

June 10, 2019

**SUPPORT AN INCREASE IN FUNDING TO THE
WAGE AND HOUR DIVISION AT THE DEPARTMENT OF LABOR**

Dear Representatives,

On behalf of the undersigned organizations, we write to express our strong support for the proposed increase to appropriations for the Wage and Hour Division (WHD) at the U.S. Department of Labor in the FY20 Labor, Health and Human Services, Education, and Related Agencies (Labor H) appropriations bill. There is bipartisan consensus that increased funding for enforcement to combat wage theft is needed. We urge you to support the Labor H Appropriations Subcommittee's increase of \$69,131,000 over the fiscal year 2019 enacted level and \$65,563,000 over the fiscal year 2020 budget request.

All people should be paid fairly for the work that they do. Unfortunately, when employers who are bad actors commit wage theft and do not pay working people their legally owed earnings, they harm both working people and good employers everywhere. Wage theft is also a violation of the Fair Labor Standards Act (FLSA), a law which sets guidelines on pay for working people. On April 9, 2019, the Appropriations Subcommittee on Labor-HHS held a robust, thoughtful hearing entitled "Combatting Wage Theft: The Critical Role of Wage and Hour Enforcement," laying out many of the current concerns with wage theft. A bipartisan consensus emerged that substantially increased funding for enforcement is needed to ensure that working people receive their promised wages.

The negative impact of wage theft is pervasive, and the harm felt disproportionately by low income families who are living paycheck to paycheck. According to the Economic Policy Institute, wage theft in the United States amounts to more than \$50 billion dollars per year.¹ And a groundbreaking 2009 study by the National Employment Law Project, the Center for Urban Economic Development of the University of Illinois at Chicago, and the UCLA Institute for Research on Labor and Employment surveyed over 4,000 workers and found that 26 percent were paid less than the required minimum wage in the previous work-week, and nearly two thirds experienced at least one pay-related violation, such as failure to pay overtime, not being paid for all hours worked, and stolen tips.² This survey showed that women, immigrants, and people of color were disproportionately affected by wage theft. This disparate impact alone warrants further attention.

In order to combat wage theft and ensure that employers are paying their fair share to working people, the WHD needs more resources to enforce the protections guaranteed in the FLSA. While the WHD enforces the federal minimum wage, overtime pay, record-keeping, and child labor requirements of the FLSA, it has not been funded adequately to deal with the scale of wage theft. Investigations conducted by the WHD have declined significantly in recent years. Between 1998 and 2007, for example, the "rate

¹ McNicholas, Celine, Zane Mokhiber, and Adam Chaikof. "Two billion dollars in stolen wages were recovered for workers in 2015 and 2016—and that's just a drop in the bucket." Economic Policy Institute, 13 December 2017. Available at <https://www.epi.org/publication/two-billion-dollars-in-stolen-wages-were-recovered-for-workers-in-2015-and-2016-and-thats-just-a-drop-in-the-bucket/>.

² Bernhardt, Annette et al. "Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America's Cities." National Employment Law Project, 2009. Available at <https://www.nelp.org/wp-content/uploads/2015/03/BrokenLawsReport2009.pdf>

of investigations per establishment declined by about 53 percent.”³ At the same time, the number of WHD investigators declined by 22 percent from 1998 to 2008.⁴ We recognize that not all companies are bad actors, but wage theft has become so widespread that working people need better protection from wage theft now, more than ever. Just one example of the pervasiveness of wage theft comes from a 2017 study from the Economic Policy Institute, which found that wage theft in the form of paying working people who earn the minimum wage less than the full amount impacts approximately 17 percent of low wage working people in our nation’s 10 most populous states.⁵ We strongly urge you to support the recommended appropriations increase to the WHD.

On behalf of the millions of working people who fall under the protection of these laws, we thank you for your consideration. If you have any questions, please contact Judy Conti at the National Employment Law Project at jconti@nelp.org, or Emily Chatterjee at The Leadership Conference on Civil and Human Rights chatterjee@civilrights.org.

Sincerely,

9to5 California
9to5 Colorado
9to5 Georgia
9to5 Wisconsin
9to5, National Assoc of Working Women
African American Ministers In Action
American Federation of State, County and Municipal Employees (AFSCME)
American Sustainable Business Council
Asian Pacific American Labor Alliance, AFL-CIO
Bread for the World
Center for Law and Social Policy (CLASP)
Clearinghouse on Women's Issues
Coalition of Labor Union Women, Philadelphia Chapter
Coalition on Human Needs
Congregation of Our Lady of the Good Shepherd, US Provinces
CRLA Foundation
Domestic Violence Legal Empowerment and Appeals Project
Economic Policy Institute
Empire State Consumer Project
Equal Rights Advocates
Farmworker Justice
Feminist Majority Foundation

³ Weil, David et al. “Improving Workplace Conditions Through Strategic Enforcement. A Report to the Wage and Hour Division.” Boston University, May 2010. Available at <https://www.dol.gov/whd/resources/strategicEnforcement.pdf>.

⁴ Ibid.

⁵ Cooper, Dave, and Teresa Kroeger. “[Employers Steal Billions from Workers’ Paychecks Each Year: Survey Data Show Millions of Workers Are Paid Less Than the Minimum Wage, at Significant Cost to Taxpayers and State Economies](https://www.epi.org/publication/employers-steal-billions-from-workers-paychecks-each-year-survey-data-show-millions-of-workers-are-paid-less-than-the-minimum-wage-at-significant-cost-to-taxpayers-and-state-economies/).” Economic Policy Institute, 10 May 2017. Available at <https://www.epi.org/publication/employers-steal-billions-from-workers-paychecks-each-year-survey-data-show-millions-of-workers-are-paid-less-than-the-minimum-wage-at-significant-cost-to-taxpayers-and-state-economies/>.

Fiscal Policy Institute
Freedom Network USA
HEAL Trafficking
Jobs With Justice
Kentucky Equal Justice Center
The Leadership Conference on Civil and Human Rights
Legal Aid at Work
Los Angeles Alliance for a New Economy
Maine Women's Lobby
NAACP
National Advocacy Center of the Sisters of the Good Shepherd
National Asian Pacific American Women's Forum
National Domestic Workers Alliance
National Education Association
National Employment Law Project
National Organization for Women
National Partnership for Women & Families
National Women's Law Center
NETWORK Lobby for Catholic Social Justice
North Carolina Justice Center
Oxfam America
Penn State University Abington
Pride at Work
Public Citizen
Sargent Shriver National Center on Poverty Law
Sciencecorps
SEIU 32BJ
United Automobile, Aerospace and Agricultural Implement Workers of America (UAW)
United Food and Commercial Workers International Union
United Steelworkers
Washington Lawyers' Committee for Civil Rights and Urban Affairs
Women Employed
Women's Law Project
Workplace Fairness
Workplace Justice Project at Loyola College of Law Clinic
YWCA NH