

UC SANTA BARBARA

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The Low-Wage Quagmire

According to basic economic theory, the wallets and purses of low-wage workers in Santa Barbara and Goleta should be expanding. An unemployment rate of just 4 percent should be driving up wages as employers compete for the best workers. But a new study conducted by UC Santa Barbara scholars reveals something quite different: stagnant wages, pervasive wage theft and many people working while sick because they lack health insurance or sick leave.

The survey exposes the plight of the working poor — especially undocumented immigrants — and demonstrates a need for further study, noted Nelson Lichtenstein, MacArthur Foundation Professor in History at UCSB and director of the campus's Center for the Study of Work, Labor, and Democracy. "Wages should be higher, right? They are not," Lichtenstein said. "What's that all about? We need to investigate that more closely. That's inexplicable in a theoretical sense."

The initial idea behind the survey, according to Lichtenstein, was to gather information and explore the basis for a minimum wage referendum in the City of Santa Barbara, where the minimum wage is \$9 per hour. Other researchers contributing to study are Eileen Boris, the Hull Professor in the Department of Feminist Studies, and Alice O'Connor, professor of history.

The study is based on a survey of 124 low-wage workers, slightly more than two-thirds of whom are Hispanic. The high proportion of Hispanics reflects their prevalence among the South Coast's working poor, Lichtenstein explained. "We did want to focus on low-wage workers," he said. "We're not claiming that this survey

represents everyone in the county, or even every low-wage worker. The point we're making is that if you're undocumented, then everything is worse — wage theft, lack of sick leave, lack of health care, et cetera.”

Although the sampling size was limited, the results largely mirror those of the UCSB Economic Forecast Project's report, which was released May 21 and 22. “It turns out this thing was pretty accurate, and I'll tell you why. It accords very closely with the statistics put out by the Economic Forecast,” Lichtenstein said.

The center's survey lays out a grim scene for the area's working poor. Incidents of wage theft — employers refusing to pay overtime, or provide rest or lunch breaks — “have reached epidemic proportions,” the report asserts. The problem is especially acute among the undocumented, who accounted for 40 percent of those surveyed. Non-citizens reported significantly higher rates of wage theft than citizens did. The highest rates of wage theft occur in businesses with fewer than five employees, where the undocumented tend to work.

One unexpected result of the survey was how much low-wage employees work while sick — and the deep resentment it generates. More than half of those surveyed reported working while sick in the past year. The most common reasons given: being unable to afford a day off and the fear of being fired. Non-citizens worked an average of 14 days while sick, while citizens worked 10. Agriculture and food service workers had it worst: They worked between 22 and 25 days while sick.

The report notes that while the Affordable Care Act (ACA) has improved access to health insurance, 44 percent of those interviewed had no insurance. As with wage theft, a lack of health insurance falls hardest on the undocumented. Nearly two-thirds of non-citizens — 63 percent — had no health insurance, while 31 percent of the documented had coverage.

Relief for sick workers arrives July 1, when the Healthy Workplace, Healthy Families Act take effect. The law requires California employers to provide three days of paid sick leave to their workers. However, Lichtenstein noted, the law can easily be ignored. Wage theft is illegal, he added, but it's still rampant, and it's unlikely the state alone will be able to enforce the law.

“The way you ‘police’ the laws that already exist is to have a collective organization of workers,” he said. “You need unions. There's no other way. The unions sometimes bargain with an employer for higher wages, but today their real function would be

making sure the laws that are on the books get enforced. That's the thing. You need some people that are right there."

The survey was conducted by UCSB students, many of who became interviewers as part of their participation in a summer 2014 Chicano Studies class conducted by Ralph Ambruster-Sandoval, an associate professor of Chicana and Chicano studies. The center's next report, Lichtenstein said, will focus on residents of Isla Vista, both students and others.

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