	In the industry for 15 years
<b>Carrie</b>	50 to 55	Female	U.S. Citizen	African American	Home Health	In the industry for 24 years
<b>Diego</b>	35 to 40	Male	Undocumented	Latino/Mexican	Landscaping	In the industry for 1.5 years
<b>Esther</b>	Unknown	Female	U.S. Citizen	African American	Home Health	In the industry for 3 years
<b>Francesca</b>	41 to 45	Female	Undocumented	Latina/Mexican	House Cleaning	Unknown
<b>Freddy</b>	30 to 34	Male	U.S. Citizen	Mexican-American	Farm work	New to farm work
<b>Karen</b>	60 to 65	Female	U.S. Citizen	African American	Administrative	In the industry and with the same company for 13 years
<b>Natalia</b>	35 to 40	Female	Undocumented	Latina/Mexican	House Cleaning	In the industry and with the same company for 7 years
<b>Roger</b>	20 to 25	Male	U.S. Citizen	White	Restaurant	In the industry for 6 years
<b>Sarah</b>	35 to 40	Female	U.S. Citizen	White	Child Care	In the industry for 18 years

*NOTE: All participants were guaranteed confidentiality at the time of the interview, although some participants did express an interest in being more public with their stories. Prior to the release of this report, an attempt was made to contact all participants to ask if they would be willing to be photographed, either maintaining anonymity or not. Some participants could not be reached, but of those who were contacted, only three agreed to be photographed. The remainder declined to be photographed for fear of retaliation from current employers.*

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- 1 For a summary of research on wage and hour violations in the United States, see National Employment Law Project, 2012. “Summary of Research on Wage and Hour Violations in the United States,” available at [www.nelp.org](http://www.nelp.org).
  - 2 Bernhardt et al. 2009. “Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America’s Cities,” National Employment Law Project.
  - 3 See National Employment Law Project, 2012. “Summary of Research on Wage and Hour Violations in the United States,” available at [www.nelp.org](http://www.nelp.org).
  - 4 Sirota, Alexandra Forter and Sabine Schoenbach, 2012. “Wage Theft: Undermining the Value of Work,” North Carolina Justice Center.
  - 5 Another, more comprehensive report on wage theft in North Carolina will be released in Spring 2012. The insights provided by the workers interviewed for this study informed the methodology for the larger report, which will include more in-depth quantitative assessments and policy recommendations.
  - 6 All workers except one both worked and lived in the Triangle. Although he had experienced wage theft in the fields of western North Carolina, we included Freddy’s story to illustrate a perspective from the agricultural industry.
  - 7 See the methodology section for more details on how participants were chosen.
  - 8 See section V for more detailed proposals.
  - 9 All names have been changed in order to protect participants’ confidentiality.
  - 10 The U.S. Census bureau has divided the area into two metropolitan statistical areas (MSAs): Raleigh-Cary and Durham-Chapel Hill.
  - 11 The June 2012 unemployment rate for both the Durham-Chapel Hill and Raleigh-Cary MSAs was 8.0 percent. Bureau of Labor Statistics at <http://www.bls.gov/>.
  - 12 The average annual wage per employee for the Raleigh-Cary MSA in 2011 was \$45,968 and for the Durham-Chapel Hill MSA was \$57,824. North Carolina Department of Commerce, Division of Employment Security at <https://www.ncesc.com/>.
  - 13 Approximately 65 percent of North Carolina’s post-recession job growth has been concentrated in the state’s urban areas. See Prosperity Watch Issue 15, No. 3: Charlotte, Raleigh, and Greensboro dominate North Carolina’s post-recession job growth. [http://www.ncjustice.org/?q=prosperity-watch-issue-15#15\\_3](http://www.ncjustice.org/?q=prosperity-watch-issue-15#15_3).
  - 14 To create this list, we looked both at NC DOL complaint data, national survey data, as well as anecdotal evidence from North Carolina advocates. See Sirota, Alexandra Forter and Sabine Schoenbach. 2012. “Wage Theft: Undermining the Value of Work,” North Carolina Justice Center; Bernhardt et al. 2009. “Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America’s Cities,” National Employment Law Project. Industry classifications for Figure 1 were provided by the NC DOL.
  - 15 See Sirota, Alexandra Forter and Edwin McLenaghan. 2011. “Making Ends Meet after the Great Recession: The 2011 Living Income Standard for North Carolina,” North Carolina Justice Center.
  - 16 Industry classifications were provided by the NC DOL.
  - 17 Industries are classified according to 4-digit NAICS codes. Industries cited are: Restaurant and other eating places (7225), child day care services (6244), home health care services (6216), services to buildings and dwellings (5617), which includes landscaping (56173) and janitorial services (56172), and building foundation/exterior contractors (2381). Average wages were calculated according to average annual wage within the 4-digit NAICS codes for both the Durham-Chapel Hill MSA and the Raleigh-Cary MSA. Average hourly wages were calculated assuming a 40-hour workweek for 52 weeks.
  - 18 See Bernhardt et al. 2009.
  - 19 See National Employment Law Project, 2012. “Winning Wage Justice: Round-Up of Recent State and Local Activity to Combat Wage Theft,” available at [www.nelp.org](http://www.nelp.org).
  - 20 See Bernhardt et al. 2009.

## North Carolina Justice Center

The North Carolina Justice Center is the state's preeminent voice for economic, social and political justice.

As a leading progressive research and advocacy organization, our mission is to eliminate poverty in North Carolina by ensuring that every household in the state has access to the resources, services and fair treatment it needs to achieve economic security.

To make opportunity and prosperity for all a reality, we work toward:

- Jobs that are safe, pay a living wage, and provide benefits
- Access to quality and affordable health care
- Quality public education for every child
- Consumer protections from abusive practices
- Safe and affordable housing
- Public investments that expand opportunities for economic security
- A fair and stable revenue system that adequately funds public investments while fairly distributing tax responsibility
- Fair treatment for everyone in North Carolina – regardless of race, ethnicity, or country of origin

The Justice Center's effectiveness in advocating for policies that improve the lives of people in communities throughout North Carolina stems from our unique five-strategy approach, which enables us to attack problems with the most effective tools.

Visit [www.ncjustice.org](http://www.ncjustice.org) to learn more about the Justice Center.

### Sign Up

The Justice Center regularly puts out e-newsletter and alerts to let you know about developments—good and bad—in state and federal policy. Sign up online, and we'll keep you informed and let you know when you need to take action to protect opportunity and prosperity in North Carolina.

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The Justice Center relies on private donations – we receive no public funds. Your contributions make sure the talented and committed advocates of the Justice Center to continue to fight for economic, social, and political justice in North Carolina.

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## The Immigration/Human Rights Policy Clinic

The Immigration/Human Rights Policy Clinic at the UNC School of Law is a two-semester clinic that provides students with an opportunity to represent clients in immigration cases and work on legal projects addressing human rights initiatives. Students also engage in non-litigation strategies and collaborate with state, national and international human rights organizations on legislative and rule-making proposals, policy matters, research papers and amicus briefs. Students work with organizations that are currently seeking to reframe domestic issues as human rights issues, and engage in various law-related campaigns aimed at addressing a range of economic, social and cultural human rights violations.

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