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Hungry Cooks

Poverty Wages and Homelessness in the Fast Food Industry

May 2023



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Poverty Wages and Homelessness in the Fast Food Industry

May 2023

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Underwritten by the
Service Employees International Union (SEIU)

Report available at: www.economicrt.org

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1. Executive Summary

Poverty Employment and Homelessness

There is a strong connection between under-employment, unemployment, poverty, and homelessness. Not having enough money to pay rent contributes to homelessness just as much as the lack of affordable housing does. Low earnings make eviction and homelessness a real risk. Good jobs are crucial for preventing homelessness.

The fast food industry is a poverty employer, with a larger share of its workers in poverty than any other industry. All low-wage workers face some level of risk that they will become homeless. This risk is compounded in the fast food industry by the combination of low wages, part-time work and employee churn. These interlocking hazards undercut workers' ability to pay their rent.

Fast food workers make up 11 percent of all homeless workers in California, 9 percent in Los Angeles County and 8 percent in the City of Los Angeles.

If the fast food industry provided sustaining pay and stable employment that enabled its workforce to remain housed there would be 10,120 fewer homeless workers in California, 3,595 fewer homeless workers in Los Angeles County and 1,889 fewer homeless workers in the City of Los Angeles.

California's homeless population grew 51 percent from 2014 to 2022. We estimate that homelessness would have grown about one-fifth less in California if the fast food wage floor was adequate to ensure that workers have stable housing. Homelessness would have grown a still disastrous 42 percent, but not 51 percent.

Economic Homelessness

People become homeless for different reasons, including unemployment, families breaking up, medical or mental health problems, and substance use disorders. Unemployment is by far the most frequent explanation that homeless individuals provide when asked why they are homeless. Forty-five percent of homeless adults report that unemployment is the reason why they are homeless.

Economic homelessness emerges when workers are destitute and unable to pay rent. Poverty and inability to pay for housing are the primary cause of homelessness. We estimate that 55 percent of homeless individuals were recently in the labor force or are still working. This includes 45 percent who say they are homeless because of unemployment and an additional 10 percent who are homeless but also report that they are currently working.

We estimate that fast food workers make up 5.9 percent of California's total homeless population, 5.2 percent of Los Angeles County's homeless population and 4.5 percent of the City of Los Angeles' homeless population.

Homelessness is primarily a problem of working poverty. The fast food industry is the largest poverty employer in California. Raising the wage floor in this industry is the single most important step for reducing economic homelessness in the state.

Hours and Wages

California's frontline fast food workforce obtains an average of only 1,340 hours of paid work per year. This is 26 hours a week if they work year-round or more hours per week broken up by spells of unemployment. All of the other workers in California are employed an average of 1,839 hours a year. Full-time jobs are typical in California outside of the fast food industry.

The median annual earnings of frontline fast food workers in California was \$14,949 in 2020. Over two-thirds of California's frontline workers are paid less than \$20,000 a year. The poverty rate for the households of frontline workers in California is three times higher than the rate for the rest of the state's workers.

Public Assistance

One-third of frontline fast food workers receive taxpayer-funded health care through Medicaid. This is twice as large as the share for all other industries in California. The fast food industry increases corporate profits by transferring the health care needs of its workforce onto the public.

Roughly one-fifth of frontline fast food workers receive food stamps. The share of frontline workers who depend on food stamps to fight hunger is roughly twice as large as in all of the other industries in California.

The limited-service food industry brings a full-service appetite to the public treasury. It sells food to the public and at the same time relies on the public to pay for the food that its workers require.

Precarious Housing

Because of low wages and insufficient incomes to afford adequate homes for their families, 43 percent of frontline fast food workers in Los Angeles live in overcrowded housing. These rates of overcrowding are more than twice the rate for all of the other workers in the labor force.

Overcrowding affects mental health, stress levels, relationships and sleep, and it may increase the risk of infectious disease.

An additional risk is that if one of the wage earners in the household loses their job or moves out, the remaining household members may be unable to pay rent and become homeless.

A quarter of frontline workers in the City of Los Angeles spend over half of their income to remain housed. These workers are choosing between paying for household necessities such as food and clothing, and paying their rent. These fragile solutions collapse if income drops because of unpredictable work schedules, loss of a job or a large, unavoidable expense, such as a car repair to ensure transportation to work or paying for essential prescription medicine.

Unpaid rent results in eviction, and eviction can result in homelessness.

Worker Turnover

More than four out of five fast food workers were fired or quit their job in each of the last two years. The most frequent reason for quitting is low wages.

Low wages, part-time hours, on-demand scheduling, and unpredictable scheduling create and perpetuate poverty. Workers scramble between jobs to escape poverty while fighting the deprivation and housing instability caused by intermittent unemployment.

Housing becomes more precarious during the unemployed gaps between jobs as workers look for a job with better pay or working conditions. These intervals of unemployment may become windows of deeper poverty ending in homelessness. Workers who were already behind on their rent may lose their housing when they lose their job.

Closing the Pipeline into Homelessness

Every day, 665,600 fast food workers in California prepare and serve meals that bring in \$59 in revenue for their employers for each hour that they are on the job. The industry can afford to do right by its workers.

Most frontline fast food workers are precariously housed because of low wages and part-time hours. There is no floor to prevent their fall into homelessness. The 5.9 percent share of California's homeless residents who come from the fast food labor force is a continuous stream, adding to the daily flow of new entrants into homelessness.

Reducing the flow of new entrants into homelessness is by far the most feasible strategy for reducing and ending homelessness. There is far less



Jose de la Torre, Papa John's Pizza, Lynwood, CA

My goal is to have a place to sleep, even a little room so my kids know where I am and can come and visit me. Right now, I am homeless and live in my car because the money from delivering pizzas for Papa John's didn't cover my bills and I have no money for rent. When I looked at my paycheck I wanted to cry because it was so small. I can't sleep because I am so tense and I don't know what to do. Every sound wakes me up. The police said they always see me in the same place and that I can't sleep there anymore. Sometimes people pass by and look to see if someone is sleeping in the car, which is scary. I like working so I can help my kids, but I'm very limited in how much I can help them, which makes me very sad.

As far as I can tell, wage theft is built into the way Papa John's operates. It has to do with how the computer system works. My coworkers and I filed a wage theft complaint. Mine was for \$45,000. The manager also made me work off the clock and do favors for him, driving his wife and kids around and buying him lunch every day, and I was not allowed to take meal breaks and rest breaks. The manager threatened to cut my hours if I didn't do what he said. I am traumatized by the things the manager told me. I was trapped in a scheme of wage theft, coercion and sexual harassment for about a year. It was terrible. I stayed because I really needed the job, despite all the abuse. I was so angry, but there was nothing I could do. I needed my job.

In December, I was in a hit-an-run accident while I was delivering pizza and I had to pay \$30 to \$40 per day to rent a car for about a month so that I could continue to work, and so I had a place to sleep while my car was being repaired.

public cost and human misery in preventing someone from becoming homeless than there is in intervening after the fact with deeply subsidized housing that is costly to build and lags the level of need by decades.

The Solution

The fast food industry is thriving and has enough wealth to treat workers fairly. The top five publicly traded fast food corporations operating in California generated \$14.5 billion in profit in 2021 and \$12 billion in 2022.

A majority of fast food brands in California use a franchise structure that channels business risks to local franchisees while claiming a share of revenue that does not guarantee any profit for the operator. This enables the corporations to buffer themselves from responsibility for working conditions and shrinks local resources for improving the lives of workers.

The fast food industry is concentrated in a small number of brands. There are more than 30,000 fast food locations in California and the majority of them are controlled by the top 20 brands, including McDonald's, Carl's Jr., Subway and Jack in the Box. Less than one percent of the fast food locations in California are controlled by brands with fewer than four locations in the state.

Many top brands in California have a number of multi-unit, mega-franchisees that own dozens or even hundreds of locations. This is not an industry that is characterized by small businesses.

Poverty among frontline workers is the result of a system designed to ensure maximum profit for fast food corporations. Structural change is needed to correct structural problems.

Solutions include allowing workers to organize and have a voice in setting industry standards, bringing together corporate executives, workers and government regulators to establish industry-wide standards, and requiring corporate brands to support local franchise operators in providing wages, benefits and scheduling that enable frontline workers to afford housing, food and health care.



*Photo credit:
McDonald's USA*

2. Workers and Wages

Employers get \$59 in revenue for every hour that a fast food worker is on the job.

A Virtuous Circle

Every day, 665,600 fast food workers in California¹ prepare and serve meals that bring in \$59 in revenue for their employers each hour that they are on the job.² Fast food workers fulfill the needs of hungry customers who need a quick, affordable meal. They also fulfill the need of employers for profitable businesses. The final link in what should be a virtuous circle is the workers themselves and their ability to obtain the necessities of life with their earnings.

Attributes of Fast Food Workers

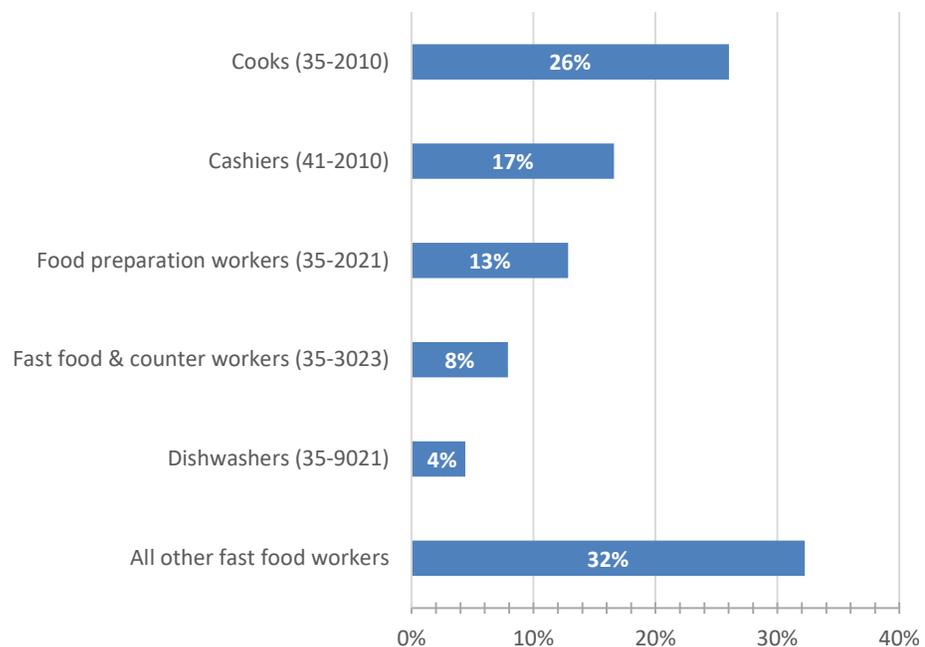
Frontline Jobs

Over two-thirds of California's fast food workforce is employed in five frontline jobs, as shown in *Figure 1*. Cooks make up just over a quarter of all workers, followed by cashiers, who hold 17 percent of jobs, and food preparation workers, who hold 13 percent of jobs.

Other occupations outside of the frontline group in the fast food industry include higher paid employees such as lawyers, accountants, advertising professionals, high-level executives, and managers.

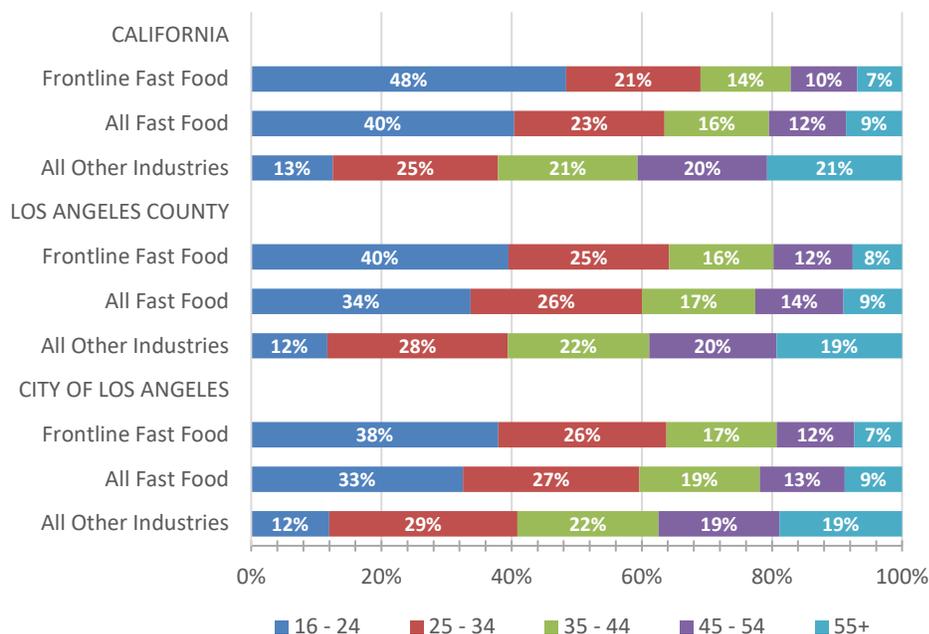
We break out frontline workers separately from the total fast food workforce and compare both to all other workers in California, Los Angeles County and the City of Los Angeles.

Figure 1: Frontline Fast Food Occupations



Source: U.S. Census Bureau American Community Survey Public Use Microdata Sample 2016-2020. Standard Occupational Classification (SOC) codes are shown in parenthesis.

Figure 2: Age Distribution of Workers



Source: U.S. Census Bureau American Community Survey Public Use Microdata Sample 2016-2020. Data shows workers with \$400 or more in wage and salary earnings in the past 12 months.

Age

The fast food industry relies heavily on young adult workers as shown in *Figure 2*.³ Almost half of all frontline fast food workers in California and 38 percent in Los Angeles are under 25 years of age. The share of young adults in other industries is less than a third as large.

Young adult workers face the challenges of building independent, stable lives based on the incomes that they earn.

The fast food industry relies heavily on young adult workers.

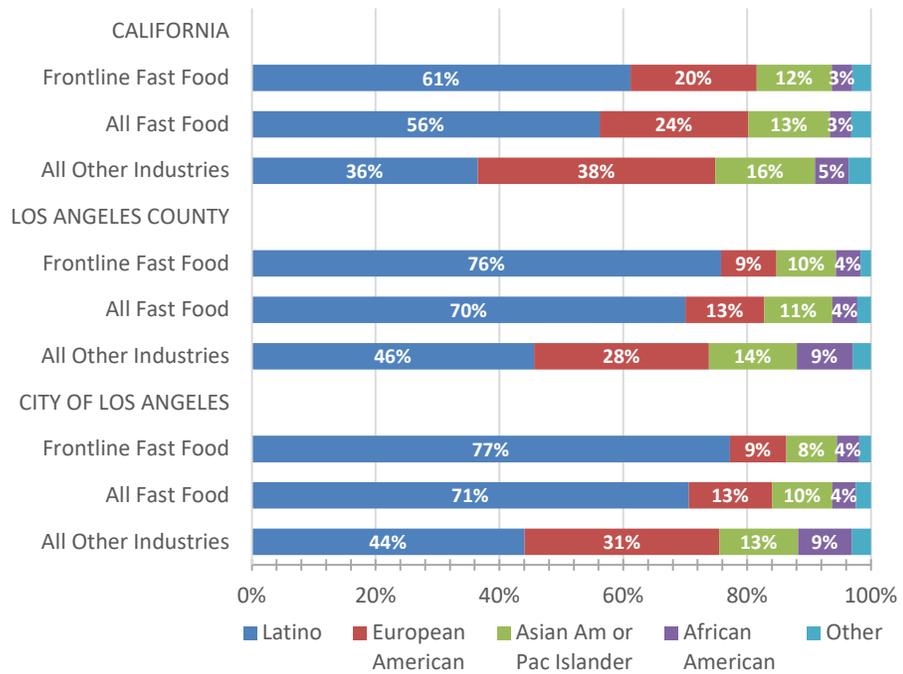
Ethnicity

Latinos make up a much larger share of workers in California’s fast food industry than in other industries in the state – 56 percent vs 36 percent, as shown in *Figure 3*. Seventy-seven percent of frontline workers in the City of Los Angeles are Latino.

Every other ethnicity is under-represented in the fast food industry. In California:

- European Americans make up 38 percent of the workforce in other industries but only 24 percent in fast food.
- Asian Americans and Pacific Islanders make up 16 percent of the workforce in other industries but 13 percent in fast food.
- African Americans make up 5 percent of the workforce in other industries but 3 percent in fast food.

Figure 3: Ethnicity of Workers



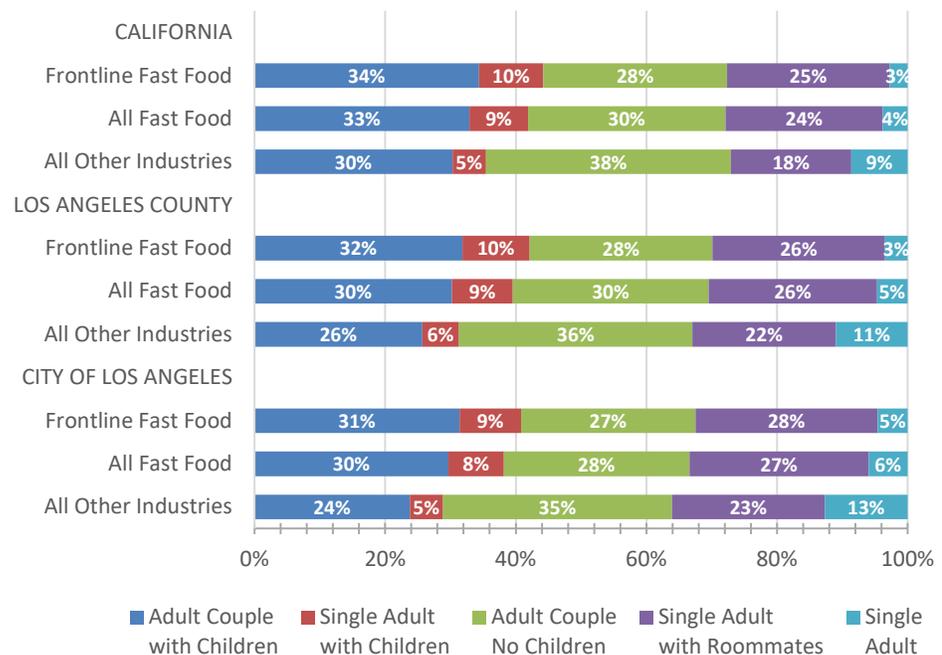
Source: U.S. Census Bureau American Community Survey Public Use Microdata Sample 2016-2020. Data shows workers with \$400 or more in wage and salary earnings in the past 12 months.

Household Structure

Fast food workers are more likely to have children they support with their earnings than the rest of California’s workforce – 44 vs 35 percent, as

Fast food workers are more likely to have children they support with their earnings than the rest of California’s workforce.

Figure 4: Household Structure of Workers



Source: U.S. Census Bureau American Community Survey Public Use Microdata Sample 2016-2020. Data shows workers with \$400 or more in wage and salary earnings in the past 12 months.

shown in *Figure 4*. This means that the average cost for household survival is higher for fast food workers than for the rest of California’s workers.

A smaller share of California’s fast food workers are in households with two adults to share living costs and no children to support – 28 vs 38 percent.

A larger share of California’s fast food workers are not able to afford their own independent housing and must double up with roommates to split housing costs – 25 percent vs 18 percent. The pattern of household structure is similar in Los Angeles County and City.

The average cost for household survival is higher for fast food workers than for the rest of California’s workers.

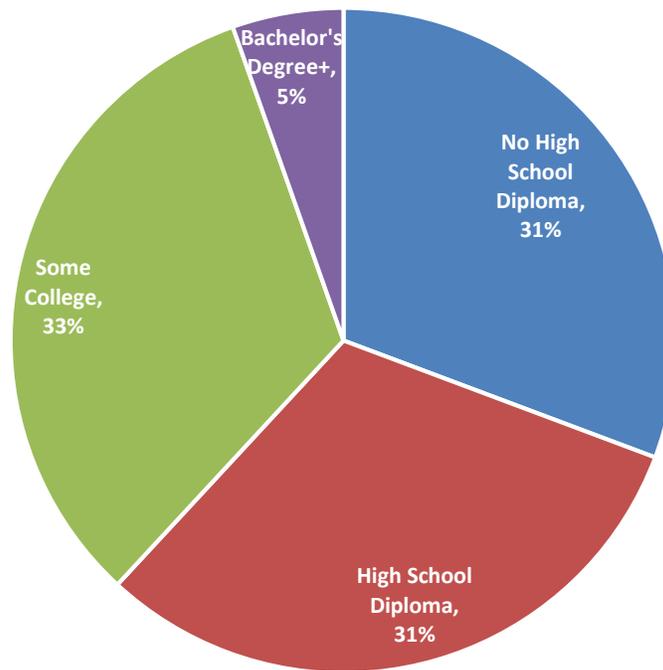
Education

Three-quarters of California’s fast food workers have at least a high school diploma and 45 percent have some level of college education.

Frontline workers have nearly the same level of educational attainment, as shown in *Figure 5*.

Sixty-nine percent have at least a high school diploma and 38 percent have some level of college education.

Figure 5: Educational Attainment of Frontline Fast Food Workers in California



Source: U.S. Census Bureau American Community Survey Public Use Microdata Sample 2016-2020. Data shows workers with \$400 or more in wage and salary earnings in the past 12 months.

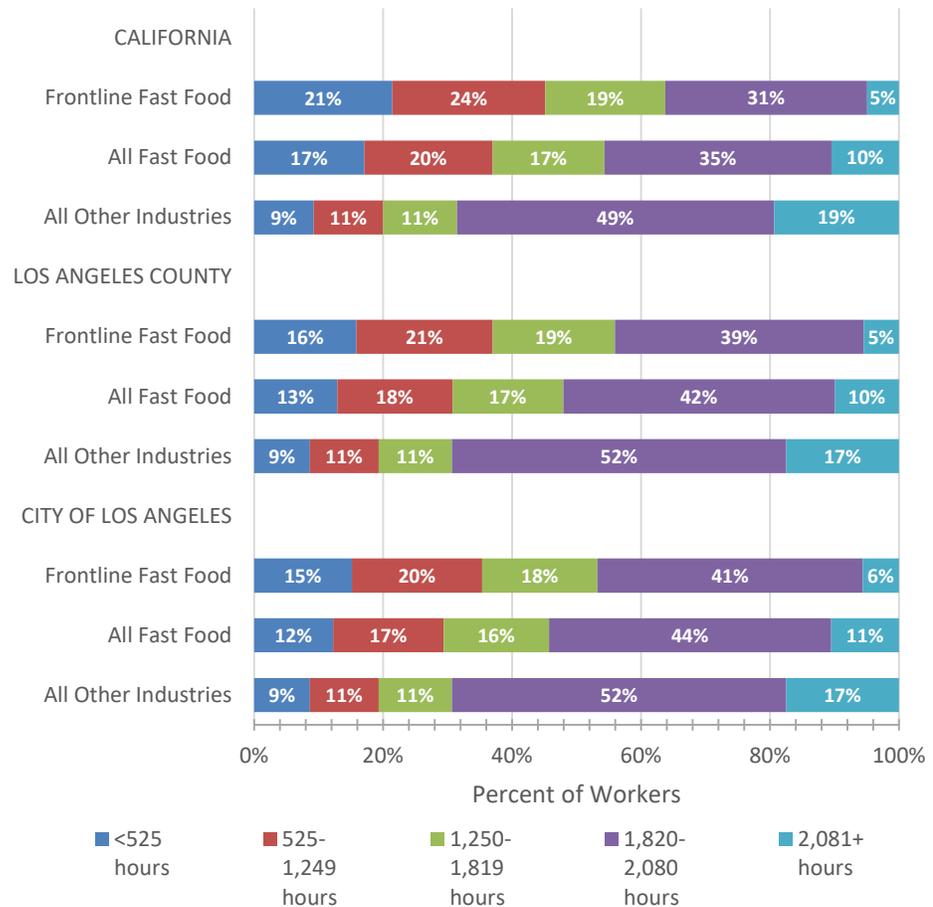
This profile of educational attainment is similar in Los Angeles County and City. Fast food workers across the state bring skills to their jobs that include reading, writing, computing, speaking, and listening, as well as the capacity to learn and develop.

Dividends of Employment

Hours of Work

Less than half (45 percent) of California’s fast food workers have 1,820 or more hours of paid employment during the year, compared to 69 percent of all other workers in the state (*Figure 6*).

Figure 6: Annual Hours of Work in the Fast Food Industry and Other Industries



Source: U.S. Census Bureau American Community Survey Public Use Microdata Sample 2016-2020. Data shows workers with \$400 or more in wage and salary earnings in the past 12 months.

This benchmark represents 52 weeks a year with 35 hours of work in the week. It is the California Employment Development Department’s threshold for full-time employment.⁴

California’s fast food workforce obtains an average of 1,488 hours of paid work per year. The average for frontline workers drops to only 1,340 hours of work. This is 26 hours a week if they work year-round, or more hours per week broken up by spells of unemployment.

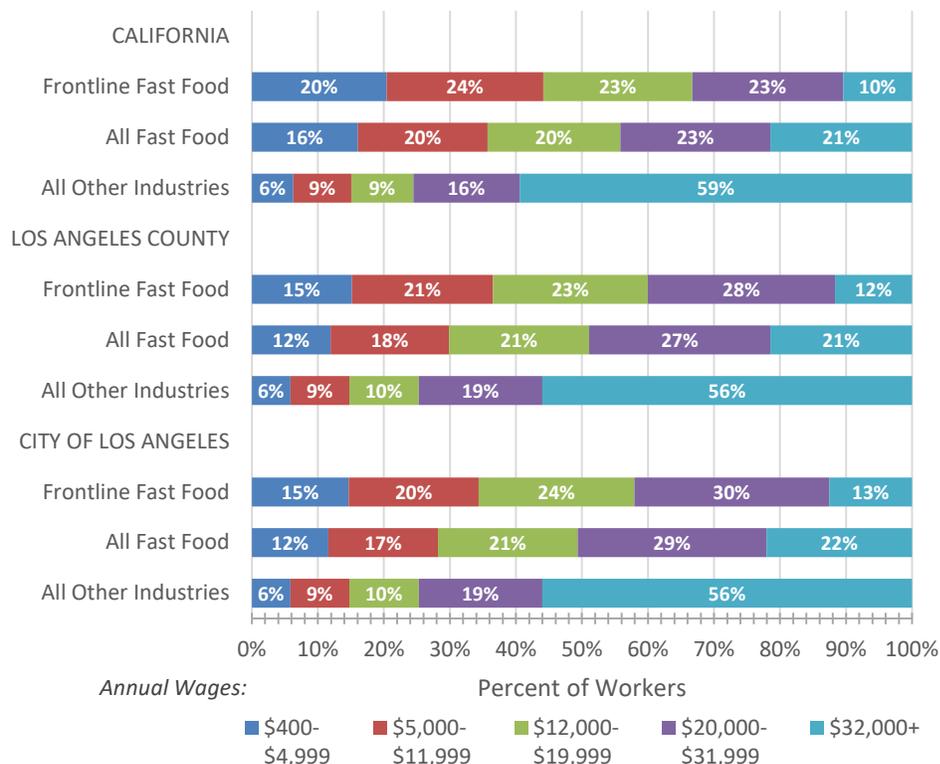
In comparison, all of the other workers in California are employed for an average of 1,839 hours a year. Full-time jobs are typical in California, outside of the fast food industry.

There is a small upward nudge in annual hours of work for fast food workers in Los Angeles County (an average of 1,588 hours for all fast food and 1,488 hours for frontline workers). Fast food workers in the City of Los Angeles have similar hours of employment (an average of 1,616 hours for all fast food workers and 1,471 hours for frontline workers).

Most fast food workers statewide and in Los Angeles are restricted to part-time employment and pay.

Less than half of California’s fast food workers have full-time jobs.

Figure 7: Annual Earnings in the Fast Food Industry and Other Industries



Source: U.S. Census Bureau American Community Survey Public Use Microdata Sample 2016-2020. Data shows workers with \$400 or more in wage and salary earnings in the past 12 months. Earnings are shown in 2020 dollars.

Earnings

Scarce hours of work together with pervasive low wages result in small annual earnings for fast food workers, as shown in *Figure 7*.

The *median* annual earnings of frontline fast food workers in California was \$14,949 in 2020. This was only 37 percent of the median earnings of the rest of the state’s labor force.⁵

Over two-thirds of California’s frontline fast food workers (67 percent) and over half of the entire fast food workforce (56 percent) are paid less than \$20,000 a year. In contrast, less than a quarter (24 percent) of the rest of the workers in the state are paid this little.

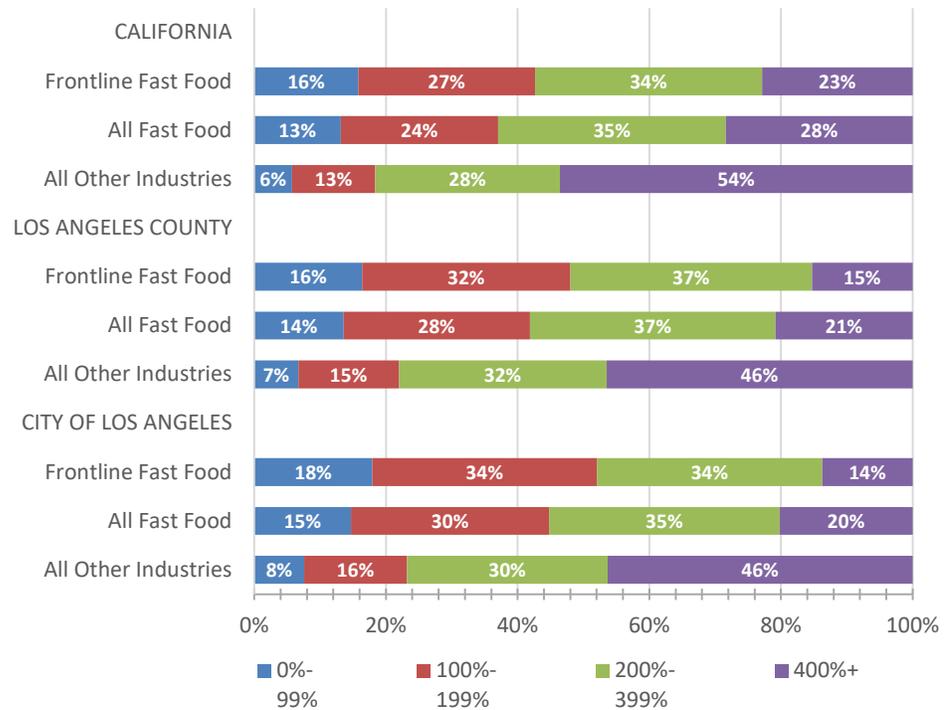
Fifty-nine percent of all *non-fast food* workers in California are paid \$32,000 or more a year. Fast food workers are less fortunate. Only 21 percent of the entire fast food workforce and 10 percent of frontline workers are paid this much.

Poverty

The poverty rate for the households of frontline fast food workers in California (16 percent) is almost three times higher than the 6 percent rate for the rest of the state’s workers (*Figure 8*).

Scarce hours of work together with pervasive low wages result in small annual earnings for fast food workers.

Figure 8: Household Income as Percent of the Poverty Threshold



Source: U.S. Census Bureau American Community Survey Public Use Microdata Sample 2016-2020. Data shows workers with \$400 or more in wage and salary earnings in the past 12 months.

The poverty rate for frontline fast food workers is 3 times higher than the rate for the rest of California's workers.

These poverty rates are for employed workers who are part of the labor force and do not include the unemployed population.

An additional 27 percent of frontline workers' households and 24 percent of all fast food workers in California are close to poverty, with incomes that are below 200 percent of the poverty threshold.

Workers are buffered from poverty if their income is at least twice the poverty threshold. In California this includes only 57 percent of frontline workers and 63 percent of all fast food workers, compared to 82 percent of workers in all other industries.

Poverty rates and vulnerability to poverty among fast food workers in Los Angeles County and City are similar to the statewide rates.

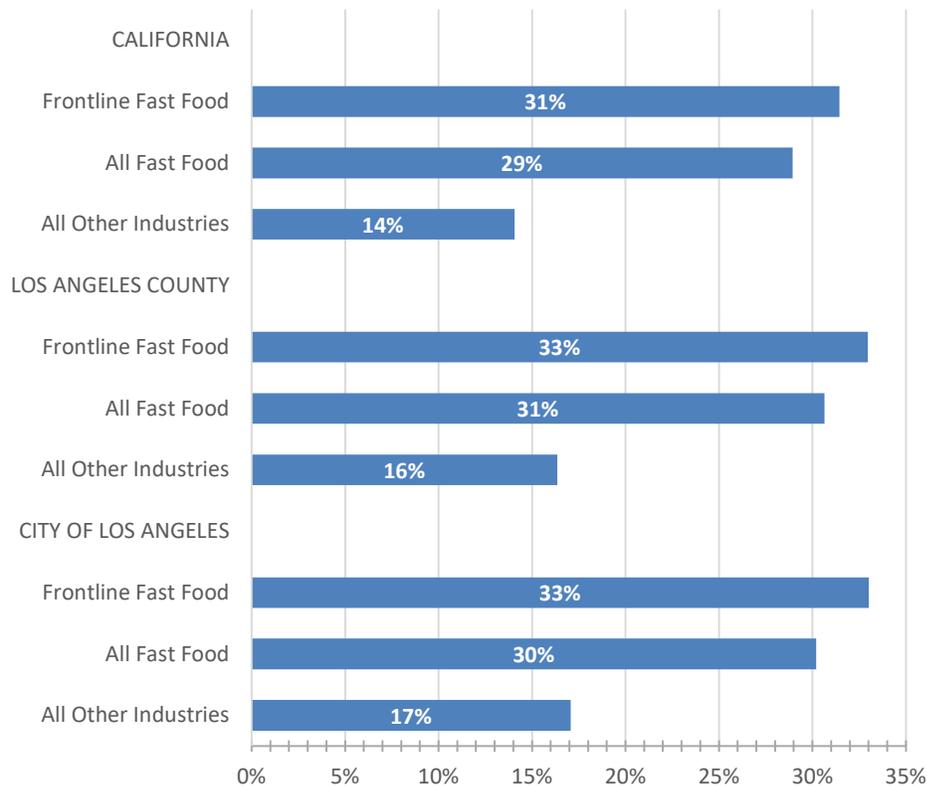
Public Assistance

Government Health Insurance

Low-income individuals who cannot afford private health insurance can seek to have their health care paid for through Medicaid, or Medi-Cal as it is called in California, which is tax payer-funded health coverage.

One-third of frontline fast food workers in the County and City of Los Angeles receive health care through Medi-Cal, as shown in *Figure 9*. The

Figure 9: Rate of Dependence on Public Health Insurance



Source: U.S. Census Bureau American Community Survey Public Use Microdata Sample 2016-2020. Data shows workers with \$400 or more in wage and salary earnings in the past 12 months.

rate of reliance on Medi-Cal is slightly lower in the total fast food workforce, which includes managers and professional staff.

The share of the workforce relying on Medi-Cal to obtain health care is twice as great as in all of the other industries in California.

The fast food industry increases corporate profits by transferring the health care needs of its workforce onto the public.

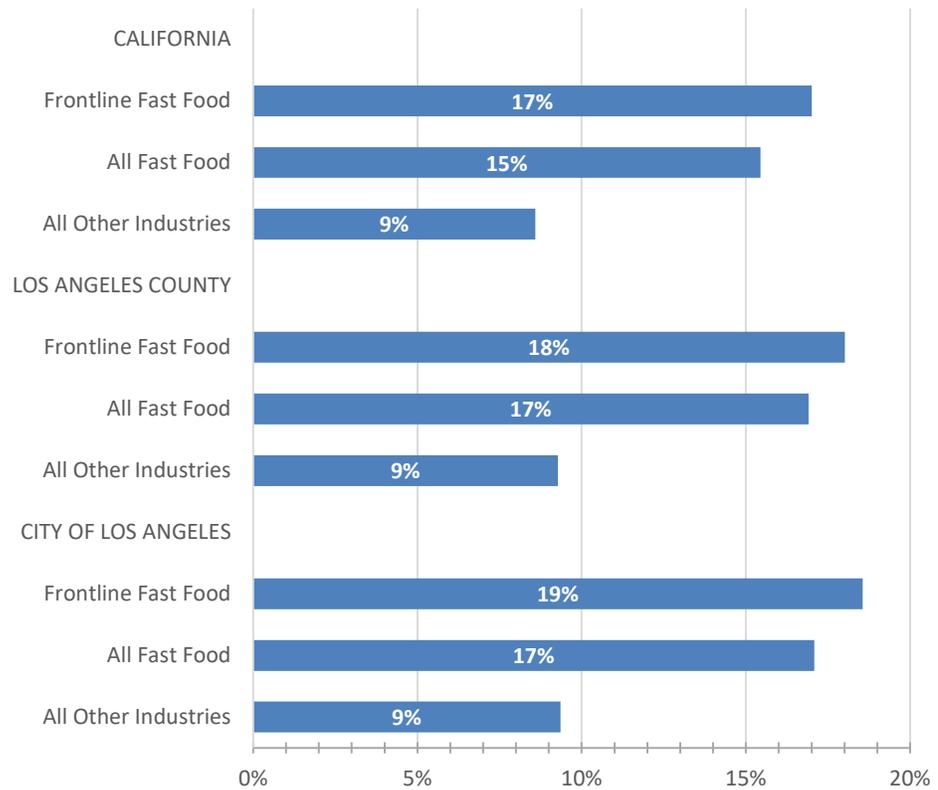
Food Stamps

Food Stamps, now called CalFresh in California, is a federal program that helps people with low incomes, or no income, buy food. The purpose is to reduce hunger and diet-related diseases. Recipients receive an EBT card that works like a debit card for buying groceries. The income limit for eligibility is 200 percent of the federal poverty level.⁶

Roughly one-fifth of frontline fast food workers in Los Angeles receive food stamps, as shown in *Figure 10*. The share of fast food workers who depend on food stamps to fight hunger is twice as large as in all of the other industries in California.

One-fifth of frontline fast food workers in Los Angeles receive food stamps and one-third receive health care through Medi-Cal.

Figure 10: Percent of Workers Receiving Food Stamps



Source: U.S. Census Bureau American Community Survey Public Use Microdata Sample 2016-2020. Data shows workers with \$400 or more in wage and salary earnings in the past 12 months.

The limited-service food industry brings a full-service appetite to the public treasury. It sells food to the public and at the same time relies on the public to pay for the food that its workers require.

Precarious Housing

Two strategies that low-income households use to remain housed are to pay an unmanageably large share of their income for rent or to rent a housing unit that is too small for the number of people in the household. Both strategies make them precariously housed and cause hardship.

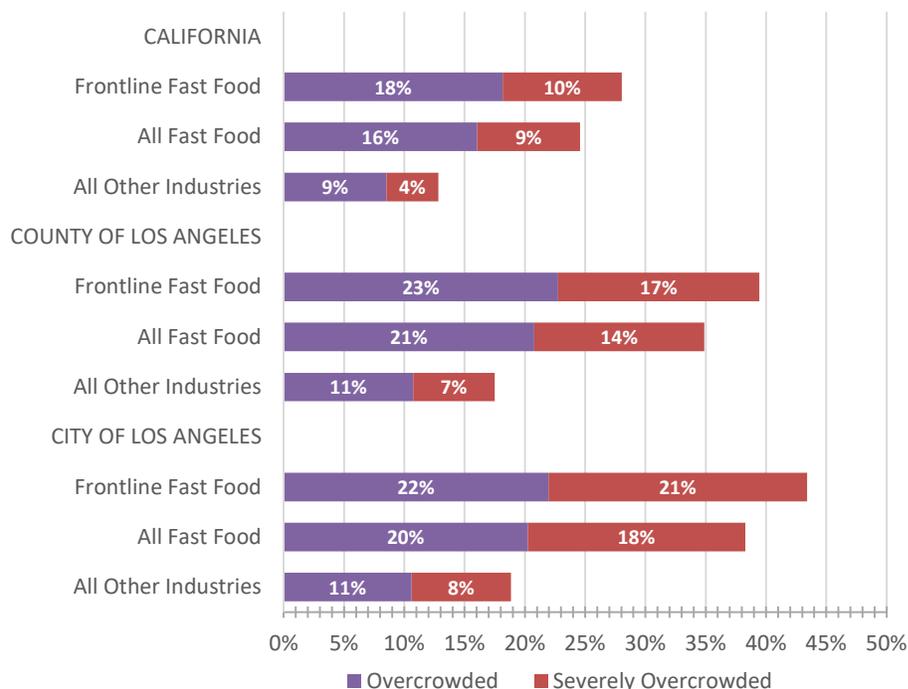
Overcrowding

Because of low wages and insufficient incomes to afford adequate homes for their families, 43 percent of frontline workers in the City of Los Angeles live in overcrowded housing, as shown in *Figure 11*.

This means that there is more than one person per room.⁷ Too many family members, roommates or even multiple families are squeezed into housing units that are too small to accommodate them in order to reduce the cost of rent.

43% of frontline workers in the City of Los Angeles live in overcrowded housing.

Figure 11: Percent of Households That Are Overcrowded



Source: U.S. Census Bureau American Community Survey Public Use Microdata Sample 2016-2020. Data shows workers with \$400 or more in wage and salary earnings in the past 12 months.

Twenty-one percent of frontline workers in Los Angeles are severely overcrowded, with more than 1.5 people per room in their housing unit.

The rate of overcrowding in Los Angeles County is similar to the city. The balance of California includes communities where housing is more affordable, so the statewide rate is about three-quarters of Los Angeles’ rate.

These rates of overcrowding are more than twice the rate for all of the other workers in the labor force.

Overcrowding affects mental health, stress levels, relationships, and sleep, and it may increase the risk of infectious disease.⁸

An additional risk is that if one of the wage earners in the household loses their job or moves out, the remaining household members may be unable to pay rent and become homeless.

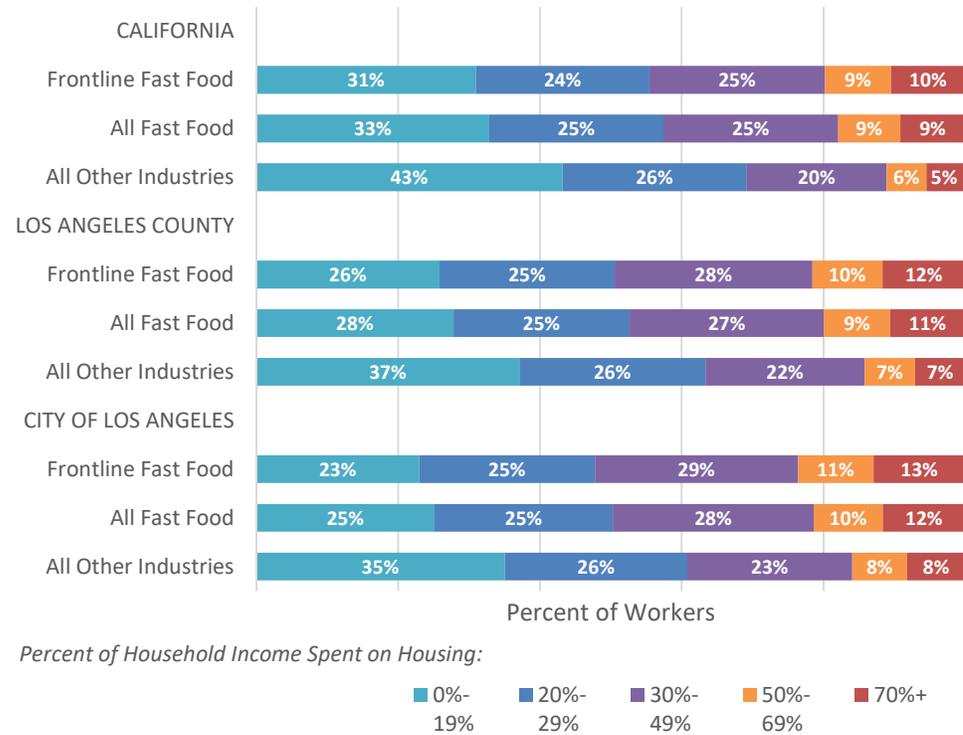
Cost Burden

A quarter (24 percent) of frontline workers in the City of Los Angeles spend over half of their income to remain housed. This includes 13 percent who spend over 70 percent of their income on housing (Figure 12).

Across California, extreme cost burden for housing is roughly twice as frequent among frontline fast food workers as it is among the workforce outside the fast food industry.

A quarter of frontline workers in the City of Los Angeles spend over half of their income to remain housed.

Figure 12: Housing Cost as a Percent of Household Income



Source: U.S. Census Bureau American Community Survey Public Use Microdata Sample 2016-2020. Data shows workers with \$400 or more in wage and salary earnings in the past 12 months. Data includes both renters and owners.

Low-income households that spend over half of their income on housing are on the cusp of homelessness. These workers are choosing between paying for household necessities such as food and clothing, and paying their rent. These fragile solutions collapse if income drops because of unpredictable work schedules, loss of a job or a large unavoidable expense, such as a car repair to ensure transportation to work or paying for essential prescription medicine.

Unpaid rent results in eviction and eviction can result in homelessness.

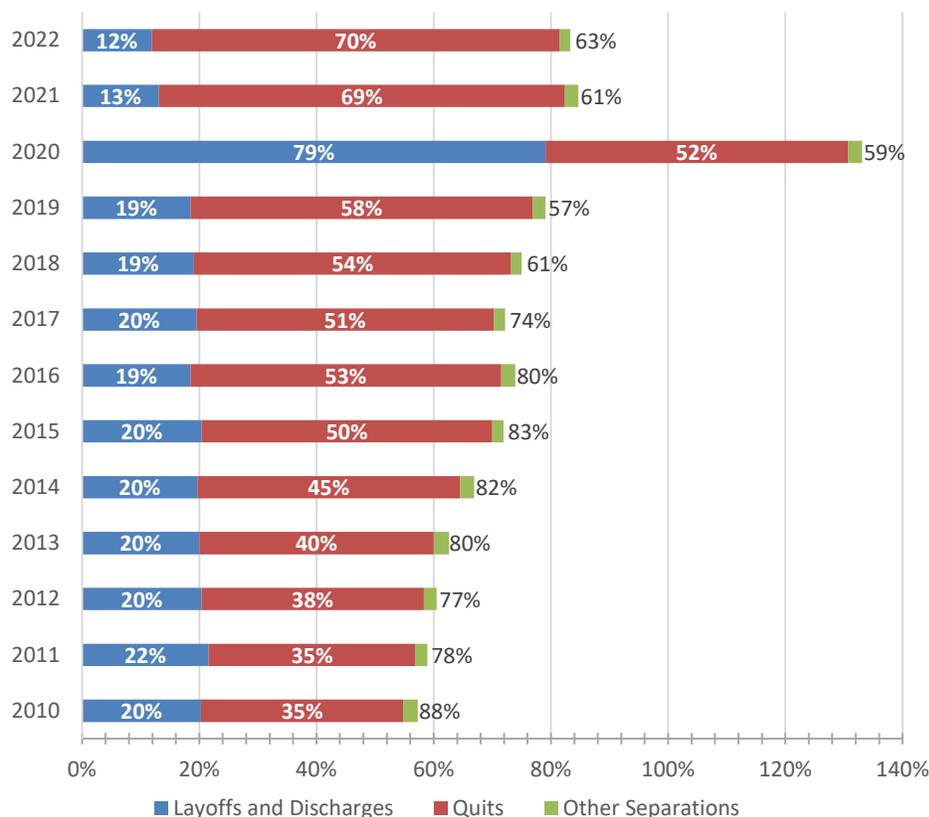
Worker Turnover

More than four out of five fast food workers were fired or quit their jobs in each of the last two years, as shown in *Figure 13*. The U.S. Bureau of Labor Statistics obtains this information through an extensive annual industry survey. Fast food is grouped together with full-service restaurants and hotels, and the data covers the entire workforce, including managers and professional and technical staff. It is likely that the annual turnover rate for frontline fast food workers reaches triple digits.⁹

High job turnover is associated with job insecurity, low morale and a toxic workplace culture.¹⁰

More than four out of five fast food workers were fired or quit their jobs in each of the last two years.

Figure 13: Percent Annual Employee Turnover in U.S. Accommodation and Food Services Sector



Source: U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Survey. Data is for the United States and includes fast food eating places as well as full-service restaurants and lodging places.

Job separation at fast food establishments happens most frequently because workers quit their jobs. The most frequent reason is low wages.¹¹

Low wages, part-time hours, on-demand scheduling and unpredictable scheduling¹² create and perpetuate poverty. Workers scramble between jobs to escape poverty, while fighting the deprivation and housing instability caused by poverty and intermittent unemployment.

Housing becomes more precarious during the unemployed gaps between jobs as workers look for a job with better pay or working conditions. These intervals of unemployment may become windows of deeper poverty. Homelessness is the most extreme form of poverty. Workers who were already behind on their rent may lose their housing when they lose their job.

Conclusions

The fast food industry relies heavily Latino young adults who are supporting children with their earnings. The workforce has important educational achievements. Three-quarters of California’s fast food workers have at least a high school diploma and 45 percent have gone to college.



Anneisha Williams, Jack in the Box, Los Angeles, CA

Every day I worry about losing my housing. I lived in a shelter for two years, and now I am behind on my rent and trying to keep gas in my car. I rely on SNAP to feed my kids. I think the fast food companies contribute to making people homeless, because we don't get enough work hours and we don't get paid right. I got promoted to shift leader in December, but I never got the shift leader pay increase.

I am struggling to pay my rent. My rent is \$1,730 per month for a two-bedroom apartment with enough space for me and my two youngest children. I have been living here for three years, I came here from the shelter. I am well over \$13,000 behind on my rent right now.

A majority of workers do not have full-time jobs. Because of scarce hours of work and pervasive low wages, over two-thirds of frontline fast food workers are paid less than \$20,000 a year. The poverty rate for frontline workers is almost three times higher than for the rest of California's workers.

Because of their low incomes and inability to afford private health insurance, one third of frontline fast food workers in Los Angeles receive public health care through Medi-Cal. In addition, a fifth of frontline workers depend on food stamps to fight hunger.

The fast food industry increases corporate profits by transferring the health and nutritional needs of its workforce onto the public.

Because of low wages and insufficient incomes to afford adequate homes for their families, 43 percent of frontline workers in Los Angeles live in overcrowded housing. A quarter of frontline workers in Los Angeles spend over half of their income for rent. These workers are precariously housed and vulnerable to homelessness.



*President Obama at
Chipotle,
Official White House
photo by Pete Souza*

3. Poverty and Homelessness

Economic Homelessness

There is a strong connection between under-employment, unemployment, poverty, and homelessness. Not having enough money to pay rent contributes to homelessness just as much as the lack of affordable housing does. Low earnings make eviction and homelessness a real risk. Good jobs are crucial for preventing homelessness.

Economic homelessness emerges when workers are destitute and unable to pay rent. Poverty and inability to pay for housing are the primary cause of homelessness.

The fast food industry is a poverty employer, with a larger share of its workers in poverty than any other industry.¹³ All low-wage workers face some level of risk that they will become homeless. This risk is compounded in the fast food industry by the combination of low wages, part-time work and employee churn. These interlocking hazards undercut workers' ability to pay their rent.

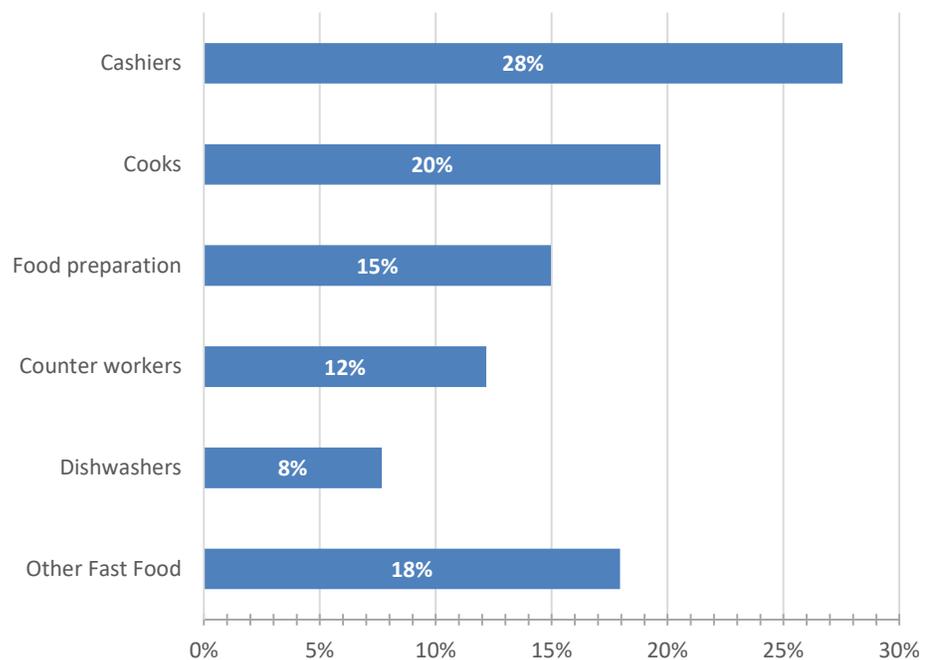
44% of frontline workers are paid less than \$12,000 a year, which is below the poverty level.

Attributes of Homeless Fast Food Workers

Occupations

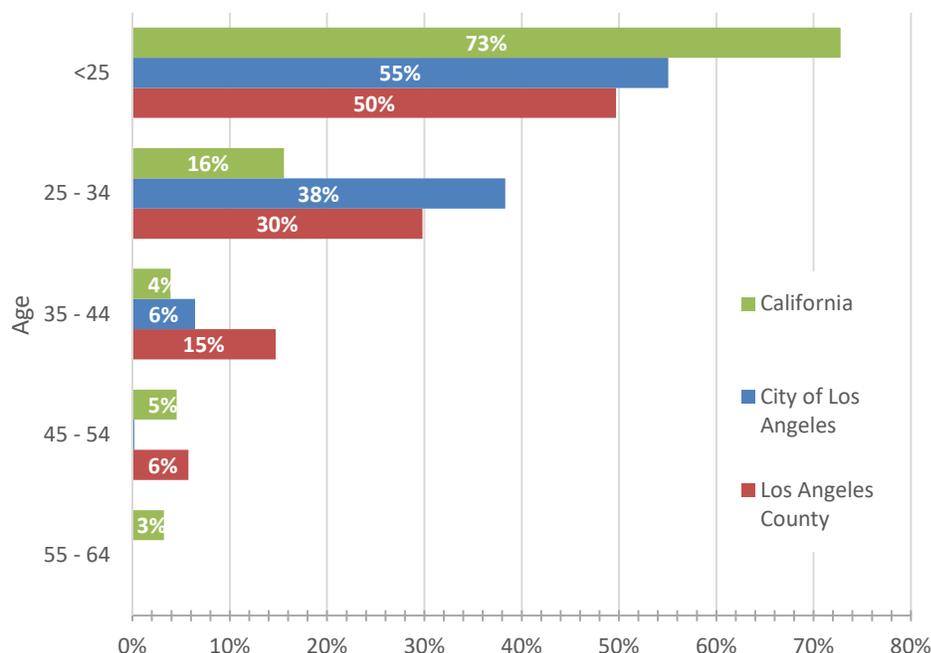
Frontline workers account for 82 percent of California's homeless fast food workers as shown in *Figure 14*.¹⁴ Forty-four percent of frontline workers statewide are paid less than \$12,000 a year, which is below the poverty threshold of \$15,225 for a single adult, as shown in *Figure 7*.

Figure 14: Occupational Distribution of California's Homeless Fast Food Workers



Source: U.S. Census Bureau American Community Survey Public Use Microdata Sample 2016-2020. Data is for homeless fast food workers with \$400 or more in wages in the past 12 months.

Figure 15: Age of Homeless Fast Food Workers



Source: U.S. Census Bureau American Community Survey Public Use Microdata Sample 2016-2020. Data is for homeless fast food workers with \$400 or more in wages in the past 12 months.

This analysis only looks at homeless individuals who are currently employed or who have been employed in the past year. Individuals who have been unemployed for over a year or who have never been in the labor force are not included in this profile of homeless fast food workers.

Age

Young adult workers under 25 years of age, who are the mainstay of California’s fast food industry, make up almost three-quarters (73 percent) of its homeless workforce, as shown in *Figure 15*.¹⁵ Rather than providing a career path for building independent, stable lives based on the incomes they earn, fast food employment is often a trapdoor into homelessness.

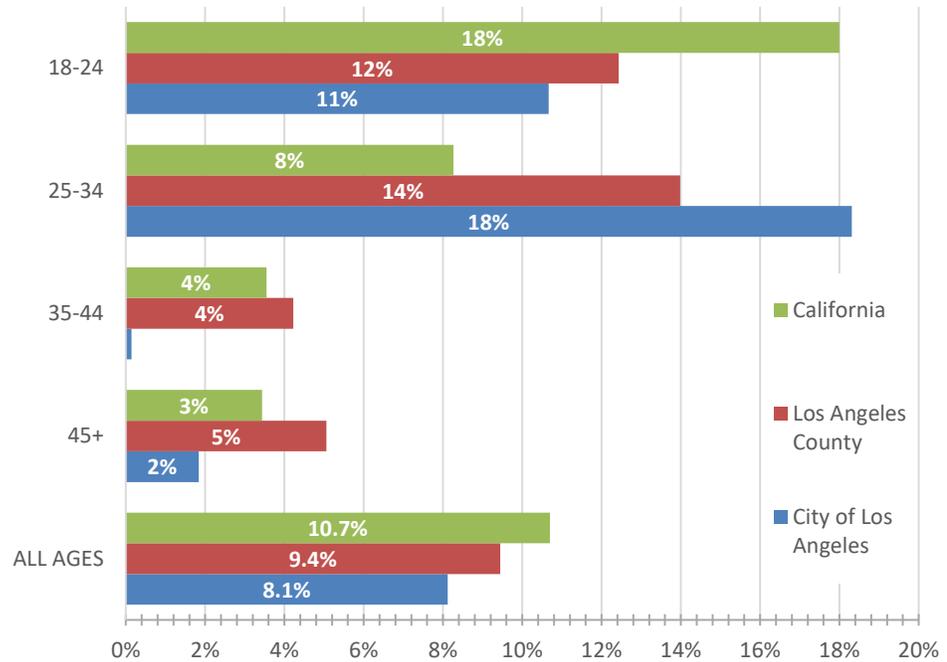
The age of homeless workers skews older in Los Angeles. Half are under 25, and a third are 25 to 34. These workers have invested more of their working lives in the fast food industry but ended up destitute and unsheltered.

Homeless young adult fast food workers account for 18 percent of all homeless young adult workers in California, as shown in *Figure 16*. In Los Angeles County they account for 12 percent of all homeless young adults and in the City of Los Angeles they account for 11 percent.

In the 25 to 34 age group, homeless fast food workers in Los Angeles County account for 14 percent of all homeless workers, and in the City of Los Angeles they account for 18 percent of all homeless workers.

Young adults under 25 make up three-quarters of the homeless fast food workforce in California.

Figure 16: Fast Food Workers as a Percent of All Homeless Workers in Each Age Group



Source: U.S. Census Bureau American Community Survey Public Use Microdata Sample 2016-2020. Data is for homeless fast food workers with \$400 or more in wages in the past 12 months.

Most homeless fast food workers are under 35 years of age and they are by far the largest group of young, destitute and homeless workers in any industry. They account for 15 percent of all homeless workers under 35 years of age in California.

Across all age groups, homeless fast food workers are estimated to make up 11 percent of all homeless workers in California, nine percent in Los Angeles County, and eight percent in the City of Los Angeles.¹⁶

Ethnicity

Latinos make up the largest ethnic share of California’s homeless workers, as shown in *Figure 17*. They account for 31 to 36 percent of all homeless fast food workers and 38 to 40 percent of frontline workers, depending on geography.

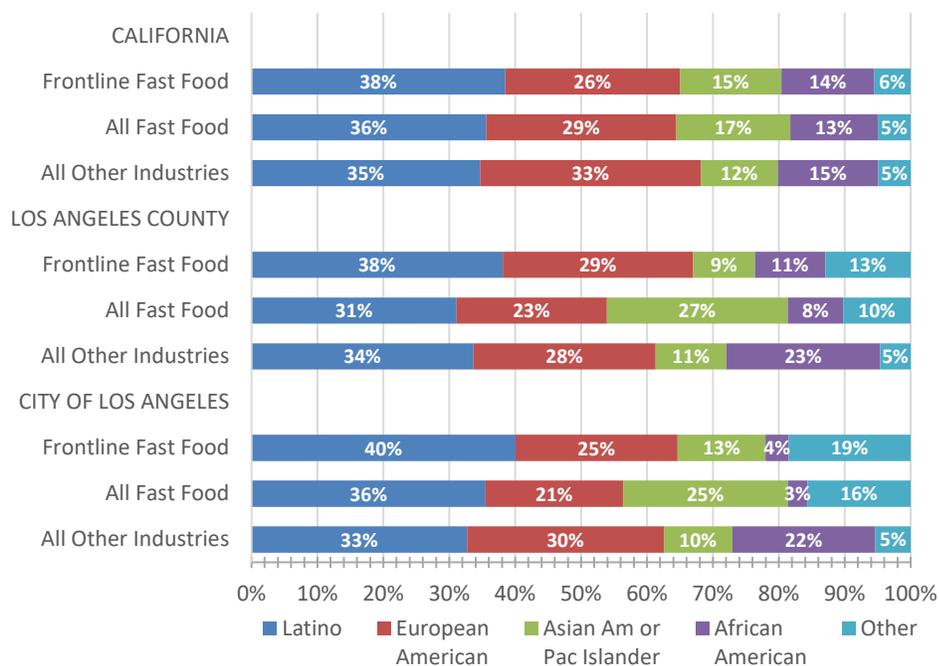
European Americans make up the smallest share of homeless fast food workers in the City of Los Angeles, accounting for 21 percent. Their largest share is 29 percent in California.

Asian Americans and Pacific Islanders make up the smallest share of homeless fast food workers in California, accounting for 17 percent. Their largest share is 27 percent in Los Angeles County.

African Americans make up the smallest share of homeless fast food workers in the City of Los Angeles, accounting for 3 percent. However, they make up 13 percent of all homeless fast food workers in California.

Homeless fast food workers make up 11% of all homeless workers in California.

Figure 17: Ethnicity of Homeless Workers



Source: U.S. Census Bureau American Community Survey Public Use Microdata Sample 2016-2020. Data is for homeless fast food workers with \$400 or more in wages in the past 12 months.

Other ethnicities, which includes Native Americans and individuals with multiple ethnicities, make up the smallest share of homeless fast food workers in the California, accounting for 5 percent. Their largest share is 16 percent in the City of Los Angeles.

In addition to each ethnic group’s share of the homeless workforce, it is also important to understand the rate of homelessness for each group – their level of risk.

Risk of Homelessness

The risk of homelessness is higher for *African Americans* than for any other ethnic group in California’s fast food workforce, as shown in *Figure 18*. Their rate of homelessness is 3.8 times greater than that of the average fast food worker and 4.2 times greater than that of the average frontline worker.¹⁷

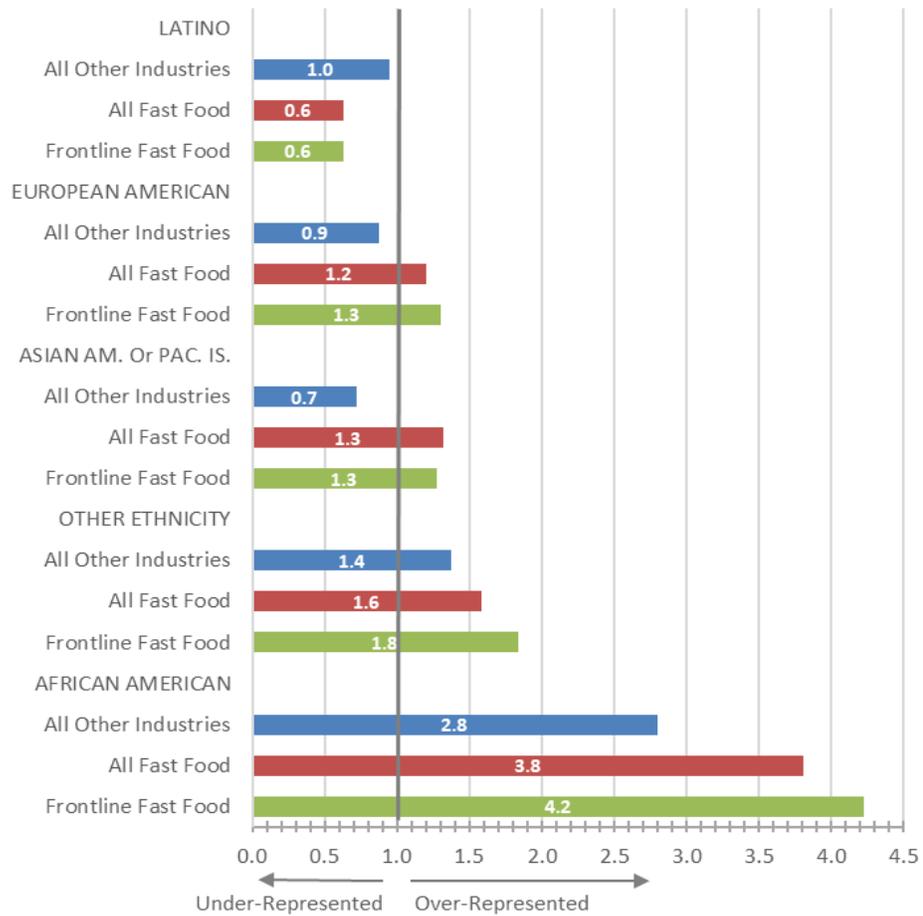
The second highest level of risk is for *other ethnicities*, with a rate of homelessness that is 1.6 times greater than that of the average fast food worker and 1.8 times greater than that of the average front line worker.

The third highest level of risk is for *Asian Americans and Pacific Islanders*, with a rate of homelessness that is 1.3 times greater than that of the average fast food worker as well as the average front line worker.

The fourth highest level of risk is for *European Americans*, with a rate of homelessness that is 1.2 times greater than that of the average fast food worker and 1.3 times greater than that of the average front line worker.

The rate of homelessness among frontline African American workers is 4.2 times greater than average.

Figure 18: Index of Homelessness in California: Ratio of Homeless Workers to All Workers in the Same Industry Group



Source: U.S. Census Bureau American Community Survey Public Use Microdata Sample 2016-2020. Data is for homeless fast food workers with \$400 or more in wages in the past 12 months.

The lowest level of risk is for *Latinos*, with a rate of homelessness that is 60 percent of the average for both fast food workers and front line workers, although they make up the largest group of homeless workers.

Human Capital

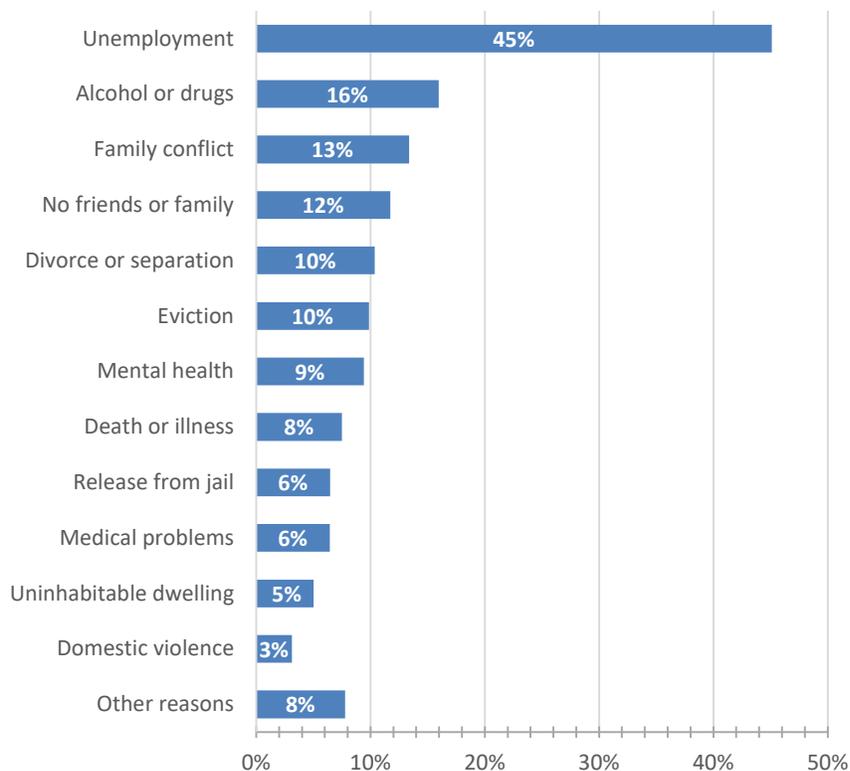
The valuable human capital of frontline workers is squandered both for them and for society when they become destitute and homeless rather than being productive workers and taxpayers.

Over the course of persistent homelessness, the harm that people suffer multiplies and becomes engrained. Rates of mental disorders, health problems, substance use disorders, and justice system entanglement double and triple.¹⁸ These problems are perpetuated and reinforced by social isolation.

The public burden includes costs for disabilities, health and mental health care, incarceration, and deep housing subsidies if permanently affordable housing becomes available.

The valuable human capital of frontline workers is squandered when they become homeless.

Figure 19: Homeless Individuals' Explanations for Why They Are Homeless



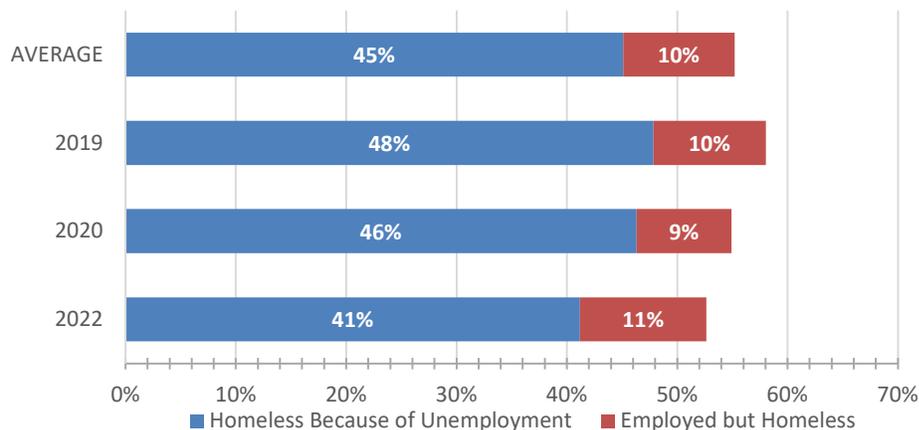
Source: Los Angeles Homeless Services Authority; average of responses from unsheltered homeless individuals in surveys conducted in 2019, 2020 and 2022. Total of percentages is greater than 100 percent because individuals could identify more than one reason for being homeless.

Homelessness Caused by Unemployment and Under-Employment

People become homeless for different reasons, including unemployment, families breaking up, medical or mental health problems, and substance use disorders. Unemployment is by far the most frequent explanation that homeless individuals provide when asked why they are homeless, as shown in *Figure 19*.¹⁹ Unemployment causes 45 percent of homelessness.

Unemployment is by far the most frequent explanation for homelessness.

Figure 20: Percent of Homelessness Caused by Unemployment and Under-Employment



Source: Los Angeles Homeless Services Authority; average of responses from unsheltered homeless individuals in surveys conducted in 2019, 2020 and 2022.



Imelda Arroyo, McDonald's, Oakland, CA

I always go to work even if I don't feel well because if you miss work they cut your schedule. My greatest fear is to be late with the rent. I don't want any pretext to get evicted. The landlord harasses us. He tried to charge extra for each child. He cut back a plant near the front door so he can monitor us coming and going, and he doesn't fix anything. The bathroom sink is falling off the wall and rats are chewing through the kitchen cabinets. To move, we would need \$7,000 for first, last and deposit. I have worked for McDonald's for 16 years, and they just don't pay me enough.

We make sacrifices to pay the rent. We can still pay the bills, but we can't afford a lot of food right now. Everything is very expensive. Now I am buying a 25-pound bag of beans and a 25-pound bag of rice, to make sure we have the most basic food.

Lack of earnings from employment and consequent inability to pay for housing is the predominant and underappreciated reason for homelessness.

In addition to workers who are unemployed and homeless, there also are workers who are employed but homeless, as shown in *Figure 20*. This employment may be part-time, temporary, seasonal or full-time.

Ten percent of homeless individuals who did not identify unemployment as the cause of their homelessness reported being currently employed. This excludes another nine percent of homeless individuals who were currently working but also identified unemployment as the cause of their homelessness.²⁰

We estimate that 55 percent of homeless individuals were recently in the labor force or are still working. This includes 45 percent who say they are homeless because of unemployment and an additional 10 percent who are homeless but also report that they are currently working.

Earlier, in *Figure 16*, we estimated that fast food workers make up the following share of all homeless workers:

- California 10.7 percent

- Los Angeles County 9.4 percent
- City of Los Angeles 8.1 percent

Based on these estimates of the share of homeless workers who are part of the fast food labor force and the estimate that 55 percent of homeless individuals are, or recently have been, part of the labor force, we estimate that fast food workers make up the following share of the total homeless population:²¹

- California 5.9 percent
- Los Angeles County 5.2 percent
- City of Los Angeles 4.5 percent

Based on the most recent homeless count data, if the fast food industry had provided sustaining pay and stable employment that enabled its workforce to remain housed, there would be:

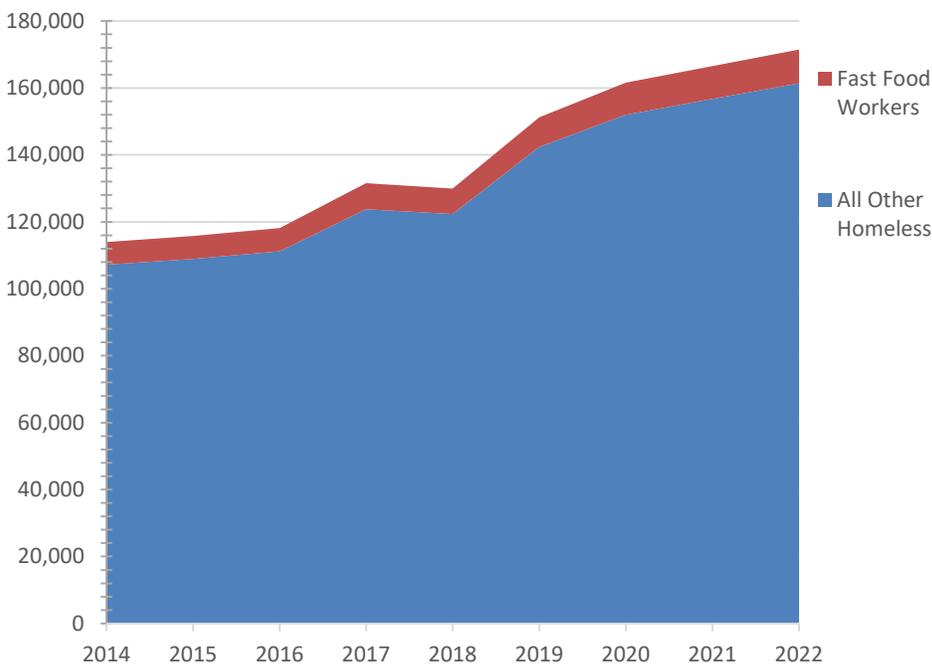
- 10,120 fewer workers who are homeless in California²²
- 3,595 fewer workers who are homeless in Los Angeles County²³
- 1,889 fewer workers who are homeless in the City of Los Angeles²⁴

10,120 fast food workers in California are homeless.

Closing the Pipeline from Fast Food to Homelessness

Most frontline fast food workers are precariously housed because of low wages and part-time hours. There is no floor to prevent their fall into homelessness. The 5.9 percent share of California’s homeless residents who

Figure 21: Share of California's Homeless Residents from the Fast Food Workforce



Source: U.S. Department of Housing and Urban Development, *Annual Homeless Assessment Report to Congress, 2014 to 2022*. The fast food component of the homeless population is from Economic Roundtable estimates.



Antonia Martinez Cortes, Taco Bell, San Jose, CA

I had eye surgery in September and when I came back to work at Taco Bell in October, management retaliated against me, cutting my schedule for several months from nearly full time down to around half time – a difference of more than \$800 per month. I live with my son, who is in his late 20s, in a 2-bedroom apartment. We share one room and rent out the other to help pay the rent. The couple renting the other room just moved out, and the property manager hasn't approved another renter yet, so we might have to move out because we can't afford the rent with just the two of us.

I have lived in 4 places in the past 5 years, including a room in a garage without its own kitchen, and then a room in a house with some chance to cook in the kitchen, but they would throw away my food from the refrigerator.

Right now I am struggling to pay for my eye medication, it costs \$600 and I have already run out and I am trying to find out if I can get it at a discount somehow. My friends share dried beans, lentils and rice with me that they get from the food pantries, but I cannot go myself because I don't have a car, and it is too much for me to carry.

come from the fast food labor force is a continuous stream, adding to the daily flow of new entrants into homelessness.

The estimated 5.9 percent share of new entrants into homelessness from the fast food workforce means that 10,120 fast food workers were added to California's homeless population from 2014 to 2022, as shown in *Figure 21*.

California's homeless population grew 51 percent from 2014 to 2022. We estimate that homelessness would have grown about one-fifth less in California if the fast food wage floor was adequate to ensure that workers have stable housing. Homelessness would have grown a still disastrous 42 percent, but not 51 percent.

Reducing the flow of new entrants into homelessness is by far the most feasible strategy for reducing and ending homelessness. There is far less public cost and human misery in preventing someone from



Dilia Espana, Wendy's, Oakland, CA

I used to volunteer at a church handing out food on Saturday mornings, and now I have to go there to ask for food. My husband and I both work at Wendy's. He does not get enough hours, and I work five days a week, but my check only comes out to about \$900 every two weeks. We have lived in three different places during the past year. We shared a two-bedroom with another family of five, then we shared a three-bedroom with a total of 13 people, and now it is just the five of us in a small studio. It costs more, and we can't go out at night because of the shootings.

We have not gotten behind on our bills because we borrow money from family. I owe my family \$1,500. A coworker at Wendy's right now is falling behind on her rent. She is running around asking if anyone knows about other jobs.

homelessness.

Young adult workers under 25 years of age who are the mainstay of California's fast food industry make up three-quarters of its homeless workforce. Rather than providing a career path for building independent, stable lives based on the incomes that they earn, fast food employment is often a trap door into homelessness.

Latinos make up the largest ethnic share of California's homeless fast food workers. African Americans make up a smaller share, but their risk of homelessness is four times greater than average for the fast food industry.

becoming homeless than in intervening after the fact with deeply subsidized affordable housing that is costly to build and lags the level of need by decades.

Conclusions

Forty-four percent of frontline workers statewide are paid less than \$12,000 a year, which is below the poverty threshold of \$15,225 for a single adult. These poverty wages are the seedbed of economic homelessness.

Unemployment causes 45 percent of homelessness. In addition, 10 percent of currently employed workers are homeless. Lack of earnings from employment and consequent inability to pay for housing is the predominant and underappreciated reason for

Homelessness
would have grown
one-fifth less in
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fast food workers
had become
homeless.

Fast food workers account for an estimated 5.9 percent of California's homeless residents, 5.2 percent of Los Angeles County's homeless residents and 4.5 percent of the City of Los Angeles' homeless residents.

The 5.9 percent share of California's homeless residents who come from the fast food labor force, along with the shares in the City and County of Los Angeles, is a continuous stream, adding to the daily flow of new entrants into homelessness.

If no workers from the fast food industry had become homeless since 2014, California would have an estimated 10,120 fewer homeless individuals today. This means that there would have been one-fifth less growth in the state's homeless population.

Homelessness is primarily a problem of working poverty. The fast food industry is the largest poverty employer in California. Raising the wage floor in this industry is the single most important step for reducing economic homelessness in the state.



*McDonald's corporate headquarters in Chicago.
Photo credit: Google Maps, Street View*

4. Financial Strength of the Fast Food Industry

Industry Profit and Concentration

The fast food industry is thriving and has enough wealth to treat workers fairly. The top five publicly traded fast food corporations operating in California²⁵ generated \$14.5 billion in profit in 2021, and \$12 billion in 2022.²⁶ When Governor Gavin Newsom announced in 2022 that California’s economy was rebounding from the pandemic, he highlighted the fast food sector as the number one driver of employment gains.²⁷

A majority of fast food brands use a franchise structure that channels business risks to local franchisees while garnering a share of revenue that does not guarantee any profit for the operator. This enables corporations to buffer themselves from responsibility for working conditions,²⁸ and shrinks local resources for improving the lives of workers.

McDonald’s Corporation, headquartered in Chicago, is an example of this business model. It is the largest fast food employer and the wealthiest fast food business in California. In 2021, McDonald’s posted record profits of \$7.5 billion.²⁹ That year, McDonald’s CEO, Chris Kempczinski, was rewarded with an 85 percent salary increase, the equivalent of a \$4,437 per hour raise, while the typical McDonald’s worker made 2.5 percent *less* than the year before.³⁰

Salaries of the chief executive officers of the five largest brands are shown in *Table 1*, with CEO pay that is as much as 1,603 times greater than the median pay for workers.³¹

Table 1: Chief Executive Officer Salaries in 2022 and Ratio to Median Worker Pay

Brand	Chief Executive Officer	Total Compensation in 2022	Median Worker Pay in 2022	Ratio of CEO Pay to Median Worker Pay
McDonald’s	Christopher Kempczinski	\$17,770,514	\$14,521	1,224:1
Starbucks	Kevin Johnson and Howard Schultz	\$17,092,712	\$12,935	1,579:1
Yum! Brands (Taco Bell, KFC, Pizza Hut)	David W. Gibbs	\$16,671,654	\$10,398	1,603:1
Restaurant Brands International (Burger King, Popeye’s)	José Cil	\$17,051,342	\$47,775	373:1
Jack in the Box	Darin Harris	\$4,623,568	\$19,749	234:1

Source: Company proxy statements DEF 14a, 2022, the most recent year for which data is available for all companies.

The fast food industry is concentrated in a small number of brands. There are more than 30,000 fast food locations in California, and the majority of them are controlled by the top 20 brands. These widely recognized brands

McDonald’s CEO received a pay increase of \$4,437 an hour.

include McDonald’s, Carl’s Jr., Subway and Jack in the Box. Less than one percent of the fast food locations in California are controlled by brands with fewer than four locations in the state.

Many top brands in California have a number of multi-unit, mega-franchisees that own dozens or even hundreds of locations. This is not an industry that is characterized by small businesses.

The financial strength of the fast food industry is reflected in Burger King’s annual statement to the Securities and Exchange Commission, “We believe that our franchise restaurants will generate a consistent, profitable royalty stream to us, with minimal ongoing capital expenditures or incremental expense by us.”³²

Revenue and profit for the five largest brands are shown in *Table 2*.

Table 2: Profits of Five Largest Publicly Traded Fast Food Corporations in California

Brand	Revenue 2021 (millions)	Profit/Net Income 2021 (millions)	Revenue 2022 (millions)	Profit/Net Income 2022 (millions)
McDonald’s	\$22,873	\$7,545	\$22,854	\$6,177
Starbucks	\$27,291	\$4,199	\$30,232	\$3,321
Yum! Brands (Taco Bell, KFC, Pizza Hut)	\$6,584	\$1,575	\$6,842	\$1,325
Restaurant Brands International (Burger King, Popeye’s)	\$5,739	\$838	\$6,505	\$1,008
Jack in the Box	\$1,144	\$166	\$1,468	\$116

Source: Capital IQ

Growth of the Fast Food Industry

The fast food industry has grown steadily nearly every year for the last decade, with an average yearly revenue growth rate of 2.5 percent over the last five years.³³ The one exception was 2020, due to the pandemic – but even then, the industry bounced back from the dip in sales by mid-year.³⁴

The fast food industry posted its best year ever in 2022 with U.S. revenue of \$362 billion, up from \$353 billion in 2021. Since 2018, fast food has grown faster than the economy overall, despite the pandemic’s outsized impact on restaurants.³⁵ McDonald’s, by far the largest corporation in the fast food segment, with a significantly larger U.S. and global market share than other top brands,³⁶ had record profits in 2021 and strong profits in 2022. Its stock price outperformed the S&P 500 last year.³⁷

McDonald’s CEO, Christopher Kempczinski, told investors, “Since the start of the pandemic, we’ve grown system-wide sales nearly \$20 billion

The fast food industry posted its best year ever in 2022 with U.S. revenue of \$362 billion.



Gloria Gonzalez Garcia, Subway, San Jose, CA

I have worked in fast food for 14 years. I work double shifts at two Subway stores, with no overtime pay because they say one store is owned by the father and the other store is owned by the son, so they say it is different companies. I live in a trailer park and I spent my life savings on the trailer. Then I received a notice of code violations I couldn't afford to fix fast enough, so I am being evicted.

I was always responsible. I saved since I started working. I work very hard out of necessity. I work a lot of 10-hour days, but I don't get paid overtime. I am being evicted and losing my life savings.

The cost of food has affected me a lot. We can't buy eggs and meat. We used to be able to buy them. Right now eating eggs is a luxury. Only the rich can eat eggs.

despite closing over 800 restaurants in Russia. Our brand is clearly in the strongest position it's been in years.”³⁸

Yum Brands (KFC, Pizza Hut and Taco Bell) CEO, David Gibbs, told investors, “Such incredible performance under highly challenging conditions underscores the tremendous confidence I have that even after a remarkable 25 years of growth as a public company, our best days are clearly ahead of us.”³⁹

Fast food restaurants did well during the pandemic because the limited physical interaction with customers made it easier to adapt to pandemic restrictions.⁴⁰

Industry Structure

There is a fundamental power imbalance within

the fast food industry, weighted in favor of corporate brands, that marginalizes workers as well as franchise owners. The franchise business model concentrates both power and profit in global corporate brands, creating what has been described as a “fissured” workplace.⁴¹



Edith Navarro, Carl's Jr., Whittier, CA

My employer is retaliating against me for calling in sick with a knee injury and asking for paid sick leave. They cut my work hours by more than half and transferred me to a store in Whittier, so far from my home in Wilmington that I have to drive two hours to get there.

The shifts are so short it is hardly worth the cost of gas. I have fallen behind on my rent and my light and water bills.

I am trying to continue forward. I had to ask the property manager where I live to just accept what I can pay for now. I found a second job at another restaurant in January, but it will take me some time to earn enough to pay my landlord what I owe, and to pay my utility bills. I am hoping that the landlord will be patient with me about getting paid.

Corporate brands impose franchise agreements on their franchisees that create barriers to compliance with labor standards by requiring compliance with a myriad of detailed and costly guidelines governing nearly every area of those franchisees' operations, from prices to suppliers to hours to production methods.⁴²

In the franchise structure, franchisees effectively function as subsidiaries but without the legal liability of ownership or risk of antitrust enforcement. The result is that labor costs are the largest costs over which franchisees have real control, and controlling these costs becomes the principal way they can see a profit. This creates an incentive for labor violations.

Solutions

Poverty among frontline workers is the result of a system designed to ensure maximum profit for fast food corporations.

The California legislature is exploring solutions through legislation such as Assembly Bill 257, which would set industry standards for wages and

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working hours. This bill was signed into law in 2022, but has not been implemented because a coalition of restaurant and business groups has sponsored a referendum that will be on the California ballot in 2024, asking voters whether they want to uphold or overturn the bill.

Structural changes that will correct structural problems in the fast food industry include:

Empower Workers

Allow workers to organize and have a voice in setting industry standards that will enable them to support their families and stay housed. Ensure that their participation in setting standards is not met with retaliation.

Give Workers a Seat at the Table

Corporate executives, workers and government regulators must work together to solve industry problems. Industry-wide standards will ensure that companies aiming to do the right thing will not be put at a competitive disadvantage. Currently, countries in Europe establish decent working conditions through industry standards-setting boards while still enabling fast food corporations to earn a profit.⁴³

Require Corporate Accountability

Corporate brands must supply their local franchise operators with the resources to comply with California's labor laws and offer wages, benefits and scheduling that will enable frontline workers to afford housing, food and health care. Fast food companies must become responsible corporate citizens.

Endnotes

¹ California Employment Development Department (EDD), Labor Market Information Division (LMID), “Current Employment Statistics (CES), Annual Average: 1990 – 2021.” Employment data showing 665,600 workers is for *Limited Services Eating Places* in 2021. The fast food industry is regaining employment after losses during the Covid pandemic. (accessed March 11, 2023), <https://data.edd.ca.gov/Industry-Information-/Current-Employment-Statistics-CES-Annual-Average-1/pwx8-ztk5>.

² The following steps using Implan’s 2019 industry input-output models for California and Los Angeles County produced the estimated average hourly sales for each worker in the limited-service restaurant labor force.

- California had 673,571 workers and \$58,973,519,531 in industry output (sales) for an average of \$87,554 in annual revenue per employee.
- Los Angeles County had 178,321 workers and \$15,904,082,031 in industry output (sales) for an average of \$89,188 in annual revenue per employee.
- Fast food workers in California were employed for an average of 1,488 hours a year, and in Los Angeles County for 1,588 hours a year. U.S. Census Bureau, American Community Survey Public Use Microdata Sample, 2016-2020. Analysis by the Economic Roundtable.
- Annual revenue per worker divided by annual hours of work per worker equals \$58.86 in hourly revenue per worker in California and \$56.16 per hour in Los Angeles County.

³ U.S. Census Bureau, American Community Survey (ACS), Five-Year Public Use Microdata Sample (PUMS), 2016-2020. PUMS data do not have a separate industry breakout for fast food. Limited service and full service restaurants are rolled up together under NAICS code 722Z. Records for full-service workers were removed by filtering out occupations that are unique to full service restaurants based on the U.S. Bureau of Labor Statistics industry-occupation matrix for 2020, which contains separate occupational breakouts for full-service and limited-service restaurants (<https://www.bls.gov/emp>). This filtered out records for full-service workers such as chefs, bartenders, hosts, and waiters. This means that full-service jobs that are also found in limited-service eating places, such as cook, dishwasher or food preparation worker are included in the fast food workforce. This results in the over-counting of some occupations.

⁴ California EDD LMID, *Labor Market Review*, (January 2023), <https://labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>.

⁵ Data is from ACS PUMS 2016 to 2020, with earnings adjusted to 2020 dollars, for workers with annual earnings of \$400 or more. Mean and average annual earnings were:

CALIFORNIA	Mean	Median
Frontline Fast Food	\$18,086	\$14,949
All Fast Food	\$24,461	\$17,105
All Other Industries	\$61,858	\$40,910
LOS ANGELES COUNTY		
Frontline Fast Food	\$19,310	\$16,671
All Fast Food	\$24,817	\$19,563
All Other Industries	\$55,354	\$36,551
CITY OF LOS ANGELES		
Frontline Fast Food	\$19,648	\$17,694
All Fast Food	\$25,296	\$20,123
All Other Industries	\$57,160	\$36,221

⁶ California Department of Social Services, Eligibility and Issuance Requirements,

(accessed March 13, 2023), <https://www.cdss.ca.gov/inforesources/cdss-programs/calfresh/eligibility-and-issuance-requirements#income>.

⁷ The U.S. Census defines an overcrowded unit as one occupied by 1.01 or more persons per room (excluding bathrooms and kitchens). Units with more than 1.5 persons per room are considered severely overcrowded. U.S. Census Bureau, “Historical Census of Housing Tables: Crowding,” <https://www.census.gov/data/tables/time-series/dec/coh-crowding.html>.

⁸ U.S. Department of Housing and Human Services, “Housing Instability,” [https://health.gov/healthypeople/priority-areas/social-determinants-health/literature-summaries/housing-instability#:~:text=Overcrowding%20may%20affect%20mental%20health,the%20risk%20of%20infectious%20disease.&text=Housing%20costs%20that%20are%20more,eviction%20\(a%20forced%20move\)](https://health.gov/healthypeople/priority-areas/social-determinants-health/literature-summaries/housing-instability#:~:text=Overcrowding%20may%20affect%20mental%20health,the%20risk%20of%20infectious%20disease.&text=Housing%20costs%20that%20are%20more,eviction%20(a%20forced%20move)).

⁹ Two nongovernmental publications reported a 144 percent turnover rate in the fast food industry in 2021. *Daily Pay* (November 15, 2022), <https://www.dailypay.com/resource-center/blog/qsr-and-restaurant-turnover-rates/#:~:text=In%202021%2C%20the%20overall%20turnover.higher%20than%20any%20other%20industry>. *Business Insider*, (August 24, 2021), <https://www.businessinsider.com/what-its-like-to-work-restaurant-industry-fast-food-statistics-2021-8>.

¹⁰ *Matter*, “Causes and Effects of Employee Turnover,” (October 4, 2021), <https://matterapp.com/blog/causes-and-effects-employee-turnover>.

¹¹ D. J. Costantino, “8 Reasons Why Restaurant Workers Quit — And How To Prevent It,” *7 Shifts Blog*, (June 3, 2022), <https://www.7shifts.com/blog/why-restaurant-workers-quit-how-to-retain/#:~:text=Wages%20are%20the%20main%20factor,why%20they%20are%20planning%20to>.

¹² Evelyn Bellew, Kristen Harknett and Daniel Schneider, “Low Pay, Less Predictability: Fast Food Jobs in California,” Harvard Kennedy School, (August 2022), https://shift.hks.harvard.edu/wp-content/uploads/2022/07/CA_Fast_Food_DRAFT.pdf.

¹³ Daniel Flaming, Anthony Orlando, Patrick Burns, and Seth Pickens, Locked Out Unemployment and Homelessness in the Covid Economy, Economic Roundtable, pp. 61-62, (January 2021), <https://economics.org/publication/locked-out/>.

¹⁴ The Economic Roundtable’s method for identifying records of individual who are likely to be homeless in the American Community Survey (ACS) Public Use Microdata Sample (PUMS) 2016-2020 is as follows:

The ACS classifies residents of homeless shelters and missions, as well as unsheltered homeless individuals as residents of *non-institutional group quarters* (<https://www.ofm.wa.gov/washington-data-research/population-demographics/decennial-census/2020-census-everyone-counts/2020-census-what-you-need-know/hard-count-population-2020-census/counting-people-experiencing-homelessness-during-2020-census>). This category also includes people residing in college dormitories, military barracks, group homes, and religious group quarters (<https://www.census.gov/topics/income-poverty/poverty/guidance/group-quarters.html>).

We used a series of filtering steps to separate residents of homeless shelters and unsheltered homeless individuals from residents of other types of non-institutional group quarters in the 2016-2020 PUMS records from the ACS. Among individuals in non-institutional group quarters, the following types of records were excluded:

1. Individuals living in military quarters were excluded by removing records of people on active military duty or employed by the armed forces.
2. College and university students living in campus housing were excluded by removing records of people 16 to 24 years of age who were attending college or graduate school, unless they were receiving cash public assistance, food stamps or Medicaid.
3. Graduate students, research assistants, staff, and faculty living in campus housing or religious facilities were excluded by removing records of people with M.A., Ph.D. or professional degrees unless they were receiving cash public assistance, food stamps or Medicaid.
4. Full-time workers who may have sufficient income to afford housing and but were residing temporarily in rehabilitation or recovery facilities, or living full-time in religious facilities, were excluded by removing records of people who worked full-time last year (50 or more weeks and 40 or more hours per week) and also were employed in the most recent week, unless they were receiving cash public assistance, food stamps or Medicaid.
5. A second filtering step to exclude people with sufficient income to afford housing was to remove records of people who had earned \$30,000 or more in the prior year, unless they were receiving cash public assistance, food stamps or Medicaid.
6. To err on the side of caution, “riches to rags” cases were excluded by removing records of people with incomes of \$50,000 or more in the prior year, even if they were receiving some type of public assistance. This represents one percent of records that passed filters 1 to 5 for identifying homeless individuals.

These filtering steps identified 16,545 weighted ACS PUMS records of California residents 16 to 64 years of age in non-institutional group quarters who can reasonably be described as homeless, based on having excluded other groups that are also classified as residing in non-institutional group quarters. The sum of weights assigned to these records shows that they represent 161,119 California residents.

The records of likely homeless individuals from ACS PUMS are valuable because they enable us to use person-level records to describe the demographic, employment and income attributes of both homeless and housed individuals, and to compare individuals who are likely to be homeless to the overall population.

¹⁵ PUMS records provide employment information for workers as young as 16 years of age. However, 16- and 17-year-old workers account for only 1.1 percent of all homeless workers in California identified in PUMS, and only 0.7 percent of homeless fast food workers.

¹⁶ PUMS data is based on place of residence rather than place of employment. Homeless workers residing outside the City of Los Angeles may be employed within the city, and *vice versa*.

¹⁷ The index of homelessness was computed by dividing a groups share of homeless workers by its share of the employed labor force. This was computed for frontline fast food workers, all fast food workers and all workers in other industries.

¹⁸ Daniel Flaming, Patrick Burns and Jane Carlen, *Escape Routes: Meta-Analysis of Homelessness in L.A.*, (April 24, 2018), <https://economicrt.org/publication/escape-routes/>.

¹⁹ A demographic survey of unsheltered homeless individuals is conducted as part of the Los Angeles Homeless Services Authority’s annual (except in 2021) homeless count. The survey asks a wide range of questions about the attributes and conditions of unsheltered homeless individuals. It is intended to be a random-sample survey but encounters

difficulties in achieving random outcomes. These difficulties are discussed in two reports by the Economic Roundtable: [Who Counts](#) and [Breaking the Fall](#). Because of these sampling difficulties, we have averaged the results from the three most recent surveys in an effort to offset sample skewness in a single year. Results from this survey are nevertheless valuable because it is a large survey conducted rigorously, obtaining responses from an average of 3,942 individuals each year in 2019, 2020 and 2022. Separate, smaller, more limited data collection efforts are conducted for families, young adults (18 to 24) and individuals staying in homeless shelters. The demographic survey data shown in this report is for unsheltered homeless individuals 25 years of age and older. The Los Angeles Homeless Services Authority's jurisdiction includes 39 percent of California's total homeless population. This is based on [The 2020 Annual Homeless Assessment Report \(AHAR\) to Congress](#) by the U.S. Department of Housing and Urban Development. Because comparable data is not available from other parts of the state, or for the state as a whole, and because the data represents a large share of California's homeless population, we have applied the results to the entire state.

²⁰ The question in the 2019-2022 demographic surveys about employment status provided 10 response options. We counted individuals as employed if they reported being self-employed, doing recurring temporary seasonal work, doing temporary work with a termination date, working part-time (35 hours or less), or working full-time. We counted individuals as unemployed if they reported being on disability, being unemployed and actively looking for work, being unemployed and not actively looking for work, being retired, or being an unemployed student. The demographic survey does not provide industry data, but in the next step of this analysis we assume that the industry distribution of employed homeless individuals in the demographic survey is the same as the industry distribution of homeless workers shown in ACS PUMS data.

²¹ The total homeless population includes children who are not in the labor force. This analysis assumes that the parents of these children will have the same pattern of labor force connections as the overall adult homeless population. Therefore the share of child homelessness attributable to the fast food industry is the same as the adult share.

²² [The 2022 Annual Homeless Assessment Report \(AHAR\) to Congress](#) from the U.S. Department of Housing and Urban Development (December 2022) shows that the point-in-time homeless population of California in 2022 was 171,521 individuals. Based on the estimate that 5.9 percent of California's homeless residents are from the fast food workforce, this represents 10,120 homeless workers.

²³ The Los Angeles Homeless Services Authority's [2022 Greater Los Angeles Homeless Count – Los Angeles County](#) (September 8, 2022) shows that the point-in-time homeless population of Los Angeles County in 2022 was 69,144 individuals. This represents all of Los Angeles County, including the cities of Glendale, Long Beach and Pasadena. Based on the estimate that 5.2 percent of Los Angeles County's homeless residents are from the fast food workforce, this represents 3,595 homeless workers.

²⁴ The Los Angeles Homeless Services Authority's [2022 Greater Los Angeles Homeless Count – City of Los Angeles](#) (September 8, 2022) shows that the point-in-time homeless population of City of Los Angeles in 2022 was 41,980 individuals. Based on the estimate that 4.5 percent of City of Los Angeles' homeless residents are from the fast food workforce; this represents 1,889 homeless workers.

²⁵ Rankings were determined by number of locations derived from franchise disclosure documents.

²⁶ Seeking Alpha, Corporate income statements, (accessed March 23, 2023), <https://seekingalpha.com/>.

²⁷ Office of Governor Gavin Newsom, “California’s Economic Recovery Continues to Rebound, (April 15, 2022), <https://www.gov.ca.gov/2022/04/15/californias-economic-recovery-continues-to-rebound/>.

²⁸ Mary Vinnedge, “IFA Sounds Alarm Over Proposed Joint Employer Rule Change,” Franchise Industry News, (September 8, 2022), <https://www.franchisewire.com/ifa-sounds-alarm-over-proposed-joint-employer-rule-change/>.

²⁹ Seeking Alpha, McDonald’s Corporation financials, income statement, accessed March 26, 2023. <https://seekingalpha.com/symbol/MCD/income-statement>.

³⁰ Company proxy statements, compiled in: Sarah Anderson and Sam Pizzigati, “Executive Excess, 2022,” Institute for Policy Studies, (June 2022), <https://ips-dc.org/wp-content/uploads/2022/06/report-executive-excess-2022.pdf>.

³¹ Salary information for chief executive officers is from the following 2023 corporate proxy statements:

McDonald’s, (2023), <https://d18rn0p25nwr6d.cloudfront.net/CIK-0000063908/2d2ec802-7bd9-4b9d-b64a-118d69c55e6d.pdf>.

Starbucks, (2023), Johnson retired in March 2022, and Schultz took over as interim CEO. This figure is the sum of their 2022 compensation. https://www.sec.gov/Archives/edgar/data/829224/000120677422000270/sbux_courtesy-pdf.pdf.

Yum! Brands, (2023), <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001041061/7de43ed0-bfee-4c20-9aec-b1729e79c4d6.pdf>.

Restaurant Brands International, (2023), <https://d18rn0p25nwr6d.cloudfront.net/CIK-0001618756/9902b927-a778-4dce-8c7f-775f6d7a8feb.pdf>.

Jack in the Box, (2023), <https://d18rn0p25nwr6d.cloudfront.net/CIK-0000807882/a70bcab4-68b2-4b29-8137-dbbfe9902a9f.pdf>.

³² Burger King Holdings Inc. (1352801) annual report for the fiscal year ending Wednesday, June 30, 2010, U.S. Securities and Exchange Commission filing, <https://last10k.com/sec-filings/1352801/0000950123-10-081065.htm>.

³³ IBIS World, Fast Food Restaurants in the US - Market Size 2005–2029, (January 12, 2023), <https://www.ibisworld.com/industry-statistics/market-size/fast-food-restaurants-united-states/#:~:text=The%20market%20size%2C%20measured%20by,to%20increase%207.1%25%20in%202022>.

³⁴ U.S. Department of Agriculture, Economic Research Service, “Food-away-from-home spending varied among outlets during first year of pandemic,” (February 28, 2023), <https://www.ers.usda.gov/data-products/chart-gallery/gallery/chart-detail/?chartId=105931>.

³⁵ IBIS World, Fast Food Restaurants in the US - Market Size 2005–2029, (January 12, 2023), <https://www.ibisworld.com/industry-statistics/market-size/fast-food-restaurants-united-states/#:~:text=The%20market%20size%2C%20measured%20by,to%20increase%207.1%25%20in%202022>.

³⁶ The share of the fast food market attributed to McDonalds ranges from 21.4 percent to 43.8 percent, depending on the source. At the low end, the consulting group, T4,

attributed a 21.4 percent market share to McDonald's in 2019, "Fast Food Market Share," (December 23, 2022) <https://www.t4.ai/industry/fast-food-market-share>. At the high end, Khaveen Investments, "McDonald's: King Of Fast Food Is Here To Stay," published in Seeking Alpha, (April 5, 2022), attributed a 43.8 percent market share to McDonald's in 2021, <https://seekingalpha.com/article/4499843-mcdonalds-king-of-fast-food-is-here-to-stay>.

³⁷ Dan Victor, "McDonald's Stock: We're Still Lovin' It In 2023," Seeking Alpha, (January 3, 2023), <https://seekingalpha.com/article/4567426-mcdonalds-expect-stock-to-continue-outperforming-2023>.

³⁸ Seeking Alpha, McDonald's Corporation (MCD) Q4 Earnings Call Transcript, (January 31, 2023), <https://seekingalpha.com/article/4573885-mcdonalds-corporation-mcd-q4-2022-earnings-call-transcript>.

³⁹ Motley Fool Transcribing, Yum! Brands (YUM) Q4 2022 Earnings Call Transcript, (February 8, 2023), <https://www.fool.com/earnings/call-transcripts/2023/02/08/yum-brands-yum-q4-2022-earnings-call-transcript/>.

⁴⁰ U.S. Department of Agriculture, Economic Research Service, "Food-away-from-home spending varied among outlets during first year of pandemic," (February 28, 2023), <https://www.ers.usda.gov/data-products/chart-gallery/gallery/chart-detail/?chartId=105931>.

⁴¹ David Weil, *The Fissured Workplace: Why Work Became So Bad for So Many and What Can Be Done to Improve It*, Harvard University Press, (2017), <https://www.hup.harvard.edu/catalog.php?isbn=9780674975446>.

⁴² Brian Callaci, "Control without Responsibility: The Legal Creation of Franchising, 1960–1980," *Enterprise & Society: The International Journal of Business History* 21, no. 4: 5–7 (February 28, 2020), <https://doi.org/10.1017/eso.2019.58>. See also, Heather Haddon, "McDonald's and Franchisees Escalate Battle Over Chain Rules," *Wall Street Journal*, (April 20, 2023), <https://www.wsj.com/articles/mcdonalds-and-franchisees-escalate-battle-over-chain-rules-9f7b92e4>.

⁴³ Nicholas Kristof, "McDonald's Workers in Denmark Pity Us," *New York Times*, (May 8, 2020), <https://www.nytimes.com/2020/05/08/opinion/sunday/us-denmark-economy.html>, and Ida Auken, "Danes don't have a minimum wage. We have something even better," *Washington Post*, (March 8, 2021), <https://www.washingtonpost.com/outlook/2021/03/08/denmark-minimum-wage-mcdonalds-aoc/>.

Communication from Public

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Low Pay, Less Predictability: Fast Food Jobs in California

In January 2022, the California State Assembly voted in support of a first-of-its-kind labor bill, known as the Fast Food Accountability and Standards Recovery Act ([FAST Recovery Act](#)). [The FAST Act establishes](#) an independent council to set industry-wide labor standards on wages, hours, schedules, and other working conditions relating to health and safety for Fast Food workers in the state. The bill also makes businesses jointly liable for any labor violations among their franchisees. The standards set by this council would have widespread impacts, affecting around [half-a-million](#) workers in the state.

To compare how working conditions and wages in Fast Food stack up against other service sector industries in California, the Shift Project harnesses recent survey data from 2,034 California service sector workers surveyed by the Shift Project between the spring of 2021 and spring of 2022. Fast Food firms are defined as order-at-counter restaurants where food is served in carry-out packaging: places like McDonald's, Taco Bell, Chick-fil-A, and Domino's Pizza. The "other service sector" comparison group includes large national grocery, general merchandise, department stores, retail, clothing, pharmacy, hardware, electronics, and casual dining establishments.

The Shift Project has collected survey data from workers employed at large chain retailers and food-service establishments since 2016.¹ We ask respondents about their working conditions, household economic security, health, and wellbeing, targeting employees at large national firms. Our data permit an unprecedented view of labor conditions in the service sector at the state-level and provide insight into the work and family lives of low-wage workers.

Inadequate Wages

The [minimum wage](#) for hourly workers in California has surpassed both the national minimum wage and the minimum wage standards of many other states. As of 2022, the minimum wage (for employers with over 25 employees) is \$15/hour in California. While all service workers benefit from this standard, Fast Food workers continue to earn significantly less than their counterparts in the state. The average hourly wage reported by California Fast Food workers hovers just above the minimum wage at \$16.21/hour. Comparatively, the average wage for non-Fast Food service sector workers in California is \$19.15/hour, nearly \$3/hour more than Fast Food wages (Table 1). This wage gap is substantial. Fast Food workers earn 85 cents on the dollar compared with their counterparts in other service sector jobs and would have to work 6 extra hours each week just to reach parity with the average earnings of other service

Table 1. Average Hourly Wage and Weekly Hours for Fast Food vs. Other Service Sector

Average Hourly Wage	
Fast Food	\$16.21/hour
Other Service Sector	\$19.15/hour
Average Weekly Hours	
Fast Food	36
Other Service Sector	35
Estimated Annual Earnings	
Fast Food	\$31,050
Other Service Sector	\$36,982

sector workers. This \$3 per hour Fast Food wage deficit represents 40% of the Federal Minimum Wage and 100% of the increase in the California Minimum Wage from its 2019 level of \$12.00 an hour to its current level of \$15.00

The Fast Food wage deficit also adds up to a striking income gap. These hourly wages translate to an estimated annual income of \$31,050 for Fast Food and \$36,982 for other service sector workers – incomes that are far below a living wage.² While different regions of the state may differ in cost of living, the [overall living wage](#) for California is estimated at \$21.82/hour which translates to \$45,386 per year for a single adult. California Fast Food workers are making only two-thirds of what a single adult with no children needs in a year to meet their basic needs. Even if wages were raised to this living wage standard, the living wage assumes 40 hours of work per week and 52 weeks of work per year. However, Fast Food workers are often not working a full-time schedule, often involuntarily.

Insufficient Hours

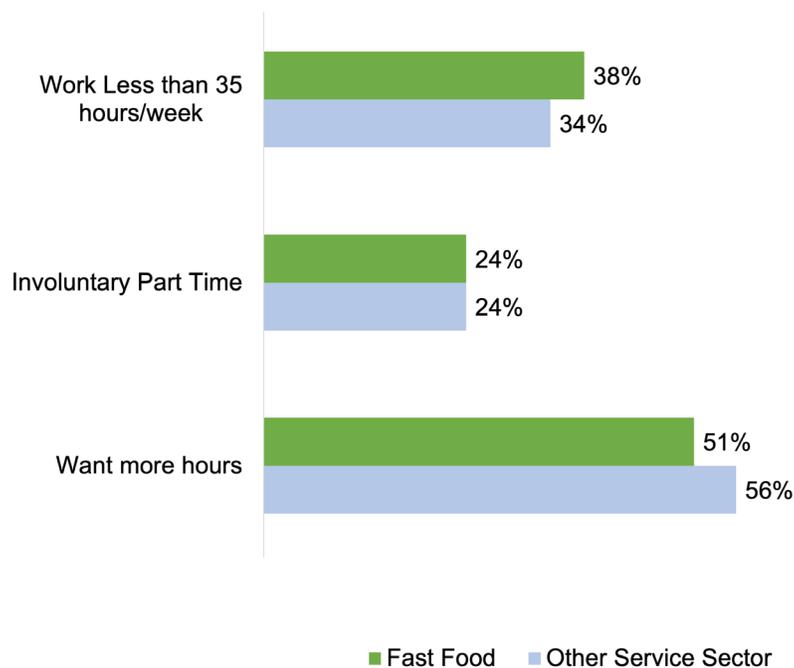
California’s minimum wage standard increases stability for service workers, but this protection only goes so far on a part-time schedule. Thirty-

eight percent of Fast Food workers in California report working less than 35 hours per week (Fig. 1). Although some workers may prefer a part-time work schedule, many workers we surveyed are not satisfied with the number of hours they receive. Overall, 51% of Fast Food workers report that they would like to work more (Fig. 1). Among workers who get less than 35 hours per week, almost two-thirds would like more hours at their job (not shown). Consequently, one quarter of California Fast Food workers can be characterized as “involuntary part-time” workers—that is, people who work fewer than 35 hours per week at their primary job and would like more hours at that job (Fig. 1).

Unstable and Unpredictable Schedules

In addition to low wages and part-time scheduling that limit total earnings available to workers, California Fast Food workers also experience a great deal of instability and unpredictability in their work schedules. On all dimensions of work scheduling, Fast Food workers experience far more unpredictability than other service workers (Fig 2).

Figure 1. Work Hours for Fast Food vs. Other Service Sector Workers



We find that **75% of Fast Food workers receive less than two weeks advance notice of their work schedules**, a far greater share than the 51% of other service sector workers that receive less than 2 weeks advance notice.

On top of receiving short notice of their schedules, **nearly one quarter of California Fast Food workers report having at least one shift cancelled in the past month**. This is far in excess of shift cancellations for other service sector workers (13%). Workers plan their lives and finances around their expected work hours. Volatile shifts that are changed or cancelled, disrupt routines and can lead to financial insecurity.

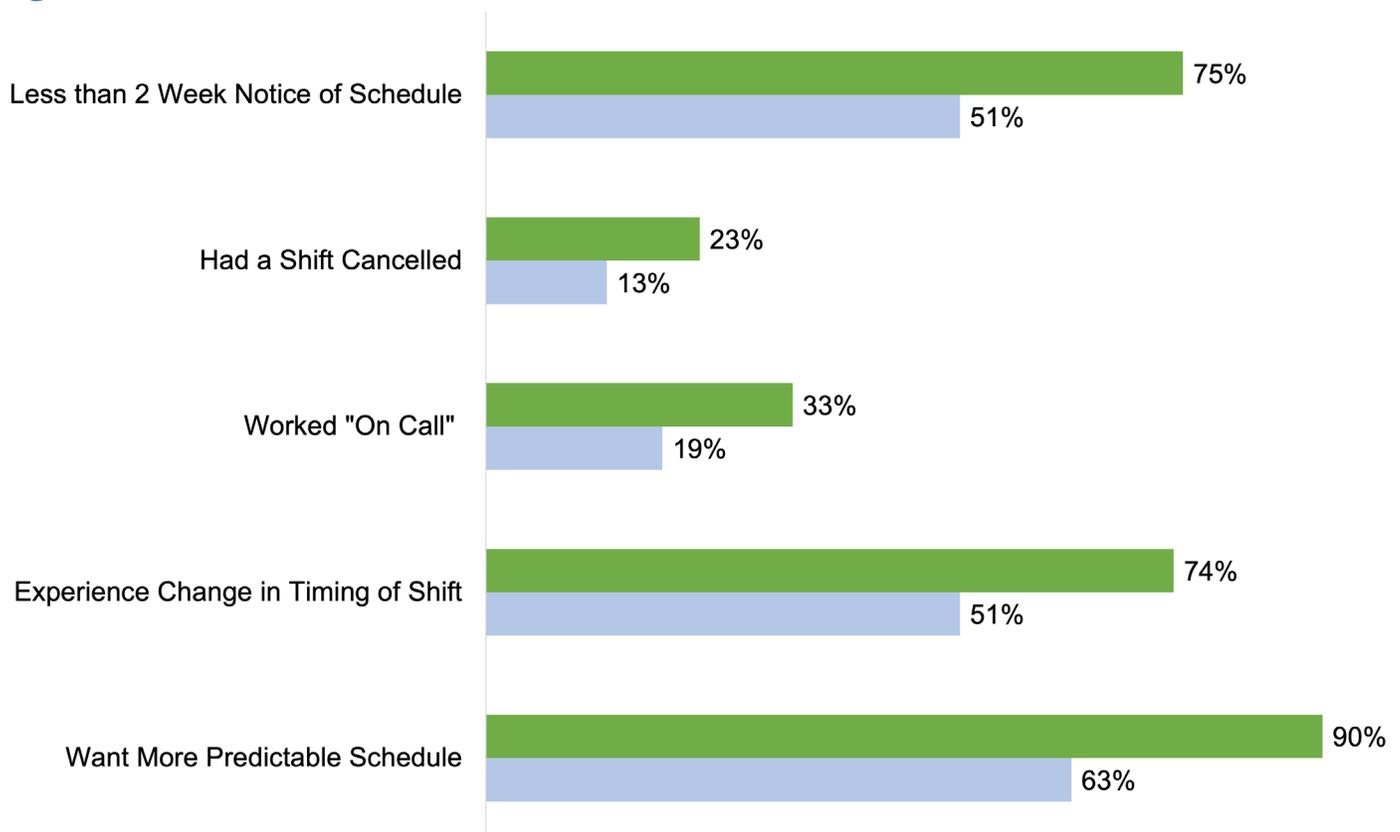
One third of Fast Food workers report working at least one “on call” work shift in the prior month, meaning that they kept their schedule open and available for work but may or may not actually have been called in to work the shift. Comparatively, only 19% other service sector workers experienced an “on-call” shift.

Nearly three in four Fast Food workers experience a last-minute change in the timing or duration of their shift, a substantially greater share compared with other service sector workers (51%).

When asked directly, workers report dissatisfaction with this unpredictability. The vast majority (90%) of California Fast Food workers report that they want more predictability in their work schedule and hours, compared with 63% of other service sector workers.

In addition to the comparisons included in this brief, we also compared Fast Food workers with the two other largest industries in the service sector: general merchandise and grocery. Across the board, we observe that the Fast Food sector stands out in terms of low wages and unpredictable work schedules compared to grocery, general merchandise, and the remaining compiled sectors.

Figure 2. Work Schedule Conditions for Fast Food vs. Other Service Sector Workers



Conclusion

Low wages, insufficient hours, and schedule instability are the reality of work for food and retail service sector workers in California. Compared with other service sector workers, California Fast Food workers stand out with the lowest hourly wages and the least predictable work schedules. These low wages leave Fast Food workers far below the minimum living wage to meet basic needs for a single adult. Inadequate earnings for these workers are all the more severe considering that a sizeable share of these workers are also supporting families on their low wages. Compounding this economic disadvantage, Fast Food workers are far more likely than their service-sector counterparts to have schedules be assigned with short notice and to experience shift cancellations, on-call work, and timing changes. The large private-sector and highly profitable firms that employ these workers have failed to provide jobs that offer more than poverty-level wages and hours and unstable schedules that undermine the rhythms of family life. Legislation that sets labor standards and builds worker power provides a pathway to stability for these workers and their families.

Endnotes

1. Further details about our data collection and methodology are presented in an Appendix at the end of this brief.
2. Annual earnings are estimated by multiplying hourly wages by average weekly hours, then multiplying by 52 weeks of work per year.

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Methodological Appendix

The Shift Project collected survey data from over 150,000 service sector workers employed at large retail and food establishments across the country between March 2017 and Spring 2022. This brief focused on a subsample of 2,034 service sector workers in the state of California who completed Shift surveys in 2021 and 2022.

The Shift Project recruits survey respondents using online Facebook advertisements, targeted to workers employed at large retail and food service employers. Those who responded to the Shift survey invitation were automatically routed to a survey landing page where they were asked to consent to participate in the study, then began the online self-administered survey using the Qualtrics platform. As an incentive, those who completed the survey and provided contact information were entered into a lottery for an Apple iPad or a \$500 gift card. The survey included modules on job characteristics, work schedules, demographics, economic stability, health, parenting, and child outcomes. To screen out invalid survey responses, we used an attention filter (a question that instructed respondents to select a particular response category to verify the accuracy of their responses) as well as a speed filter (discarding data for surveys that were completed too hastily).

In the descriptive results we present in this brief, we have applied survey weights to ensure that our sample accurately reflects the distribution of employment types among large retail and food service employers in California. To construct these weights, we use data from the Reference USA database of U.S. establishments. The RefUSA database contains a detailed listing of all retail and food establishments nationally and allows us to pinpoint establishments within California. RefUSA contains the size of the workforce for each establishment, which we aggregate up to the employer level. Then, using the aggregated RefUSA employer counts for California, we weight our Shift survey sample to match the distribution of employers. In this way, no one employer has undue influence on the reported results. All of the descriptive results we present in this report apply these RefUSA employer weights.

For a detailed discussion of The Shift Project data collection, methodology, and data validation, see Schneider, D. and Harknett, K. 2019. “What’s to Like? Facebook as a Tool for Survey Data Collection.” *Sociological Methods & Research*. <https://doi.org/10.1177/0049124119882477>

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“¡AGUÁNTATE!”

HEAT, HAZARDS AND INDIFFERENCE TO SAFETY IN CALIFORNIA’S FAST FOOD RESTAURANTS

Fast food workers experience suffocating heat, burns and other injuries, even sewage flooding ... and our employers say: *¡Aguántate! – Deal with it! – And get back to work.*

– Angelica Hernandez, McDonald’s, Monterey Park

SEPTEMBER 2023

WORKSAFE
safety, health, and justice for workers



ABOUT THE AUTHORS



Worksafe is California’s only statewide nonprofit focused on ensuring the occupational safety and health (OSH) rights of vulnerable workers through policy advocacy, capacity and coalition building, and impact litigation. Worksafe is a leader in engaging and convening worker advocates, legal aid organizations, academic institutions, and government agencies to prevent workplace injury, illness, and death by bringing justice to the workplace.

www.worksafe.org



The Service Employees International Union (SEIU) is an organization of 2 million members united by the belief in the dignity and worth of workers and the services they provide — and dedicated to improving the lives of workers and their families and creating a more just and humane society.

www.seiu.org

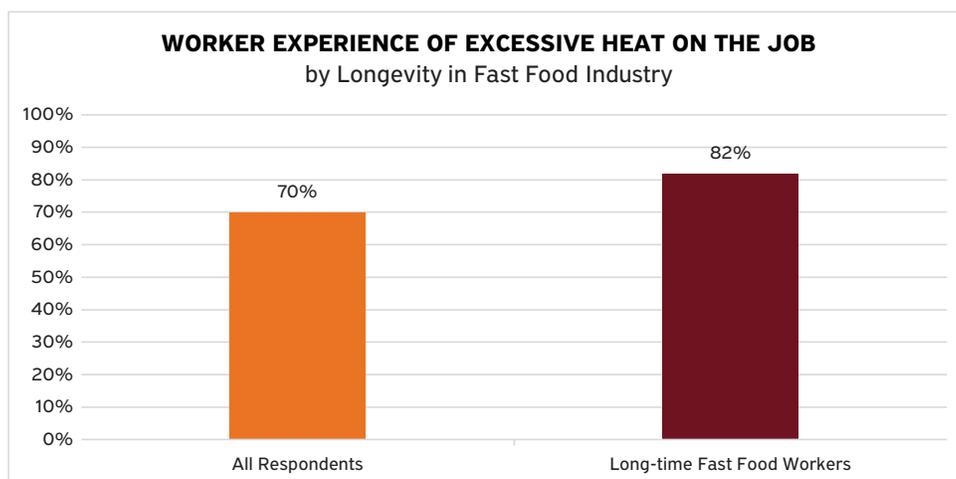
EXECUTIVE SUMMARY

Temperatures in the kitchen reach over 100 degrees for days on end.¹ The air conditioner hasn't worked for months.² The vent above the grill is broken and the kitchen fills with smoke for days.³ For weeks, sewage surges up through the drains when the toilet is flushed, filling the restaurant with toxic fumes, and then it floods the floor of the kitchen, seeping into workers' shoes.⁴ The CO2 evacuation alarm has been going off for an hour and management denies there is any problem.⁵

California fast food workers routinely experience extreme heat, risk of burns and other injuries. Workers often avoid raising safety issues to their managers for fear of retaliation. When workers speak up, they may be retaliated against⁶ and a dismissive response is the norm. No matter the severity of the risk – even following an injury – workers often hear, “*jaguántate!*” The message: it's nothing – get back to work.

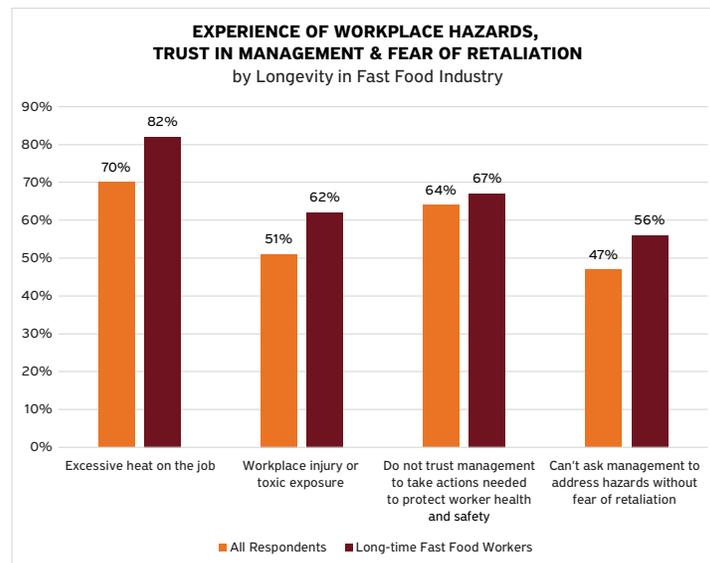
Fast food workers' experience of working conditions that pose serious risks to their health and safety is reflected in the results of the **2023 California Fast Food Workplace Hazards Worker Survey**, detailed in this report. As temperatures rise across the globe, our survey shows that fast food workers are on the front lines of indoor heat-related exposure at work.

- **82 percent** of long-time fast food workers surveyed (those who've worked more than five years in the industry), and **70 percent** of all fast food workers, report enduring excessive heat on the job.
- **79 percent** of those who report having worked in excessively hot conditions have experienced symptoms of heat-related illness (including excessive sweating, headaches, dizziness, nausea, weakness, mental confusion, cramping and fainting). **52 percent** say they have experienced two or more symptoms.
- **67 percent** of long-time fast food workers surveyed, and **64 percent** of all respondents, do not trust management to take the actions needed to protect their health and safety.
- **56 percent** of long-time fast food workers surveyed, and **47 percent** of all respondents, say that if there are health and safety issues at work, they can't ask management to address them without fear of retaliation.



In addition to heat, fast food workers experience burns, falls and other accidents on the job, as well as incidents of toxic exposure to excessive smoke, sewer flooding and other substances.

- **62 percent** of long-time fast food workers surveyed, and **51 percent** of all respondents, have experienced a workplace injury or toxic exposure on the job.
- **36 percent** of long-time fast food workers surveyed, and **29 percent** of all respondents, report having experienced an injury while on the job in fast food.
- **44 percent** of respondents who report having been injured on the job report that they needed medical care for those injuries, and **42 percent** report having had to miss work as a result of these injuries.



The survey findings echo the accounts of fast food workers in hundreds of complaints filed with Cal/OSHA and state and local regulatory agencies.⁷ Both document the prevalence of health and safety hazards fast food workers face on the job and the widespread failure of fast food employers to keep their workplaces safe by mitigating hazards as they arise, training workers in safe practices, and responding adequately to injury and illness. Fast food workers report a lack of concern from management regarding their health, safety and well-being, as well as retaliation against those who speak up about unsafe conditions.

At one McDonald's in Oakland, temperatures reached as high as 106 degrees in the kitchen and 99 degrees in the lobby during the summer of 2022.⁸ One worker, Ana Lopez, fainted from the heat and had to be taken to the hospital in an ambulance. Others experienced dizziness, migraine headaches and bloody noses. Management at this location did not provide employees with training on how to prevent heat illness, or allow cooling breaks or water breaks. On the contrary, managers charged workers for the cost of bottled water and forbade them to use McDonald's cups to obtain tap water for free.

For these workers, illness or injury can have devastating economic impacts. In an industry where one in six families lives below the federal poverty level,⁹ even a modest medical bill or a few days out of work can be destabilizing. A major injury can be catastrophic.

Recommended solutions center around greater empowerment of the fast food workforce including through effective workers' rights trainings; strong protections against retaliation for speaking up; and ensuring that fast food workers have greater opportunities to participate in setting standards in their industry.

POVERTY EMPLOYER

The fast food industry is a poverty employer, with a larger share of its workers in poverty than any other industry.¹⁰ In California, one in six families with a frontline fast food worker lives below the federal poverty level. Nearly half – 44 percent – of front line fast food households in the state are rent burdened, spending more than 30 percent of their income on rent. A full quarter of California fast food workers are the main earners in their family.¹¹ The vast majority of these workers are people of color and 60 percent are Latino/Latina.¹² Two out of three are women, and more than a quarter are immigrants.

For these workers, illness or injury can have devastating economic impacts. When workers must choose between paying their rent or paying for basic household necessities like food and utilities, even a modest medical bill or a few days out of work can be destabilizing. A major injury can be catastrophic. One study from 2020 found that California workers who lost at least four days of work due to workplace injuries lost about 20 percent of earnings over the following two years.¹³

The imperative in the fast food industry to keep stores open while minimizing costs is commonly implemented at the corporate and franchise levels through decisions to keep staffing levels low and defer necessary maintenance and repairs.¹⁴ At the store level, managers who are tasked with keeping stores open often use threats of retaliation to keep workers on the job when they are injured or sick, when air conditioners fail during heat waves, when sewage floods the kitchen, or when malfunctioning equipment leaks gas.¹⁵

When workers take steps to protect themselves from obvious dangers like these, they often meet with retaliation rather than support. Managers at the Oakland McDonald's location forced Cynthia Martinez to work on a very hot day with a heat-triggered migraine headache, while vomiting and severely dizzy, because her manager told her there was no one to cover her shift.¹⁶ When she called in sick the following day, management gave her a written warning for missing work. A few days later, a manager gave her another warning on what she says was a false charge, suspended her for three days, and told her that she'd lose her job if she got another warning. "I am a single parent and I need my job," she stated in the retaliation complaint she filed with the Division of Labor Standards Enforcement. "I did not do anything wrong. That is why I am fighting for my rights, and so people won't be fired or disciplined unfairly for calling in sick. Everyone who calls in sick at this store gets a written warning."



INDUSTRY STRUCTURE TO BLAME

At the root of all of these problems – the high risk of illness and injury, the lack of concern from management, the retaliation – is the fact that fast food workers lack power in their industry and have little effective recourse for these and other workplace hazards. Often when workers speak out about issues they are facing in their stores, they risk reprisals in the form of schedule cuts, threats and even termination. Regulatory enforcement has proved insufficient to address these widespread issues. The industry’s franchise model exacerbates these problems. Under that model, global fast food companies concentrate power and profit at the corporate level while shielding themselves from liability for workplace violations, leaving franchise operators to bear the burden of high operating costs and slim profit margins. This system drives franchise operators to cut costs where they can – by neglecting to fix a broken air conditioner, for example, or neglecting to maintain the plumbing. The result is an exceedingly high rate of employer non-compliance with wage and hour laws and health and safety regulations alike.¹⁷

For all these reasons, labor policy expert David Weil has identified the franchise model as one of a handful of “sectoral sources of vulnerability” in our economy that increase workers’ exposure to a host of risks in the workplace and beyond.¹⁸ These structural problems bring into focus the urgent need for worker empowerment and sector-wide solutions to improve conditions in fast food. Without power in their industry, there is little fast food workers can do to improve this situation. In recent years, fast food workers at hundreds of locations in California have walked off the job when the danger grew too extreme. But it shouldn’t take a strike to keep a workplace safe. The balance of power in the fast food industry must shift so that global corporations are held accountable and workers have an effective voice in improving conditions.



At one corporate-owned McDonald’s location in Monterey Park (950 West Floral Drive), mechanical failures involving air conditioning, heating, ventilation and plumbing systems are an ongoing difficulty.¹⁹ These failures have endangered workers’ health by exposing them to excessive heat, smoke, sewage flooding and sewer gas, and workers have filed numerous complaints on these matters to Cal/OSHA. Most recently, in July 2023, workers reported that the air conditioner was broken for four consecutive days during a period when outdoor temperatures were in the mid 90s. One worker, Angelica, had to leave work early because the heat in the kitchen was unbearable. “I got a bad headache from the heat,” she says, “I felt dizzy. I was sweating excessively and I could no longer work.”

One day over the same period, the store’s evacuation alarm and strobe lights went off in response to an occurrence in the basement, where workers take their rest breaks. Management told workers to ignore the alarm and continue working – that there was no problem. But a technician from the soda distribution company later confirmed that gas was leaking from the CO2 tank in the basement due to the extreme heat. “I noticed that one of my coworkers looked pale,” Angelica says. “She told me that she felt bad and had a feeling of desperation following her break in the basement. We don’t know for certain if these were symptoms of exposure to a CO2 gas leak or symptoms of heat stress or both.”

These are not isolated incidents at this location. For six days in December 2021, the heating system spewed smoke and a very strong burnt smell in the kitchen, lobby and restroom, causing headaches and extreme fatigue among the workers. The manager at the time confirmed that the problem was coming from the heating system, yet nothing was done. Four months earlier, in August, the toilets in the restroom backed up and sewer water came up out of a floor drain, flooding the kitchen. A kitchen worker had to roll up her pants as her shoes filled with foul-smelling sewer water. Two months before that, in June, the AC was broken for seven days during a heat wave.

One month earlier, in May, managers forced workers to operate the grill and the fryers despite a vent fan being broken and dripping with black oil. The smoke became so extreme and intolerable that the store, which was normally 24 hours, was forced to close. Workers suffered burning eyes and headaches for several days due to the smoke exposure.

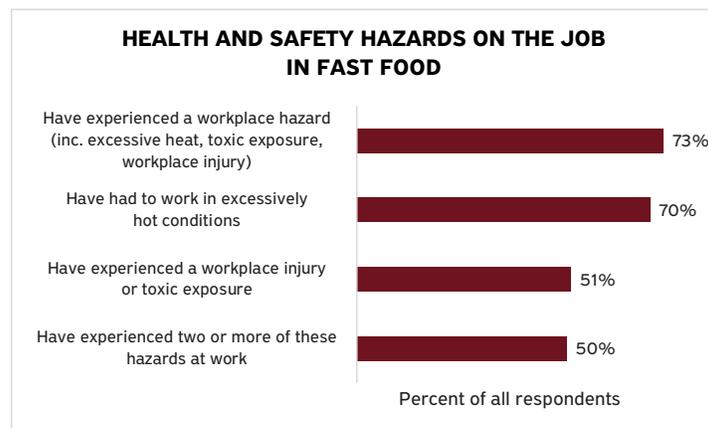
The vent fan for the fryers also broke in September 2020 and dozens of employees worked for two days with the building full of smoke. One month after that, in October, a brown liquid leaked down the wall from a pipe and spread across the floor, creating an overwhelming odor of sewage in the basement break room and storage area. For at least three years, the workers report, a strong sewage smell filled the lobby area, coming from the drain near the soda machines. Management installed three air freshener sprayers to cover the smell.

“Instead of fixing these issues, McDonald’s simply tries to cover them up,” Angelica and her coworkers insist. “This pattern of disregard by McDonald’s management for our health when there is a mechanical or system failure has to stop.”



WORKPLACE HAZARDS THREATEN FAST FOOD WORKER HEALTH & SAFETY

The 2023 California Fast Food Workplace Hazards Worker Survey obtained responses from 396 fast food workers from 273 fast food locations in 89 cities across California. It was offered in Spanish and English and conducted in July and August 2023. The workers who responded to the survey represent 43 different fast food brands, including McDonald's, Jack in the Box, Carl's Jr., Taco Bell, Subway, Burger King and KFC. The survey included questions about three categories of workplace hazards common in fast food: excessive heat, injury and toxic exposure. It also included questions about management response to workplace hazards. The results are detailed in the following sections.



The results of the survey show that 73 percent of respondents have experienced at least one form of a health-threatening hazard or injury on the job. Seventy percent have had to work in excessively hot conditions at their fast food workplaces, and 51 percent report having been injured or experiencing toxic exposure on the job. Fifty percent of respondents report having experienced two or more of these hazards or injuries at work.

The findings also indicate that the longer a person works in fast food, the more likely they are to experience excessive heat, toxic exposures or injuries on the job, the more likely they are to lack trust that management will fix these hazards, and the more likely they are to fear retaliation for raising concerns about health and safety problems at work. Eight-five percent of fast food workers with five years or more in the industry have experienced one of these hazards on the job. The rate climbs to 92 percent for those with 10 or more years in fast food. Fifty-six percent of workers with five or more years in fast food say that if there are health and safety issues at work, they can't ask management to address them without fear of retaliation. More than two-thirds of fast food workers with five or more years in the industry surveyed say that they do not trust management to take the actions needed to protect their health and safety.

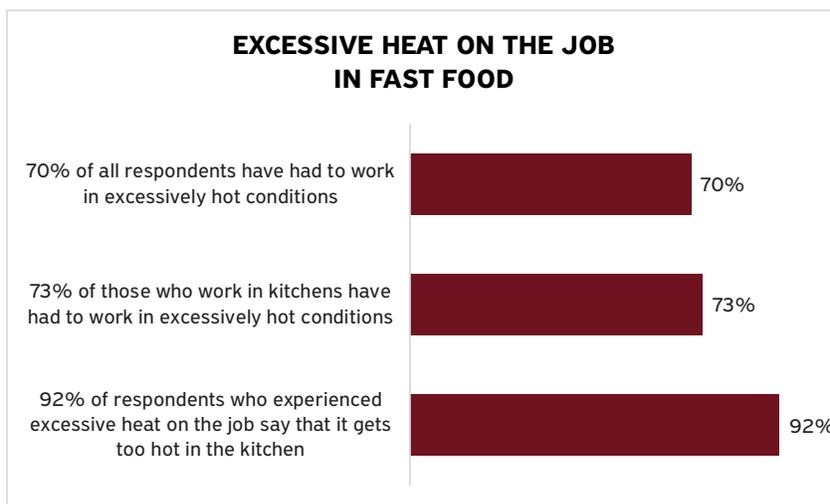
Extreme heat is a serious threat, accounting for more deaths per year than any other weather-related hazard.²⁰ It can trigger heat-related illnesses, such as heat stroke, which is life-threatening, and aggravate other medical conditions. Heat-related illnesses occur when the body's temperature rises too high to be cooled by the normal process of sweating.²¹ This state can cause damage to the brain and other vital organs. Extreme heat also impacts mental health. One study found that a 10 degree Fahrenheit increase in same-day temperature in California was associated with a 5 percent increased risk of emergency room visits for mental health disorders and a 6 percent increase in visits for self-injury and suicide attempts.²² Heat stress can also lead to insomnia and impact cognitive function.²³

There is also a strong correlation between extreme heat and injury on the job. One study from 2021 compared 18 years of California workers' compensation injury reports with local weather records and found that the overall risk of workplace injuries was 5 to 7 percent higher on days when the temperature was between 85 and 90 degrees than on days when temperatures were in the 60s.²⁴ The risk was 10 to 15 percent higher when temperatures were over 100 degrees. The researchers concluded that extreme heat had likely caused 20,000 additional workplace injuries annually in California since 2001 – *19 times the annual number identified as caused by extreme temperatures in workers' compensation records.*

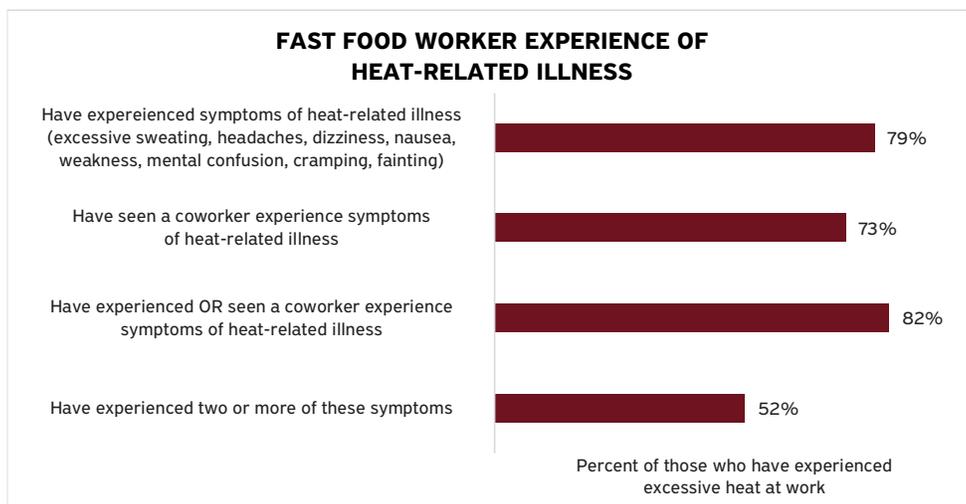
The risk is even higher, the researchers found, for low-wage workers such as fast food cooks and cashiers. “Due to the fact that lower wage workers are more likely to work in dangerous occupations, more likely to live and work in places with greater heat exposure, and experience larger marginal increases in risk on hotter days,” they write, “the net effect on injuries is far greater for low income groups. We estimate that, for someone from the bottom quintile of the zip-code level residential income distribution, the annual effect is approximately five times larger than for someone from the top quintile of the residential income distribution.”²⁵

EXCESSIVE HEAT

Eighty-two percent of long-time fast food workers surveyed and 70 percent of all respondents report having worked in excessively hot conditions. Though excessive heat can be a problem in all areas of a fast food restaurant, it is most severe in kitchens. Seventy-three percent of those who work in kitchens report having endured excessive heat while working in fast food. Fast food kitchens tend to be small, crowded and poorly ventilated. They are typically oriented around radiant heat sources, such as grills, fryers, ovens and toasters. Of those who have worked in excessively hot conditions, 92 percent report that when it gets too hot at work, it's too hot in the kitchen specifically.



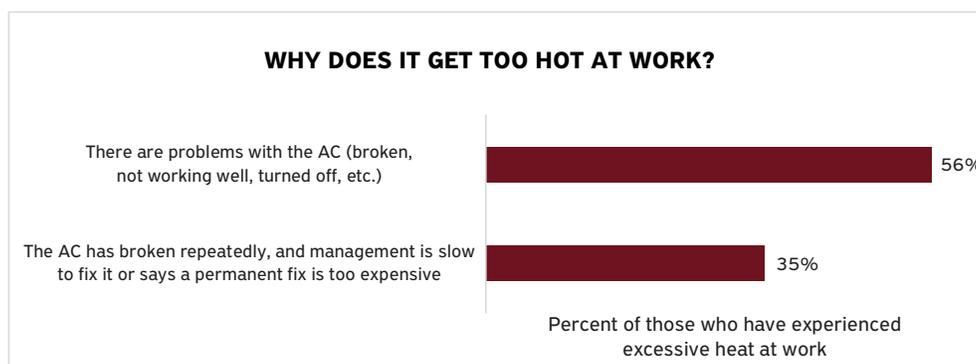
Eighty-two percent of fast food workers who have endured excessive heat on the job report that they have experienced or have seen a coworker experience symptoms of heat-related illness at work. These symptoms include excessive sweating, dizziness, nausea, headaches, weakness, mental confusion and fainting. Seventy-nine percent have experienced one or more of these symptoms themselves, and 52 percent have experienced two or more symptoms. The most commonly reported symptom is excessive sweating (64 percent), followed by headaches (52 percent) and dizziness (30 percent). Four percent report that they have experienced fainting due to excessive heat at work.



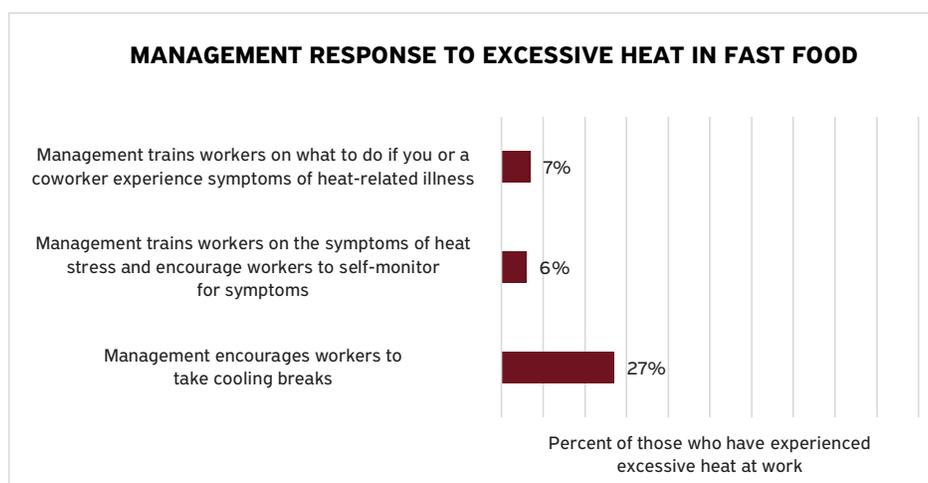
In August 2023, in a Taco Bell in San Jose, it was 91 degrees in the kitchen when Margarita Leal Jimenez began to feel dizzy and weak and her vision became blurry.²⁶ “The next thing I knew the manager was sitting me down telling me I had just fainted,” she says. She had lost consciousness for several seconds. “The manager and another coworker carried me to a chair and instead of calling 911 the manager told me to call my daughter to take me to the hospital. On the way to the hospital, my chest felt tight and I had a severe headache. The emergency doctor explained that my symptoms were likely a result of excessive heat exposure and told me to take at least a week off work, rest, and drink water, as I was becoming dehydrated.”

The store’s air conditioning had been broken for a month. “The heat in the store felt suffocating,” Margarita says. “I told management multiple times that it is too hot at work but they just told me they’d already put it in the request for the AC to be fixed, that they were just waiting for the repair crew.” But weeks went by and it wasn’t fixed. “Management brought in two fans,” she says, “one in the prep line and the other by the cash register, but the fans did not provide any relief. Management does not provide cooling breaks. Management has also not trained us on how to prevent, identify, and respond to heat-related illness symptoms.”

Hot days affect workers in many industries. What makes the problem particularly hazardous in the fast food industry is the consistent failure of employers to take effective preventative measures. Fast food workers report that management is often slow to ensure that broken air conditioners in their stores are repaired, and repairs often do not fix the problem permanently. Fifty-six percent say that it gets too hot at work because there are problems with the air conditioning in their stores (the air conditioner is broken, not working well or has been turned off). Thirty-five percent say that the air conditioning in their stores has broken multiple times and that management is slow to fix it, or management says that a permanent fix is too expensive. Fans will not prevent heat-related illness in extreme heat, according to the Centers for Disease Control (CDC). “Air conditioning is the strongest protective factor against heat-related illness,” the CDC states.²⁷



Under pressure to keep stores open and keep labor costs low, managers often require workers to keep working, denying them water breaks, cooling breaks, rest breaks and meal breaks and not allowing them to go home or seek emergency medical attention when they experience symptoms of heat-related illness.²⁸

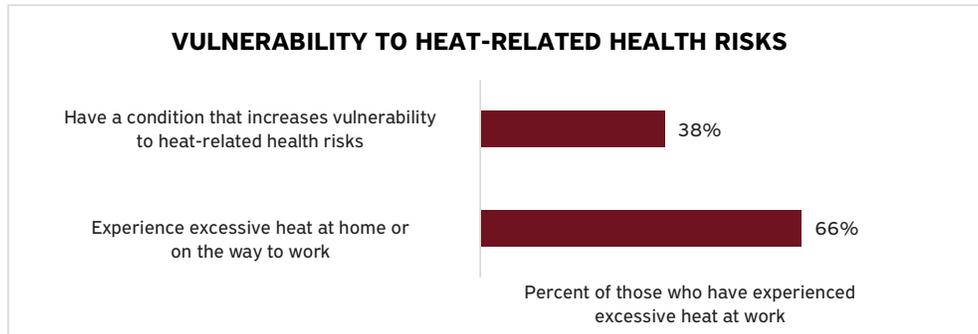


“For over a year now, we have been dealing with excessive heat at the store on hot days. In July, the temperature reached 96 degrees in San Jose and it felt hotter inside the store than outside, especially in the kitchen. The heat feels suffocating and causes me to sweat excessively. The store gets hot because the AC is in a constant cycle of breaking down, getting fixed temporarily, and then breaking down again. The previous manager used to put fans in the store to provide some relief, but the current manager only put a fan in his office.”

– RAMONA MARTINEZ, CARL’S JR., SAN JOSE²⁹

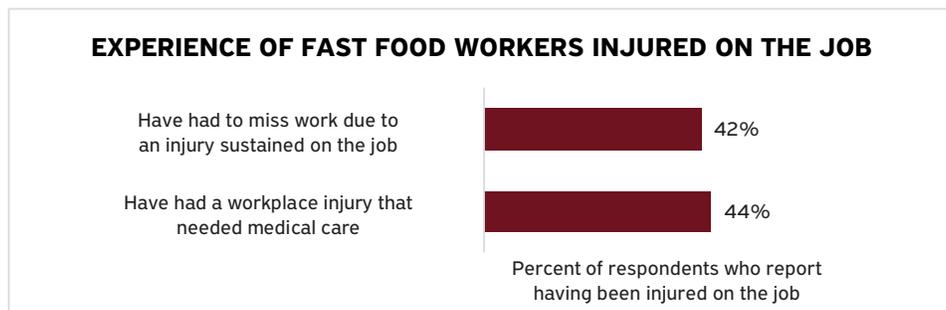
At one Cinnabon location in Northridge, the air conditioning had been broken for nearly a year when workers walked off the job in June 2023, after one worker, Pablo Gomez, threw up from the heat.³⁰ A dozen workers from this location, including Pablo, filed a complaint with Cal/OSHA the following month detailing this and other heat-related symptoms. “I have been getting migraines,” says Vero Aguilar, another of the workers. “One coworker, a minor, told me that he also goes home with a migraine from the heat. Another had a nosebleed he said was from the heat. I tried everything to stay cool – I wet my shirt, I put my visor in the freezer, I took multiple cooling breaks – but it didn’t work, I was still too hot and still got a migraine.”

Certain conditions – including heart problems, high blood pressure, poor circulation, pregnancy, mental illness, being overweight, and being over 65 – make people more susceptible to extreme heat and increase the likelihood of heat-related health risks.³¹ Thirty-eight percent of fast food workers who have endured excessive heat at work report having one or more of these conditions. Also at increased risk are those who experience excessive heat at home or on their way to work.³² Sixty-six percent of those who have had to work in excessive heat say that their homes get too hot when the weather is warm or that they get overheated on their way to work when temperatures outside are high.

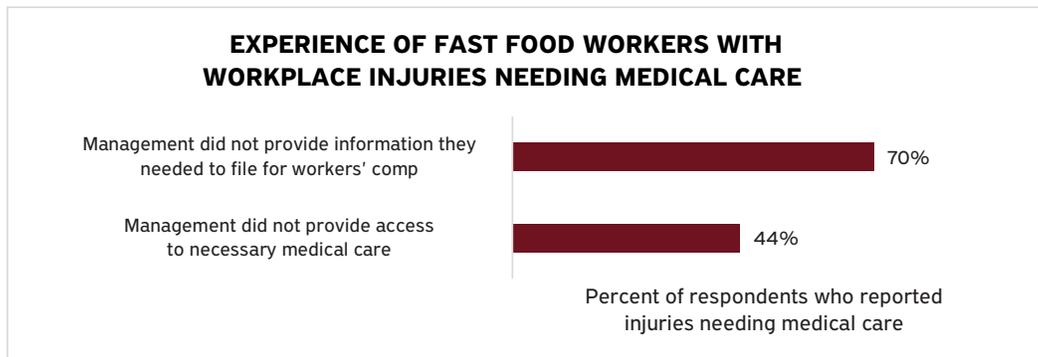


INJURY

Thirty-six percent of long-time fast food workers, and 29 percent of all fast food workers surveyed, report that they have suffered injuries on the job, including burns, cuts, musculoskeletal injuries (such as from falls and lifting accidents), and injuries resulting from delivery-related car accidents. Forty-two percent of those who have been injured on the job report that they have had to miss work due to workplace injury. Forty-four percent have needed medical care for these injuries. Fast food workers consistently report that managers fail to prevent workplace injuries, and fail to make sure that injured workers receive necessary treatment. The 2021 workers compensation study noted above documented that high heat is a significant factor in increasing the likelihood of all types of workplace injuries, as workers whose full capacity is impaired by heat end up suffering falls, cuts, burns, and so on.³³ Chronic understaffing and constant pressure from management to work faster are also key factors contributing to the unsafe workloads that often lead to injuries in this industry.



When fast food workers suffer serious injuries, management often does not respond appropriately. Forty-four percent of those who experienced injuries requiring medical care at work report that their managers failed to ensure they received the care they needed. Seventy percent of those who suffered work injuries requiring medical care say that their managers did not provide them with the information they needed to file for workers compensation. The inadequate response from management compounds the harm of the initial injury by increasing the risk of serious or long term health effects from an untreated injury and exacerbating economic hardship.



Musculoskeletal injuries. Fifty-six percent of workers who reported specific types of injuries on the job experienced an injury to soft tissue, bones or the head. This category includes falls, which can result from tripping hazards in obstructed pathways or floors becoming slippery with grease, water or other substances.³⁴ Fast food workers also face the danger of falls when reaching for items on shelves or other elevated places using ladders or steps. This category also includes injuries from lifting, lowering or carrying heavy objects – common tasks in fast food work – and repetitive strain due to repeated and continued performance of common job tasks. The risk of repetitive strain injuries is heightened by unsafe workloads brought about by short-staffing and failure to rotate job positions, as well as pressure from management to work faster, often without required rest breaks.

The manager asked me to carry some boxes of pineapple. I told her I couldn't do it because they were too heavy and she told me that I had to do it. She knows that handling the boxes of pineapple is heavy lifting, and usually only strong men are assigned that work at this Domino's. I tried to do it but it was too much and I was injured, resulting in uterine prolapse, which can be caused by heavy lifting, especially without the right training – and I never received any training. I told the manager right away about the accident and that I was in pain, but she did not say anything. She did not offer me medical treatment or information about workers comp. I am continuing to receive medical treatment for this injury, which I have to pay for myself. At the treatment, they told me I needed to rest for two weeks but I could only afford to rest for one day because I only had one day of sick leave.

– BERTHA PEREZ, DOMINO'S, LOS ANGELES³⁵

Edith Villegas, a Chick-fil-A worker in Ventura, sustained a repetitive strain injury in the left shoulder as a result of being forced to work at an intense rate.³⁶ “Imagine producing and carrying 180 baskets of fries in three hours with no break,” she says. “At this job I have typically worked four to six hours straight with no break at all. If there is even just one minute to spare, the manager tells me to do another task instead of taking a break, to make eggs or biscuits or clean the oven or make salads or fruit. It feels like the manager thinks I am an octopus that can do the work of many people at once.”

In October 2022, I had a serious fall from a ladder at work when I lost my balance putting away dishes on a high shelf. I put out my arms and hands to break my fall and when I got up I was in terrible pain and I had to leave work early because I could not work. At that point, I did not tell management about the injury because I didn't want any trouble. The next day I woke up with severe pain in both shoulders, both arms, my right wrist and my back. I went to a traditional healer (huesero) who told me that both of my shoulders were dislocated and that I needed to rest for three days and take Tylenol.

Two days after the accident, I woke up swollen and in severe pain. I called HR and said I fell from a ladder at work and that I was injured and could not come to work. She responded, "No, you have to come to work." She told me that she would review the video of the accident and decide if I could go home from work. I came to work like she said, despite the pain, expecting that I would be sent home. Instead, I was told I had to work my full eight-hour shift until 10 p.m. and that I could go to the doctor after my shift. I was not even allowed to take the regular 10-minute rest break after two hours of work – I had to work four hours straight with no break until my meal break.

I was given a referral to a clinic where they took x-rays and diagnosed me with strain of the muscle, fascia and tendon in my lower back and both shoulders. Despite this diagnosis, the clinic gave me paperwork saying that I should go back to work immediately, the same day, with only minor restrictions. I was very upset because I was in pain and needed to go home and rest. I told management that I could not go back to work immediately and they told me that, because of these documents, I had to come to work the next day, Wednesday, or receive a disciplinary order.

On Wednesday I woke up in terrible pain. I talked to my husband and he saw that it was hard for me to get out of bed. He told me that they can't force me to work when I am injured and that I should quit, so that is what I did. I did not know anything about workers compensation and management did not give me information or forms to fill out for workers compensation.

– MARIA JIMENEZ, CHICK-FIL-A, SAN DIEGO³⁷

Burns. Forty percent of workers who reported specific types of injuries have experienced a burn. These injuries are especially common among workers in kitchens, as a result of contact with fryers, stoves, ovens and hot liquids such as grease, coffee and boiling water.³⁸ To prevent these injuries, fast food employers must train workers on safety practices, maintain equipment properly, and provide necessary protective gear, such as gloves and mitts.

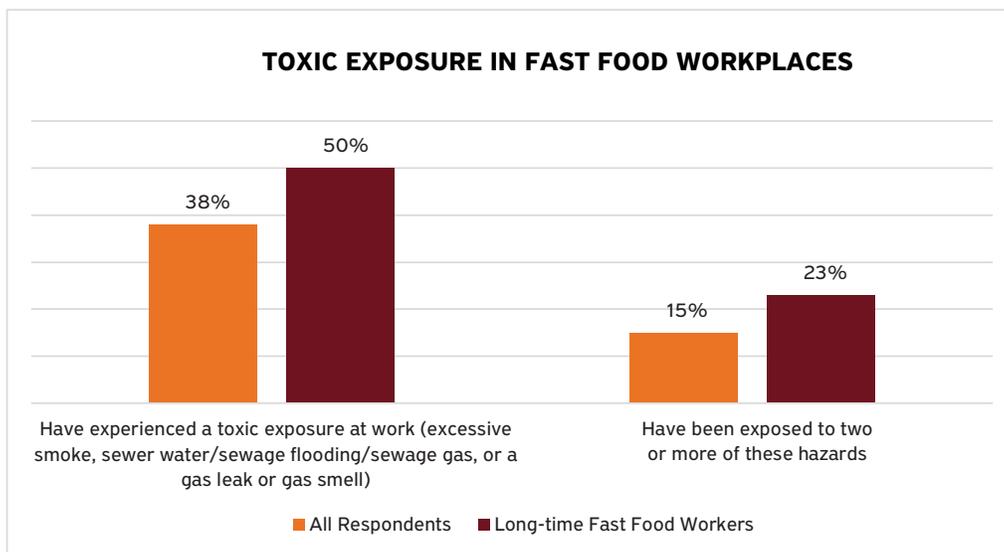
"I suffered a serious burn in April 2023 when hot water fell on my whole arm at work," says Sulcely Anabel Recinos, who works at a Popeye's in Citrus Heights.³⁹ "There was no first aid kit and the manager treated me improperly with ice, which can further damage the tissue." No one offered to take her to the hospital, and in fact the store manager mocked her, saying, "What are you doing, taking a bath?" This was the second burn injury Sulcely sustained on the job. The first occurred when a tray just out of the oven tipped over and fell on her arm. She did go to the hospital in that case, she says, but "I had to miss three days of work to recover. I did not have any available sick pay because I had just started working at Popeyes, so I missed three days of pay."

Cuts. Twenty-one percent of workers who reported specific types of injuries have sustained a cut, laceration, or puncture wound while working in fast food – common injuries where workers regularly handle knives, slicers, and other cutting tools.⁴⁰ While cuts are most common in kitchens, they can happen to workers in any position. Proper maintenance and safeguarding of cutting and slicing equipment, and ensuring that workers are trained in safe practices for handling cutting tools are critical for the prevention of these sorts of injuries.

When Jose De La Torre, a delivery driver for Papa John's Pizza in Lynwood, sliced his thumb while opening a box with a knife, he recalls that a manager said, "Don't cry about it."⁴¹ "He brought me a stapler to staple my thumb back together," Jose says. "Then he got me a band aid. He didn't send me to the doctor or give me any information about workers' comp or how to get medical help. I had to continue working while I tried to keep pressure on my thumb. It continued to bleed a lot for a week. I lost feeling and sensation in that finger."

TOXIC EXPOSURE

Fifty percent of long-time fast food workers surveyed and 38 percent of all respondents report having experienced one or more incidents of toxic exposure while working in fast food. Nearly a quarter of long-time fast food workers – 23 percent – have been exposed to two or more of these hazards. Common forms of toxic exposure faced by fast food workers include excessive smoke from the grill or fryer; the presence of sewer water, sewage flooding, or sewer gas in work areas; natural gas leaks from equipment including grills, broilers and steamers; and CO2 gas leaks from tanks connected to soda machines.⁴²



Of those who have experienced toxic exposure on the job, 85 percent report that they have experienced symptoms such as headache, stinging eyes, dizziness, or infection from the exposure. Eighty-eight percent say that they have not been trained on what to do in the event of a toxic exposure at work.



Sewage-related exposures. Sixteen percent of workers surveyed have experienced a sewage-related exposure on the job, including exposure to sewage floods, sewer water and sewer gas. Sewer water might back up and emerge through floor drains in the kitchen and throughout the store, often where mops are stored, near sinks where dishes are washed or at the grill in the kitchen.

One Burger King in Los Angeles had regular sewage flooding problems for nearly a month in late 2022 before workers at the store walked off the job in protest.⁴³ The situation began with clogged drains and backups in the bathroom. “When the toilets were flushed, the water would rise from the drains in the floor in the bathrooms,” says Jason Abraham Ponce, who works at this store. “From one drain the water was coming up yellow and from the other drain the water was coming up dark gray. The water smelled like shit and garbage. Sometimes we are able to clean up the flooding and it goes away, and sometimes it kept on spraying and spraying and overflowing and overflowing and no one could use the bathrooms or run water in the sinks.”

Later, the kitchen began to flood. “The sewer water flooding in the kitchen absorbed into my shoes when I had to walk through the kitchen,” Jason says. Throughout this time, management continued to claim it would fix the problem but didn’t. Workers were not provided with training or personal protection equipment to deal with the mess.

Sewage and sewer water have been flooding the kitchen for days. Sometimes we have to stand in and walk through a large puddle of sewer water and sewage particles while we work at the fryer and the grill and the table where we assemble the sandwiches. The smell of sewage in the kitchen is overwhelming and I feel sick and my stomach hurts. My stomach felt like it turned upside-down twice, and I feel nauseated and I have a bad headache. We have to stand in this sewer water while we cook and prepare food, and it soaks into my shoes, which smell like urine and excrement.

– MARISOL MARTINEZ, BURGER KING, LOS ANGELES⁴⁴

Gas leaks. Twelve percent of workers surveyed have been exposed to gas leaks or gas smells at work. Leaking natural gas is dangerous as a toxin in its own right, as well as for its explosive potential. One day in April 2023, workers at a McDonald’s in East Los Angeles noticed a musty smell in the back area of the store, where the CO2 tanks are kept.⁴⁵ Not long after, an alarm went off for about an hour. Alexis Paulino, who was working at the time, says: “I asked the manager what was going on, and she said, ‘Don’t worry about it.’ I went to the back to see what was going on, and I saw the CO2 detector screen said, ‘Caution, evacuate immediately.’ I saw that the monitor showed 3 percent, and later 2 percent. It took a long time to go down to 1.”

At this same location, on multiple occasions workers have smelled gas, which they believe comes from the connection between the gas line and the grill. Workers remove this connection to clean the grill. Alexis believes that because they receive no training, some may reconnect it improperly, resulting in leaks.

“I work in the front area and in the drive-thru in the back, and I have sensed the smell of gas several times,” says Mariel Garcia, who also works at this store. “The gas makes me feel nauseated and light-headed and gives me a headache. Every time it happens, I talk to the managers about it. I ask whichever manager is on shift, ‘Do you smell gas?’ And they always answer yes. But then they go back to doing their job and I go back to doing my job, nothing changes. This is a pattern, and I think something needs to be done about it.”



There is a strong smell of gas at this Taco Bell store and when we turn on the fryer there is a loud boom sound, which happens at least twice a day. The smell of gas is strongest at 7 a.m. when the store is first opened after being closed at night. We believe the gas smell is coming from a hose connected to the fryer along the drive-thru wall. The flames from the gas for the fryer and the temperature of the fryer do not stay steady, and the temperature goes down for several minutes at a time and then goes up again. We all inhale the gas when we enter the building in the morning – it is not safe. The gas leak has been going on for over three months and management is not taking action to fix it.

– DULCE M. ESCALANTE, DELMY RAMIREZ, SIMON DE LOS REYES, TACO BELL, OAKLAND⁴⁶

Smoke. Twenty-eight percent of workers surveyed have been exposed to excessive smoke on the job. While some smoke is inherent in grilling, excessive smoke generally arises from broken or poorly maintained ventilation systems.

When the exhaust fan in the kitchen broke at one McDonald's in Oakland, several workers filed a complaint with Cal/OSHA stating, "management continued to run the kitchen as usual and the kitchen filled with smoke. We experienced sore and watery eyes, and sore throats."⁴⁷ Some of the workers continued to have sore throats and coughs more than a week later.

MANAGEMENT RESPONSE

A systematic disregard by management for worker health and safety compounds all of the hazards faced by fast food workers on the job. In the survey, 59 percent of workers who've reported a workplace hazard to their managers say the problem was not fixed in a reasonable amount of time.

The same patterns are also documented in fast food workers' health and safety complaints, which are filled with accounts of owners and managers ignoring, making fun of, not taking seriously and failing to address hazards that workers call to their attention. Management regularly fails to treat illnesses and injuries when they occur, call 911 when necessary, close a store when a serious hazard arises or fix equipment that is the source of the problem. This negligence could be life-threatening – in the case of a heat stroke, for instance, 911 must be called immediately, according to CDC guidelines.⁴⁸ Heat stroke can be fatal without immediate treatment.

Dora Argueta, a McDonald's worker in Los Angeles, recounted the callous responses she received from managers when she spoke up about 90-plus degree heat in the kitchen: "When I told my manager that it was too hot, he joked and told me 'This is a way to burn calories.' He laughed. But to me this is not a laughing matter. The heat in the kitchen feels suffocating and caused me to have a headache and feel dehydrated."⁴⁹

Fast food workers also face retaliation for raising concerns about workplace hazards. The majority of survey respondents (67 percent of long-time workers and 64 percent of all respondents) say they do not trust management to take the actions needed to protect their health and safety. Fifty-six percent of long-time workers, and 47 percent of all respondents, say they do not feel they can ask management to address health and safety problems without fear of retaliation. As these numbers indicate, fast food workers are less likely to trust that management will fix health and safety hazards, and more likely to fear retaliation for raising concerns about these problems, the longer they work in the industry.

The threat of retaliation was a significant factor for Dora and her coworkers. “I believe many of my coworkers are suffering due to the heat but they are afraid to speak up due to fear of retaliation and having their hours cut if they speak up,” she says. “When I’ve spoken up about safety the managers called me ‘lazy’ and accused me of not wanting to work. Managers have taunted me, asking ‘Are you going on another bathroom break?’ as I often go to cool down.”

A supervisor assaulted one Papa John’s Pizza worker in Lynwood, Salvador Rodriguez, a manager, after Salvador complained about the excessive heat and other problems.⁵⁰ “She poked me in the chest five times so hard she gave me bruises,” he says, “when I confronted her about the excessive heat and lack of water, and also the wage theft that I was experiencing. She screamed at me, all my coworkers saw it.” When the director of operations came to the store that day in response to the altercation, she said, “I don’t want to hear about this happening again.”

“You can take that two ways,” Salvador says. “Maybe she was saying she didn’t want it to happen, but maybe she was saying she didn’t want to know about it. Management did not do anything to fix the problem of excessive heat, and did not provide water or any training on how to identify the symptoms of heat illness or what to do about it. The next week I almost passed out from the heat at work, and ended up in the hospital for IV fluid because I was dehydrated.”



One day I saw flames coming from the burrito station food warmer. When I told the shift lead about it, she responded, “You are crazy, why are you saying lies?” She said she wouldn’t inform the store manager about the fire so I texted him images of the burnt heating element from the food warmer. I told him about the flames and said it needed to be fixed. When I returned to work several days later, the same food warmer was still in use, it had not been fixed, and I saw flames come out of it again. I know this machine well because I clean it every night that I close. I am concerned that there could be a fire and someone could get burned.

– BLANCA SALGADO, CARL’S JR., SAN JOSE⁵¹



THE AGGRAVATING EFFECTS OF POVERTY

The fast food industry is a poverty employer, with a larger share of its workers in poverty than any other industry.⁵² In California, one in six frontline fast food worker households lives below the federal poverty level.⁵³ Nearly half live below 200 percent of the federal poverty level – a common measurement for public benefits eligibility – and many rely on public benefits to get by. Fast food employers compound the effect of low wages by denying most fast food workers a full-time schedule⁵⁴ and imposing high rates of on-demand and unpredictable scheduling,⁵⁵ making it harder for workers to pay bills on time and to save for emergencies. A quarter of fast food workers are the main earners in their family.⁵⁶ The high poverty rate among California's fast food workers makes them vulnerable to workplace hazards and highly likely to experience economic insecurity as a result of an illness or injury.

The CDC recognizes low-income status as a risk factor for heat-related illness⁵⁷ and has identified low-income populations as “disproportionately affected” by extreme heat.⁵⁸ Workers who live in hotter neighborhoods have less ability to tolerate heat on the job because they can't cool down outside of work. This is especially true for workers who walk or bike to work, rely on public transportation, drive a car that lacks functioning air conditioning, or can't afford to use their car's air conditioning due to gasoline costs.

Research has shown that low income communities of color are those at highest risk from extreme heat. One 2021 study found that temperatures in areas with high rates of poverty can be as much as 7 degrees Fahrenheit warmer during the summer months than wealthier neighborhoods.⁵⁹ The same holds true in communities of color, compared with non-Hispanic, white neighborhoods.

In California, the vast majority of fast food workers are people of color, and 60 percent are Latino/Latina.⁶⁰ Several factors make these workers more susceptible to heat illness than others.⁶¹ For instance, an estimated 30 percent of Latino/Latina households do not have air conditioning, and more than 40 percent are energy insecure, meaning they cannot afford the energy required to heat and cool their homes, or they must choose between paying their electric bill or paying for food, medical care or other basic necessities.⁶² Unsurprisingly, Latino/Latina people are overrepresented in counties with the highest rates of heat illness in California.⁶³

Low income workers are also at higher risk of workplace injury generally, outside of heat.⁶⁴ As noted above, lower income workers are at least five times more likely to be hurt on the job due to heat than are high income workers.⁶⁵

ECONOMIC IMPACTS OF INJURY AND ILLNESS

For low income workers, illness or injury can have devastating economic impacts. As a result of their low wages, nearly half – 44 percent – of front line fast food worker households in California are rent burdened, spending more than 30 percent of their income on rent.⁶⁶ Most do not have significant savings to fall back on, or access to traditional lenders or credit. Thirteen percent of fast food workers have no health insurance at all, and 36 percent rely on Medi-Cal (California's Medicaid program). Increased energy costs due to rising temperatures are an additional financial burden.

When workers are forced to choose between paying their rent and paying for basic household necessities like food and clothing, even a small medical bill or losing a few days of work can be difficult to handle. A major injury can be catastrophic. One study from 2020 found that California workers who lost at least four days from work due to workplace injuries lost about 20 percent of earnings over the two post-injury years.⁶⁷ Other

studies have tracked comparable losses even a decade after an injury.⁶⁸ Reductions in income after injury can lead to problems covering rent, utilities or car loan payments, and can increase debt and reliance on predatory payday lenders. Even spending on food declines after injury.⁶⁹ All these risks are worse for low wage workers.

WORKERS' COMPENSATION FALLS SHORT

Workers' compensation, though intended to solve this very problem, is often little help in practice, especially for low-wage workers. Many workers do not know about their right to make a workers' compensation claim. In general, fewer than half of eligible workers apply for workers' compensation.⁷⁰ And for those who do, the payout is likely to be minimal. The erosion of workers' compensation insurance programs over the years, driven by lobbying from employer groups, has made it increasingly difficult for workers to obtain the benefits to which they're entitled, including coverage for medical expenses as well as wage replacement. Those who do receive wage replacement benefits receive less than a fifth of their lost wages, on average.⁷¹ The odds are worse for low-wage workers, who face numerous additional barriers to filing, including greater job insecurity, the threat of retaliation, lack of knowledge about their rights and often a limited command of English.⁷²

As noted above, only 30 percent of fast food workers who suffered work injuries requiring medical care say that their managers provided them with the information they needed to file for workers' compensation. Eighty-six percent of fast food workers surveyed report that they either do not know about workers' compensation, or do not know how to access it. These figures are consistent with the accounts of fast food workers who have filed complaints with Cal/OSHA reporting a lack of adequate response from management to injuries they have suffered on the job.

Bertha Perez, a Domino's worker in Los Angeles, was delivering pizzas in January 2023 when another car hit hers.⁷³ She told management about the accident as soon as she got back to the store. They said she could go home but did not offer any medical care or information about workers' comp or a ride home. "I was worried that if I went home I wouldn't get paid," she says, "and I need money to pay my rent and bills, so I said I just wanted to wait a little bit and then I continued working. I was scared to go back to delivering pizzas right away because my head still hurt and I still felt like I was in shock from the accident, but I told myself 'I have to do it.' I had to make the fear go away and keep working."



I missed work the whole month of February because I had a fall at work and injured my ankle. I was just lying on the floor for about five minutes. A manager told me I should just put my foot in hot water with salt to make the swelling go down, which is not correct first aid for a new injury like this. The manager called me two or three times a week the whole time I was recovering but she didn't ask me how I was feeling or if my ankle was recovering, she just asked me to come back to work. I didn't go to the doctor or a clinic because I don't have health insurance. The managers never told me about workers' comp or how to get care for an injury at work. I didn't have any income for the whole month I was home recovering, not workers' comp and not disability, and they didn't pay me the three days of sick pay I had available.

– ELIZABETH JUAREZ, MCDONALD'S, EAST LOS ANGELES⁷⁴

As a result of the broken workers' compensation system, "the costs of workplace injuries are borne primarily by injured workers, their families, and taxpayer-supported components of the social safety net," according to a

2015 study by David Michaels, then-Assistant Secretary of Labor for OSHA.⁷⁵ Specifically, the study found that 63 percent of the financial cost of workplace injuries and illness is covered by workers, their families and their private insurance, while 16 percent is shouldered by government programs. Only around 21 percent is paid by employers.

ECONOMIC INSTABILITY AND HOUSING INSECURITY

Low earnings and a high rent burden make eviction and homelessness a real risk for California's fast food workers. According to a recent study from the Economic Roundtable, fast food workers make up 11 percent of all homeless workers in California.⁷⁶ In other words, if the fast food industry provided sustaining pay and stable employment, there would be 10,120 fewer homeless workers in California. The authors of the study estimate that homelessness would have grown about one-fifth less in California if the fast food wage floor were adequate to ensure that workers have stable housing.

In the city of Los Angeles, the study notes, a quarter of frontline workers spend over half of their income to remain housed.⁷⁷ These workers are forced to choose between paying for household necessities such as food and utilities, and paying their rent. These trade-offs collapse if income is lost as a result of changes to a work schedule, loss of a job or a large, unavoidable expense, such as a medical bill. For fast food workers, the economic impacts of injuries and illnesses caused by workplace hazards can lead to unpaid rent, eviction and homelessness.

OTHER FACTORS DRIVING WORKPLACE HAZARDS IN FAST FOOD

THE CONTRADICTION IMPERATIVE: KEEP COSTS DOWN, KEEP STORES OPEN

The industry imperative to keep stores open while minimizing costs creates dangerous conditions for fast food workers.⁷⁸ This imperative is implemented at the corporate and franchise level through decisions to keep staffing levels low and to defer necessary maintenance and repairs. Low staffing levels pressure workers to do more and move faster, raising the risk of accident and injury. Inadequate investment in buildings and equipment also threatens worker safety. For instance, the excessive heat complaints that fast food workers file frequently point to a broken air conditioner as the reason for the overheated conditions. Aging kitchen equipment is more likely to leak gas, and poorly-maintained plumbing is more likely to back up, leading to toxic exposure.

Another way employers keep costs down is to forego or skimp on worker training. Workers routinely report that they receive no training in preventing heat illness or even recognizing its symptoms and that they have never heard of any heat illness prevention plan. Workers who aren't trained to recognize heat illness, lift heavy boxes properly, or properly clean and reconnect gas grills are at higher risk of endangering themselves and others.

Managers tasked with keeping their stores open no matter what find they have few options other than denying workers the breaks they're entitled to under California labor law (including water breaks and cooling breaks through periods of extreme heat), compelling them to work when injured or sick, or in the face of obvious hazards. Managers often inform workers that there is no one to replace them if they leave early or call in sick, and threaten to cut their hours or fire them if they don't keep working. Retaliation has a toxic effect not only on the worker who experiences it but also the coworkers who witness it, demonstrating throughout a work place what could happen to anyone who speaks up.

Restaurant kitchens will always present hazards to employees. These workspaces are small, often crowded, fast-paced, fast-paced, and typically oriented around radiant heat sources, such as grills, fryers, ovens and toasters. They're filled with large equipment, hot surfaces, boiling oil, sharp blades and heavy loads to carry. It is possible to operate a kitchen safely, however. Providing adequate ventilation, working air conditioners, functional equipment, rest breaks, paid sick leave and effective training would all go a long way toward improving workplace safety, but these improvements require a level of investment that fast food corporations and franchise owners are often unwilling to make. Existing regulatory bodies alone are not equipped to address these industry-wide problems.

CHALLENGES TO ENFORCEMENT

When a lack of compliance with basic workplace standards is widespread in an industry, as it is in fast food, case-by-case regulatory enforcement cannot address the scope of the problem. With jurisdiction over almost every workplace in California, a fully staffed Cal/OSHA with just 349 authorized enforcement positions⁷⁹ would fail to adequately regulate the more than 20,000 fast food locations in the state.⁸⁰ Considering these numbers, the fact that Cal/OSHA is understaffed (as of July 2023, 34 percent of the agency's enforcement positions were vacant⁸¹), and the fast food industry's imperative to keep costs low while keeping stores open, it is unsurprising that workplace hazards often go unaddressed.

The pandemic only exacerbated these difficulties. One 2022 study looked at COVID-19-related complaints to Cal/OSHA across all industries over the first year of the pandemic. It found that, although 7,820 such complaints were deemed valid by Cal/OSHA, only 627 onsite inspections occurred, and only 32 citations were issued.⁸² McDonald's ranked third of all establishments in the state for total number of complaints (62), yet it received only one onsite inspection and no citations. The study found little correlation between complaint rates and mortality rates within individual industries and concluded, "[One] reason the Cal/OSHA complaint system may not have prevented excess mortality is inadequate enforcement, namely insufficient levels of inspections or response to worker complaints." The number of Cal/OSHA inspectors has been steadily decreasing for years, the study points out, and dipped by 20 percent in 2020 alone.



SOLUTIONS

The low-wage, high violation fast food industry is this way by design. Global fast food corporations established the franchise system to concentrate profit at the corporate level and shield themselves from liability for health, safety and labor violations, leaving franchise operators to shoulder the burden of high operating costs in the face of slim operating margins. The pressure to maintain those margins creates an incentive for franchise operators and store-level managers to cut corners at the expense of workers, keeping staffing levels low and deferring necessary maintenance and repairs, while using the threat of retaliation to keep workers on the job when they are injured or sick, or when poorly maintained facilities fail, causing extreme heat, gas leaks, sewage flooding and other serious hazards.

This system relies on the disempowerment of workers to persist. As worker safety analyst Peter M. Smith has argued, where exposure to dangerous conditions is high and where the prevalence of workplace safety procedures, worker awareness of their rights and worker empowerment are all low, workers are at higher risk for illness and injury.⁸³ Such is the case in the fast food industry. Studies have found that workers who reported being more empowered had much lower injury rates.⁸⁴

So long as fast food workers lack power in their industry, they have little effective recourse for workplace violations. Their risk of illness and injury – as well as wage theft,⁸⁵ workplace violence⁸⁶ and sexual harassment⁸⁷ – will remain high. Management will continue to disregard their illnesses and injuries, fail to provide appropriate medical attention, and fail to fix the problems that caused these issues. And they will continue to threaten and penalize workers for speaking up.

The solution to lowering the unacceptable rates of health and safety hazards and workplace violations in the fast food industry is to empower fast food workers sector-wide. This begins by ensuring that they know their own rights, namely through access to workers' rights trainings conducted by a third party. Empowering workers involves staunchly protecting their right to speak up against improper practices by shielding and defending workers from retaliation. And it requires giving workers a voice in setting workplace standards in their own industry, including through councils where workers' representatives have a seat at the table alongside fast food corporations and local owners. Changing the industry's fundamental power dynamics is essential to achieving lasting change.

Fast food workers understand the root of the crisis they face every day: it's about power. In recent years, they've risked retaliation from their employers to file hundreds of complaints with regulatory authorities documenting their struggles, to rally in front of their stores and go on strike at hundreds of fast food locations across the state. But it shouldn't take a strike to keep a workplace safe. Workers need a voice on the job, with the power, training and practical means to uphold strong standards for safety in fast food workplaces. Workers' elected representatives must act to address this crisis and must include workers in raising standards to turn this large, poverty-generating and unsafe industry into a model of good, safe jobs.



APPENDIX

CAL/OSHA INJURY AND ILLNESS PREVENTION PROGRAM

In California, and across the U.S., workers have limited rights when they are hurt at work. The ability of workers to take legal action when put at risk or injured is curtailed through one system that is supposed to protect them from injury (Cal/OSHA) and another that is supposed to take care of them following injuries at work (Workers' Compensation). Employers are largely shielded from liability beyond these remedies. That means when these systems are ineffective, as they often are in practice, workers have little recourse.

Programs to educate and empower workers can improve the functioning of these programs, but stronger standards and enforcement mechanisms may also be needed. Fines, even in cases of worker fatalities, are notoriously low and protections from traditional forms of liability mean that employers are insufficiently incentivized to protect their workers.

Cal/OSHA was set up to provide meaningful protection for workers – not as a fig leaf that too often shields employers from liability for unsafe working conditions. The Occupational Safety and Health Act is a federal bill that was created and passed into law in 1970 as a response to public outcry against rising injury and death rates on the job. The Act led to the creation of the federal Occupational Safety and Health Administration (Fed/OSHA). Fed/OSHA allows states to establish their own separate programs for occupational safety and health, which California opted to do in 1973. Cal/OSHA has jurisdiction over health and safety issues that arise in most workplaces in California, including in fast food. It is charged with creating, enforcing and adjudicating laws concerning health and safety in the workplace.

Since 1991, California law requires employers to establish, implement and maintain an effective Injury and Illness Prevention Program (IIPP). The IIPP standard says that employers must have an active program to “find and fix” hazards in the workplace. This standard is described in section 3203 of the General Industry Safety Orders (GISO) and section 1509 of the Construction Safety Orders (CSO). It requires employers to, among other things:

- Identify all workplace hazards and determine how serious they are.
- Investigate all job-related injuries, illnesses and near-misses using people who are trained to get to the bottom of things and identify root causes.
- Fix the hazards – that is, get rid of them, reduce their effects, or offer protective equipment – “in a timely manner.” There are special rules for imminent or immediate hazards.
- Communicate with workers, in a language and way that they can understand, about the health and safety hazards they face in the workplace and how to report hazards. Reporting should be promoted and cannot be discouraged, especially through fear of retaliation.
- Train employees about the threat of workplace hazards. Specifically, they must train supervisors about their responsibilities and the hazards facing the employees they oversee, train new employees, train employees who are given new tasks or jobs for which they are not yet trained and train current employees when new hazards are introduced.

The IIPP standard is one of Cal/OSHA's most important standards because it is intended to protect workers from health and safety hazards that aren't explicitly addressed in a specific standard. The IIPP standard requires that employers make an effective workplace safety plan that covers all hazards at their worksite and gives Cal/OSHA inspectors authority to enforce the plan.

For example, though there is currently no Cal/OSHA standard specifically governing indoor heat temperatures or protections, under the IIPP standard, employers must protect workers from the hazard of excessive heat exposure, even indoors, with an effective health and safety plan that addresses this hazard.

While the IIPP is designed as a tool for worker empowerment, its effectiveness is limited by a climate of limited enforcement, among workers whose poverty leaves them vulnerable to employer retaliation. To truly be effective, the IIPP standard must be situated in a culture of management commitment to health and safety, with workers who are able to report problems without the threat of retaliation, and who are involved in the regulatory process in meaningful ways.

The intent for worker collaboration in labor code enforcement already exists, but as this report shows, there are significant gaps between intent, law, and the actual practice of employers. Several new policies and regulations including SB 553 regarding workplace violence prevention and Cal/OSHA's proposed indoor heat standard contribute to increasing protections for workers, but sectoral solutions are needed to ensure that California's over 500,000 fast food workers have a voice on the job and the power to improve conditions in their industry.



Endnotes

- 1 Complaint filed with Cal/OSHA on July 31, 2023, RE: Church's Chicken, 1886 University Ave., Riverside CA 92507.
- 2 Complaint filed with Cal/OSHA on July 31, 2023, RE: Church's Chicken, 1886 University Ave., Riverside CA 92507.
- 3 Complaint filed with Cal/OSHA on August 3, 2023, RE: McDonald's, 950 W. Floral, Monterey Park, CA 91754.
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- 6 Complaint filed with DLSE-BOFE on October 13, 2022, RE: McDonald's, 6300 E 14th Street, Oakland CA 94621. Retaliation complaint filed with DLSE-BOFE on April 26, 2021, RE: Wendy's 6181 Sepulveda Blvd., Van Nuys, 91411. Retaliation complaint filed with DLSE-BOFE on March 9, 2023, RE: Jack in the Box, 850 W. Imola Ave., Napa, 94559.
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Communication from Public

Name: California Fast Food Workers Union

Date Submitted: 03/04/2025 06:53 AM

Council File No: 19-0229-S2

Comments for Public Posting: A study by Step Forward Foundation and SEIU called “Knowledge is Power: Workers’ Rights Trainings and the Pathway to Improving Conditions in California’s Fast Food Industry”. Available at <https://californiafastfoodworkersunion.org/agenda-kyrreport/>. (Link provided in lieu of attachment due to file size limit). Please post to the council file related to fast food workers.

Communication from Public

Name: California Fast Food Workers Union
Date Submitted: 03/04/2025 06:54 AM
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Comments for Public Posting: A Rutgers study, “Wage Theft in California: Minimum Wage Violations, 2014-2023” (“Rutgers 2024”). Please post to the council file related to fast food workers.



Wage Theft in California: Minimum Wage Violations, 2014-2023

Report by Daniel J. Galvin, Jake Barnes, Janice Fine, and Jenn Round

May 2024



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Executive Summary

This report uses 2014-2023 data from the Census Bureau’s Current Population Survey Merged Outgoing Rotation Groups (CPS-MORG) to estimate minimum wage violations across four metropolitan statistical areas (MSAs or metro areas) of interest:

Los Angeles-Long Beach-Anaheim, CA MSA	San Jose-Sunnyvale- Santa Clara, CA MSA	San Diego-Carlsbad- San Marcos, CA MSA	San Francisco- Oakland-Fremont, CA MSA
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This research is part of a larger project intended to assess opportunities and inform strategies of local labor standards enforcement agencies within California—including those in Los Angeles (city/county), Oakland, San Diego (city/county), San Francisco, San Jose, Santa Clara (county), and Emeryville. However, due to CPS data limitations and regional commuting patterns, it not possible to reliably assess violation rates within these specific counties and municipalities. Given the structure of the CPS survey, metropolitan areas offer more reliable geographical units while encompassing most commuter sheds. We therefore focus on the four MSAs that include these jurisdictions.

Throughout this report, we provide two sets of estimates for each metro area: violation rates calculated using the lower *state minimum wage* rate and violation rates calculated using the higher *primary metro area minimum wage* rate, including the city minimum rates of Los Angeles, San Jose, San Diego, and San Francisco.¹ In addition to estimating the overall impact of minimum wage violations in each of these areas, we identify a number of individual, industrial, and job characteristics that are associated with higher levels of wage theft. We further compare the relative effects of these predictors across areas to begin to understand which issues are particularly acute in which areas.

The key findings of this report include:

- We estimate that an average of \$2.3 to \$4.6 billion in earned wages were lost by workers each year from 2014 to 2023 due to minimum wage violations across these four metro areas.
- The majority of lost wages were in the Los Angeles MSA, where we estimate an average of \$1.6 to \$2.5 billion was lost a year during the study period.

¹ The reason we provide two estimates for each metro area is because each metro area contains counties and municipalities with higher minimum wage rates as well as jurisdictions that follow the lower state minimum wage. CPS tracks respondents’ place of residence but not the location of where they work. As such, we do not know if respondents in each metro area are subject to the higher or lower minimum wage rate. The “true” violation rate for each metro area lies somewhere in between these two estimates. Estimates calculated using the lower state minimum wage are undoubtedly too low: we know that a large share of respondents in each metro area work in jurisdictions with higher than state minimum wage rates. The metro area violation rates, in turn, are undoubtedly too high—but given the high levels of employment concentrated in center cities, these estimates are likely to be closer to the truth. By reporting two sets of estimates, we aim to err on the side of caution and transparency. Readers, too, should use these estimates with caution. That said, as this report demonstrates, the CPS-MORG data provide crucial insight into the impact and incidence of wage theft within and across four major metro areas of California.

- Those that were paid below the minimum wage lost roughly 20 percent of their total paycheck on average, or nearly \$4,000 in earned wages a year if working full-time.
- The most impactful violations occurred in the San Francisco area, where workers lost an average of \$4,300 to \$4,900 annually to minimum wage violations.
- The number of workers paid below both the state and primary metro minimum wages has more than doubled since 2014, growing particularly dramatically over the most recent year of the study (2023).
- Workers employed in private households, food services and drinking places, and personal and laundry services are particularly likely across areas to experience minimum wage violations.
- Workers without a college degree are 3-5 times more likely to experience minimum wage violations than those with a college degree.
- Part-time workers are over 3 times as likely as full-time workers to experience minimum wage violations in both the San Diego and San Francisco areas, and between 2-3 times as likely in the Los Angeles and San Jose areas.
- Both Black and Latinx workers are more likely than white workers to experience minimum wage violations across all areas.
- Women are more likely than men to be paid under the minimum wage across all areas studied.
- Noncitizens are roughly 60 to 70 percent more likely to experience a minimum wage violation than citizens in both Los Angeles and San Diego, and around 50 percent more likely to experience a violation in San Francisco (no significant different was found between these groups in San Jose).
- Older and particularly younger workers are more likely to experience minimum wage violations than mid-career workers across all areas of interest.
- The high-violation industries identified below are projected to account for over half of all employment growth by the end of the decade.

We elaborate on these findings in the following pages.

Overall Minimum Wage Violation Rates

Estimated minimum wage violation rates by metro area are shown in **Chart 1**. Over 7 percent of workers in the Los Angeles metropolitan area were paid below the California state minimum wage, compared to 3-5 percent of workers across the other three areas studied. When using the higher primary metropolitan rate for each area, nearly 14 percent of workers in the San Francisco metropolitan area were paid below the San Francisco city minimum wage, compared to roughly 12 percent of workers in Los Angeles (using the LA city/county minimum wage) and less than 10 percent in San Diego and San Jose.

Chart 1. Estimated Minimum Wage Violation Rate by MSA, 2014-2023

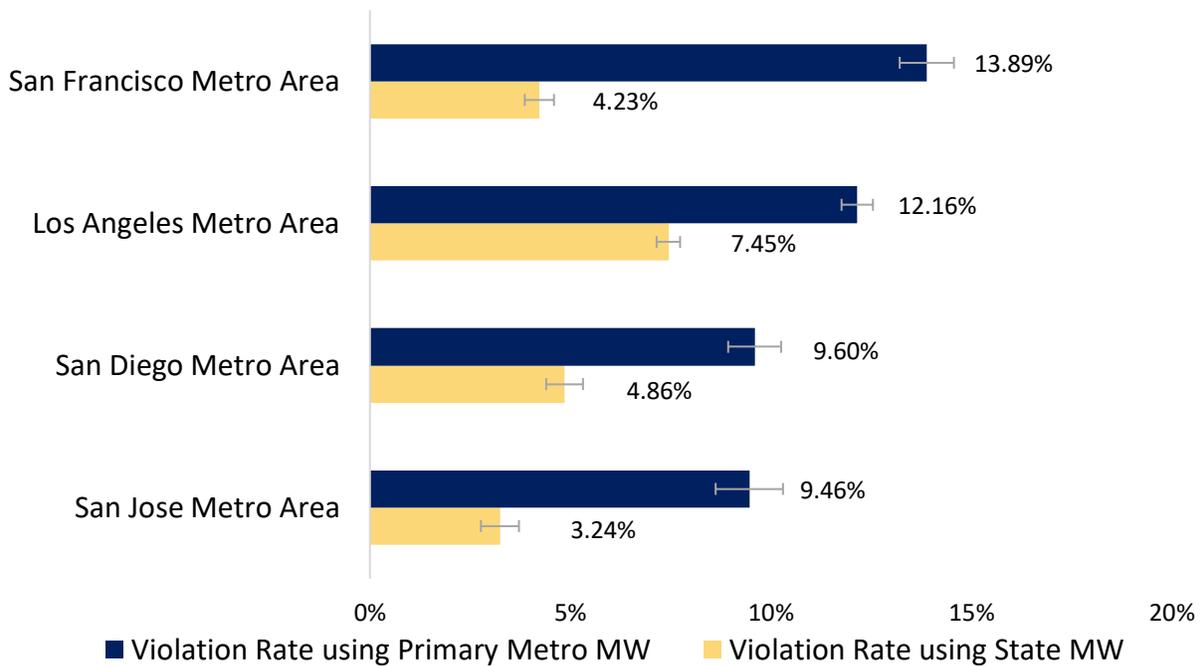
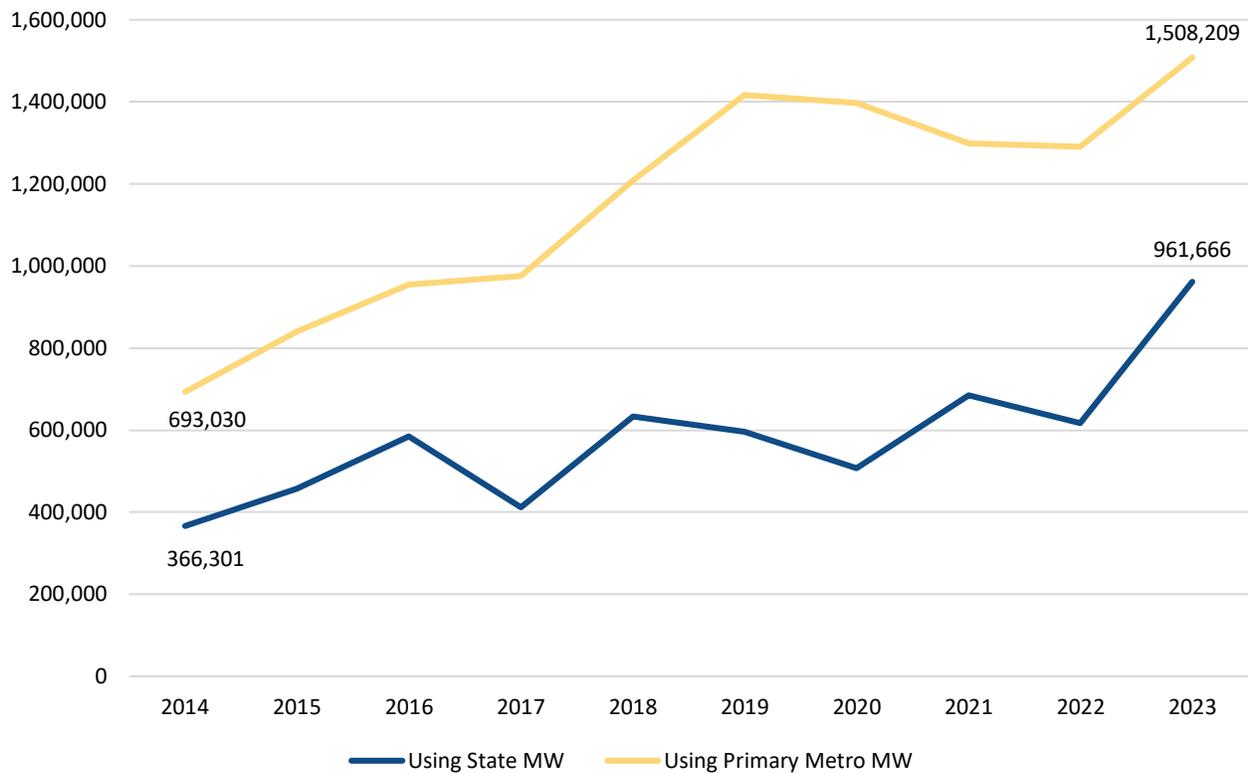


Chart 2 on the following page shows the total estimated number of minimum wage violations across the four metropolitan areas of interest each year since 2014. The number of workers paid below both the state and primary metropolitan minimum wages has more than doubled since 2014. Particularly concerning is the increase in estimated violations from 2022 to 2023. **The number of workers paid below the state minimum wage in these areas increased from roughly 616,000 in 2022 to over 960,000 in 2023**, an increase of over 56 percent. While much of this increase can likely be attributed to the rising minimum wage rates at both the state and local levels (see **Appendix II**), this alone cannot explain this most recent increase given the average growth in the wages over time.

Chart 2. Total Estimated Minimum Wage Violations by Year, 2014-2023



Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Using Primary Metro MW	693,030	840,231	955,347	975,401	1,207,731	1,416,569	1,397,601	1,298,195	1,290,467	1,508,209
Using State MW	366,301	456,524	584,180	412,168	632,431	595,927	506,791	685,056	616,301	961,666

The tables on the following page show the estimated impact of minimum wage violations in each area using both sets of minimum wage rates. **We estimate that, across these four metropolitan areas, an average of \$2.3 to \$4.6 billion in earned wages were lost by workers each year due to minimum wage violations.** The majority of this is in the Los Angeles area, where we estimate an average of \$1.6 to \$2.5 billion was lost by Los Angelenos to minimum wage theft each year. Those that were paid under the minimum wage on average lost roughly 20 percent of their total paycheck, or nearly \$4,000 in earned wages a year for a full-time worker. The most impactful violations occurred in San Francisco, where workers lost an average of \$4,300 to \$4,900 annually to minimum wage violations.

Table 1. Summary of Minimum Wage Violation Estimates by MSA, 2014-2023

Using State MW Rate	Total number of minimum-wage-eligible workers (average per year)	Eligible workers experiencing minimum wage violations									
		Total number of workers experiencing violations under state minimum wage (average per year)	Share of eligible workers	Average weekly wages received	Average weekly wages should have received	Average weekly underpayment	Average annual wages received	Average annual wages should have received	Average annual underpayment if full year	Share of wages earned not paid	Average annual wages not paid to minimum wage theft victims, aggregate
Total	9,728,854	581,735	6%	\$296	\$373	\$77	\$15,393	\$19,376	\$3,983	21%	\$2,325,619,432
Los Angeles Metro Area	5,335,000	396,803	7%	\$305	\$381	\$77	\$15,835	\$19,813	\$3,978	20%	\$1,578,657,488
San Diego Metro Area	1,359,521	65,913	5%	\$286	\$358	\$72	\$14,883	\$18,640	\$3,757	20%	\$247,642,365
San Francisco Metro Area	2,104,256	88,870	4%	\$286	\$368	\$83	\$14,858	\$19,154	\$4,295	22%	\$381,732,857
San Jose Metro Area	930,078	30,148	3%	\$308	\$383	\$75	\$15,998	\$19,898	\$3,900	20%	\$117,586,722
Using Primary Metro MW Rate (San Francisco, Los Angeles, San Diego, San Jose)	Total number of minimum-wage-eligible workers (average per year)	Eligible workers experiencing minimum wage violations									
		Total number of workers experiencing violations under primary metro area minimum wage (average per year)	Share of eligible workers	Average weekly wages received	Average weekly wages should have received	Average weekly underpayment	Average annual wages received	Average annual wages should have received	Average annual underpayment if full year	Share of wages earned not paid	Average annual wages not paid to minimum wage theft victims, aggregate
Total	9,728,854	1,158,278	12%	\$346	\$421	\$75	\$17,982	\$21,901	\$3,918	18%	\$4,638,415,613
Los Angeles Metro Area	5,335,000	647,935	12%	\$335	\$408	\$73	\$17,430	\$21,217	\$3,788	18%	\$2,454,134,151
San Diego Metro Area	1,359,521	130,270	10%	\$319	\$382	\$63	\$16,562	\$19,845	\$3,282	17%	\$427,582,333
San Francisco Metro Area	2,104,256	292,096	14%	\$372	\$466	\$94	\$19,329	\$24,227	\$4,898	20%	\$1,430,811,479
San Jose Metro Area	930,078	87,977	9%	\$358	\$429	\$71	\$18,609	\$22,314	\$3,704	17%	\$325,887,650

Industry Violation Rates

Minimum wage violation rates by industry are shown for the areas of interest in **Charts 3a-3h** on the following pages. **Workers employed by private households** (e.g., nannies, housecleaners, groundskeepers, and other forms of domestic work) **are the most likely to be paid below the state minimum wage in all four areas of interest**, as well as the most likely to be paid below the primary metro minimum wage in the Los Angeles, San Jose, and San Francisco MSAs. Other high-violation sectors across all areas of interest include **food services and drinking places** and **personal and laundry services**, as well as **administrative and support services**, **retail trade**, **social assistance** and **arts, entertainment and recreation**. The vast majority of high-violation industries identified in these areas are service-based, with several key exceptions including **textile and apparel manufacturing** in Los Angeles and **food manufacturing** in both San Diego and San Francisco. While agriculture appears to have particularly high violation rates in several areas studied, the small size of the industry in these largely urban areas and correspondingly small amount of data from farmworkers results in estimates that, while statistically significant, have large confidence intervals and must be interpreted with caution.

Table 2 below provides examples of highly represented occupations in each of these industries.

Table 2. Highly Represented Occupations in High-Violation Industries

Industry (NAICS)	Occupations
Administrative and Support Services	Janitors and cleaners; Security guards; Laborers and freight, stock and material movers; Landscaping and groundskeeping workers; Customer service representatives; Office clerks; Packers and packagers
Arts, Entertainment, and Recreation	Amusement and recreation attendants; Exercise trainers and group fitness instructors; Food preparation and serving-related occupations; Building and grounds cleaning and maintenance occupations
Food Manufacturing	Meat, poultry and fish cutters and trimmers; packaging and filling machine operators and tenders; food batchmakers; laborers and material movers; bakers
Food Services and Drinking Places	Fast food and counter workers; Waiters and waitresses; Cooks; Food preparation workers; Bartenders; Dishwashers; Hosts and hostesses; Cashiers
Personal and Laundry Services	Hairdressers, Hairstylists, and Cosmetologists; Manicurists and pedicurists; Laundry and dry-cleaning workers; Animal caretakers; Parking attendants; Massage therapists; Skincare specialists; Receptionists and information clerks
Private Households	Childcare workers; Personal care aides; Maids and housekeeping cleaners
Retail Trade	Retail Salespersons; Cashiers; Stock clerks and order fillers; Laborers and material movers; Driver/sales workers and truck drivers
Social Assistance	Home health and personal care aides; Preschool teachers; Childcare workers; Social and human service assistants; Teaching assistants
Textile, Apparel and Leather Manufacturing	Sewing machine operators; Textile machine setters, operators, and tenders; Inspectors, testers, sorters, samplers, and weighers; Shoe and leather workers

Chart 3a. Minimum Wage Violation Rates by Industry, Los Angeles (State MW), 2014-2023

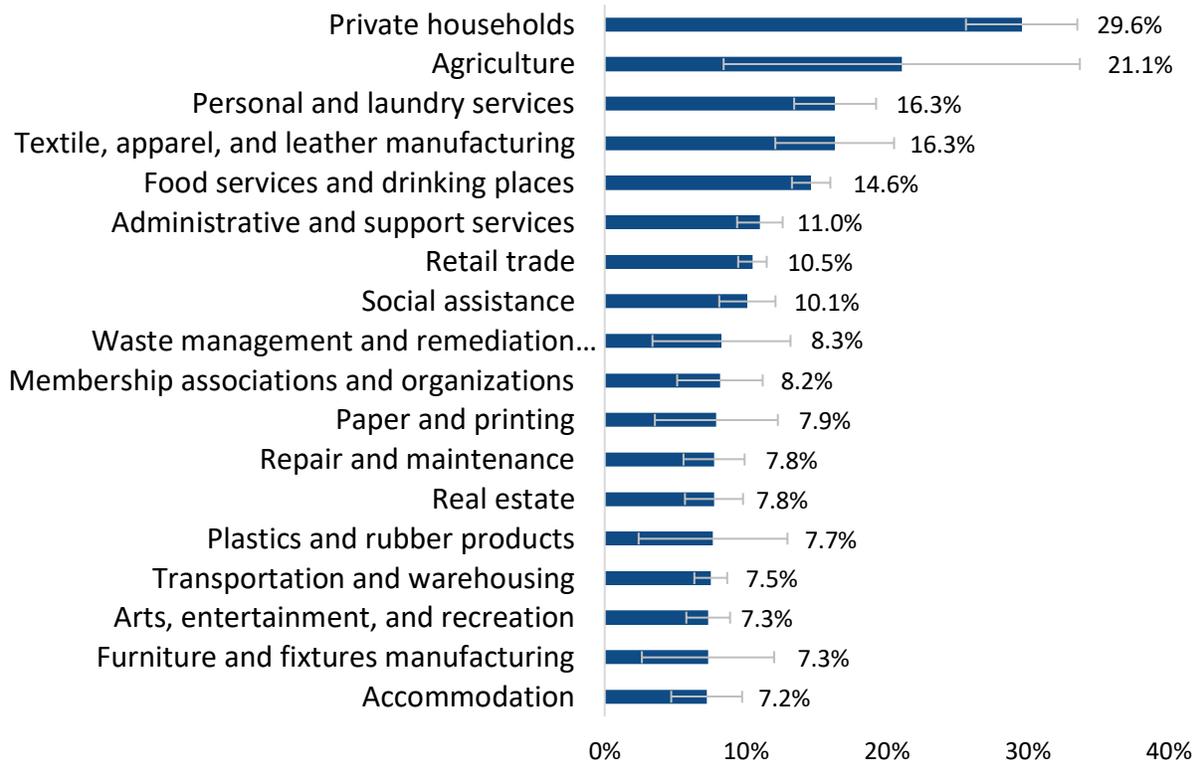


Chart 3b. Minimum Wage Violation Rates by Industry, Los Angeles (LA MW), 2014-2023

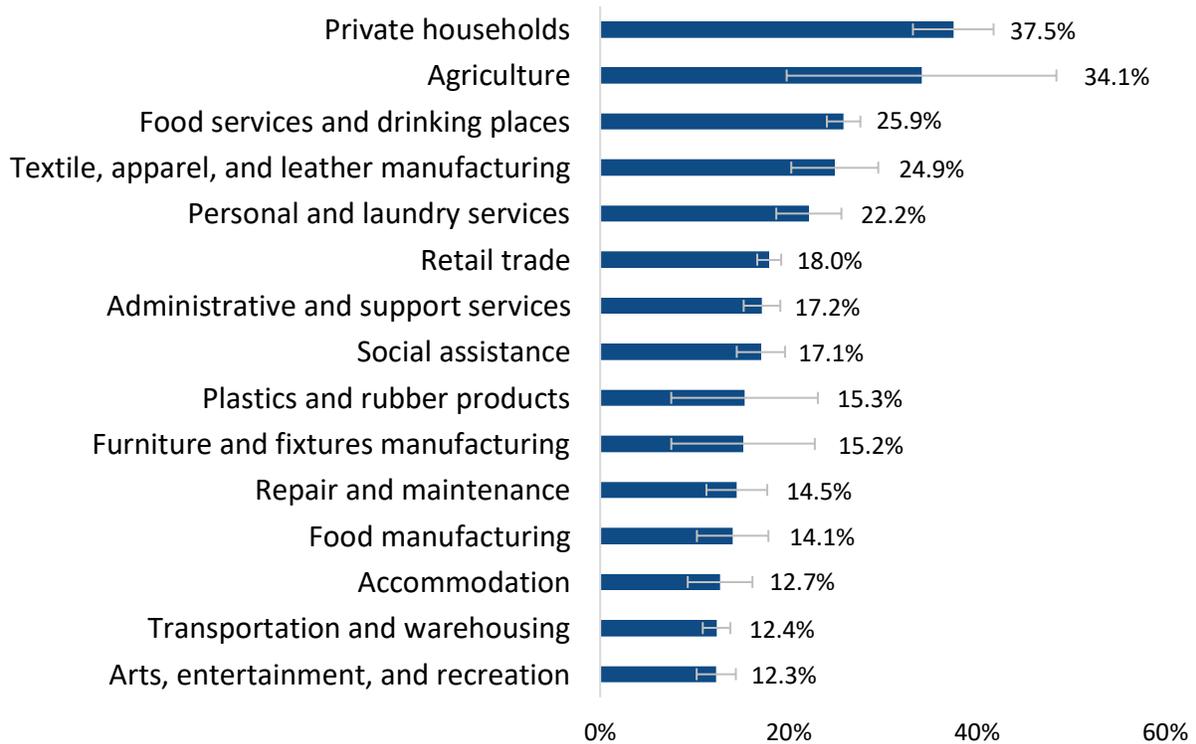


Chart 3c. Minimum Wage Violation Rates by Industry, San Diego (State MW), 2014-2023

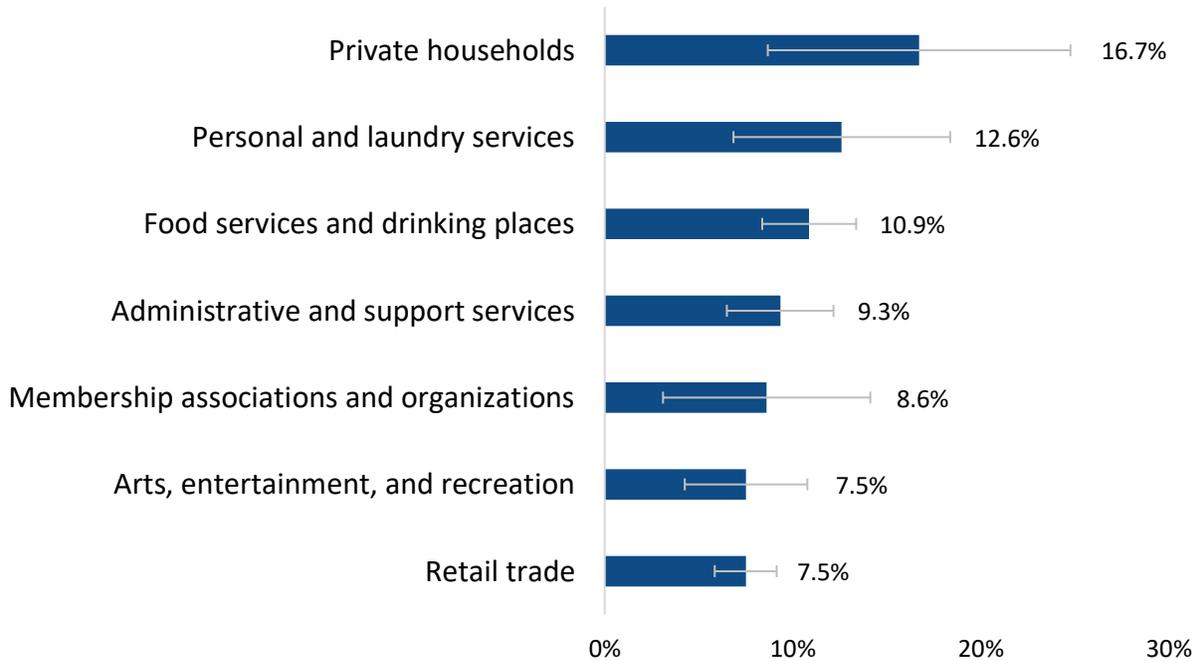


Chart 3d. Minimum Wage Violation Rates by Industry, San Diego (SD MW), 2014-2023

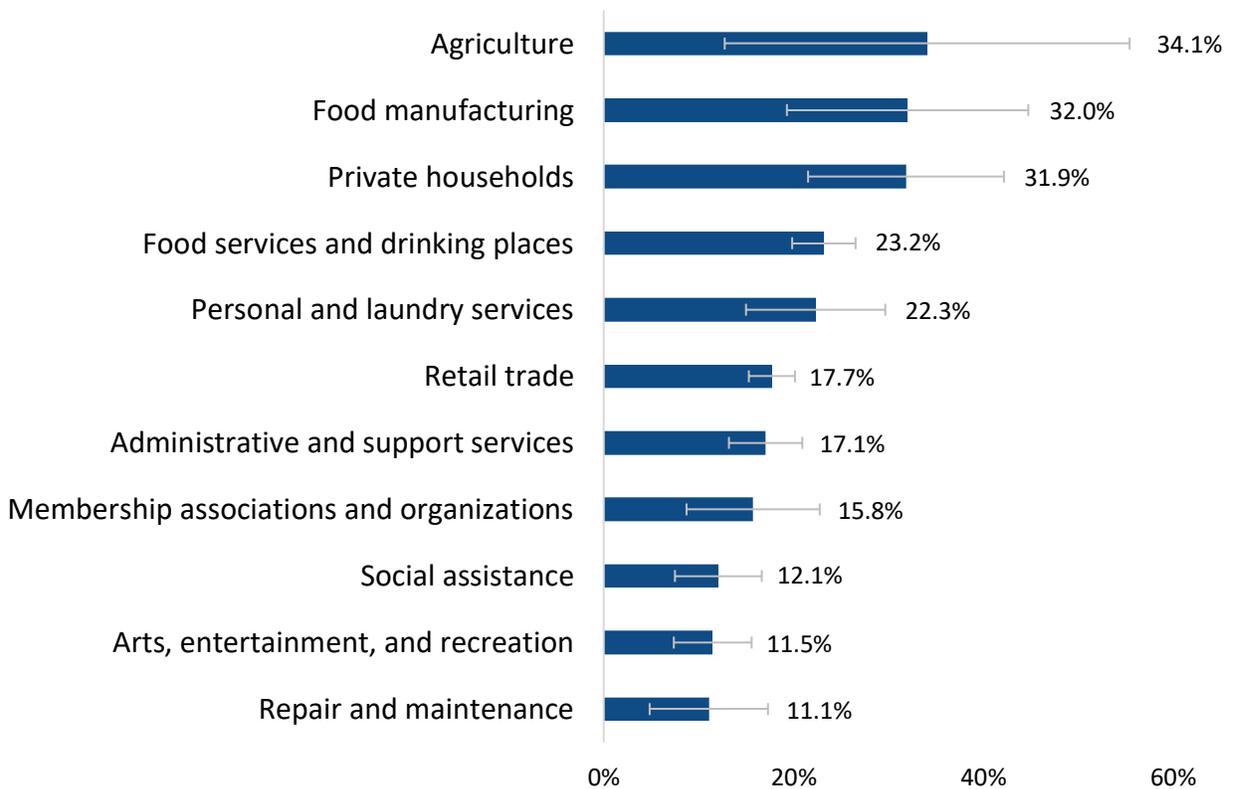


Chart 3e. Minimum Wage Violation Rates by Industry, San Francisco (State MW), 2014-2023

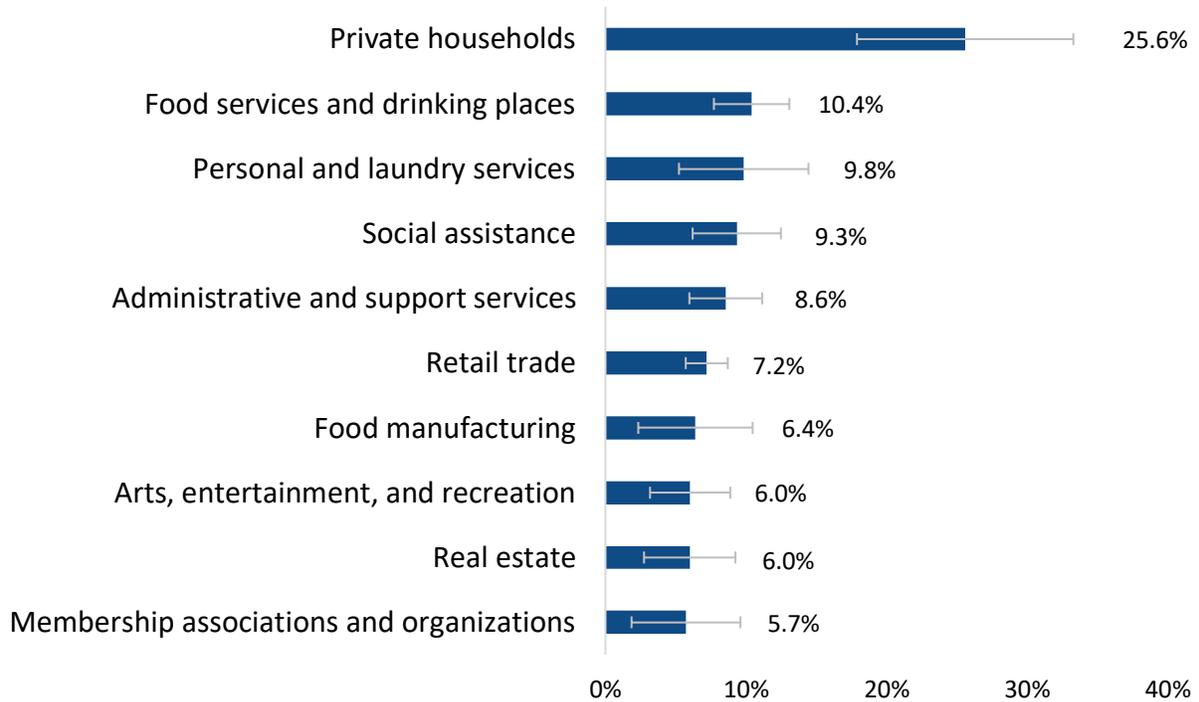


Chart 3f. Minimum Wage Violation Rates by Industry, San Francisco (SF MW), 2014-2023

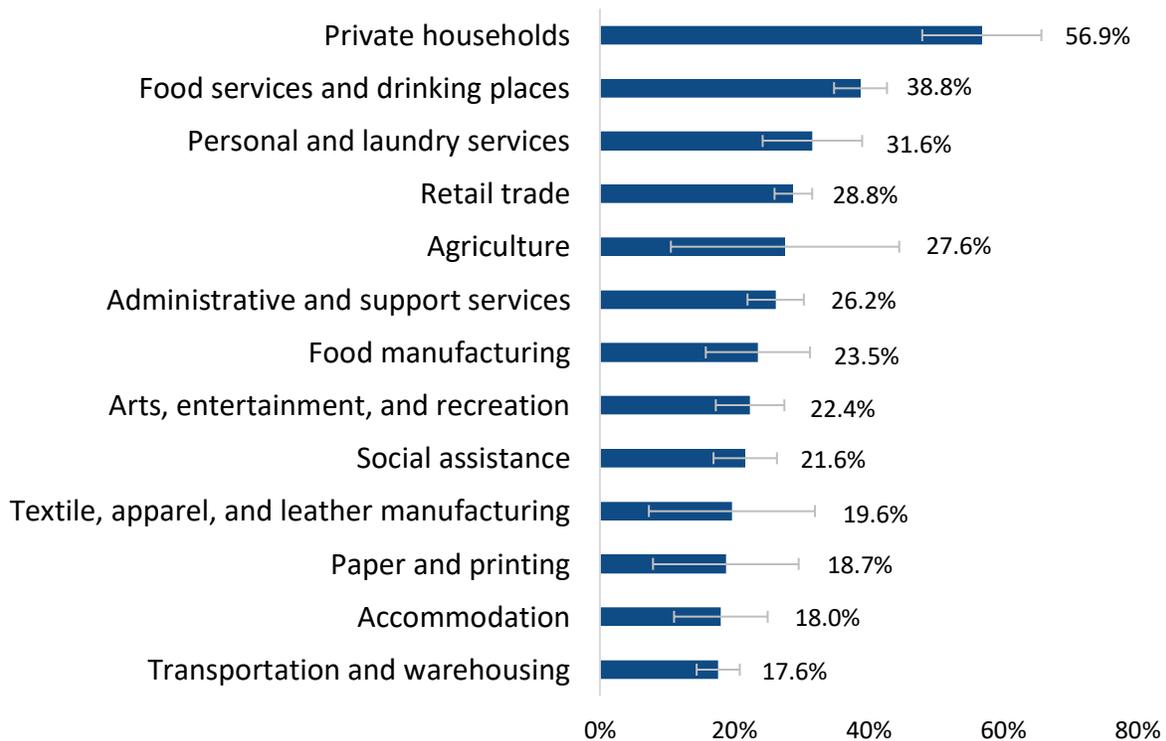


Chart 3g. Minimum Wage Violation Rates by Industry, San Jose (State MW), 2014-2023

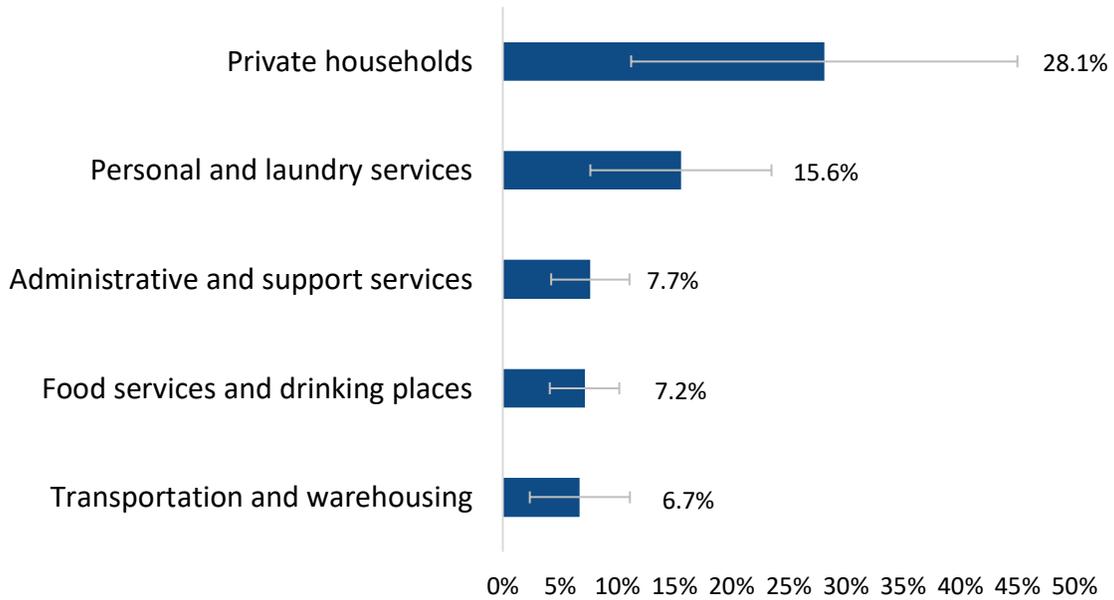
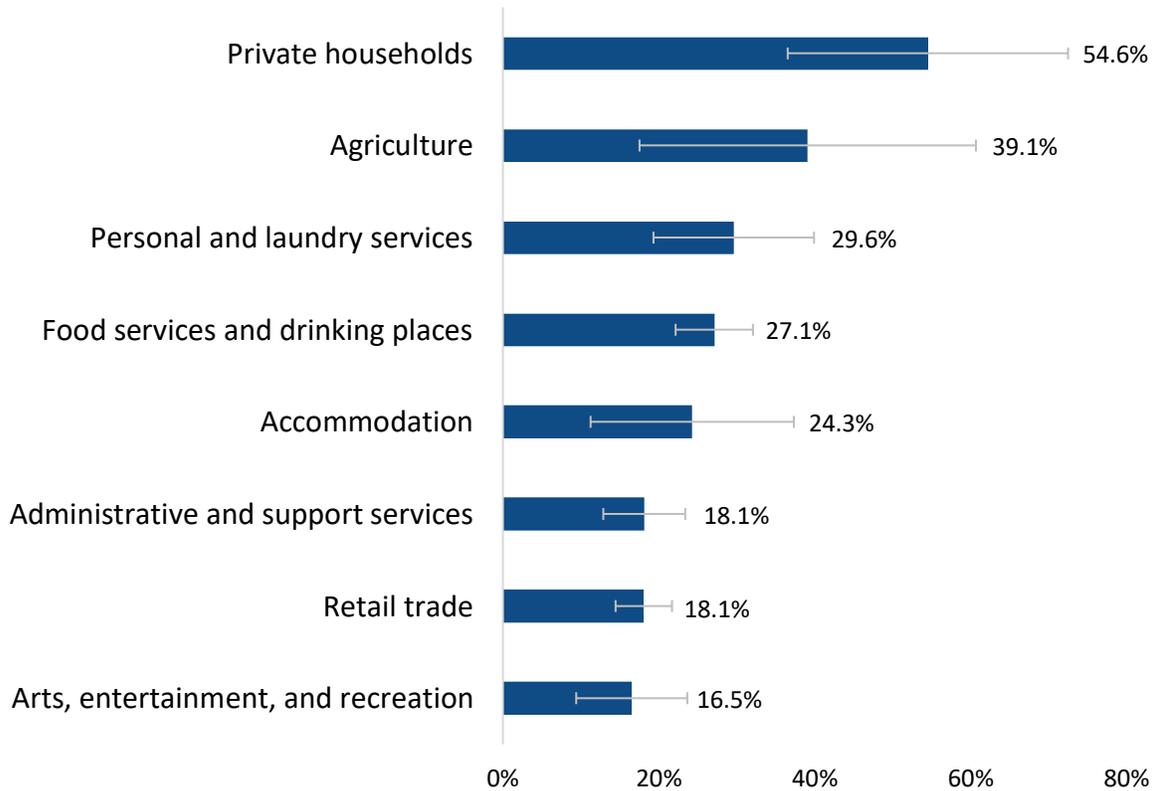


Chart 3h. Minimum Wage Violation Rates by Industry, San Jose (SJ MW), 2014-2023



Individual and Job Characteristics

These data do not tell us *why* some industries and occupations have more or fewer violations. Still, it is worth noting that the industries with the highest estimated violation rates tend to employ many women, people of color, and immigrant workers, while industries with lower violation rates often employ more men and/or historically have been more unionized; these patterns point to discrimination and occupational segregation as potential explanations. To assess the likelihood that any given worker would suffer a minimum wage violation, we generate and compare predicted probabilities across demographic groups (see **Charts 4a-4d** on the following pages). For people of color, the reference group is white workers; for women, it's men; for noncitizens, the reference group is citizens, and so on.

The greatest disparities in minimum wage violation rates across the factors studied is education status. **Workers without a college degree are 4-5 times more likely** in the **San Jose** and **San Francisco** areas—and **3-4 times more likely** in the **Los Angeles** and **San Diego areas**—to experience minimum wage violations.

Part-time workers are over **3 times as likely as full-time workers** to experience minimum wage violations in both the **San Diego** and **San Francisco** areas, and **between 2-3 times as likely** in the **Los Angeles** and **San Jose** areas.

Hourly workers in both the **San Jose** and **San Francisco** areas are **4 times as likely** to be paid underneath the applicable metro area minimum wage rate than non-hourly workers.

Both **Black and Latinx workers are more likely than white workers to experience minimum wage violations across all areas.** Latinx workers are nearly three times as likely as white workers to experience minimum wage violations in the San Jose area. Black workers in the San Jose area are paid under the San Jose minimum wage at around 2.3 times the rate of white workers, yet are paid underneath the state minimum wage at nearly 4 times the rate of white workers, suggesting that violations of black workers on average are of greater depth than those of white workers.²

Women are more likely than men to be paid under the minimum wage across all areas studied. Women are 30 percent more likely than men in Los Angeles, 40 percent more likely in San Diego, 50 percent more likely in San Francisco, and roughly 70-80 percent more likely in San Jose to experience a minimum wage violation.

Noncitizens are roughly **60 to 70 percent more likely** to experience a minimum wage violation than citizens in both **Los Angeles** and **San Diego**, and around **50 percent more likely** to experience a violation in **San Francisco** (no significant difference was found between these groups in San Jose).

For a comparison of these individual characteristics across metro areas, see **Appendix III**.

² The only statistically significant difference found between Asian workers and white workers was in Los Angeles, where Asian workers are around 20 percent more likely to be paid under the Los Angeles minimum wage rate than white workers.

Chart 4a. Minimum Wage Violation Rate by Individual Characteristic (vs. Reference Group), Los Angeles MSA, 2014-2023

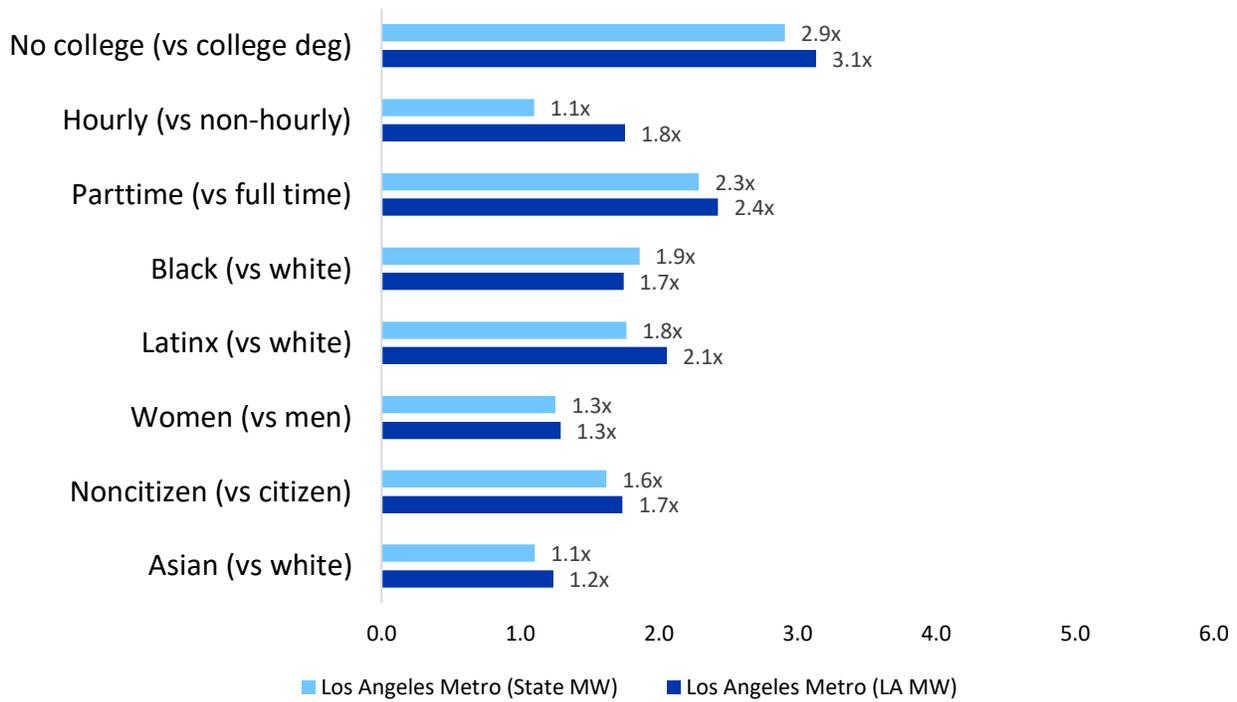


Chart 4b. Minimum Wage Violation Rate by Individual Characteristic (vs. Reference Group), San Diego MSA, 2014-2023

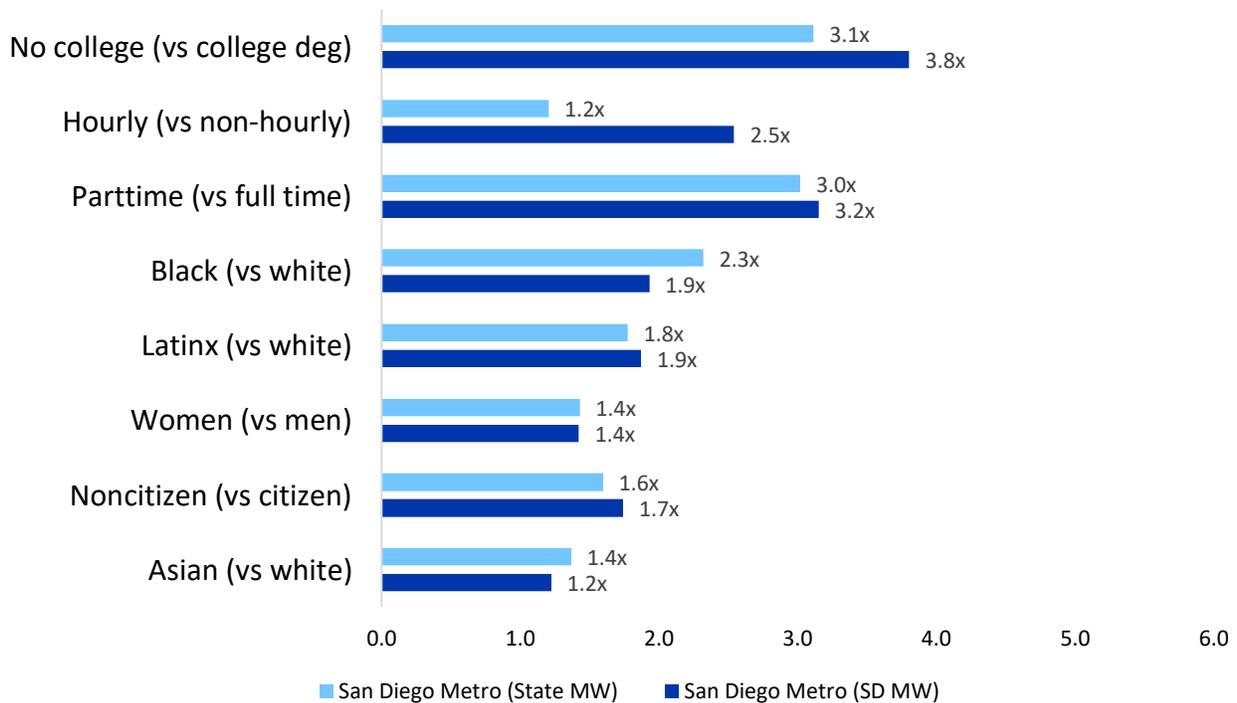


Chart 4c. Minimum Wage Violation Rate by Individual Characteristic (vs. Reference Group), San Francisco MSA, 2014-2023

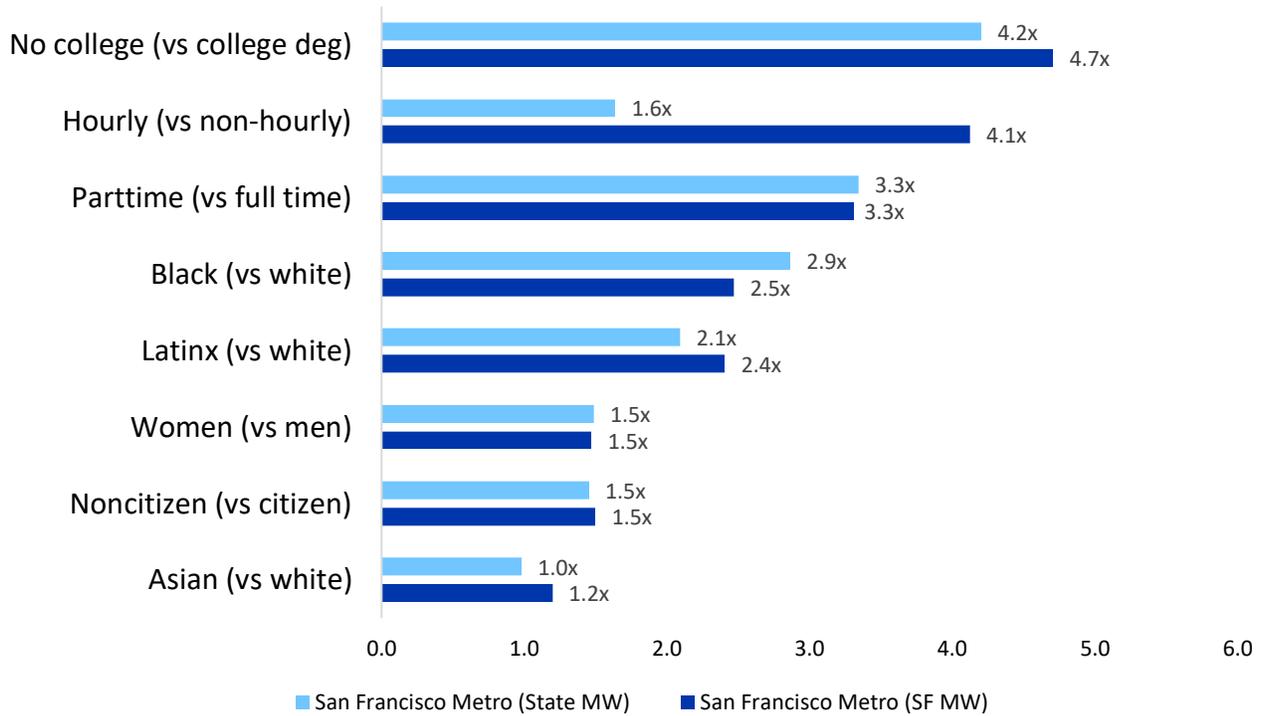
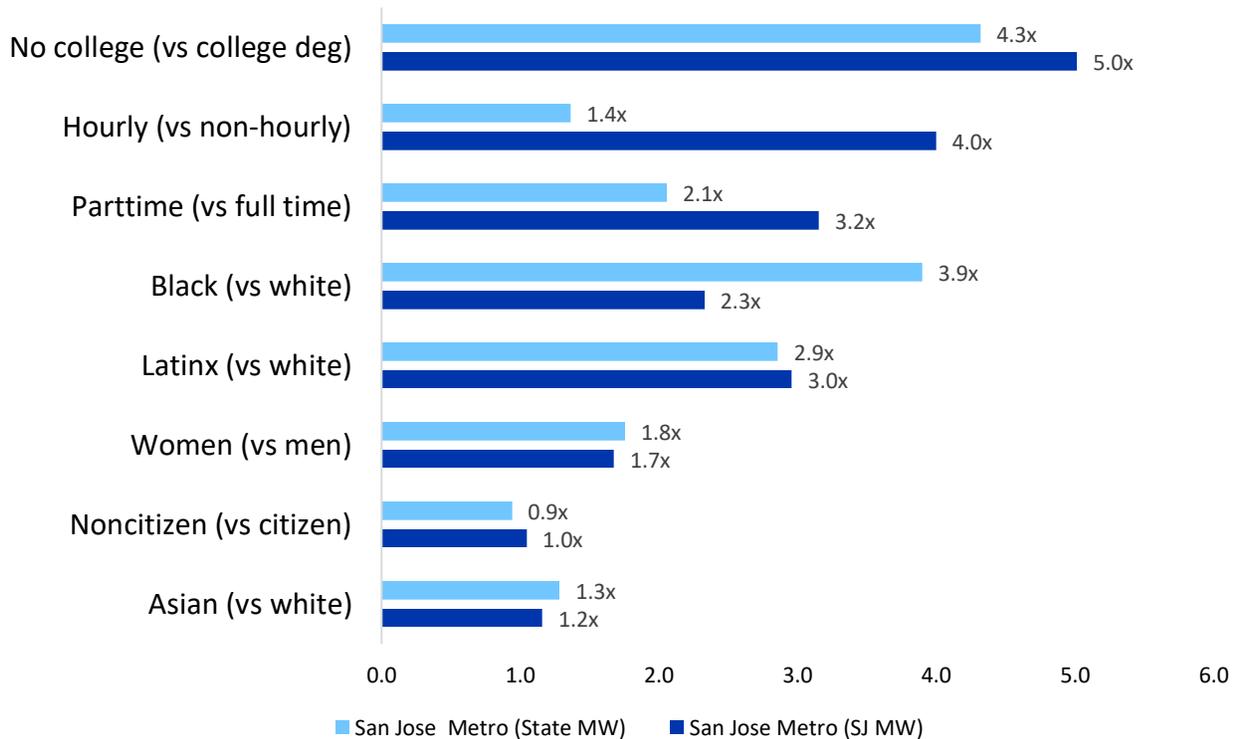


Chart 4d. Minimum Wage Violation Rate by Individual Characteristic (vs. Reference Group), San Jose MSA, 2014-2023



Older and particularly younger workers are more likely to be paid below the applicable minimum rate compared to mid-career workers across all areas studied, regardless of minimum rate applied (see **Chart 5** below). More than a quarter of workers under the age of 24 are paid under the applicable metro rate in Los Angeles, San Diego and San Jose, while over 40% of young workers are paid below the San Francisco minimum wage in the San Francisco metro area (between 8 and 14 percent of these workers are paid below the lower state minimum wage, depending on the area). Anywhere from 12% to 18% of workers over 65 are estimated to be paid below the applicable metro areas, while anywhere from 4 to 9 percent of these workers are paid below the state minimum.

Chart 5. Minimum Wage Violation Rate by Age Group, 2014-2023

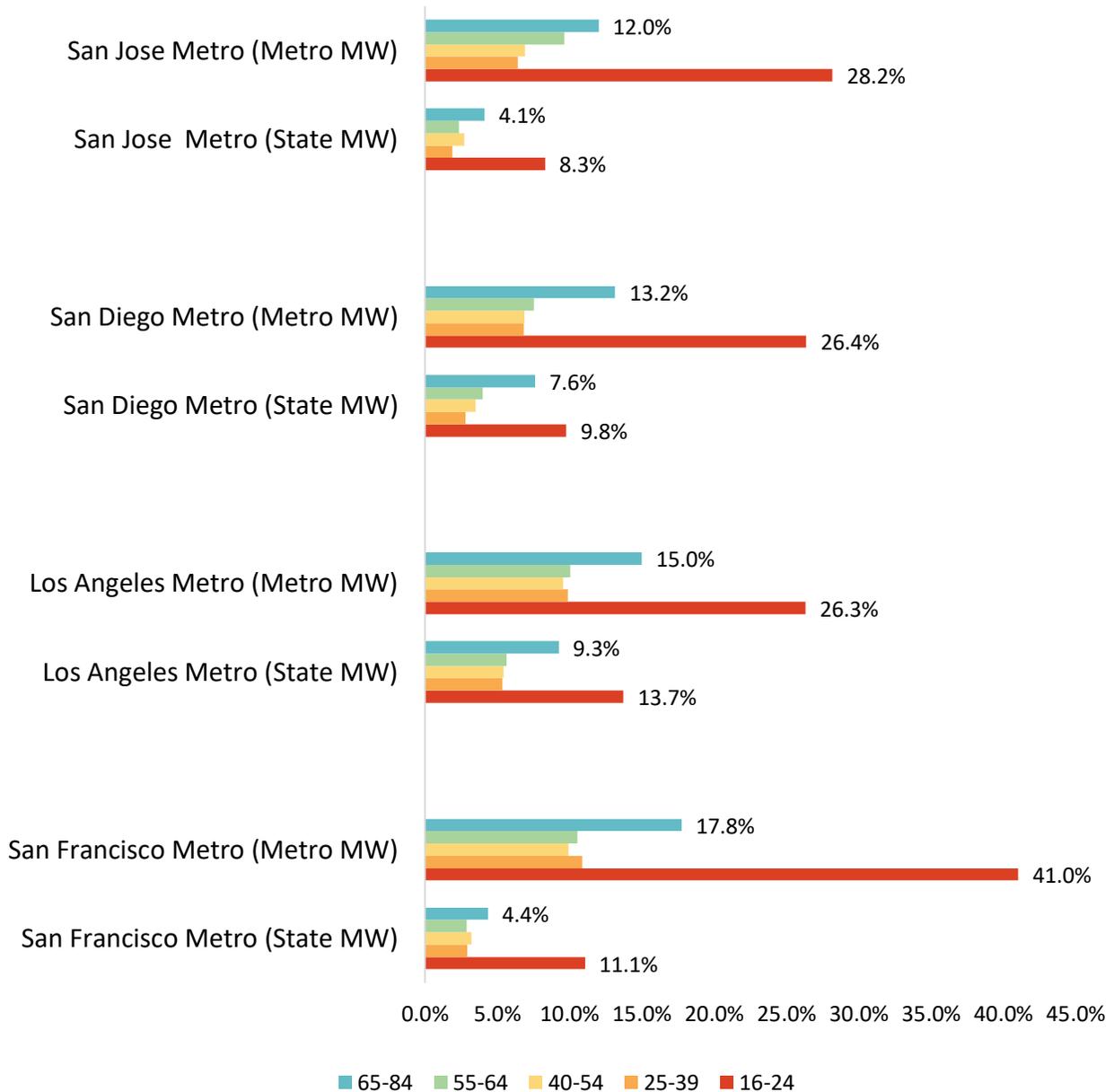


Table 3. Employment Projections by Industry & Area, 2020-2030

NAICS	Industry	Statewide		Los Angeles-Long Beach-Glendale MD (Los Angeles County)		San Diego-Carlsbad-San Marcos MSA (San Diego County)		San Francisco-Redwood City-S. San Francisco MD (San Francisco County)		Oakland-Hayward-Berkeley MD (Alameda/Contra Costa Counties)		San Jose-Sunnyvale-Santa Clara MSA (San Benito/Santa Clara Counties)	
		Numeric Change 2020-2030	% Change	Numeric Change 2020-2030	% Change	Numeric Change 2020-2030	% Change	Numeric Change 2020-2030	% Change	Numeric Change 2020-2030	% Change	Numeric Change 2020-2030	% Change
	<i>Total, All Industries</i>	2,843,700	16.0%	701700	15.7%	269500	18.0%	228500	19.4%	187000	16.0%	210800	18.0%
722	Food Services and Drinking Places	475,500	42.4%	136,100	45.8%	52,000	49.1%	41,400	68.3%	33,100	49.3%	26,400	45.8%
561	Administrative and Support Services	239,100	23.9%	46,600	19.7%	21,700	27.8%	11,800	21.9%	8,800	15.9%	11,700	21.0%
624	Social Assistance	222,200	26.4%	89,400	33.2%	10,200	19.1%	15,600	31.0%	15,200	26.5%	9,100	21.7%
71	Arts, Entertainment, and Recreation	133,600	64.3%	38,800	59.8%	11,800	61.8%	7,300	52.1%	7,300	62.4%	n/a	n/a
44-45	Retail Trade	93,100	6.1%	44,700	11.8%	16,700	12.5%	6,100	8.9%	10,700	10.6%	8,500	11.6%
812	Personal and Laundry Services	66,300	50.3%	20,500	50.6%	6,700	45.3%	6,600	68.8%	4,700	57.3%	n/a	n/a
814	Private Households	500	1.5%	-200	-1.6%	200	8.0%	200	4.3%	100	4.5%	200	10.0%

MD = Metropolitan Division. MSA = Metropolitan Statistical Area. Source: CA Employment Development Department.

Conclusion

Worker justice advocates have established some of the most forward-thinking labor standards policies in the country. State and local enforcement agencies are further engaged in some of the most forward-thinking enforcement practices in the country. And yet, as this report shows, wage theft remains an urgent problem across California's major metro areas. These findings support the importance of local agencies that can tailor enforcement practices to particular sectors and geographic areas—including building relationships with the organizations that are most connected to these workforces—with the goal of maximizing impact on compliance. These concerning levels of wage theft are likely to persist without active intervention. As shown in **Table 3**, the seven high-violation industries discussed above are projected to account for over 1.2 million new jobs from 2020 to 2030.

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About WJL@RU

The workplace justice lab@RU exists to address economic inequality through supporting and strengthening grassroots organizing and democratic governance. We do this through building dynamic communities of learning and practice, carrying out cutting edge research, and offering specialized training and in-depth one-on-one consultations.

At the lab, we go beyond talking about what government should do, to focusing on how government should do it. Through our strengthening labor standards enforcement program, we work to reimagine the public enforcement of workers' rights laws. By proactively targeting the sectors with the worst problems and involving those directly impacted in enforcement, we help agencies realize the intended impact of innovative labor standards legislation.

Appendix I. Data & Methodology

Measuring the scope and depth of “wage theft” is difficult. No single data source systematically and reliably tracks the incidence of wage theft and records the precise amounts of money that are not being paid. Early studies of minimum wage compliance used data provided voluntarily by employers to the Bureau of Labor Statistics (e.g., Zucker 1973), but employer-reported data is not reliable, as employers who violate the law cannot be trusted to report that information to government agencies.

Workers can report wage theft by filing lawsuits and/or lodging complaints with federal, state, and local enforcement agencies. But lawsuits are often too expensive for minimum-wage workers and the costs of litigation frequently exceed the amounts of back pay owed. Complaints are also problematic measures because the workers who are more likely to be exploited are also more likely to be unaware of their right to complain (whether due to language barriers, lack of information and knowledge, or fear of retaliation, termination, or deportation). Lawsuits and the complaints government agencies receive thus provide inaccurate and unreliable portraits of the actual number of violations. We must therefore turn to alternative methods to more accurately detect and measure violations. Survey data on hours and earnings are invaluable in this regard, as they enable us to estimate the true underlying incidence wage violations indirectly.

Most useful is the Current Population Survey’s Merged Outgoing Rotation Groups (CPS-MORG) data, which the U.S. Department of Labor’s Wage and Hour Division uses to identify “priority industries” for investigations and which remains the top choice of every social scientist who has sought to develop national or industry-specific estimates of FLSA noncompliance since the 1970s.³

The CPS-MORG data has many advantages: it is gathered via extensive interviews with around 60,000 households per month; it is representative at the state and national levels (unlike other survey data, such as the Survey of Income and Program Participation [SIPP]); and its individual-level responses permit us to estimate earnings and minimum wage violations relatively easily. The biggest downside is measurement error, as with any survey.

The methodological approach employed here is consistent with previous research.⁴ A few key points to keep in mind:

Wage variable

For hourly wages, we use variables that include wages earned from overtime, tips, and commissions (OTC) for both hourly and nonhourly workers.⁵ Wage estimates are therefore conservative over-estimates that effectively downward-bias the estimated minimum wage violation rates. This is preferable to the alternative, however, which excludes OTC for hourly workers while including it for nonhourly workers (for whom different sources of wages are not distinguished). Efforts to estimate and subtract OTC from nonhourly workers adds unknown quantities of additional measurement error to this key variable, and is not recommended.⁶

³ Ashenfelter and Smith 1979; Ehrenberg and Schumann 1982; Sellekaerts and Welch 1984; Trejo 1991, 1993; Fry and Lowell 1997; Weil and Pyles 2005; U.S. Department of Labor 2014; ERG 2014; Galvin 2016; Cooper and Kroeger 2017.

⁴ In particular, Galvin 2016; U.S. Department of Labor 2014; Cooper and Kroeger 2017.

⁵ <http://ceprdata.org/cps-uniform-data-extracts/cps-outgoing-rotation-group/>.

See also Cooper and Kroeger’s 2017 preference for this method of estimating wages.

⁶ U.S. Department of Labor 2014.

To ensure our estimates of wage violations are conservative underestimates, we follow Cooper and Kroeger (2017) in taking the higher of the reported wage (hourly wage or weekly pay divided by hours worked) for hourly workers who reported both hourly and weekly earnings.

Calculating minimum wage violations

Minimum wage violations are dichotomous measures of whether an individual's estimated hourly wage was lower than the applicable legal minimum. We use the applicable statutory minimum wage rate for each respondent as of the date (month) effective. For each jurisdiction, we use the lowest applicable minimum wage (e.g., for small businesses with fewer than 25 employees rather than large businesses), as CPS data does not identify firm size. As discussed in the introduction, we estimate violations using both the (lower) state minimum wage rate and the (higher) primary metro area minimum wage rate (the cities of Los Angeles, San Francisco, San Jose, and San Diego).

“Amount lost” is calculated based on the applicable minimum wage as of the date (month) effective.

Exemptions

We implement (and exclude from the analysis) all respondents who we can identify as exempt from state and local minimum wages. In California, identifiable exemptions constitute a miniscule fraction of the estimated total workforce (.04%). Identifiable exemptions include only “outside salespeople.” We are unable to identify immediate family members, apprentices, “learners” in their first 160 hours of employment in a new field, and mentally or physically disabled employees.

Sample size restrictions

Small sample sizes in some jurisdictions limited the inclusion of certain industries, as there were not sufficient observations to generate reliable estimates. Industries were only included if their point estimates were statistically distinguishable from zero.

Survey weights and standard errors

All analyses, including population estimates, use the survey weights suggested by Davern et. al (2007), which are necessary given the sampling method of the CPS.

Measurement error

There is reason to believe that measurement error in the CPS may downward-bias the estimates of minimum wage violations.⁷ First, despite going to great lengths to reach them, both Hispanics (Latinx) and undocumented immigrants are underrepresented in the CPS.⁸ Because workers in these groups are at higher risk of experiencing minimum wage violations, the estimates of violations reported here should be considered conservative estimates.⁹ Second, in Bollinger's study of measurement error in the CPS, he finds a “high over reporting of income for low-income men” driven by “about 10% of the reporters who grossly over report their income,” thus potentially

⁷ For an excellent discussion of the advantages and limitations of using the CPS data to estimate minimum wage violations given the existence of measurement error and other issues, see U.S. Department of Labor 2014, Appendix B.

⁸ McKay 1992. As Bernhardt et al. 2009 write: “standard surveying techniques—phone interviews or census-style door-to-door interviews—rarely are able to fully capture the population that we are most interested in: low-wage workers who may be hard to identify from official databases, who may be vulnerable because of their immigration status, or who are reluctant to take part in a survey because they fear retaliation from their employers. Trust is also an issue when asking for the details about a worker's job, the wages they receive, whether they are paid off the books or not, and their personal background” (56).

⁹ McKay 1992; Bernhardt et al. 2009; U.S. Department of Labor 2014.

biasing estimates downward even further.¹⁰ Third, CPS data have a shortage of low-wage workers and an excess of high-wage workers relative to comparable survey data like SIPP; one effect of this imbalance could be to underestimate minimum wage violations.¹¹ Roemer does find that the CPS reaches more “underground” workers than other large-scale surveys and is less biased than alternatives.¹² But given the high rates of violation discovered in the Bernhardt et al. 2009 innovative survey of hard-to-reach workers in the “informal” labor market—higher than the estimates presented here—there is reason to suspect that these findings underestimate the prevalence of minimum wage violations across the board.¹³ These considerations notwithstanding, the fact that measurement error surely exists recommends using caution when working with the point estimates reported.

To address measurement error and conduct sensitivity tests, following ERG (2014), Galvin (2016), and Cooper and Kroeger (2017):

- Exclude unemployed and self-employed workers
- Exclude all observations of workers not specifying hourly/nonhourly status
- Exclude observations of nonhourly workers with weekly earnings less than \$10
- Exclude observations of workers with hourly wages less than \$1
- Exclude respondents with imputed hours
- Exclude proxy respondents (sensitivity test)
- Violation only if less than applicable minimum wage minus \$0.25 (sensitivity test)

The relative violation rates remain extremely similar in all sensitivity tests.

Race variable

Racial and ethnic categories are mutually exclusive. We follow CEPR and EPI in the construction of the race variable. “Black” includes those who identify as Black-white; Black-American Indian; Black-Asian; Black-Hawaiian/Pacific Islander; white-Black-American Indian; white-Black-Asian; white-Black-Hawaiian/Pacific Islander; Black-American Indian-Asian; and white-Black-American Indian-Asian. “Asian” includes those who identify as Asian & Hawaiian/Pacific Islander; white-Asian; white-Hawaiian/Pacific Islander; American Indian-Asian; American Indian-Hawaiian/Pacific Islander; Asian-Hawaiian/Pacific Islander; white-American Indian-Asian; white-American Indian-Hawaiian/Pacific Islander; white-Asian-Hawaiian/Pacific Islander; white-American Indian-Asian-Hawaiian/Pacific Islander. “Other” includes American Indian (only); white-American Indian; other 3 races; other 4 and 5 races. “Hispanic” includes those who identify as Mexican, Mexican-American, Mexicano/Mexicana, Chicano/Chicana, Mexican (Mexicano), Mexicano/Chicano, Puerto Rican, Cuban, Dominican, Salvadoran, Other Hispanic, Central/South American, Central American, (excluding Salvadoran), South American, and any of these categories *and* white, Black, Asian, or Other. See: <https://microdata.epi.org/variables/demographics/wbhao/>

According to the CPS, “noncitizen” includes any person born outside the U.S. who is not a naturalized U.S. citizen (e.g., refugee, asylee, undocumented immigrant legal permanent resident), not born in Puerto Rico, and does not have parents who are U.S. citizens.

¹⁰ Bollinger 1998.

¹¹ Roemer 2002; U.S. Department of Labor 2014.

¹² Roemer 2002.

¹³ Bernhardt et al. 2009.

Data

We use the IPUMS CPS-MORG abstracts generated by Flood et al. 2020.

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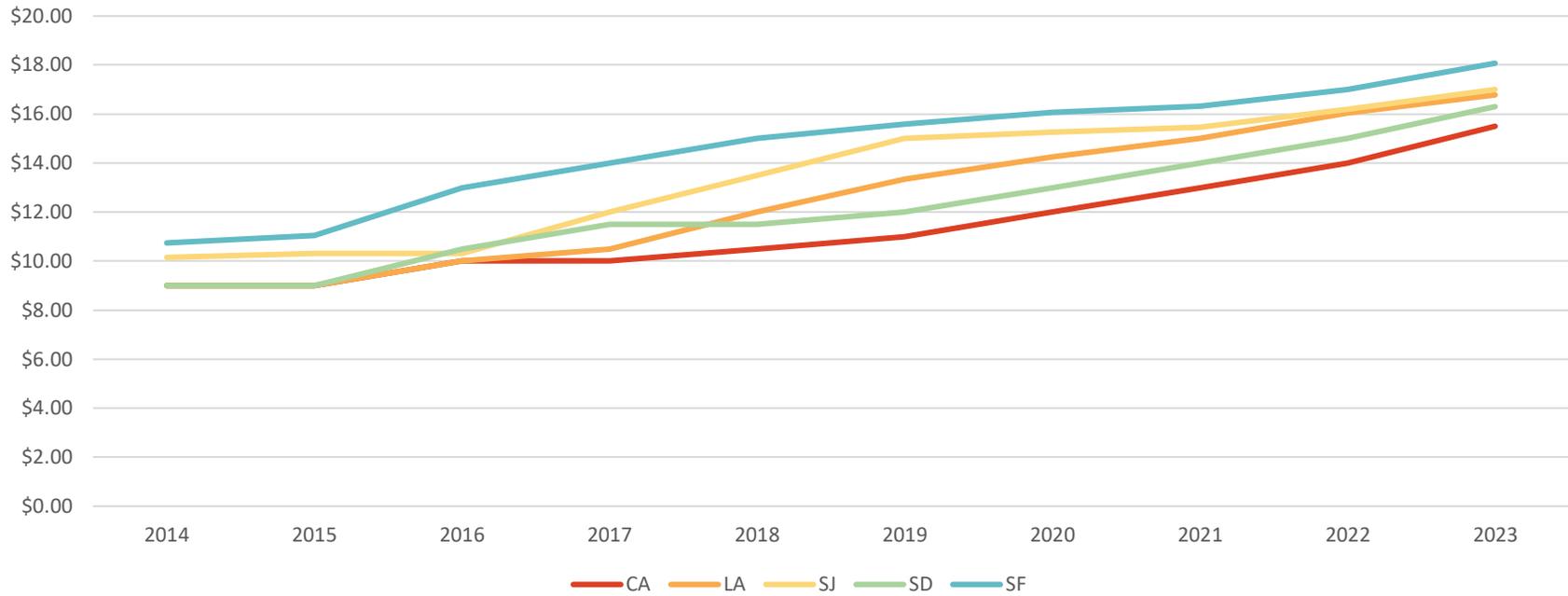
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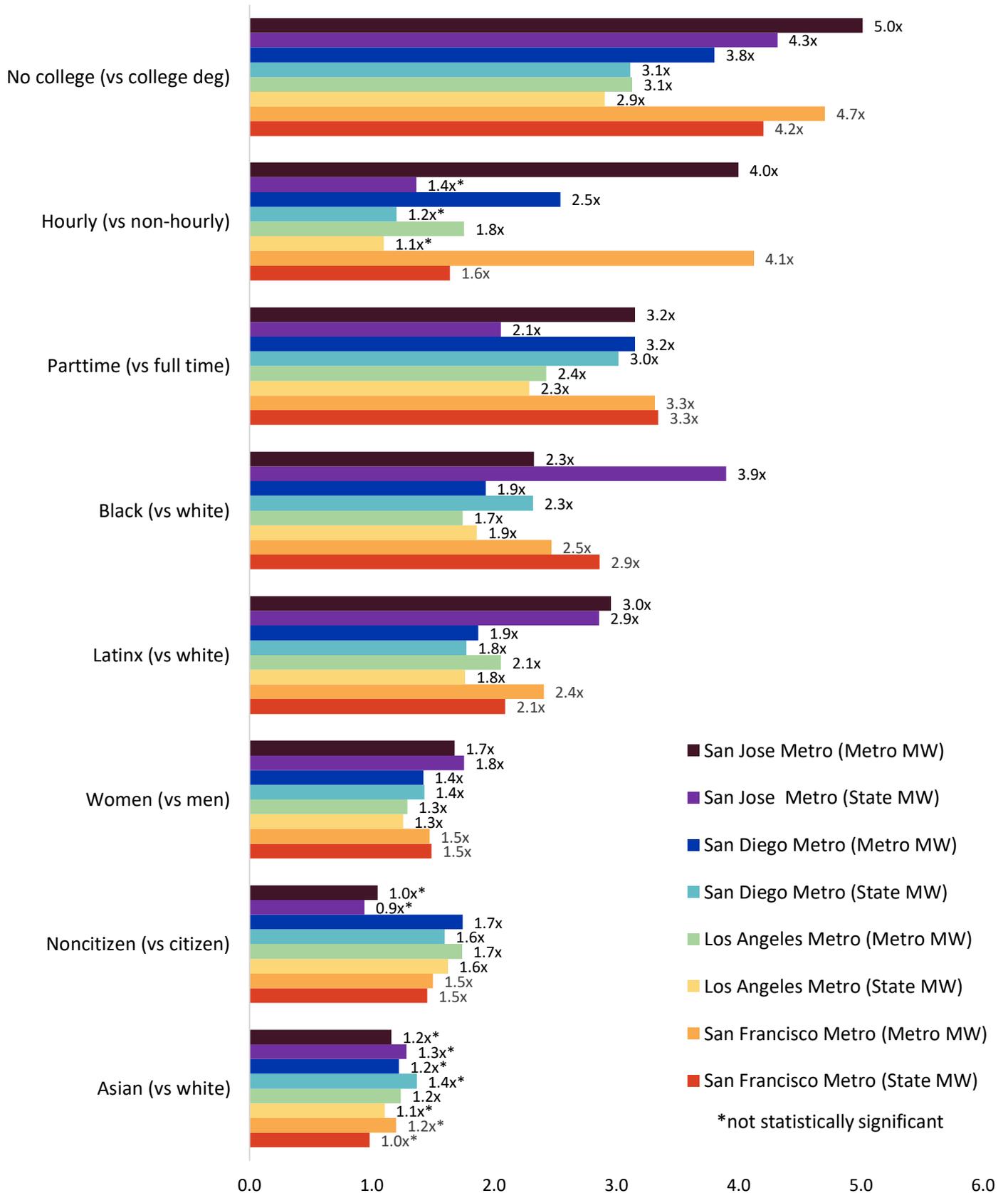
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Appendix II. Minimum Wage Rates used in Study



Year	CA	LA	SJ	SD	SF	Average	Average growth
2014	\$9.00	\$9.00	\$10.15	\$9.00	\$10.74	\$9.58	
2015	\$9.00	\$9.00	\$10.30	\$9.00	\$11.05	\$9.67	0.96%
2016	\$10.00	\$10.00	\$10.30	\$10.50	\$13.00	\$10.76	11.27%
2017	\$10.00	\$10.50	\$12.00	\$11.50	\$14.00	\$11.60	7.81%
2018	\$10.50	\$12.00	\$13.50	\$11.50	\$15.00	\$12.50	7.76%
2019	\$11.00	\$13.35	\$15.00	\$12.00	\$15.59	\$13.39	7.10%
2020	\$12.00	\$14.25	\$15.25	\$13.00	\$16.07	\$14.11	5.42%
2021	\$13.00	\$15.00	\$15.45	\$14.00	\$16.32	\$14.75	4.53%
2022	\$14.00	\$16.04	\$16.20	\$15.00	\$16.99	\$15.65	6.05%
2023	\$15.50	\$16.78	\$17.00	\$16.30	\$18.07	\$16.73	6.93%

Appendix III. Relative Violation Rates by Individual Characteristic



Communication from Public

Name: California Fast Food Workers Union
Date Submitted: 03/04/2025 06:57 AM
Council File No: 19-0229-S2
Comments for Public Posting: A report by the Fight for \$15 and a Union, “Skimmed & Scammed: Wage Theft from California’s Fast Food Workers” (“FF15 2022”). Please post to the council file related to fast food workers.



SKIMMED & SCAMMED

**WAGE THEFT
FROM CALIFORNIA'S
FAST FOOD WORKERS**



May 2022

FOREWORD

I am proud to introduce this timely, well researched, and important study “Skimmed & Scammed: Wage Theft from California’s Fast Food Workers.” California leads the country with the highest number of fast-food workers in the nation according to the [U.S. Bureau of Labor Statistics](#). This critical report presents new data and findings that demonstrate the prevalence of wage theft in an industry dominated by low wage workers and people of color on whom wage theft has a disproportionate impact. [Saru Jayaraman](#), co-founder and co-director of the Restaurant Opportunities Center United correctly concludes that “the poorest workers in America are being stolen from the most.”

The 2022 California Fast-Food Wage Theft Worker Survey contained in this groundbreaking report finds that a shocking 85% of fast-food workers in California report experiencing wage theft. This eye-opening figure is disturbing in an industry dominated by global brands like McDonald’s, Burger King, and Jack in the Box. These brands incentivize wage theft by employing what Professor David Weil calls “fissuring,” placing intermediaries between themselves and workers through franchising, which allows the global brands to siphon off profits and evade liability. Because the global brands still exert significant control over the franchisees, fissuring creates intense pressure on even the well-intentioned franchisee that can only increase profits by cutting labor costs.



Fast food is an industry that can do better and must do better. The report correctly notes that California legislators are poised to address the key factors that exacerbate the crisis in the fast-food industry if they enact AB 257. [California’s Future of Work Commission recommended](#) that the state seek to “empower workers” and “harness the full capabilities and collaboration of all stakeholders” to improve working conditions. AB 257 will accomplish that goal by addressing workers’ need for a greater voice and power in an industry where workers currently fear retaliation if they speak up. AB 257 will create a new standards-setting body for the industry, the Fast-Food Sector Council, which brings together workers, franchise operators, franchisors, and regulators to address industry problems, give workers a voice, and require companies to share the cost of ensuring that fast food restaurants do not violate labor laws. This critical report underscores the need for California to enact AB 257 and lead the way for other states and for the entire country.

Ruth Silver Taube, Coordinator, Santa Clara County Wage Theft Coalition; Supervising Attorney, Workers’ Rights, Alexander Community Law Center, Santa Clara University School of Law and Santa Clara County’s Office of Labor Standards Enforcement’s Legal Advice Line.

EXECUTIVE SUMMARY

California's fast-food industry is one of the largest, fastest growing private sector employers in the state. The global fast-food corporations that operate in California make billions of dollars in profits, yet fast-food workers rank among California's lowest paid large occupational groups.¹ Over the course of the pandemic, fast-food workers emerged as an essential workforce, helping to feed communities and fuel local economies across the state. As our new survey finds, however, these same workers – employed by some of the world's largest, most profitable brands – face rampant wage theft by their employers.

The 2022 California Fast-Food Wage Theft Worker Survey canvassed a total of 410 fast-food workers from 259 fast-food locations in 86 cities in California. The surveys, offered in English and Spanish, were conducted by bilingual outreach workers in the field between January 2022 and March 2022. The workers surveyed represent 44 different brands, including McDonald's, Jack in the Box, Carl's Jr., Burger King, Subway, KFC and Taco Bell, as well as many smaller brands.²

The survey finds that the vast majority of fast-food workers have experienced wage theft. Specifically:

- 85 percent of workers surveyed have experienced at least one form of wage theft.
- 57 percent of workers have experienced multiple forms of wage theft.
- Nearly one-third of workers have been retaliated against for asking to be paid properly, taking a sick day, or asking to be paid for a sick day.

Given a fast-food workforce in California of more than half a million people, these findings suggest that some 425,000 Californians are not being paid what they are owed while working behind the counters of major fast-food companies.³ Wage theft in fast-food has a particularly damaging effect on the Black, brown and immigrant communities overwhelmingly represented in the industry's workforce, as well as on women, who make up two-thirds of California fast-food workers.⁴



The prevalence of wage theft in fast food is especially remarkable given the influence that well-resourced, global corporations have over the industry. Under the current system, corporate fast-food giants dominate the industry, set most of its terms, and receive most of the profits, at the expense of frontline workers as well as the small business franchisees who operate their stores.⁵ These companies can afford to do better.

For years, California fast-food workers have been organizing to win reforms in this low-wage, high-violation industry, but several systemic factors have allowed issues like wage theft to persist.

Fast-food workers lack power in their industry and have little effective recourse for unpaid wages and other workplace violations. Often, when workers speak out about issues they are facing in their stores, they risk reprisal in the form of cut hours, threats and even termination. As noted above, nearly one-third of survey respondents reported that they have been retaliated against for wage theft-related issues. Retaliation in other areas has also been well documented.⁶

Global fast-food corporations have designed the franchise system to shield themselves from liability for the labor violations that happen under the umbrella of their brands. In the franchise system, a small business – the franchisee – pays royalties and other fees to a corporate franchisor and is contractually bound to the terms that franchisor sets. In these contracts, fast-food corporations dictate nearly every aspect of a restaurant’s operations while exempting themselves from liability for employment matters.⁷ This leaves franchisees to shoulder the burden of high operating costs, with limited independence to set store policies and sole liability for compliance with labor law. In the face of slim profit margins, many franchise operators feel forced to cut corners, often at the expense of worker pay or health and safety.⁸

This power imbalance hurts local economies as well as California taxpayers, who foot a bill of \$4 billion annually for the portion of social safety net programs that subsidize the fast-food industry’s workers.⁹

In this report, we present the findings of the 2022 California Fast-Food Wage Theft Worker Survey along with additional analysis drawn from wage theft complaints filed with the Office of the Labor Commissioner by fast-food workers, statewide wage theft data obtained through that agency, and recent wage theft-related lawsuits in California. The report concludes with policy recommendations to address the structural factors that allow for wage theft in the fast-food industry.

Given the systemic nature of the problem, enforcement alone cannot overcome the wage theft facing California’s fast-food workers; even with a dedicated staff at the California Labor Commissioner’s Division of Labor Standards Enforcement. Policy changes are also needed to ensure that fast-food workers have a voice in their industry and that corporate brands supply their local franchise operators with the resources and processes to comply with workplace laws.

I. INTRODUCTION: “WE DON’T GET PAID FOR OUR WORK”

Wage theft is a form of fraud. It occurs when an employer fails to pay employees what they are owed under the law.¹⁰ Examples of wage theft include unpaid work, minimum wage and overtime violations, paycheck problems, rest and meal breaks issues, and paid sick leave violations. Wage theft is the costliest crime in the country, with \$15 billion in wages lost per year, stolen from among the most vulnerable workers in society.¹¹ That total is higher than losses from car thefts, burglaries and all other larcenies combined.

Workers at all income levels can experience forms of wage theft, but it most frequently occurs in low-wage service industries like fast food, where a disproportionate number of workers are people of color, women and immigrants.¹² A Center for Public Integrity analysis of U.S. Labor Department data found that industries with higher percentages of immigrant workers had higher rates of wage theft. In California, industries with large immigrant worker populations and high rates of wage theft include fast food, agriculture, domestic work, building construction, nursing homes, warehouses and car washes.¹³ Wage theft in fast food is uniquely egregious given the influence of highly profitable corporations like McDonald’s in the industry. These global fast-food giants have ample resources to prevent the persistence of wage theft, yet they have failed to resolve the problem.

The vast majority of fast-food workers in California experience wage theft, according to the 2022 California Fast-Food Wage Theft Worker Survey. Conducted among 410 fast-food workers from 259 fast-food locations in 86 cities in California, the survey finds that 85 percent – approximately 425,000 Californians – have experienced at least one form of wage theft, and 57 percent have experienced multiple forms.

Interviews with workers by the Fight for \$15 and a Union, lawsuit settlements,¹⁴ and data provided by the Division of Labor Standards Enforcement¹⁵ show that it is not unusual for wage theft claims to reach tens of thousands of dollars. Of the 58 individual wage claims we helped workers file, 24 were over \$10,000.

This systemic loss in income aggravates the precarious economic reality that California’s fast-food workers and their families face. In California, one in six families with a fast-food income earner lives below the poverty line.¹⁶ Fifty-four percent of these workers spend more than 30 percent of their income on rent.¹⁷ A full quarter of these workers, furthermore, are the main earners in their family. These factors all disproportionately impact communities of color and women. Eighty percent of California’s fast-food workers are people of color and 60 percent are Latino. Sixty-eight percent are women.¹⁸

From October 2020 through March 2022, the Fight for \$15 and a Union supported workers at more than 30 fast-food restaurant locations to file wage theft complaints and wage claims with the Office of the Labor Commissioner. In the course of this work, many dozens of fast-food workers shared their experiences with wage theft during hours of in-depth interviews.

The experiences of Maria Bernal, a Jack in the Box worker in Folsom, are emblematic of those faced by many workers in the fast-food industry. She has experienced several forms of

wage theft resulting in negative impacts on her family life and economic situation, and when she and her coworkers spoke up and tried to exercise their rights, they faced threats and retaliation from their employer.

Bernal, a single mother of three who has worked at Jack in the Box for a decade, calculates that she was cheated out of more than \$150,000 over a nine-year period. After her husband was deported, it was up to Maria to support her kids on her Jack in the Box income. Maria reports that her employer regularly required her to work 14-hour shifts with no breaks, paying her for only eight hours thereby requiring her to work more than one third of her shift unpaid and off the clock to avoid paying for overtime hours worked. Quitting did not feel like an option. She could not afford to lose even one day's pay, nor did she think she could find better treatment elsewhere in the industry.

"Everyone has complained that they don't get paid for all their hours," she says. "I asked [the manager] why am I missing hours? Why aren't they paying overtime? But she did not answer. They would promise me that if I worked Christmas day, they would pay me double time, but they never did. This is what is happening to us in fast food – we don't get paid for our work."

Wage theft can have devastating effects on workers and their families. Maria Bernal has been evicted, has had her phone cut off, has turned to public assistance to eat, and has been hospitalized for exhaustion due to overwork. She says: "Jack in the Box did not just cheat me out of the money I earned, they stole time with my kids, holidays, birthdays, weekends, time when they were sick, and I couldn't be there. It was especially hard when my kids were sick and they forced me to work. I do everything so my kids don't have to struggle in life as I have. I don't want them to have to work so hard just to survive."



II. SURVEY: 85 PERCENT OF CALIFORNIA FAST-FOOD WORKERS EXPERIENCE WAGE THEFT

The 2022 California Fast-food Wage Theft Worker Survey found that a vast majority of fast-food workers in California – 85 percent – have experienced some form of wage theft. Wage theft takes many different forms but generally falls into one of the following five categories: unpaid work, minimum wage and overtime violations, paycheck problems, rest and meal breaks issues, and paid sick leave violations. The survey asked 27 questions across these five categories. Most of those surveyed (85 percent) have experienced wage theft in at least one of these categories, 57 percent have experienced it in two or more categories, and 28 percent have experienced it in three or more.

% Respondents Who Have Experienced....	
Unpaid work violations	14%
Minimum wage or overtime violations	27%
Paycheck problems	31%
Rest break or meal break violations	53%
Paid sick leave violations	59%

The survey was conducted by bilingual outreach workers in the field between January 2022 and March 2022. It included a total of 410 fast-food workers at 259 fast-food locations in 86 cities in California.¹⁹ Respondents represent 44 different brands, including McDonald’s, Jack in the Box, Carl’s Jr. Burger King, Subway, KFC and Taco Bell. Reflective of the state population, these fast-food locations span five major metropolitan areas in the state: San Diego, Los Angeles, Fresno, the Bay Area and Sacramento.

The results of the survey are consistent with previous surveys and show that very little has improved despite ongoing worker action and media attention to the problem.²⁰ For example, a 2014 survey of fast-food workers in multiple cities found that 89 percent of fast-food workers nationally and 81 percent of workers in Los Angeles had experienced wage theft.²¹ A survey of fast-food workers in Los Angeles conducted in 2021 found that 63 percent had experienced wage theft.²² Multiple surveys have also found that retaliation is a major problem within the industry, preventing workers from reporting wage theft and other violations to authorities or complaining about it to managers.²³

UNPAID WORK

In many instances, workers are simply forced to work for free. Fourteen percent of survey respondents report at least one of two possible unpaid work violations (being required to work before clocking in or after clocking out or having your time records altered to make it look like you were clocked out while you were working). Under state and federal labor law, hourly employees like fast-food workers are required to be paid for all the time that they work.

In complaints to the Office of the Labor Commissioner, workers have described several ways employers require them to work for free. Some methods include regularly requiring workers to work before clocking in or after clocking out, requiring them to work a shift without clocking in, and altering timekeeping records. In one wage theft complaint, a 16-year-old KFC worker, Tallon Ralston, describes being forced to work far more than allowed under California’s Child Labor Laws and at the same time being forced to work unpaid off the clock so that his employer could avoid paying for overtime hours worked. “I was frequently required to work 7 days per week, and on the 7th day I was required to work 10-14 hour shifts, unpaid; this happened about every-other-week for at least 6 months.”²⁴

MINIMUM WAGE AND OVERTIME VIOLATIONS

In other cases, workers are paid for all their hours but not at the rate that they are owed. Twenty-seven percent of respondents report having experienced at least one minimum wage or overtime violation. According to California law, all workers must be paid:

- at least minimum wage when working up to eight hours in one day or 40 hours in one week;
- time and a half for any hours worked beyond eight in one day or 40 in one week, or on the seventh consecutive day in a work week; and
- double time for any hours worked beyond 12 in one day, 48 in one week or eight on the seventh consecutive work day in one week.

Employers utilize a variety of methods to avoid paying overtime rates of pay. These include paying workers cash for off-the-clock work, having workers log in under different names so that overtime hours are not counted, spreading hours worked in one week across multiple weeks, and paying workers with multiple paychecks for work at two or more locations of the same owner.

PAYCHECK PROBLEMS

More than 30 percent of respondents have struggled with some sort of paycheck problem. These include not being paid your final paycheck (the most common), not being paid what you were promised verbally, not being paid what you were promised when hired, not being paid on time, and having a paycheck bounce.

LACK OF MEAL BREAKS AND REST BREAKS

Rest and meal break violations are among the more common forms of wage theft. These include being forced to work through rest breaks and meals breaks – or having them interrupted by work – without required compensation. Fifty-three percent of respondents reported at least one such violation, and most of these experienced more than one.

Wage theft complaints filed by fast-food workers with the Office of the Labor Commissioner show that this problem is not an occasional oversight, but a systemic problem. Workers report being asked regularly to clock out for breaks and continue working, and having managers change the time records when they do not clock out.

“



Before we went on strike on June 29, 2021, I used to miss my lunch break about twice a week. If we didn't punch out for our meal breaks, Janet, the manager, would tell us, “luego lo arreglo” – I will go fix it – which meant that she punched out for us so that we would not get the premium.

”

– Leticia Reyes, a Jack in the Box employee in Sacramento²⁵

Workers at multiple fast-food locations filed wage theft complaints that point to severe understaffing as a factor preventing breaks. At some locations, workers describe being the only one working for hours at a time, making it physically impossible to take even a bathroom break.

“



From 2019 until 2021, I did not get any 10 minute breaks. During much of this time I worked alone and there was no one to cover me to take a break. It was also dangerous; in January 2021 I was assaulted at gunpoint while I was working alone.

”

– Berta Perez, a Subway employee in San Jose²⁶

PAID SICK LEAVE VIOLATIONS

Paid sick leave violations are the most common form of wage theft, with 59 percent of respondents reporting problems in this area. In 2015, California enacted a modest paid sick leave law, requiring employers to provide three days paid sick leave each year, to be accrued and made available over time.²⁷ The survey shows that a large number of fast-food workers do not have access to even this minimal amount of sick pay because employers refuse to pay. More than a quarter of respondents – 28 percent – report not being allowed to use the sick time they have available, and 14 percent report having accrued and available sick leave disappear from their pay stubs without using it.

These abuses are especially concerning during the pandemic, when emergency sick leave policies were passed to contain the spread of the virus and were routinely ignored by fast-food employers.²⁸ Since March 2020, fast-food workers in California have largely been covered by state and federal COVID-19 extended paid sick leave requirements, beginning with the Federal CARES Act and a series supplemental paid sick leave requirements at the state level,

as well as the CalOSHA COVID-19 Emergency Temporary Standards and subsequent revisions. Nonetheless, a full half of survey respondents reported COVID-19-related paid sick leave violations.

This finding reflects those of other recent studies and reporting on the impact of COVID-19 in the fast-food industry, which contain countless stories of workers being denied the extended paid sick leave to which they were entitled, or even being denied unpaid sick leave, and being forced by employers to come to work with a confirmed COVID-19 diagnosis or COVID-19-like symptoms.²⁹ In the case of the fast-food industry, the efforts of state and federal legislators to protect workers through the pandemic did not have the desired effect.

Sick Pay/Retaliation

59% of fast food workers have experienced at least one sick pay violation, 43% of workers have experienced at least one form of retaliation.

Seberiana Reymundo McDonald's employee in Saratoga

When I was recently diagnosed with liver cancer, I worried about how management would treat me because of the abuse and discrimination that I suffered when I was battled breast cancer while working at the same place.



They do not pay for sick days at this store. I missed one week of work in January and one week of work in February 2022 for procedures related to my liver cancer treatment, and I did not receive any sick pay, even though I was entitled to sick pay and had sick hours available. My manager would incorrectly tell me that I had no sick pay even though I knew I had the hours.

When I had breast cancer management treated me badly. They told me “people with cancer smell bad” and “you disgust me”. During breast cancer treatment and now with my liver cancer, they gave me work assignments that they knew were especially hard on me to punish me for needing sick days and accommodation. One of them sent me to work outside after I told them that chemotherapy made me sensitive to cold, and I cried when I was doing that work because it was so painful. And now this time, I told my manager that on doctor’s orders I can’t work in high heat while I am waiting on the liver transplant list, and they changed my schedule so that I had more time in the hottest part of the day. When I told her I cannot work when it is very hot, my manager told me “You are useless” which is mean and not true. I can work at many tasks, including working at the grill in the mornings when it is not too hot yet.

In a wage theft complaint from a McDonald’s location in Saratoga, a worker reports having received no paid days off even during cancer treatment. Seberiana Reymundo knew she was entitled to some paid sick leave when she had cancer, but no available paid sick leave appeared on her pay stub and her manager told her she did not have any. Not only did she not get her legally mandated paid sick leave, she was also punished for taking unpaid time off.

MULTIPLE EXPERIENCES WITH WAGE THEFT

Many workers have experienced wage theft in more than one of the five categories in the survey. The categories we used to measure types of wage theft are: Unpaid work, minimum wage and overtime violations, paycheck problems, rest and meal breaks, and paid sick leave violations. More than half of survey respondents reported experiencing wage theft in two or more of these categories, while more than a quarter of respondents experienced wage theft in three or more categories.

% of Respondents Who Have Experience Wage Theft in....	
At least 1 category	85%
2 or more categories	57%
3 or more categories	28%
4 or more categories	11%
All 5 categories	3%

The fact that most fast-food workers not only experience wage theft but experience multiple forms of it, indicates the degree to which these violations are not aberrations but prevailing business practices within the fast-food industry.

RETALIATION

Our survey results also show significant retaliation by employers against workers, with 30 percent of respondents experiencing some form of retaliation related to wage theft. Retaliation can include the cutting of hours, days or weeks from an employee’s schedule or termination. Retaliation has the troubling and often toxic effect of quieting both the worker who experiences it and the coworkers who witness it. It demonstrates to workers throughout a work place that if they speak up, the same thing could happen to them. Retaliation in any area dampens workers’ willingness to speak up concerning violations across the board.

The survey includes three questions about wage theft retaliation, and nearly half of those who report experiencing retaliation have experienced all three types. Retaliation over sick pay is the most common, affecting a full quarter of respondents.

% of Respondents Who Have Experienced Retaliation for....	
Calling in sick or asking for sick pay	25%
Quarantining for COVID-19 or asking for COVID-19 quarantine pay	19%
Speaking up about not getting paid right	17%
At least one of the above	30%
Of Those Who Have Experienced Retaliation, % Who Experienced....	
One of the above types	43%
Two of the above types	10%
Three of the above types	48%

III. KEY FACTORS DRIVING WAGE THEFT IN FAST FOOD

AN IMBALANCE OF POWER

Fast-food franchisors are some of the most profitable companies in America, and their business model allows them to realize these profits while avoiding responsibility for workers. This arrangement represents a fundamental power imbalance within the fast-food industry, weighted in favor of corporate brands, that marginalizes workers as well as franchise owners.

The franchise business model concentrates both power and profit with the global corporate brands, creating what has been described as a “fissured” workplace.³⁰ Corporate brands impose on franchisees franchise agreements that create barriers to compliance with labor standards by requiring “vertical constraints,” a myriad of detailed and costly mandates governing nearly every area of those franchisees’ operations outside of labor, from prices to suppliers to hours to production methods.³¹ They exclude labor mandates so as to avoid legal responsibility for labor violations. In the franchise structure, franchisees effectively function as subsidiaries, but without the legal liability of ownership or risk of antitrust enforcement. The result is that labor costs are the largest costs over which franchisees have real control, and controlling these costs becomes the principal way they can see a profit – creating a direct incentive for wage theft. While the franchise agreement is the tool of the franchisor to ensure profits flow from the restaurants to the corporate brands, wage theft and retaliation are the tools of the franchisee to achieve some level of financial gain.³²

Corporate fast-food brands also use the franchise model as a tool to concentrate power in the market. Research on industry structure shows that ownership in the fast-food industry is more concentrated than in other low-wage industries when parent companies are taken into account.³³ The top 20 fast-food brands in the U.S. account for 81 percent of all fast-food restaurants in the country and 83 percent of sales. McDonald’s and Subway alone account for about 23 percent of fast-food locations.

So long as regulations remain largely unenforced, franchisors are able to have it both ways: holding all of the power and none of the responsibility, to the detriment of workers as well as franchisees. When they are criticized over poor working conditions, franchisors like McDonald's point the finger at their franchisees, claiming to have no control over their operations, when in fact, having created the system by which their franchisees must abide, they are directly responsible for perpetuating these conditions.

In the current environment, fast-food companies are so accustomed to ignoring labor regulations that in some cases they don't even bother to hide it. In one complaint filed in October 2021, workers report an employer posting a sign on the wall reading "No COVID Pay" at the height of the pandemic in November 2020.³⁴ This was after state and federal legislation had been passed requiring employers to pay for up to two weeks of sick leave for workers with COVID-19 or COVID-19 symptoms.

"Fixing" Time Records

14% of fast food workers have experienced at least one problem with unpaid work, and 27% of workers have reported experiencing at least one minimum wage or overtime violation. The numbers are likely higher, given how many workers don't realize it is happening.

Eduardo Sanchez-Mendoza McDonald's employee in Ontario

We are understaffed and frequently deal with orders piling up from the drive thru and DoorDash. Meal and rest breaks are impossible when it's this busy. Instead of paying us for those missed breaks, management goes into the timekeeping system and changes the time records to make it look like we took breaks that we weren't able to take.



Additionally, the time machines do not properly log overtime on certain shifts. Management refuses to correct this despite multiple complaints from me and my co-workers. When I complained, the only solution management offered is to cut my hours during the affected shift. This is unfair retaliation for asking the company to follow the law.

Why are they able to "fix" the time machine in one direction, where it takes money away from us, but not the other direction where fixing it would give us what we are owed?"

FAST-FOOD CORPORATIONS, CEOS PROFIT FROM STOLEN WAGES

Many fast-food workers suffered economically during the height of the COVID-19 pandemic, enduring layoffs and schedule cuts due to reduced staffing by companies. In addition to these hardships, our survey shows that wage theft prevented many of them from being paid for all their work and from accessing COVID-19 supplemental paid sick leave. At the same time, fast-food corporations made it through the pandemic better than other segments of the economy and, in most cases, have already exceeded pre-pandemic profit levels.³⁵

Moving forward, the fast-food segment of the restaurant industry is also expected to grow at a faster rate than the independent restaurant segment, which struggled more during the pandemic. The fast-food segment is expected to grow by 7.1 percent in 2022, faster than the economy overall,³⁶ and an accelerated pace of growth when compared to the average annualized market growth rate over the last five years of 2.9 percent.³⁷ The full-service restaurant segment, which contains most of the independent, non-chain businesses in the industry only grew by 4.2 percent in 2022.³⁸

There has also been accelerated growth in fast-food employment. Annual employment growth in fast food was 2.4 percent over the past five years and is expected to be 5.6 percent in 2022.³⁹

Most fast-food restaurants remained open during the pandemic, including 99 percent of McDonald's restaurants, with features that specifically drove pandemic traffic like drive-through windows, affordable menus, and established delivery service.⁶⁵ In addition, a last-minute change to the Paycheck Protection Program allowed each franchised restaurant to apply as a stand-alone business when calculating the eligibility cap placed on number of employees. As a result, billions of dollars in pandemic aid meant for small businesses flowed to fast-food restaurants through that program.⁴⁰ Maria Bernal's employer, for example, received at least \$39 million in pandemic aid intended to help employees⁴¹ – at the same time as he was accused of stealing wages from his employees at multiple Jack in the Box locations.⁴²



I asked my supervisor four different times if I was going to get paid for the work days I missed because of COVID. He never answered me, and I never got paid.

– Veronica Gonzalez, Taco Bell employee in Alameda⁴³





I was notified by a contact tracer on December 19 that I had to quarantine because someone in my household tested positive for COVID-19. Upon my return to work my regular weekly schedule was cut in retaliation, there was a 66 percent cut in my regularly-scheduled hours



– America Lopez, McDonald’s employee in Foster City.⁴⁴

The table below details the growth in profit seen by the top publicly traded fast-food brands in 2019, before the pandemic, and in the pandemic downturn through 2021. These numbers strongly suggest that fast-food corporations have the resources to fix the problem of wage theft.

Top Franchise Fast-food Brands Revenue and Profits, 2021 Unless Otherwise Noted

Company	Revenue	Profit (Operating Income)	Growth in Profit Since 2020	Growth in Profit Since 2019
McDonald’s Corp.	\$23.2 billion	\$9.9 billion	37%	10%
Yum Brands (KFC, Pizza Hut, Taco Bell, The Habit Burger Grill)	\$6.6 billion	\$2.1 billion	24%	11%
Restaurant Brands International Inc. (Burger King, Popeyes, Tim Hortons)	\$5.7 billion	\$1.9 billion	21%	-5%
Domino’s Pizza	\$4.4 billion	\$780 million	8%	24%
Chick-Fil-A*	\$4.3 billion	\$716 million	N/A	11%
Wendy’s	\$1.5 billion	\$333 million	17%	20%
Jack in the Box (year ending October 31, 2021)	\$1.1 billion	\$280 million	58%	38%
Subway	\$689 million**	Private	Private	Private

Source: Seeking Alpha, QSR Magazine

* Chick-Fil-A is a private company, so available financial data is limited. The company has released data for 2020, but not for 2021.⁴⁵ The growth in profit is from 2019 to 2020; totals for 2021 are expected to be higher.

** This total is for 2020. The company is private but reported 2020 revenue and reports that sales are strong in 2021.⁴⁶

The CEOs of fast-food corporations are also reaping large benefits from this system. The table below tracks the ratio of CEO pay against the pay of the company’s median employee at top publicly-traded fast-food corporations.

2021 CEO to Median Employee Pay Ratio

Corporation	CEO	Total Compensation in 2021	Median Worker Pay in 2021	Ratio of CEO pay to median worker pay
McDonald's	Christopher Kempczinski	\$20,028,132	\$8,897	2,251:1
Yum Brands	David Gibbs	\$14,631,451	\$11,377	1,286:1
Wendy's	Todd Penegor	\$9,669,733	\$13,757	703:1
Jack in the Box	Darin Harris	\$6,031,777	\$16,064	375:1
Domino's Pizza	Richard Allison	\$6,295,230	\$22,076	285:1

Source: Company proxy statements

IV. RECENT ENFORCEMENT ACTIVITY AND CHALLENGES

The current structure of the fast-food industry presents challenges to enforcing California's labor laws and documenting wage theft. If regulators were able to engage with well-resourced parent companies to address wage compliance problems, the situation could be different. As it stands, workers have to wait years for an initial hearing given the large number of defendants the Division of Labor Standards Enforcement must engage with. And when a judgment by a state agency or a settlement in court finally does come down, it is rare that workers are ever paid what they are owed.⁴⁷ This leaves workers feeling hopeless while emboldening employers who commit wage theft by removing the threat of repercussions.

As a result, workers have little formal recourse to hold their employers accountable for wage theft. The two main avenues available to workers are the Division of Labor Standards Enforcement wage claim process and the courts. Both of these institutions have limitations that hinder their effectiveness, and neither is designed to address the large scale and extremely widespread nature of wage theft in the fast-food industry. Also, both present significant barriers for fast-food workers; who may not speak English, may lack computer and email access, may lack the time to follow through with a lengthy and labor-intensive investigation process, may be wary of government authorities, or may fear retaliation from employers.

THE WAGE CLAIM PROCESS

An investigation by *KQED* in March of 2022 found that workers often wait years for an initial hearing with the Office of the Labor Commissioner in response to wage claims.⁴⁸ In many cases, this wait time effectively negates the enforcement action. These delays have only worsened as a result of the pandemic. In 2015, California workers waited 220 days on average for a hearing. That figure had nearly doubled by 2019 to 417 days and jumped again to an estimated 812 days as of February 2022. What's more, there is a large gap between the back wages and penalties assessed through the enforcement process and the amount workers are able to collect. Over the last 10 years, despite dedication by the staff of the Office of the Labor Commissioner, workers have collected less than 11 percent of the back wages and penalties due.⁴⁹

The Labor Commissioner’s Office employs 500 people and has recently launched a new campaign to reach more Californians.⁵⁰ However, the nature of the franchise model makes it impossible for regulators from the Division of Labor Standards Enforcement, as well as other agencies such as the Department of Fair Employment and Housing, the Department of Public Health, and the California Occupational Safety and Health Administration, to adequately address many of the problems in the fast-food industry. These include wage theft as well as pandemic safety, sexual harassment and workplace violence.⁵¹ When problems like these are endemic to a business model, as they are in fast food, there is no amount of regulation activity that can stem the flow of violations. Complaints are bound to overwhelm overburdened regulators.

Despite these challenges and fear of retaliation, fast-food workers with the Fight for \$15 and a Union have filed more than two dozen wage theft complaints with the Office of the Labor Commissioner since October 2020. Hundreds more wage claims have been filed in recent years from other workers in the fast-food industry.⁵² Still, these wage theft claims represent only a small fraction of the actual wage theft in the industry. A recent data brief prepared for the Los Angeles County Department of Consumer and Business Affairs estimates that in the food service industry, there are 90 minimum wage violations for every wage complaint filed.⁵³

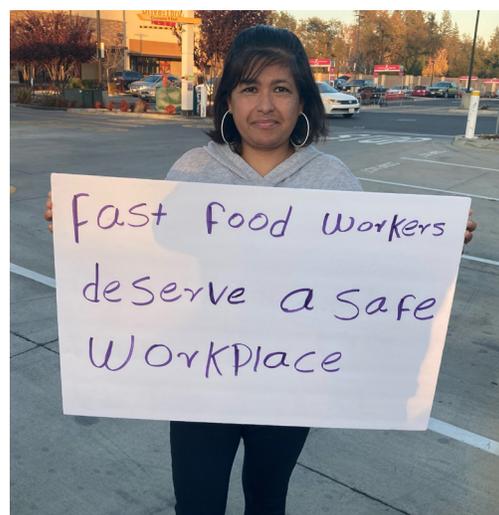
THE COURTS

An analysis of court records in California reveals dozens of wage theft-related class action and Private Attorneys General Act (PAGA) lawsuits filed against fast food entities. These are lawsuits in which employees file on behalf of themselves and other similarly situated employees to correct issues that affect them all. The volume of class action cases being filed against fast food entities suggests a systemic problem. A limited search of seven major fast-food brands in California’s largest counties has identified 33 of these types of cases filed since 2015. Of these 33 lawsuits, 21 are active as of March 2022 and 12 have been settled. Given that cases are often filed against the franchisee and not the brand, our findings are likely only a portion of what has been filed.

Causes of Action in 33 California Fast-food Wage Theft Class Action and PAGA Cases Since 2015

	Percent of Cases
Minimum wage violations	61%
Improper pay stubs	79%
Overtime violations	85%
Meal and rest break violations	91%

Source: California county courts in select counties (Alameda, Contra Costa, Fresno, Los Angeles, Monterey, Orange, Sacramento, San Bernardino, San Diego, San Francisco, San Joaquin, San Mateo, Santa Clara, Sonoma and Stanislaus)



The consistency of the language used by lawyers when filing class action lawsuits also suggests a systemic problem. For example, note the unvarying nature of the allegations in three separate class action or PAGA lawsuits filed against Maria Bernal’s employer:

- 2017: “The claims of this lawsuit spring from a pattern of employer misconduct and wrongdoing that is a characteristic of the labor system utilized by Defendants, where unpaid and improperly paid labor, as alleged herein, is a common business practice.”⁵⁴
- 2018: “[The employer] built this franchise empire by having Defendants ... intentionally, systematically and continuously steal wages rightfully due to Plaintiff, and other similarly situated employees, working at the Restaurant, and the other franchises owned by the Defendants.”⁵⁵
- 2022: “Defendants engaged in a uniform policy and systematic scheme of wage abuse against their hourly-paid or non-exempt employees.”⁵⁶

The large number of class action and PAGA lawsuits, however, does not seem to serve as a deterrent to employers, as wage theft remains widespread.

CHALLENGES DOCUMENTING WAGE THEFT

The ability of employers to hide wage theft from workers and frequent retaliation by employers against workers who speak up are two reasons that the incidence of wage theft could be higher than reported. Workers often don’t realize that they are not getting paid correctly.

Many workers do not even know they are entitled to paid sick leave, rest breaks and meal breaks. In a wage theft complaint filed against Subway in San Jose, Maria Yolanda Torres describes, “During the first two years that I worked here, I went to work sick because I didn’t know that I could get paid if I stayed home to recuperate. If I had a doctor appointment, I would ask for the day off, but I didn’t know that I could use sick pay for that. I worked sick in March and April 2021 when I had COVID vaccine side effects – including chills, body aches and extreme fatigue – because I didn’t know about COVID vaccine pay.”⁵⁷

In addition, workers may not notice that timekeeping records are being altered, or they may not realize how often they are being asked to do one or two more tasks after clocking out. One common complaint in class action lawsuits filed by fast-food workers involves the issuance of improper pay stubs. Employers sometimes hide the details of a worker’s pay breakdown, making it all but impossible to know exactly why a paycheck seems lower than expected. Some workers describe not being able to access pay stubs at all. Perla Hernandez, who works at Burger King in Campbell, describes, “I don’t know if or when I am getting paid correctly because I do not get regular pay stubs. I always punch in and out on the time clock, but the true hours that I worked did not appear reflected in my paycheck.”⁵⁸ Often, when violations become commonplace, workers come to accept it as the way things are.

Maria Bernal explains what it felt like to notice something was wrong with her check and realize there was little she could do about it this way: “When I was working overtime I was counting on that money. I expected to have enough to pay my bills. But when I saw my check, all the hours weren’t there. It made me want to cry.”

RETALIATION

Another ever present challenge to enforcement is retaliation by employers against workers who exercise their rights. In the 2022 California Fast Food Wage Theft Survey, 30 percent of respondents report experiencing at least one type of retaliation in relation to wage theft issues. Retaliation makes workers understandably afraid of talking to anyone about working conditions. Fast-food workers already face multiple barriers to engaging with authorities, such as fear, language, immigration status and the time constraints of working multiple jobs. Retaliation further exacerbates this lack of access to justice. It also deters other workers from exercising their rights.

By the summer of 2021, Maria Bernal and her coworkers were fed up and began planning to do something about the wage theft they faced on the job. When managers heard that this was underway, however, they threatened to call U.S. Immigration and Customs Enforcement (ICE) if the workers took action.⁵⁹ An atmosphere of threats and intimidation can lead workers to believe – with reason – that it is dangerous to advocate for themselves. This fear of retaliation among workers directly exacerbates the wage theft crisis.

VI. WAGE THEFT FUELS CYCLE OF POVERTY FOR COMMUNITIES OF COLOR, IMMIGRANTS AND WOMEN

Because the demographics of California’s fast-food workforce are highly concentrated with respect to race and gender, the burden of wage theft in this industry falls disproportionately on low-income communities of color, who make up 80 percent of fast-food workers, and women, who make up two thirds. For these populations, income stolen by employers contributes directly to poverty. According to a recent study from UCLA and UC Berkeley, 28 percent of California fast-food workers live below 150 percent of the federal poverty level, a common measurement for public benefits eligibility, as compared with only 12 percent of all California workers.⁶⁰ Fifty-four percent of fast-food workers spend more than 30 percent of their income on rent, as compared with 42 percent of all workers.

Combined with rising housing costs and inflation, wage theft aggravates the already difficult economic situation faced by California fast-food workers. Between 2017 and 2019, 36 percent of California fast-food workers were utilizing Medi-Cal for health insurance, as compared with 14 percent of all workers.⁶¹ Thirteen percent had no health insurance at all. With low wages and a general lack of employer-provided benefits, two-thirds of California’s half million fast-food workers rely on safety net programs at an annual public cost, in California, of \$4 billion per year.

Solving the problem of wage theft in fast food would lift up a large and growing workforce of low-income women and communities of color that already struggle to meet basic needs.

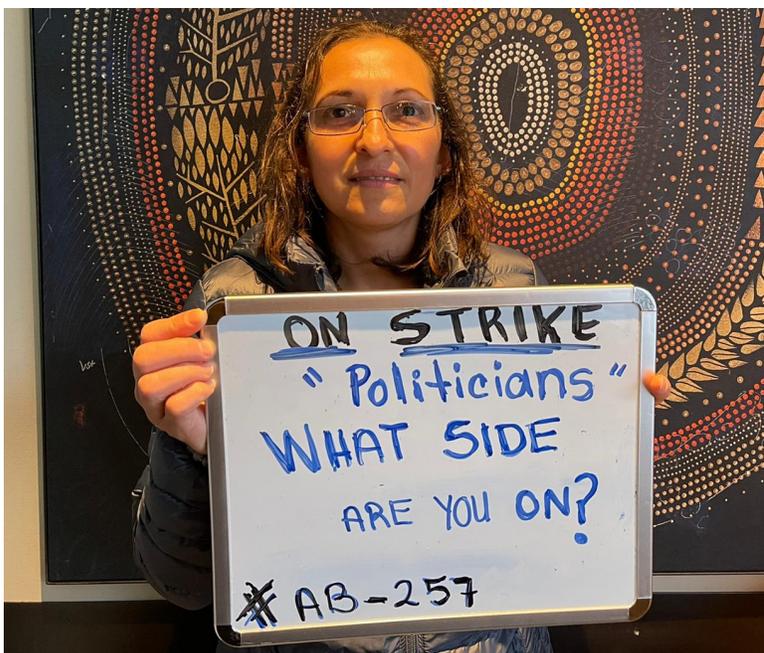
VII. POLICY SOLUTIONS

California has led the nation in progressive labor policies such as the \$15 minimum wage, strong overtime pay requirements, state mandated paid sick leave and COVID-19-related paid leave. It also has a strong track record of passing innovative, industry-specific legislation that has benefitted low-wage workers and workers of color across the state. The 2022 California Fast-Food Wage Theft Worker Survey shows that fast-food employers are frequently committing wage theft in defiance of these policies, and that additional policy solutions are needed.

Governor Newsom declared that after the pandemic, “We’re not going back to normal ... normal accepts inequity.”⁶² Rodrigo Dominguez-Villegas, research director at the UCLA Latino Policy and Politics Initiative, put it this way in a recent report on the inequities of the 2020 federal stimulus program: “In order to emerge from the pandemic and into the recovery without greater inequality, we need action now to uplift the people who need help the most.”⁶³

Currently, the state legislature is considering AB-257, the FAST Recovery Act. The bill creates a new standards-setting body for the industry, the Fast Food Sector Council, which brings together workers, local franchise operators, franchisors and regulators to identify and address industry problems, affording a much-needed voice to workers. And it requires parent companies like McDonald’s to share the cost and responsibility for ensuring their restaurants have high standards of labor compliance.

The evidence in this report shows that when employers systematically refuse to comply with labor law and workers are not safe to speak up, the state’s regulatory system has no way of keeping up with the true extent of the violations. The dispersed nature of the fast-food industry under the franchise model aggravates the problem by pinning liability on local operators while allowing massive, well-resourced corporations to avoid responsibility.



With AB 257, California has the opportunity to take bold action to increase protections and power for some of the lowest paid, most vulnerable and most exploited workers who fuel the world’s fifth largest economy. Given systemic, well-documented issues facing fast-food workers like wage theft, poverty, violence⁶⁴, sexual harassment⁶⁵ and discrimination, decisive solutions are needed for the state’s half million fast-food workers.

The Law

By California law, employers must do all of the following:⁶⁶

- Pay at least the minimum wage (\$14/hour for employers with 25 employees or less, \$15/hour for employers with 26 employees or more).
- Pay overtime equal to 1.5 times the regular rate of pay for more than eight hours in one day or more than 40 hours in one week.
- Pay double time for all hours over 12 in one day or over eight on the seventh day or work in a workweek.
- Provide a paid 10-minute rest break for every four hours of work.
- Provide an uninterrupted, unpaid meal break of at least 30 minutes after no more than five hours of work (or two meal breaks when working more than 12 hours a day).
- Pay employees at least twice a month on designated, regular paydays. Employer must provide a wage stub or statement with the following information: pay period dates; gross wages earned; total hours worked; breakdown of hourly rates and hours worked at each rate; piece rate information if applicable; all deductions; net wages; name and ID number of employee; and legal name and address of employer.
- Pay employees the wages they were promised, whether the promise was oral or in writing.
- Provide at least 24 hours or three days of paid sick leave for each eligible employee to use per year. (Includes part-time and temporary employees. Accrual begins on the first day of employment, though employee must complete a 90-day employment period before taking any sick leave.)
- Allow eligible employees to use accrued paid sick leave.



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Communication from Public

Name: California Fast Food Workers Union
Date Submitted: 03/04/2025 06:59 AM
Council File No: 19-0229-S2
Comments for Public Posting: A new study co-authored by the UCLA/Harvard Shift Project and David Weil, “Compliance and the Complaint Gap: Labor Standards Violations in the California Service Sector” (“Shift/UCSF/Harvard/Weil 2024”). Please post to the council file related to fast food workers.



Compliance and the Complaint Gap: Labor Standards Violations in the California Service Sector

Daniel Schneider, Elizabeth Kuhlman, Kristen Harknett, and David Weil

Introduction

This report aims to illuminate the state of compliance with California’s core labor standards and the opportunities and barriers to make them real for the majority of workers they cover.

California can justifiably take pride in the protections and rights that state laws afford workers. Workers are assured some of the highest minimum wage standards in the nation. In California, overtime standards are also higher, as workers receive premium wages not only when working more than 40 hours a week, but also when working more than 8 hours in a day. Golden State workers also were some of the first to receive paid sick leave coverage and assurances that they would be compensated for rest and break time in contrast to those in other states.

The benefits and protections of laws setting standards for work, however, matter little to the workers they seek to protect if they are not followed. The implementation of laws—best measured in

terms of compliance by the employers to whom they are directed—matter as much as the standards themselves. Implementation requires adequately resourced agencies to enforce them and their effective and systematic administration by experienced government personnel. But laws also require that workers know about their protections and rights. Even more, it requires that they feel empowered to exercise their rights in the face of violations—and that they do not fear retaliation for using them. All too often, the workers who face the most troubling conditions at work that often lead to passage of laws are the same ones who are most fearful of using them and lack the protections of labor unions and other worker advocates.

This report examines whether the rights and protections in law line up with the daily experiences of workers with respect to core labor standards. It does so by directly surveying 980 California workers, employed at 98 of the largest firms in the service

sector, about their experiences with respect to pay, hours of work, access to leave and compensation for breaks, as well as an additional sample of 74 similar but recently unemployed workers. The Shift Project research team fielded these surveys between January 2024 and March 2024 using survey methods they have developed and validated over the past eight years. Further details on the research methodology is included in an Appendix.

By asking workers about their direct experience with pay, hours, leave, or breaks and then checking those responses against what the law requires, we can gauge the prevalence and the severity of violations in a direct way. This allows us to examine whether the laws on the books translate into what people actually experience at work.

This approach provides a more direct measure of compliance than solely relying on administrative data of enforcement agencies, which will be skewed towards workers and workplaces targeted for investigations due to complaints or programmatic targeting. It also allows us to probe into a wider array of questions related to potential violations of the law than is typically possible using household or business establishment survey data.

Worker surveys also provide additional insight into the critical question of implementation: whether those who experience violations of the law decide to take action to address those violations. Workers may experience violations and not act because they are unaware of their rights or protections. But they might also be aware of their rights and still not choose to act as a result of not knowing how to do so; from an absence of agents to help them act—or protect them from retaliation—such as labor unions or worker centers; from skepticism that anything can be done to remedy the violation; or some combination of the above. Even more, they may choose not to act because of fear of reprisal by their employer—whether in the form of reassignment, docking of pay or hours, threats in relation to immigration status, or firing. Insight into when workers choose to act—or choose not to—when faced with violations is therefore critical to assuring attainment of the goals of labor and employment laws.

Labor Standards Violations

In California, hourly workers in the service sector are covered by labor standards that, among other important protections, govern work hours and pay, paid sick leave, and access to paid rest time and to meal breaks. These protections are among the most progressive in the United States, but the value of such protections and rights to workers rests in employers complying with these laws.

We assess hourly service sector workers' effective access to these protections and rights at work in California by comparing worker responses to survey questions regarding aspects of work that are protected by federal law (the Fair Labor Standards Act, FLSA), state modifications to that law that provide additional minimum wage and overtime protections, and state laws regarding leave and breaks. The survey questions reflect aspects of work that are directly known to workers such as hours of work or whether or not they took leave. Survey responses were then compared to labor standards requirements given our assessment of workers' coverage by the applicable law (e.g. being denied a paid break). We designate an instance where a worker reported an activity that conflicted with a worker protection a "violation."

Based on our evaluation of survey responses, **we find that the aspirations of California's progressive labor standards are frequently undermined by widespread employer non-compliance with the basic requirements of FLSA, paid sick leave, paid rest break, and meal break mandates.**

Overall, we find that 46% of hourly service sector workers experienced at least one FLSA violation in the past year and that 41% experienced at least one "serious" FLSA violation (defined as being required to work off the clock, not receiving required overtime pay, not being paid for all of the hours worked, being paid less than the minimum wage, or not being paid earned bonuses, tips, or for paid time off). A similar share, 41%, of workers experienced a paid sick leave (PSL) violation. **An even larger share of workers, 58%, experienced a paid rest break violation and 43% experienced a meal break violation. Together, 91% of workers experienced at least one type of violation in the last year at work.**

California Fair Labor Standards Act

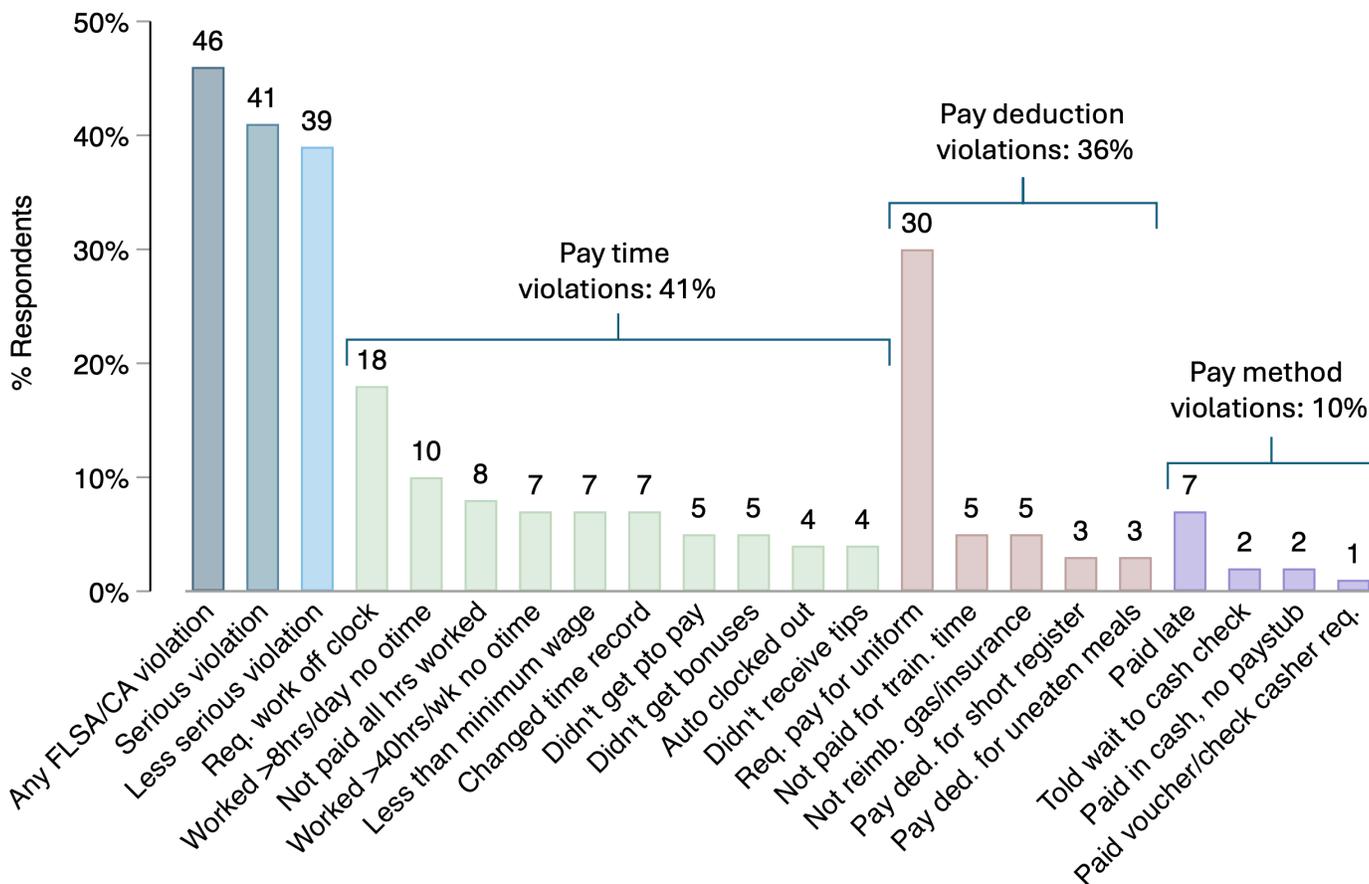
California law provides additional protections for both minimum wage and overtime in excess of the federal Fair Labor Standards Act (FLSA) along with a range of other labor standards protections for covered workers. Workers must be paid for all of the hours that they work, must be paid time and one-half for hours worked beyond 8 hours in one day and 40 hours in one week, and must generally be assured compensation for time required by their employers. These standards mandate that workers be paid in full for the hours that they work, assuring them “a fair day’s pay for a fair day’s work.”

Yet, we find that workers report experiences at work that appear to constitute routine violations of these basic and fundamental labor protections. We asked workers about three types of California FLSA violations: **pay time violations**, **pay deduction violations**, and **pay method violations**.

As shown in Figure 1, we find that wage theft, in the form of **pay time violations**, is widespread. For instance, 18% of workers reported being required to work off the clock at least once in the past year, 8% reported not being paid for all of the hours they worked, and 7% reported an hourly wage (including tips) that was less than the applicable statutory minimum. Workers also reported apparent overtime violations, including 10% who reported that they did not receive overtime pay when working a shift longer than 8 hours and 7% who reported not receiving overtime pay when working more than 40 hours a week. **Overall, 41% of workers reported at least one such serious pay time violation.**

Just as workers must be paid for the hours that they work, California law requires that workers’ pay not be unfairly docked. Yet, we find that 36% of workers reported at least one kind of **pay deduction violations**, in the last year, including 30% who reported that they were required to pay for their uniform.

Figure 1. California FLSA Violations



Finally, 10% of workers also reported apparent violations of statutory requirements relating to **method of payment**. These violations included being paid late or being asked to wait to cash their pay check, delays that can be consequential for workers living paycheck-to-paycheck on low wages in an expensive state.

In all, 46% of the hourly workers we surveyed reported at least one apparent California FLSA violation over the prior year.

California Paid Sick Leave

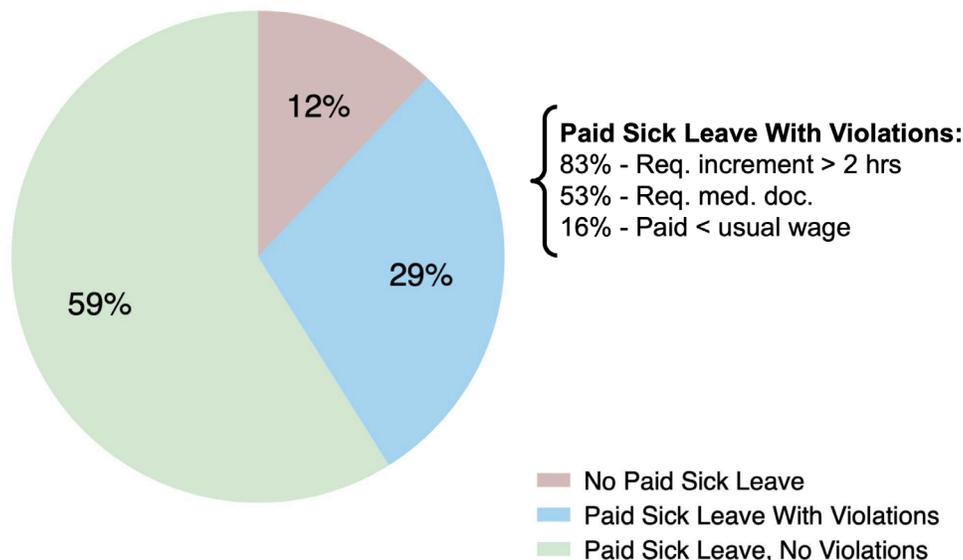
The State of California has long been a leader in requiring that employers provide workers with paid sick leave (PSL). First mandated in [2014](#), the California statute has been expanded over time from an initial minimum of 24 hours of annual PSL. In early 2024, when we conducted our survey, hourly California service sector workers were entitled to [40 hours of PSL per year](#).

PSL provides vital paid time off for workers to recover from illness, care for a family member who is ill, get preventative health care for themselves or a family member, or for reasons related to being a victim of domestic violence, sexual assault, or stalking. In the

service sector, especially in food service, paid sick leave also provides a broad public health benefit, as workers who are ill are better able to stay home when sick ([Schneider 2020](#), [Schneider, Harknett, and Vivas-Portillo 2021](#)), thus reducing the spread of illness in the population ([Moritz et al. 2023](#)), including for Flu ([Pichler, Wen, and Ziebarth 2021](#)) and COVID ([Pichler, Wen, and Ziebarth 2020](#)).

However, as shown in Figure 2, we find that 4 in 10 workers experience violations of their mandated access to paid sick leave. This noncompliance takes two forms. More than 1 in 10 workers, 12%, report not having access to PSL at all. An additional 29% of workers report access to PSL, but subject to employer practices that violate the standard, such as requiring workers to take more than 2 hours of paid leave at a time, requiring medical documentation, or paying workers less than their usual hourly wage for PSL (only captured for those workers who took PSL in the past year). These calculations are likely somewhat conservative as they do not include potential violations related to the amount of PSL that workers accrue (i.e. the amount employers pay into a worker’s PSL account as required by law). While the laws’ requirements do not apply until a worker has been employed for 90 days, the estimates are unchanged when we exclude workers with less than four months of job tenure.

Figure 2. Paid Sick Leave Violations



Among the 88% of workers with some access to paid sick leave, 63% reported at least one time in the past year when they needed or wanted to take paid time off from their job for one of the qualifying reasons. We then asked these workers how they responded in such instances. Figure 3 below lays out this decision tree.

A large share of these workers (86%) reported that on at least one of these occasions, they were able to successfully use their paid sick leave.

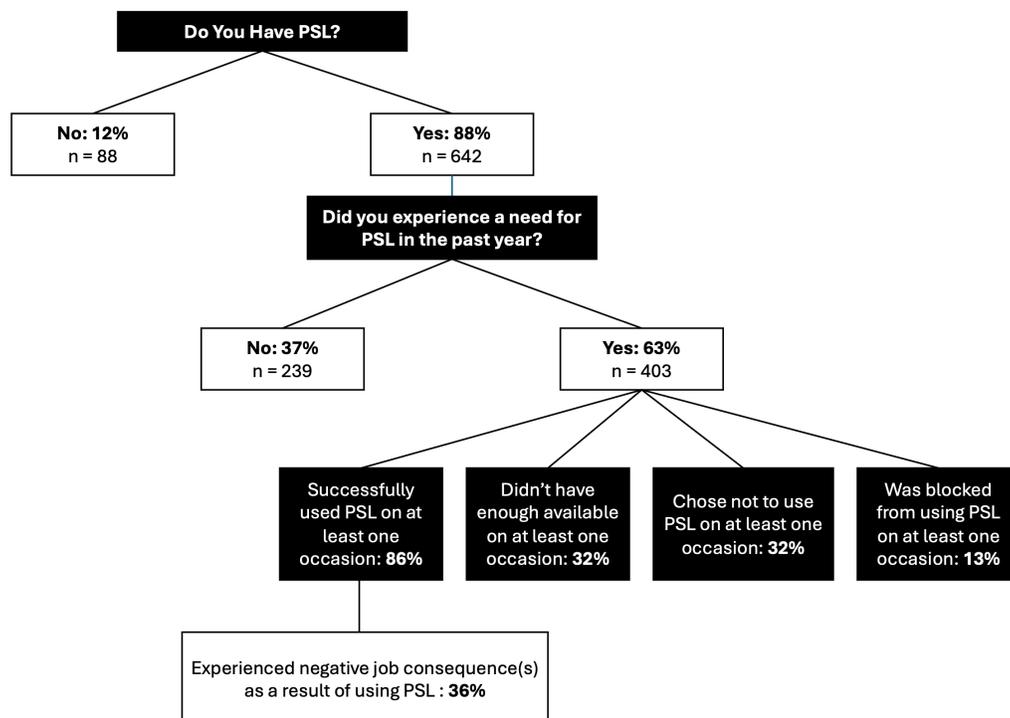
However, as shown in the bottom tier of Figure 3, for about a third of these workers who used PSL, doing so came with punitive consequences. After using their PSL, these workers reported having their hours reduced (18%), being assigned to worse work schedules (13%), receiving worse work tasks (7%), or being otherwise disciplined (11%), as well as a range of other retaliatory behaviors (See Appendix Figure 1 for a full list). These responses starkly illustrate that even when PSL is provided as mandated and workers successfully use that PSL, simply exercising their rights under the law can lead to costly consequences in the service sector.

A smaller, but still substantial share of workers (32%), reported that on at least one occasion when they needed PSL for a qualifying reason, they did not have enough PSL available to use. Given an annual mandated allocation of 40 hours, workers appear to commonly face a real scarcity constraint.

We see this same dynamic of insufficient PSL at play for the 32% of workers who had a need for PSL but chose not to use it on at least one occasion. For a large fraction of these workers, 74%, they did not use PSL because they chose to save PSL in anticipation of a more pressing need.

But, for many workers, the decision not to use PSL was rooted in a broad set of precarious labor practices in the service sector that see stores and restaurants run with skeleton staffs and just-in-time scheduling practices. This understaffing and insufficient and unstable scheduling means that when workers use their PSL in the face of last-minute emergencies, their coworkers must cope with even more demands against limited time. Among workers who needed but chose not to use their PSL, 40% reported that was to avoid “letting their co-workers down,” and 38% because “they

Figure 3. Paid Sick Leave Question Flow



couldn't find someone to cover their shift." These practices also led workers to fear, justifiably given the retaliatory action reported above, that if they used their PSL they would get in trouble (15% of this group) and to report that they were directly pressured not to use it (12% of this group). Appendix Figure 2 provides a full break-down of these reasons.

Finally, 13% of workers who had a need for PSL reported at least one time when they tried to use it, but were blocked by management. These workers' requests were met with a variety of reasons for denial that would seem unallowable given the statute, including being needed at work (27%), not providing medical documentation (17%), and not providing enough notice (6%). But, for most workers, the decision appeared arbitrary, with 29% reporting that their qualifying reason for taking PSL was rejected, that no reason for denial was provided by management (29%), or that they didn't know why they were rejected (13%). Appendix Figure 3 provides a full break-down of these reasons.

California Paid Rest Breaks

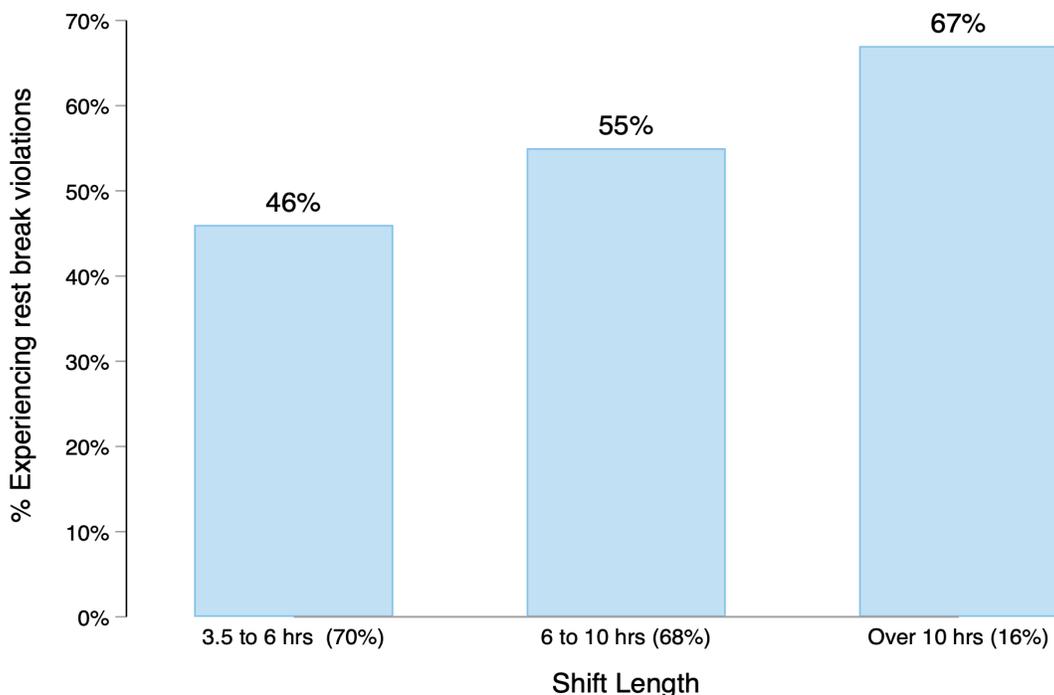
Where many workers across the United States lack mandated paid break time during their shifts,

California has led the way in requiring that hourly workers receive paid break time. At the time of our survey, workers were entitled to 10 minutes of paid break time for every shift between 3.5 and 6 hours long, 20 minutes for every shift between 6 and 10 hours, and 30 minutes for every shift over 10 hours.

We asked workers if they had worked shifts of each of those lengths in the past year and then, for each type of shift, how many minutes of paid rest break time they were allowed to take. Then, we asked workers how often they skipped or cut short their paid rest break time during shifts of each length type – always, often, sometimes, rarely, or never. We coded workers as experiencing paid rest break time violations if they were allowed to take fewer minutes than mandated or if they always, often, or sometimes skipped their breaks.

Figure 4 shows the share of respondents who experienced at least one breaks violations over the past year by shift length worked. The percent of respondents who report working a given shift length is shown in parentheses below each bar. (Total percentages sum to over 100, as respondents can report working multiple shift lengths.) We see that rest break violations are widespread.

Figure 4. Rate of Paid Rest Break Violations by Shift Length



46% of workers who worked shifts of 3.5 to 6 hours reported paid rest break violations, as did 55% of workers with shifts 6 to 10 hours. While shifts over 10 hours were uncommon, and just 16% of workers had worked at least one in the past year, break violations were very high for that group at 67%. In general, the longer the shift, the more likely workers were to report a paid rest break violations, rising from 46% to 55% to 67%. Overall, 58% of workers experienced at least one paid rest break violation over the past year.

Why did workers skip their paid rest breaks? By far the most common reason traces back to the same set of labor practices related to understaffing discussed above. Two-thirds of workers who skipped their breaks reported being “too busy,” and 52% reported they skipped because their workplace was “short-staffed,” with another 31% reporting a skipped break in order to “meet performance targets” and 13% because of “pressure from manager”. Smaller shares reported skipping because they “didn’t need a break” (19%), because they wanted to make a good impression (13%), or in order to leave work early (12%).

California Meal Breaks

California workers are entitled to a 30-minute unpaid meal break when working shifts five hours or longer (and an additional 30 minutes when working 12 hours a day). While workers may opt to skip their unpaid meal break, the law forbids employers from *requiring* that workers skip their meal break, *requiring* that they remain at their workplace during their meal break, or *requiring* that they continue some or all of their job responsibilities during their meal break, without compensation.

We asked workers how often they were *required* to skip, *required* to remain at work during, or *required* to continue some of their job responsibilities during their meal break – always, often, sometimes, rarely, or never (or if they didn’t get a meal break). We code workers who worked shifts longer than five hours as experiencing a meal break violation if in the last year

they were ever *required* to compromise their meal break in these ways and were not paid for their time accordingly.

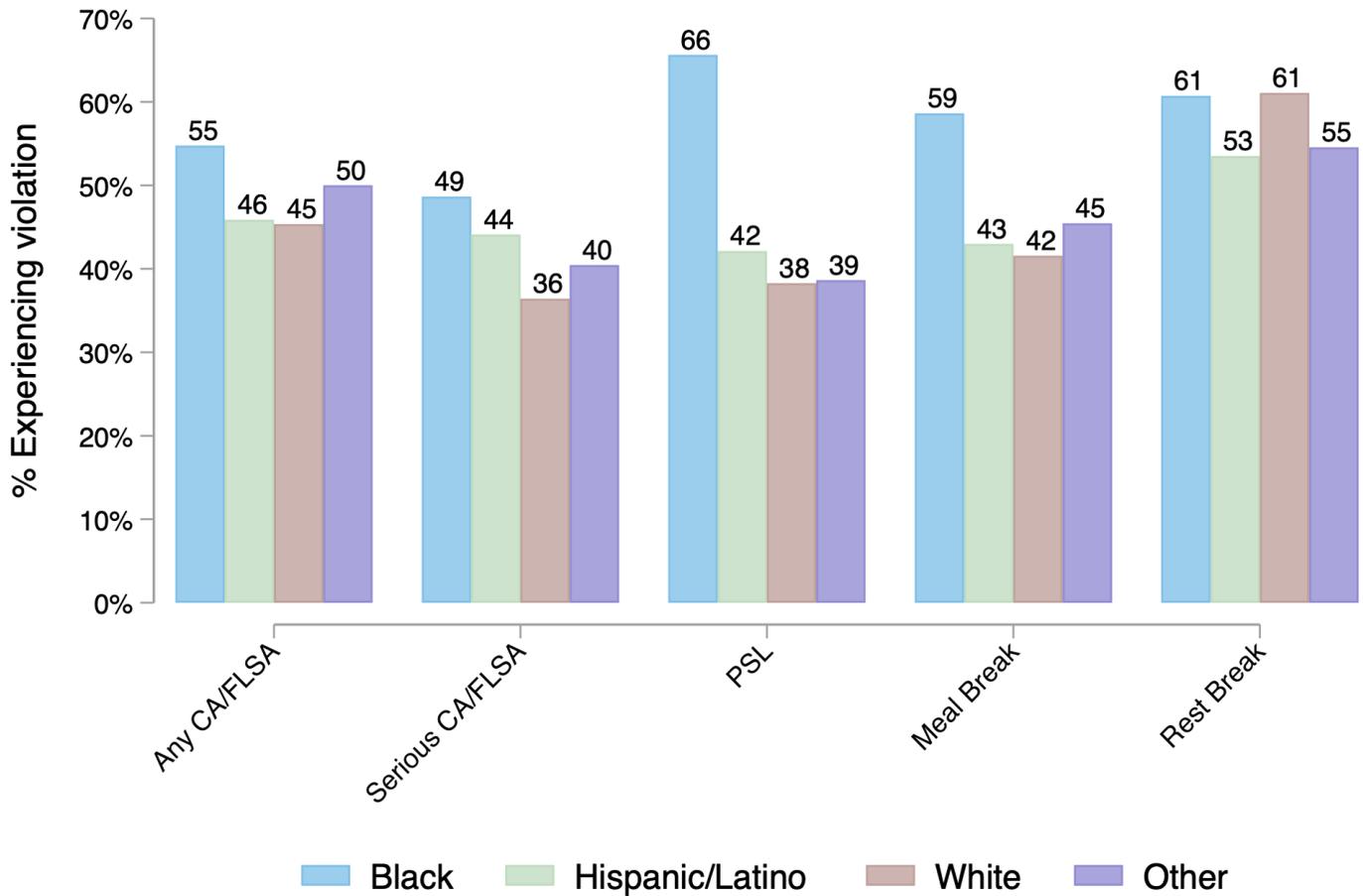
We find that 43% of workers experienced such meal break violations, with 26% of workers reporting that they were at times required to skip their break entirely and were not paid as a result, 31% reporting that they were at times required to remain at their workplace during their break and not paid as a result, and 32% reporting that they were at times required to continue some of their job duties during their break and not paid as a result. 18% of workers reported experiencing all three of these types of meal break violations at least once in the past year.

Racial/Ethnic Inequality in Labor Standards Violations

While rates of violation are high across the board for service sector workers in California, these averages disguise important racial/ethnic inequalities. Figure 5 shows that rates of labor standards’ violation by type and by the racial/ethnic identity of respondents. Across multiple domains, Black workers reported higher rates of violations than their co-workers of other race/ethnicities. Where 45% of white, 46% of Hispanic workers, and 50% of workers of other race/ethnicities reported any California FLSA violation, 55% of Black workers do so. There are also gaps in reports of serious FLSA violations, with 49% of Black workers reporting such experiences against 36% of white workers.

We find even larger gaps in experiences of PSL and meal break violations, where 66% and 59% of Black respondents, respectively, reported apparent violations against 38% and 42% of white respondents and similarly smaller shares of Hispanic respondents and those of other race/ethnicities. The only area where we do not find evidence of racial/ethnic inequalities is in paid rest breaks, where rates of violation are quite high across the board, in excess of 50% for each group.

Figure 5. Racial/Ethnic Inequality in Labor Standards Violations



The Violation-Complaint Gap

What happens when workers are told to keep working after clocking out or are not reimbursed for their uniform costs or are required to work through their meal break? What action do workers take in response to these apparent violations of basic rights and protections at work? Workplace laws assume that workers exposed to wage theft and other violations will take action by reporting them. Barriers to acting on violations undermine the implementation of workplace protections.

Our results indicate that workers' willingness and ability to come forward and report violations may be seriously limited. To come forward and make a report or bring a complaint, workers need to have basic information about their rights and protections and then need to understand where to go to take action. More fundamentally, workers must face the

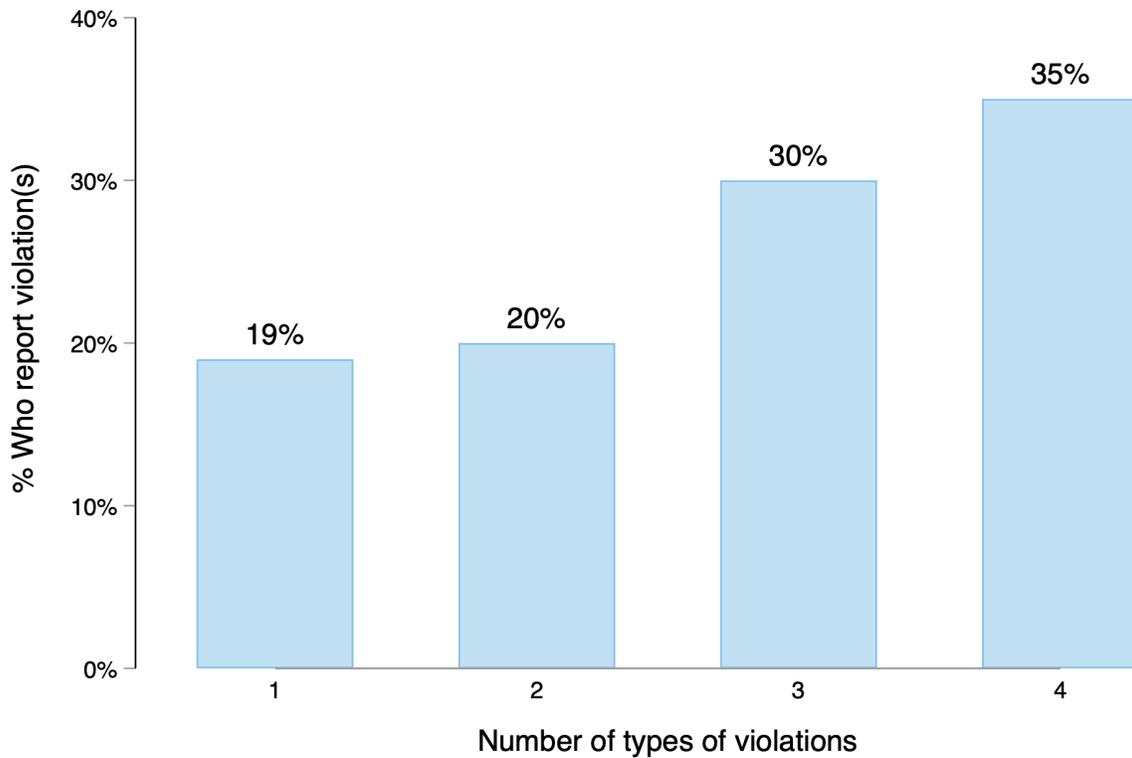
risk that coming forward may lead to retaliation from employers, including the loss of their jobs ([Weil and Pyles 2006](#)).

These prerequisites for exercising rights create a high bar that many hourly service sector workers may not be able to clear in the face of apparent labor standards violations. And yet, we know very little about the degree of mismatch between labor standards violations in the workplace and reporting behavior by workers because there have been few recent attempts to measure both exposure to violation and reporting behavior for the same group of workers.

From Violations to Complaints

To fill this gap, we asked workers who we had coded as experiencing any one of the violations above, *“did you make a report or complaint (or attempt to do so) about this problem to anyone (such as co-workers, a manager, a*

Figure 6. Reporting of Labor Standards Violations by Number of Types of Violations



union rep, or a government agency)?” This measure is broadly inclusive of reporting/complaining behavior. It is not limited to lodging a formal complaint with the California Labor Commissioner’s Office, but rather includes turning to non-governmental actors, such as unions, as well as to co-workers and even to the employer itself.

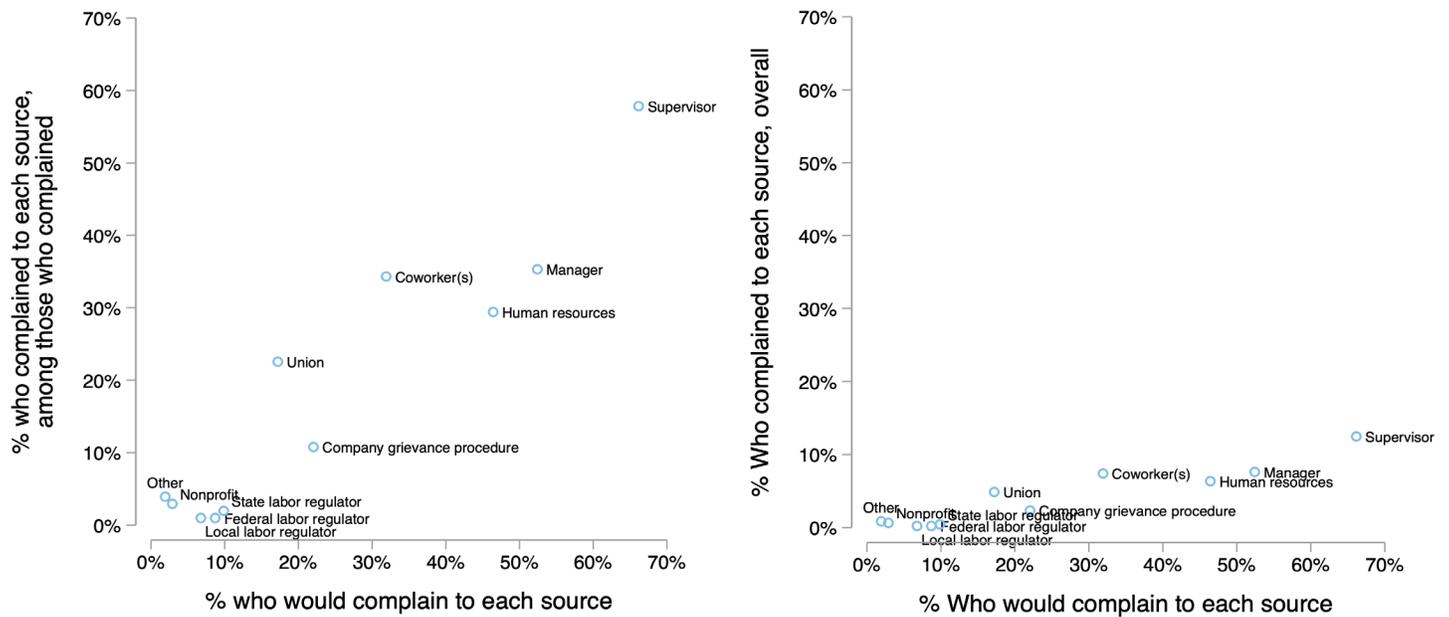
We find that even using this expansive definition, **very few workers who experience an apparent labor standards violation make any kind of report or complaint.** Overall, fewer than one in four workers who experienced at least one of the violations above make a report or complaint to any party. As shown in Figure 6, among respondents who experienced just one type of violation, only 19% make a report/complaint. That share rises with the breadth of violations experienced, to 20% with violations in two areas, to 30% for those with three, and to 35% for those with FLSA, PSL, rest breaks, and meal break violations. But, even for this group who are highly exposed to violations, less than 40% of affected workers reported coming forward.

Equally striking as the very low levels of reporting among workers who experience apparent violations is that even when workers do come forward, they are by far the most likely to report/complain to those in a position of authority within the organization in which they work. 58% of workers who experienced one or more violations and made a complaint list a supervisor, 35% list a manager, and 30% list human resources (a smaller share, 11% list a company grievance procedure) as the entity to which they turned to report a labor law violation.

In contrast, much smaller shares of workers look beyond their own employer to report potential labor standards violations by their employer. Just 1% of those who made a complaint reported to a local labor regulator, 2% to a state labor regulator, and 1% to a federal regulator – overall, only 2% to a state regulatory body of any kind. Occupying a middle ground, 23% of workers reported to their union, with smaller shares listing a non-profit organization.

These data capture workers’ reports of their actual *behavior* in response to a likely labor standards violations. We also asked workers who they would

Figure 7. Reporting to Whom? Actual vs Hypothetical Complaint Reporting to...



turn to if faced with a *hypothetical* “serious problem at work.” In Figure 7, we plot the share of workers who would report to each entity, with the *behavior* on the Y-axis and the *hypothetical* on the X-axis. The left panel of the figure conditions the Y-axis on workers making a report/complaint to any entity. The right panel does not condition the data, reflecting the fact the most workers who experience an apparent labor standards violation do not report it to anyone.

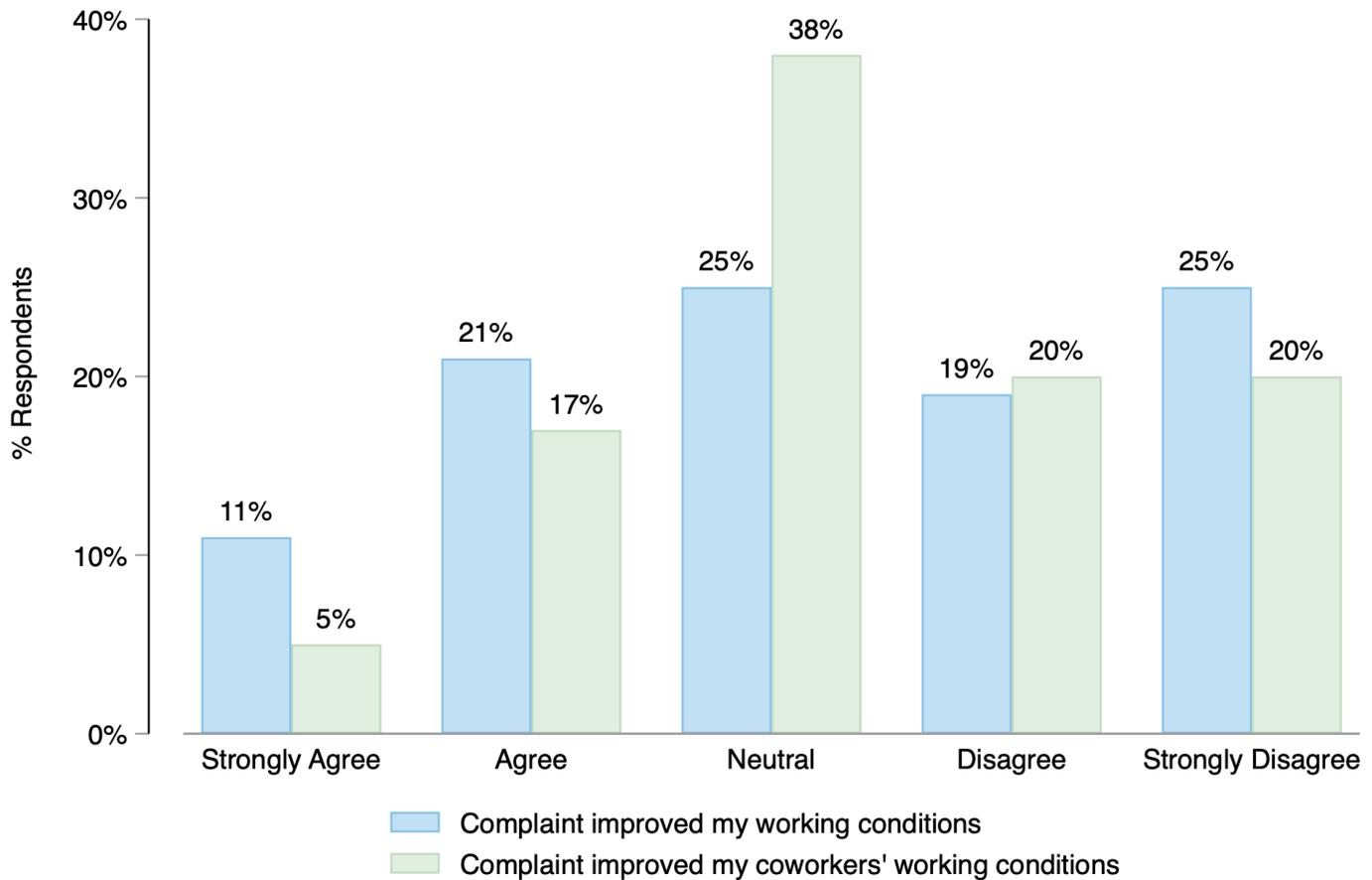
The left panel is striking for the high correlation between where workers actually reported potential labor standards violations and where they said they would turn given a hypothetical issue. In both instances, workers were most likely to indicate that they did or they would complain to someone in a position of authority within their employer, with supervisor far and away the most likely to be selected. In both instances, non-profits as well as state regulators were much less likely to be listed. The right panel replicates this pattern, but shows that workers are much more likely to say that they would make a report/complaint than they are to actually have done it when faced with a potential labor standards violation. Workers appear to overestimate the chances that they would act in the face of a serious challenge than their actual behavior reveals when faced with violations.

The Consequences of Complaining: Remedy or Retaliation?

Not only is reporting violations a rare event, but even when workers did come forward, they reported that doing so had little positive effect on their working conditions or those of their co-workers. We asked workers who made a complaint how much they agreed that “Making a report or complaint had a positive effect on my own working conditions” as well as about if “Making a report or complaint had a positive effect on my co-workers’ working conditions.” As shown in Figure 8, just 11% of workers who made a report “strongly agreed” that doing so improved their working conditions and another 21% “agreed” that it did. The majority then were neutral (25%), disagreed (19%) or strongly disagreed (25%) that doing so had helped. Workers were even more pessimistic about the degree to which reporting helped their co-workers, as just 22% agreed or strongly agreed that it had, 38% were neutral, and a large share disagreed or strongly disagreed (40%).

However, where workers who brought forward reports/complaints experienced relatively little positive change, these workers reported substantial downsides to reporting in the form of employer retaliation. **More than half of workers who**

Figure 8. Workers' Assessment of the Effectiveness of Reporting Labor Standards Violations



reported an apparent labor standards violation reported some form of employer retaliation for doing so. Workers who reported violations faced work hour reductions (23%), worse schedules (19%), and assignment to worse work tasks (22%) or unsafe work tasks (6%). The service sector model of often insufficient hours and unstable schedules invests front-line managers with enormous power and discretion over important elements of quality, discretion that they appear to deploy to punish workers who report violations of the law. In addition, workers reported retaliation in the form of being denied promotions or raises (15%), demotions (5%), and general disciplinary actions (17%). Much smaller shares of workers in our sample reported retaliation involving immigration authorities, likely because our survey sample captures few if any undocumented workers.

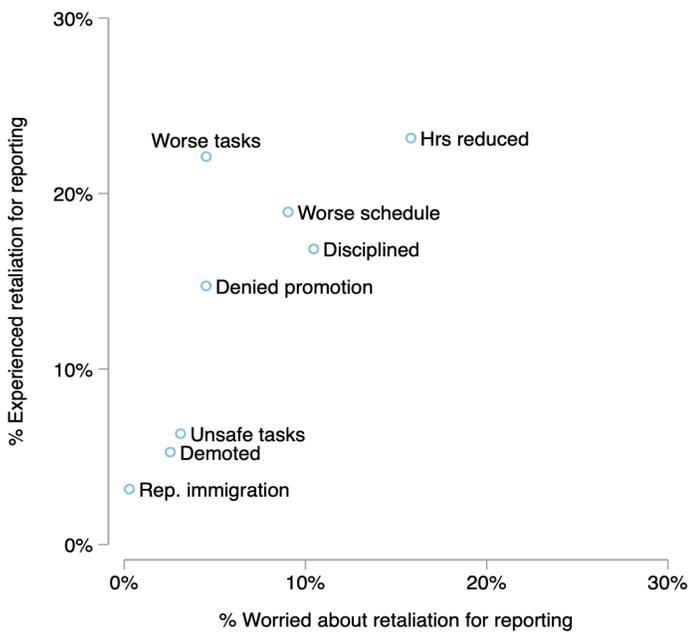
While 22% of workers who experienced apparent labor standards violations made a report, the large majority, 78%, did not choose to step forward. We asked these

workers why they did not make a report or complaint. The most commonly cited reason was that they did not think that making a report or complaint would be effective (39%), though a significant share, 20%, reported that they did not act because they did not know how and 13% said it was because they did not know that their employers' actions were illegal.

Non-reporting respondents also worried about retaliation in response to any report. In Figure 9, we plot the type of retaliation, with the Y-axis showing the percent of respondents who experienced retaliation after reporting and the X-axis showing the percent of respondents who did not report because they worried about retaliation.

There is a close correspondence between the two. Reductions in work hours was the most commonly experienced form of retaliation and also the form of retaliation that non-reporters most worried about. We see a similar association for worse schedules,

Figure 9. Reporting and Retaliation: Forms of Retaliation Experienced vs. Feared



discipline, promotion and raise denial, unsafe tasks, and demotion, while assignment to worse tasks were less anticipated than experienced. But overall, workers worried about retaliation to a lesser degree than those who made reports experienced it. While 9% of non-reporters worried about being assigned to a worse schedule in retaliation for reporting, 19% of those who reported experienced that form of retaliation.

In all, a small share of workers are willing and/or able to report the labor standards violations that they encounter at work. But, when they do, they overwhelmingly turn to the agents of their own employers to make these complaints. That less than a quarter of workers who experience violations make a report and that only 2% of these turn to an agent of the state when they do so suggest an under-reporting problem of enormous magnitude. Our data also suggest the profound limitations of workers' current options. Workers who do make a report are unlikely to see their working conditions improve and are instead likely to experience retaliation.

Accounting for Worker Separations

The analyses above of both the prevalence of labor standards violations and the reporting and retaliation experiences of workers who experience violations is limited to workers who were employed at the time of survey. To the extent that workers who experience the most severe labor standards violations may be more likely to leave their jobs, we under-estimate the prevalence of labor standards violations by focusing only on those workers who are currently employed. To the extent that reporting leads to retaliation that results in separation, either because workers quit in the face of reprisal or because reprisal takes the form of firing, we risk under-estimating the extent of retaliation by focusing only on those workers who are currently employed.

In Figure 10, we show that accounting for employment status does indeed matter for our understanding of the prevalence of labor standards violations. In this figure, we compare rates of violation for workers who were employed at the time of survey, with workers who were unemployed and had left their jobs at one of our target employers within the past year. These currently unemployed workers reported on their experiences of violation, reporting, and retaliation at their former job.

Where 46% of workers who are currently employed reported any California FLSA violation (41% a serious violation), that rate was much higher, at 61% (50% a serious violation) among workers who were unemployed at the time of survey and had left their job less than a year earlier. We see similarly large gaps between currently employed and unemployed workers in PSL violations (41% vs. 65%), meal-break violations (43% vs. 61%), and paid rest break violations (57% vs. 67%).

We also find that respondents who were unemployed at the time of the survey were more likely to have reported these labor standards violations, at 31%, than respondents who were employed at the time of survey (22%). As shown in Figure 11, this reporting

Figure 10. Rates of Labor Standards Violations among Employed Workers vs. Unemployed Workers

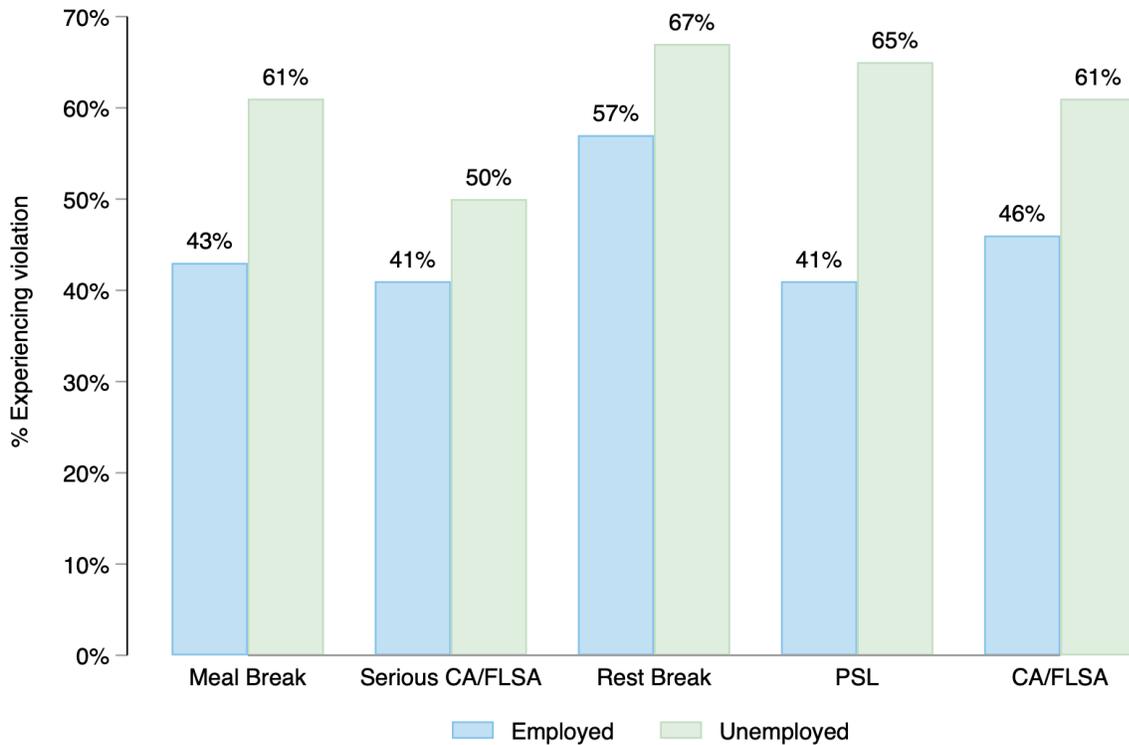
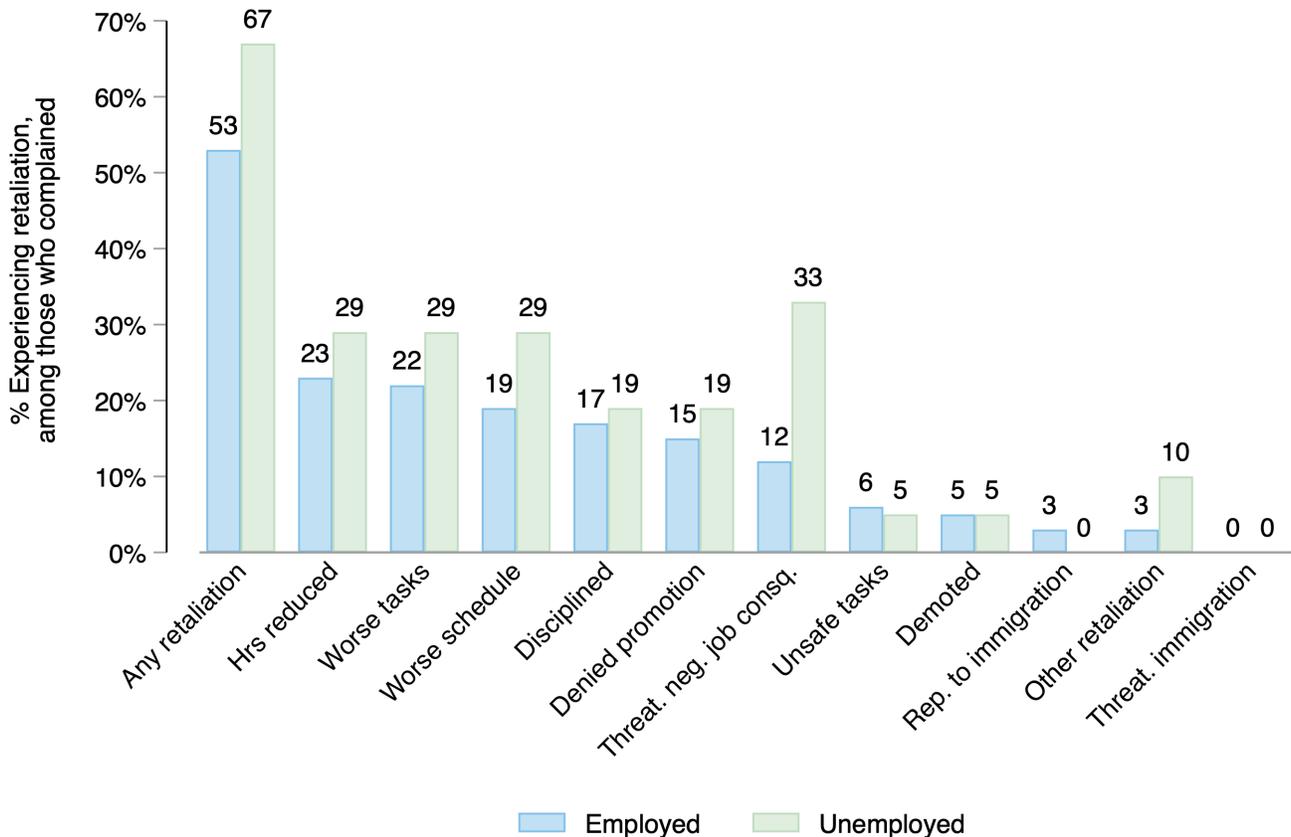


Figure 11. Rates of Retaliation among Employed Workers vs. Unemployed Workers



though produced even higher levels of retaliation among the workers unemployed at the time of survey than among currently employed workers. Among employed workers, 53% of those who reported violations then experienced at least one form of retaliation, but the rate was much higher, at 67%, among those who were unemployed at the time of survey. Across categories of retaliation, from receiving a worse schedule to hours reductions, to threats of negative consequences, respondents who ended up unemployed who reported violations experienced higher levels of retaliation. We cannot directly assess if these workers were in fact fired as a result of reporting labor standards violations. But, that possibility, along with the possibility that workers were pushed out of their jobs by this retaliatory behavior, are both consistent with the patterns we see here.

Discussion

California leads the nation in enshrining a set of basic labor protections for workers into law. Workers in California are entitled to higher labor standards than their counterparts in most other U.S. states when it comes to minimum wages, access to paid sick leave, and legal entitlements to paid rest breaks and to meal breaks during work shifts. However, survey reports from California workers employed in the service sector reveal a large chasm between the rights that California workers have on paper and the conditions that these workers experience on the job.

Drawing on survey responses from over 1,000 California workers in retail and food service, this report details the prevalence and type of labor violations, the extent to which workers report these violations, and what happens when they do. The picture that emerges is one of frequent violations, rare reporting, and poor outcomes when workers do come forward.

In the past year, **nearly all (91%) hourly service sector workers in California experienced at least one labor violation.** Around 2 in 5 workers experienced a loss of earned income because of

labor violations, and the same share of workers were impeded from accessing the paid sick leave they were legally entitled to. Violations of break-time laws were even more common with 58% of workers experiencing a paid rest break violation and 43% experiencing a meal break violation. We also found racial disparities in the experiences of these violations. Workers who identify as Black or African American experienced substantially higher rates of labor violations than their counterparts in other race/ethnic groups

These labor violations are typically neither reported nor redressed. **The vast majority of workers who experience labor violations do not report these violations** (78%). Among the 22% who do report violations, the vast majority keep their complaints “in-house,” only reporting the violation to the employer itself. A vanishingly small share (2%) of those who report a violation do so to an official state or local regulatory agency. These results suggest that relying on complaints of labor standards violations to governmental regulatory authorities leads to massive under-estimates of the true rate of violations.

Non-reporting of violations is a significant concern, but so too are the consequences of reporting experienced by workers. Few who report violations experience improvements for themselves (32%) or co-workers (22%) while **half of those who report a violation experience some form of retaliation.** If retaliation in response to complaints increases the chance of separation, then these rates of retaliation may be under-estimates. In fact, reports from unemployed workers who lost or left their jobs in the past year reveal that recently-separated workers are more likely to have experienced violations, more likely to have lodged a complaint, and more likely to have faced retaliation compared with their currently employed counterparts. Together, these facts add up to an under-reporting gap of staggering proportions as well as chilling climates in many workplaces that dissuade workers from coming forward.

These findings starkly underscore the lesson that having labor laws on the books does not mean that these laws will be consistently honored by employers.

Instead, California has work to do in supporting workers in understanding their rights, knowing what to do when these rights are violated, and protecting workers from retaliation when they do lodge a complaint.

Our survey captured the experiences of workers employed by large retail or food service employers, including grocery, fast food, casual dining, general merchandise, pharmacy, retail apparel, and other retail sectors. Notably, our survey was designed so that workers could directly report on their experiences and did not require that they be aware of the nuances of each labor standard. Rather, we designed our measures to capture deviations from legal requirements. In so doing, we avoid the pitfall of underestimating labor violations because workers are simply unaware that they are occurring. Nevertheless, there are reasons to expect that our estimates of labor violations are conservative. Our methodology is not well-suited to capture the experiences of undocumented workers and does not include the experiences of workers employed in domestic, agricultural, and construction work, for instance, where violations may be even more common. Nor does it include service sector workers employed at smaller firms, where [some evidence suggests violations may be even higher](#).

Nevertheless, this survey of hourly workers in California has sobering findings. A large share of workers do not get the labor protections to which they are legally entitled, reporting of violations is uncommon, and those who do report are more likely to experience retaliation than they are to see conditions improve. These findings suggest a crisis of enforcement in a state that prides itself on leading the way on higher road employment practices and demonstrate that labor standards enforcement is a continual and crucial component in making legal entitlements a reality.

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Methods

Data Collection

The Shift Project has collected survey data from hourly service-sector workers employed at large retail and food establishments since the fall of 2016. This brief focused on a sample of 1054 hourly service-sector workers in California who were surveyed during an eight-week period from January through March 2024. The survey included modules designed to measure job characteristics, demographics, labor standards violations, and labor violation reporting behaviors and consequences.

The Shift Project recruits survey respondents using online Facebook and Instagram advertisements, targeted to workers employed at large retail and food-service employers. We targeted the survey to workers employed at one of 98 large firms in the service sector in California. We created “audiences” of workers identified as working at these firms by Meta’s advertising platform and delivered paid advertisements to these workers inviting them to take the Shift Project survey.

Those who respond to the Shift survey invitation are automatically routed to a survey landing page where they are asked to consent to participate in the study, then begin the online self-administered survey using the Qualtrics platform. As an incentive, those who completed the survey and provided contact information were entered into a lottery for a \$500 gift card or provided with small gift cards valued \$5, \$10, or \$15. We offered these incentives in increasing order, beginning with lottery drawings in the first two weeks of data collection and finishing with \$15 gift cards during the last two weeks of data collection.

About 17% of hourly service-sector workers in California are native Spanish-speakers, and about 20% of those only speak Spanish or speak English poorly (Authors’ calculation from the 2022 ACS). To effectively recruit Spanish-speaking workers to our survey, we advertised our survey in both Spanish and English. We also offered the survey itself in Spanish and English. Qualtrics automatically assigned the display language based on the respondent’s browser settings, and users were able to switch between Spanish and English at any point during the survey using a drop-down menu. A native-Spanish-speaking core member of our team translated our survey, and additional native Spanish speakers then validated the survey to ensure intelligibility across dialects. Overall, 5% of the sample featured in this report took the survey in Spanish.

Measures

This section details how we constructed key measures used in the report.

To determine **minimum wage violations**, we asked respondents which state, county, and city their workplace was located in, as well as their hourly wage. For those who reported earning tips at their job, we estimated hourly tips as usual tips earned per week divided by usual hours worked per week. We recorded a minimum wage violation if a worker earned less, including tips, than the hourly minimum wage (as of January 1, 2024) of the city, county, or state (restricted to California) in which they worked.

To capture other **FLSA violations** we asked respondents “Next, we are interested in learning more about your experiences at your job at [EMPLOYERNAME] with pay and other labor practices. Please tell us if you have experienced any of the following <reference period> at your job at [EMPLOYERNAME]. **Mark all that apply.**” The <reference period> was piped-in as “in the past 12 months” for workers with 1 year of job tenure or greater

and as “since you started working” for workers with less than 1 year of job tenure. Workers were separately asked two items about overtime pay. The survey items did not label these workplace experiences as labor standards violations and, in fact, made no specific reference to labor standards. Workers were asked about three groups of workplace experiences that aligned with pay time, pay deduction, or pay method violations (shown in Figure 1). Respondents were able to select as many options as applied to them.

We coded respondents as experiencing a “Serious violation” if they experienced a minimum wage violation, had to work off the clock without pay, were not paid for all hours worked on the clock, did not receive full and correct tips owed, did not receive overtime pay owed, were not paid for time worked after automatic clock out, experienced their manager changing time records to shave paycheck, were not paid owed commission or bonuses, or did not receive pay for paid time off. We coded respondents as experiencing a “Less serious violation” if they were required to pay for a required uniform without reimbursement, were not paid for required training time, had uneaten meals deducted from their paycheck, were not reimbursed for gas or insurance while making deliveries, had to pay or had pay deducted for register shortage walk-outs, or theft, were paid late, were paid by voucher or required to go to specified check cashing company, were told to wait to cash their check, or were paid in cash without a record.

We designed a series of question to assess potential paid sick leave violations. As with FLSA violations, we did not ask directly about violations, but rather designed questions to ask about workers’ experiences that we could then compare against the standard to identify likely violations. We first defined paid sick leave as follows:

Some workers have paid sick time that they can use to take short periods of paid time off from their jobs in order to:

- *Recover from illness*
- *Care for themselves or a family member who is sick or has another existing health condition*
- *Get preventative health care for themselves or a family member*
- *Or for reasons related to being a victim of domestic violence, sexual assault, or stalking*

This paid sick time may be part of a paid time off (PTO) policy that also includes vacation time, or it may be provided separately as its own policy.

We then asked workers, “Do you earn or receive this kind of paid sick time at your job at [EMPLOYER NAME]?” Next, we assessed if workers who had PSL had experienced a need for (and if so had used any of) that paid sick leave in the past year (see figure 3 in the main text). We asked workers who had used paid sick leave if they were paid their usual rate for paid sick time as well as the minimum increment of paid sick time they are allowed to take. We counted a **paid sick leave violation** if a respondent selected that they did not have paid sick leave at their job, that they were paid less than their usual wage for their paid sick time, or that they were required to take paid sick leave in increments greater than two hours. We also tested this measure for sensitivity to accrual violations (that is, receiving fewer than 40 hours per year or accruing less 1 hour of PSL per 30 hours worked). Results did not change substantively when accrual was included in our paid sick leave measure. As shown in Figure 3, our PSL module also asked workers about their experiences of trying to use PSL.

To capture **paid rest break violations**, we asked respondents if they had worked a shift in the past twelve months that was less than 3.5 hours long, 3.5 to 5 hours long, 5 to 6 hours long, 6 to 10 hours long, or more than 10 hours long. Respondents were able to select as many shift-length options as applied to them. For each shift length that a respondent worked, we asked them how much paid rest break time they were allowed on a shift of

that length and if they skipped or cut short that break time “always”, “often”, “sometimes”, “rarely”, or “never”. We coded a rest break violation as occurring if a respondent answered that they could not take at least the legal minimum break time for a given shift length, or, for workers who reported being allowed to take at least the minimum required minutes, if they skipped or cut short that break “sometimes” or more. We also tested this measure for sensitivity to different thresholds for frequency of break-skipping. About 60 - 80% of workers (depending on shift length) experienced a rest break violation if up to “rarely” skipping a break was counted as a violation. About 10 - 30% of workers experienced a rest break violation if break-skipping was not considered in counting violations.

Besides paid rest breaks, we also asked workers who worked shifts over 5 hours in length about unpaid meal breaks. We counted a **meal break violation** if a respondent reported that they did not get a meal break, or, in the past year, that they had ever been required to skip their meal break, remain at the workplace during their meal break, or continue some job responsibilities during their meal break, and were not paid sufficiently for the time they remained onsite or continued work during their break.

Data Quality

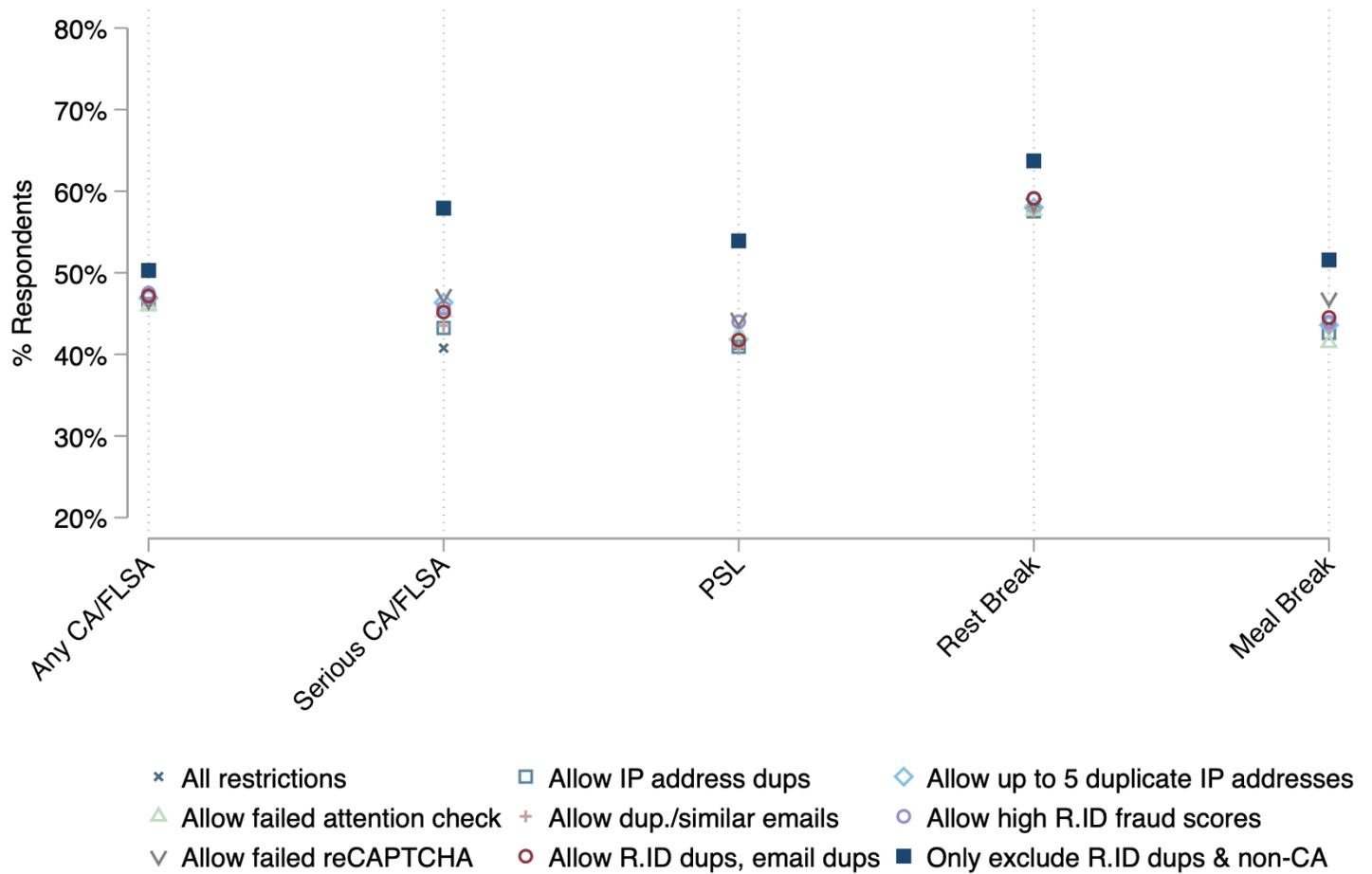
To a greater extent than probability sample surveys conducted online or in other modes, online surveys using non-probability sampling methods face threats to data quality ([Douglas, Ewell, and Brauer 2023](#); [Peer et al. 2021](#)). We took several steps to both guard against the collection of low-quality or ineligible responses and to identify and exclude low-quality responses and ineligible responses after data collection closed.

We programmed our survey in Qualtrics to only allow California-based respondents to answer. We also embedded numerous anti-fraud variables in our Qualtrics survey and filtered responses based on those measures. Ultimately, these precautions allowed us to exclude responses that were from outside of California, from duplicate IP addresses or duplicate, near duplicate, or nonsensical email addresses, which failed the attention check (a question that instructed respondents to select a particular response category to verify the accuracy of their responses), failed the reCAPTCHA (a check for bots), or received high scores from other anti-fraud variables internal to Qualtrics, such as Imperium’s [RelevantID](#) duplicate and fraud scores.

Among the remaining valid cases, we then limited our sample to include only hourly workers who were currently employed at a large service-sector firm or had worked at one within the last year and were now unemployed. After filtering based on these variables, we were left with 980 employed respondents and 74 unemployed respondents. Exact respondent counts for some specific measures used in the report are slightly lower than these due to survey attrition.

We conducted sensitivity analysis to different data quality filters and found that key results remained consistent across variations in the specific exclusion rules adopted. Appendix Figure 1 below demonstrates this robustness, showing the share of respondents exposed to each type of labor standards violations, using our preferred measure (denoted with an x) as compared with 8 alternative rules. We see that in almost all cases, the point estimates clustered closely together. Removing all filters and restricting only based on geographic location and a single internal Qualtrics anti-fraud variable, shown with the solid blue square marker, over-inflates measures with likely-fraudulent responses. Removing all filters (not shown in the figure) inflates key measures even more.

Methods Figure 1. Sensitivity of Results to Data Quality Filters



Weighting

The survey recruitment approach yields a non-probability sample of workers, which may differ from the broader population of service-sector workers. To mitigate potential bias, we construct survey weights that adjust our sample to reflect the universe of service-sector workers in California.

We construct several alternative weights. First, we construct survey weights to adjust the demographic characteristics of the Shift survey sample to match the demographic characteristics of service-sector workers in the American Community Survey (ACS) for the years 2012-2021. We align the ACS sample with the Shift sample by selecting workers in the ACS who are employed in the same occupations and industries as the Shift sample. These weights are constructed using age, gender, race/ethnicity, and educational attainment.

Second, to ensure that our sample accurately reflects the distribution of employment types among large retail and food-service employers, we use data from the Reference USA database of U.S. establishments. The RefUSA database contains a detailed listing of all retail and food establishments nationally. RefUSA contains the size of the workforce for each establishment, which we aggregate up to the industry level. Then, using the aggregated RefUSA employer data, we create weights to align our Shift survey sample to the distribution of workers among the 98 large employers in our data in California.

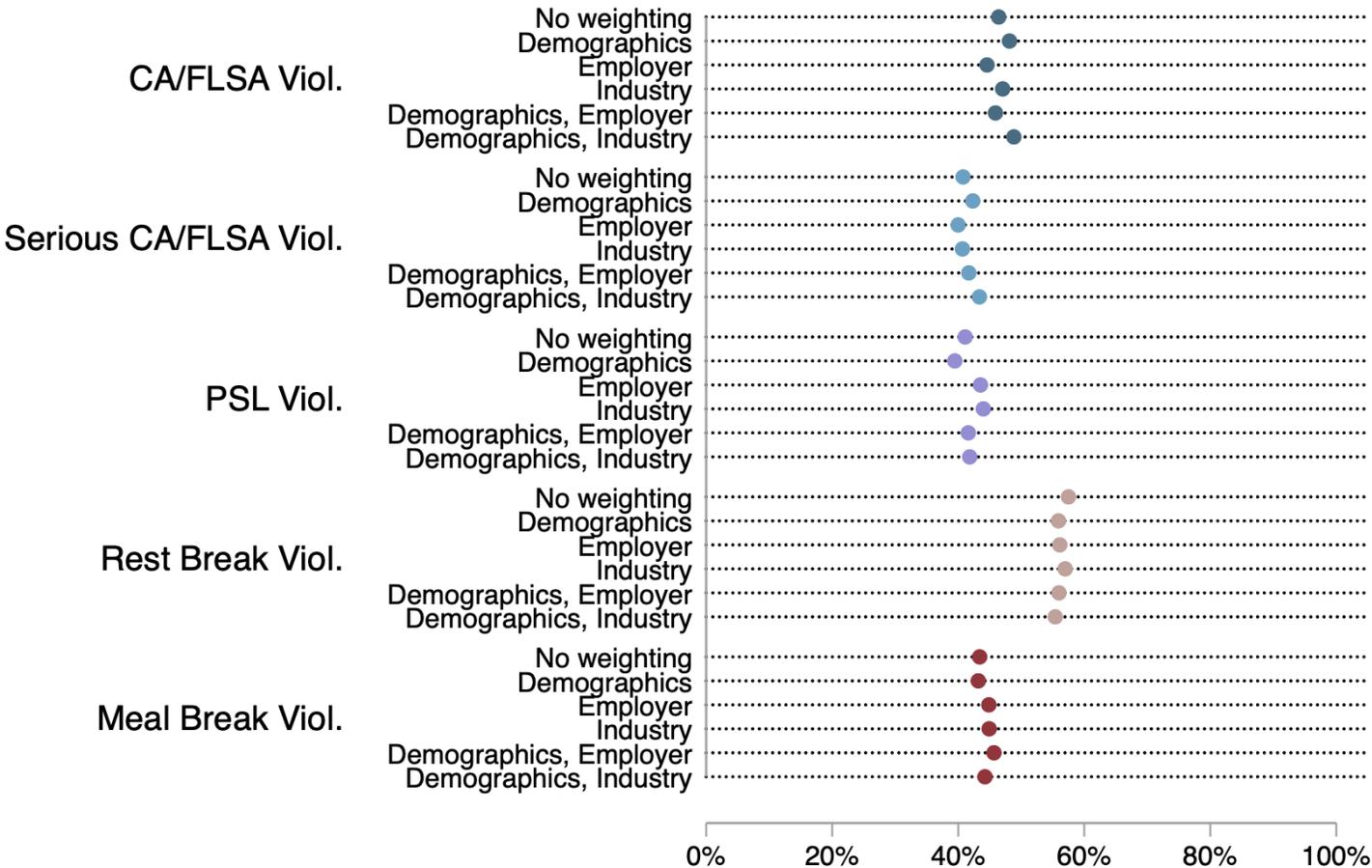
Third, we construct weights that align the distribution of workers by sub-sector in our survey with the distribution of workers by sub-sector in the ACS file.

Fourth, we construct a weight that both aligns the sample in terms of the overall demographics of service sector workers in the ACS and the employment sizes of firms from RefUSA.

Finally, we construct a weight that both aligns the sample in terms of the overall demographics of service sector workers in the ACS and the employment sizes of sub-sectors from the ACS.

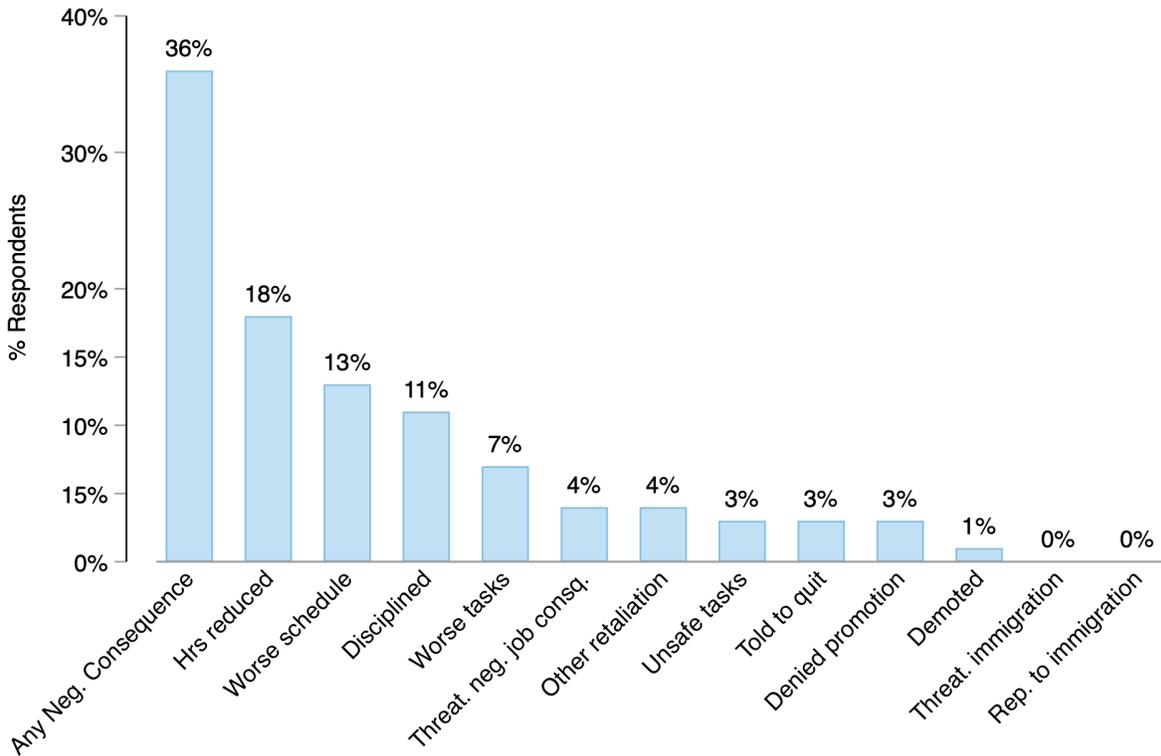
The results we present in this report are unweighted, but in supplementary analyses we applied these ACS demographic and RefUSA employer weights and results did not vary substantially. Appendix Figure 2 below demonstrates the robustness of our results to each of these weightings. Key results do not substantively change after weights are accounted for. For a detailed discussion of The Shift Project data collection, methodology, and data validation, see [Schneider and Harknett \(2022\)](#)

Methods Figure 2. Sensitivity of Results to Survey Weights

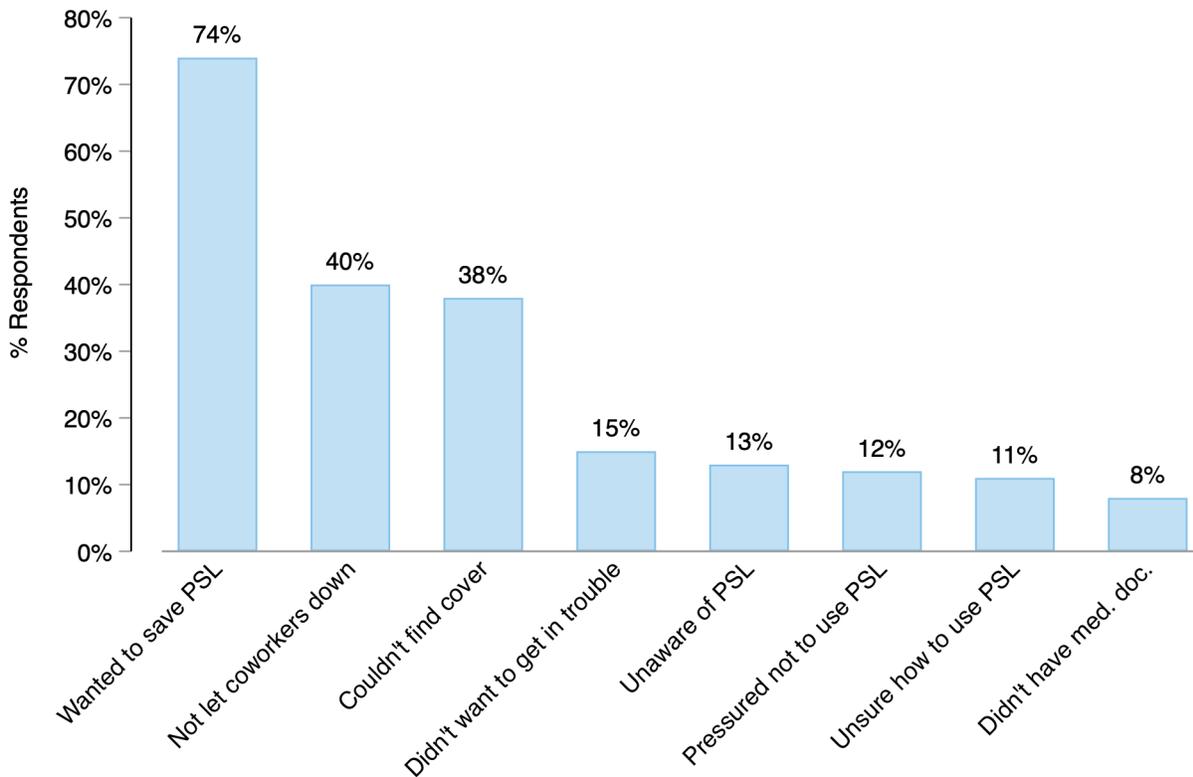


Appendix

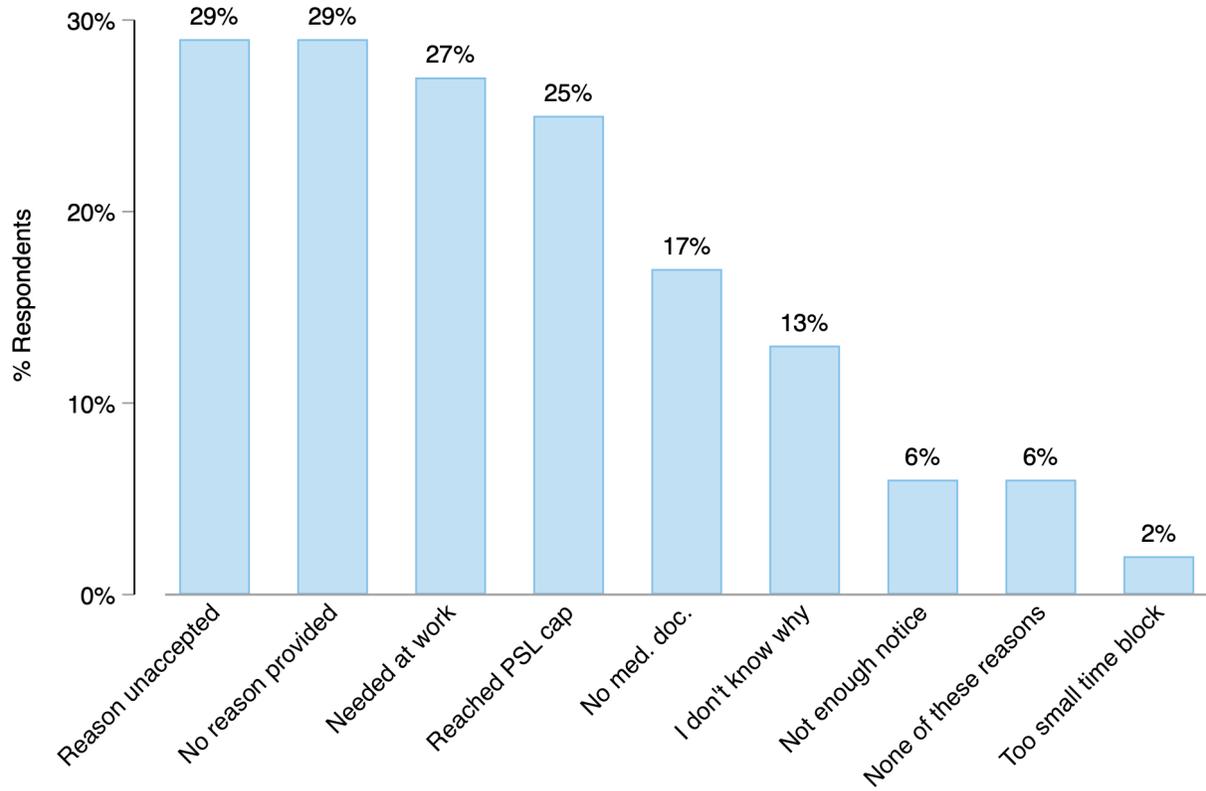
Appendix Figure 1. Rates of Retaliation for Using Paid Sick Leave



Appendix Figure 2. Why Did Workers Choose Not to Use Paid Sick Leave?



Appendix Figure 3. Why Were Attempts to Use Paid Sick Leave Blocked?



Communication from Public

Name: California Fast Food Workers Union

Date Submitted: 03/04/2025 07:02 AM

Council File No: 19-0229-S2

Comments for Public Posting: 2021 report focused on fast food industry conditions prepared for the Los Angeles County Department of Public Health jointly by UC Berkeley Labor Center, UCLA Labor Center, UCLA Labor Occupational Health and Safety Program and UC Berkeley Labor Occupational Health Program. Available at <https://laborcenter.berkeley.edu/wp-content/uploads/2021/05/The-Fast-Food-Industry-and-COVID-19-in-Los-Angeles-v2.pdf>. (Link provided in lieu of attachment due to file size limit).

Communication from Public

Name: California Fast Food Workers Union
Date Submitted: 03/04/2025 07:04 AM
Council File No: 19-0229-S2
Comments for Public Posting: 2022 reports focused on fast food industry conditions prepared for the Los Angeles County Department of Public Health jointly by UC Berkeley Labor Center, UCLA Labor Center, UCLA Labor Occupational Health and Safety Program and UC Berkeley Labor Occupational Health Program (“UC 2022”). Please post to the council file related to fast food workers.

January, 2022

A Report By
UCLA Labor Center

Fast Food Frontline:

COVID-19 and Working Conditions
in Los Angeles





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About the Organizations

UC Berkeley Labor Center

The UC Berkeley Labor Center is a public service project of the UC Berkeley Institute for Research on Labor and Employment that links academic resources with working people. Since 1964, the Labor Center has produced research, trainings, and curricula that deepen understanding of employment conditions and develop diverse new generations of leaders.

UCLA Labor Center

For more than fifty years, the UCLA Labor Center has created innovative programs that offer a range of educational, research, and public service activities within the university and in the broader community, especially among low-wage and immigrant workers. The Labor Center is a vital resource for research, education, and policy development to help create jobs that are good for workers and their communities, to improve the quality of existing jobs in the low-wage economy, and to strengthen the process of immigrant integration, especially among students and youth.

UCLA Labor Occupational Health and Safety Program (LOSH)

LOSH promotes safe and healthy workplaces through worker training and education, research, technical assistance, and policy analysis. LOSH initiatives focus on workers in high-hazard industries and low-wage jobs and those who are vulnerable by virtue of immigration status, language, or employment status. LOSH strives to reduce occupational health disparities and environmental injustice through direct worker engagement, leadership development, and capacity building. LOSH is part of the UCLA Center for Occupational and Environmental Health and the UCLA Institute for Research on Labor and Employment.

UC Berkeley Labor Occupational Health Program (LOHP)

LOHP's mission is to promote safe, healthy, and just workplaces and to build the capacity of workers and worker organizations to take action for improved working conditions. We look broadly at the impact of work on health, and we advance the principle that healthy jobs—that pay a living wage, provide job security and benefits, protect against hazards and harassment, have reasonable workloads, and engage workers in the decisions that affect them—are a basic human right. As a university-based public health program, we accomplish our mission by providing training to effectively engage workers and worker organizations in advocating for better working conditions; conducting research to evaluate the effectiveness of interventions, document the impact of health and safety hazards, and identify policy solutions; and supporting the development of protective policies that integrate public health research and expertise. LOHP is part of the Center for Occupational and Environmental Health at UC Berkeley.



Executive Summary

The fast-food sector is an integral part of the food sector in Los Angeles, employing 150,000 Angelenos in 2019 and comprising over a third of Los Angeles's restaurant workers. In 2020, fast food work, as indoor work done in close proximity, placed workers at particular risk for COVID-19. Previous studies showed that even before COVID-19, fast-food workers in Los Angeles County faced disproportionately high rates of injury, workplace violence, harassment, retaliation, and wage theft. Further, research shows that COVID-19 safety protocols like paid sick leave, and compliance with those protocols, reduces the incidence of working while sick among frontline food service workers but such measures have been insufficient in the sector.

This study was commissioned by the Los Angeles County Department of Public Health (LACDPH) to understand the experience of fast-food workers during COVID-19 and more generally. The second of a two-part study, this report is based on 417 surveys and fifteen in-depth interviews with nonmanagerial fast-food workers in Los Angeles County conducted between June and October 2021. The following are key findings from the data collected:

1. Experience of Fast-Food Workers During COVID-19

COVID-19 profoundly impacted the lives and workplaces of fast-food workers in Los Angeles County, and fast-food workers had their own specific set of experiences and challenges related to COVID-19 guidelines, transmission, employer response, and protection.

Protective Equipment and Safety Protocols

- ⌵ Most employers provided masks and gloves. Yet, half of workers reported that the number of employer-provided masks or gloves was insufficient or provided too infrequently. Nearly 40% purchased their own masks or gloves, and more than one in ten needed the supplies but could not afford to buy their own.
- ⌵ At the time of the survey, employers were not required to confirm customer vaccination status, and only 8% of workers reported that their restaurant checked for proof of customer vaccination. Half (51%) said their workplace relied on customer masks to protect them from unvaccinated customers, and 21% reported that their workplace did nothing to determine if customers were vaccinated.
- ⌵ After the mask mandate, 84% of workers said customers were required to wear one, yet many workers interviewed shared stories of unmasked customers.
- ⌵ Over half (53%) experienced negative interactions with restaurant patrons or co-workers over COVID-19 safety protocols, including being yelled at (34%), threatened (13%), and physically assaulted (4%).

COVID-19 Transmission and Employer Response

- ⌵ Nearly a quarter (23%) of workers reported testing positive for COVID-19, and half (49%) knew about positive cases among their coworkers.
- ⌵ Half of workers (47%) worked in more than one part of the restaurant such as cashier, drive through, and food stations, increasing contact with customers and different coworkers.
- ⌵ Notification of potential transmission was haphazard. Employers rarely (42%) or sometimes (25%) notified workers of COVID-19 exposure in the workplace. A third (32%) said employers took no action of any kind to support exposed workers.
- ⌵ Fewer than half (47%) were allowed paid sick leave if they or a co-worker contracted the virus.
- ⌵ Despite two weeks (80 hours) of COVID-19 Supplemental Paid Sick Leave, the majority (66%) of workers did not expect to be paid if they tested positive for the virus, and half (53%) of workers did not think they would get sick time.
- ⌵ A third (38%) of workers and a fifth (21%) of co-workers brought up concerns about COVID-19 to their employer. Yet, 55% reported that the employer did not or only partly address the problem. Further, nearly one in five (17%) workers said they experienced some type of retaliation when asking for protection or taking leave, and 16% were not sure if they had.

Economic and Health Impact of COVID-19

- ⌵ The majority of workers (91%) were somewhat or very concerned about another resurgence of COVID-19.
- ⌵ Workers experienced economic hardships during COVID-19. Nearly half (44%) did not have enough money to pay for groceries, and 43% missed rent or mortgage payment. A few (9%) had become housing insecure during the pandemic.
- ⌵ The majority of workers were concerned about COVID-19 and its effects on their economic and physical well-being including being able to financially sustain themselves if they got sick (55%) and they or a loved one having a medical condition that would put them at a greater risk (37%).
- ⌵ Most (66%) fast-food workers experienced an increase in their stress levels due to the pandemic. Many (42%) feared having to come back into the workplace. Workers experienced irregular sleep patterns (41%), depression (34%), and appetite change (23%).

2. Fast-Food Workers and Working Conditions

Fast-food workers face additional workplace challenges beyond and before COVID-19 related to an array of labor issues such as insufficient hours, wage theft, health and safety problems, harassment and retaliation.

Wage, Hours, and Benefits

- ⌵ Most (59%) frontline workers worked thirty hours or less, with many (43%) reporting that the hours they received were insufficient. Almost half (47%) had another job in addition to their work in fast food.
- ⌵ Nearly two-thirds (63%) experienced wage theft, which included buying a uniform or equipment without reimbursement (45%), interrupted meal breaks (23%), denied meal or rest breaks (13%), and late paychecks (12%). In addition, of the fifth of workers that had overtime hours, 55% were not paid time-and-a-half for that work.

Health and Safety and Workplace Harassment

- ⌵ Nearly a third (31%) of workers were not provided with paid sick time.
- ⌵ Over half (58%) of workers reported health and safety hazards such as insufficient staff to handle workloads (35%), unsafe floors (33%), broken equipment (27%), and pressure to work quickly (26%).
- ⌵ Forty-three percent experienced workplace injury or illness, such as burns (29%), cuts (25%), injury from lifting (10%), and assault (7%). Further, 40% faced difficulty paying bills as a consequence of their workplace injury.

- ∟ Half (49%) had experienced verbal abuse, and 13% had experienced sexual harassment in the workplace.
- ∟ Many (37%) workers experienced violence, such as threats (25%), racial slurs (24%), assaults (10%), and robberies (4%).

Raising Concerns about Workplace Issues

- ∟ More than one-quarter (27%) of workers raised concerns with their employer about their working conditions such as scheduling issues (46%), workload (42%), dangerous work conditions (36%), low wages (35%), and sick leave (32%).
- ∟ Of those who raised concerns, a third (36%) reported that their employer did nothing to resolve the issue, while 25% experienced retaliation such as having their hours or pay cut (19%) or assigned worse assignments (10%).
- ∟ Over a third (38%) of workers chose not to raise their concerns because they did not think it would make a difference (53%), or worried about retaliation such as losing their job (43%) or losing hours or wages (35%).
- ∟ More than a third of workers (32%) came together to address issues in the workplace, and 30% participated in a strike. Concerns raised during the strike or workplace demonstration largely went ignored by most (67%) employers though 18% faced retaliation for their participation.



Recommendations

This report shows that fast-food workers faced dangerous and difficult working conditions, high transmission rates of COVID-19, and significant economic and health impacts. These findings show the need for policy intervention in the fast-food industry. Based on the results of the survey and interview, we make the following recommendations:



- 1. Enforce COVID-19 safety protocols and provide workers with adequate protection from retaliation and abuse for enforcing those protocols.** Fast-food workers need safe workplaces that conform to COVID-19 safety protocols, and workers must be free to address concerns. Workers should not have to choose between their paychecks and health. The LA County Department of Public Health should develop a targeted enforcement approach for this high-risk sector to ensure that safety protocols are appropriately followed.



- 2. Strengthen the fast-food worker voice in the industry.** As workers are principal stakeholders, their expertise should guide oversight and standards in the fast-food industry. Workers we spoke with had many concrete ideas for improving their conditions and morale, including better staffing ratios, pay, training, support for immigrant workers, and site-specific protocols to increase efficiency and customer satisfaction. Our findings show that workers seek greater decision-making power and authority over their work conditions without fear of repercussions.



- 3. Improve labor and health and safety practices in the workplace.** State and local government agencies should improve existing protections from wage theft, injury, retaliation, discrimination, harassment and unsafe working conditions. Workers need to feel safe and empowered to enforce their workplace rights. Continue to support the Public Health Councils program (in partnership with UCLA LOSH) which is designed to help with compliance and enforcement at worksites and policies such as LA County's anti-retaliation ordinance that protect workers from retaliation for reporting public health violations.



- 4. Support ongoing research in the fast-food industry.** Researchers should continue to document the work conditions in the fast-food industry on the local and state level.



Introduction

Fast food—defined as restaurants in which patrons order or select items and pay before eating¹—is an integral part of the food sector in Los Angeles. In 2019, fast food employed 4.5 million people nationwide,² including nearly 550,000 Californians and 150,000 Angelenos.³ Our previous research found that the restaurant sector made up a tenth of the overall county workforce, and over a third of Los Angeles’s restaurant workers were employed in fast food.⁴

A growing body of research reveals workplaces, and food service in particular, to be a common vector of COVID-19 transmission.⁵ Research published early in 2021 found that cooks had the highest increase in mortality—up by 39% from 2019—of any occupation during the pandemic.⁶ Occupations with frequent interactions with the public and close proximity among workers increase the likelihood of transmission.⁷ This is the case for food preparation workers and servers, dominated by Latinx and Black workers, who are particularly vulnerable to workplace exposure.⁸ Further, an analysis of fast-food worker complaints found that those worksites had multiple elements of noncompliance such as lack of adequate PPE, physical distancing, screening, and exposure notification.⁹

Recent research shows that COVID-19 safety protocols like paid sick leave, and compliance with those protocols, reduce the incidence of working while sick among frontline food service workers.¹⁰ Employers in California needed to take affirmative steps to identify, evaluate, and correct COVID-19 workplace hazards, as set forth in 2020 by Cal/OSHA in its Emergency Temporary Standards.¹¹ Steps included screening employees for and responding to COVID-19 symptoms and cases, detailed notification requirements, industry- and site-specific practices for evaluating and controlling where COVID-19 transmission could occur, and paid time off for COVID-19 quarantine and treatment. In fast food, measures like masks for workers and customers and increased sanitation were required by state and county health authorities for much of the time period of this study.

Our previous report found fast-food workers to be among the most vulnerable to the effects of COVID-19. Nine in ten fast-food workers in Los Angeles were workers of color, and nearly three-quarters were Latinx. Fast-food workers were poor, earning minimum or near-minimum wages that nevertheless accounted for 40% of their household income. These households were more than twice as likely as other workers to fall below the federal poverty line, and more than one-and-one-half times more likely to be uninsured. Low wages caused two-thirds to enroll in a safety net program—at a public cost of \$1.2 billion. Nearly seven in ten fast-food workers were women vulnerable to sexual harassment in the industry. Further, we reviewed studies that showed that even before COVID-19, fast-food workers in Los Angeles County faced disproportionately high rates of injury, workplace violence, harassment, retaliation, and wage theft.¹²

Franchising predominates in the fast-food industry. This model creates a layer of separation between workers and the parent companies, or franchisors, responsible for their working conditions.¹³ Research suggests that this model may account for the disproportionately high rates of labor standards violations in the industry, as franchisors control how chains operate—such as prices, customer rules, and suppliers—but are not liable for what happens at individual sites. One study of the top twenty fast-food franchises shows that franchisee-owned restaurants had higher levels of noncompliance with minimum wage and overtime rates than their counterparts owned and managed by the franchisor, and attributed this behavior to the incentives built into a franchise model that promote noncompliance.¹⁴

About This Study

This study was commissioned by the Los Angeles County Department of Public Health (LACDPH) to understand the experience of fast-food workers during COVID-19 and more generally. This study is the second part of the fast-food research project in collaboration with the UC Berkeley Labor Center, UCLA Labor Occupational Health and Safety Program (LOSH), and the UC Berkeley Labor Occupational Health Program (LOHP). The research team collected 417 surveys and conducted fifteen in-depth interviews with nonmanagerial fast-food workers in Los Angeles County between June and October 2021. The survey and interviews focused on working conditions related to COVID-19 and labor issues. The data were analyzed by the UCLA Labor Center research team and compiled into this report.

This report presents findings in two sections: one specific to the experiences of fast-food workers related to COVID-19, and the other about workplace conditions more broadly. Part one focuses on COVID-19 and fast-food worker experiences with protective equipment and safety protocols, vaccination status, COVID-19 transmission, addressing concerns, and the economic and health toll of the pandemic. Part two focuses on hours and scheduling, wage theft, time off, health and safety, addressing concerns, and organizing efforts. The report concludes with a set of recommendations in response to the key findings.



Part 1: Experience of Fast-Food Workers During COVID-19

COVID-19 presented singular risks for fast-food workers. This section explores how workers fared during the pandemic in terms of access to protective equipment, protocols for worker exposures, vaccinations, COVID-19 concerns, and economic impacts.

a. COVID-19 Protective Equipment and Safety Protocols

A 2020 report from the UC Berkeley Labor Center showed that half of those working in food preparation and serving occupations work in “very close proximity” and the other half in “moderately close proximity” to other workers.¹⁵ We found that one-third of Los Angeles’s fast-food establishments had more than twenty employees at an individual worksite, suggesting shared equipment, work spaces, bathrooms, and break areas.¹⁶ One worker told us, “There’s definitely no social distancing, because the restaurant itself is really small . . . I don’t know how it could be improved, honestly, because the space that we have is really small.”

Such close quarters render protective equipment integral to reducing the risk of COVID-19 transmission. Employers provided most workers with masks (82%) and gloves (85%). The most commonly distributed mask was surgical (44%) followed by cloth (29%). Many also received sanitation wipes and disinfectant sprays while plastic face shields were less common.

Table 1: PPE Provided by Employers

Mask	82% ›
Gloves	85%
Hand sanitizer or sanitation wipes	76%
Disinfectant spray for surfaces	61%
Plastic face shield	23%
None of the above	2%

Of those that received mask, type:

Surgical: 44%
 Cloth: 29%
 N95: 11%
 Other: 16%



Yet, for half of the workers, the number of employer-provided masks or gloves was insufficient or provided too infrequently. Nearly 40% purchased their own masks or gloves, and more than one in ten needed the supplies but could not afford to buy their own.

Table 2: Purchased Own Mask or Gloves for Work

Purchased own	39%
Could not afford to purchase	11%
Employer provided enough	50%

Workers reported that their workplaces generally required all of their co-workers to wear masks (96%). Before July 17, 2021, Los Angeles County did not require customers to wear masks when indoors. During that time, just over half of workplaces required customers to wear masks. Yet even with mask mandates, compliance was not universal; just 84% of employers required customers to wear masks.

Table 3: Mask Requirements Based on Vaccination Status

Requirements	Workers	Customers (before July mask mandate)	Customers (after July mask mandate)
Masks required regardless of vaccination	96%	57%	84%
Unvaccinated people only	3%	7%	5%
No one	1%	36%	11%

Many workers interviewed shared stories of unmasked customers. One respondent, a Latinx cashier who also worked the drive-thru window, told us, “Many clients don’t wear masks. They say they will buy the things to go, but they stay there at the tables. People also arrive at the drive-thru without masks and, since they are in their cars, they think it’s offensive if we tell them to wear masks when they speak to us.”

Overall, workers were given time to wash their hands during their shift. The majority of workers (82%) reported that they were granted as much time as necessary.

Table 4: Time Allotted to Wash Hands

Not given time	1%
Once during my shift	4%
Two or three times	11%
As many times as necessary	82%
Not allowed but employer provides hand sanitizer	1%

As frontline workers, fast-food workers often carried out COVID-19 safety protocols beyond their job descriptions. One worker described her added responsibilities, highlighting the time-consuming work of sanitization: “We can’t do everything at once. Since COVID started, we all have to work a little bit more, due to how we have to sanitize literally everything. Door handles, everything. It’s harder.”

Adding to the strain on increased job responsibilities, over half (53%) of workers surveyed had negative interactions when they asked restaurant patrons or co-workers to follow COVID-19 safety protocols. About 40% noted that they were ignored when they asked the person to adhere to safety protocols. A third reported that the person yelled at them for requesting they wear a mask, and a tenth of workers were threatened. Further, 20% of customers or co-workers disregarded the worker’s request and chose to speak to a manager instead.

Table 5: Response of Customer or Co-worker when Asked to Follow COVID-19 Guidelines

Refused to follow guidelines despite being asked	40% ›
Yelled at worker when asked to wear mask	34% ›
Talked to worker’s supervisor/manager	20% ›
Threatened worker	13% ›
Physically assaulted worker	4% ›
Other	4%
None	46%



Many of the workers we interviewed recounted how commonplace it had become to deal with irate or uncooperative customers over issues of masking and social distancing. One worker described such an incident:

Oh yeah, it happens. It happened just yesterday when I was at work. A guy came in . . . and we have to tell him politely, “Sorry, but you have to wear a mask or we can’t take your order if you’re in the lobby.” And he said, “Well, give me a mask.” And I went, “I’m sorry, sir. But you know what? That’s not my responsibility.” There’s signs all over. And he threatened me and then told me to come from behind the counter. I told him, “Jesus loves you, have a great day, but I’m calling the police.”

Another discussed feeling abandoned by their employer in these tense situations, saying that at her restaurant, “It’s like *‘the customers are always right.’*” This principle—oft-cited in the context of service work—made for an impossible situation for workers, as they were simultaneously expected to police safety protocols that customers refused to follow.

b. Vaccination Status and Checks

Overall, the majority of fast food workers received their vaccination, similar to Los Angeles County rates. Only a quarter had not been vaccinated.

Table 6: COVID-19 Vaccination Status

Vaccinated	70%
Scheduled to receive vaccine	3%
Unvaccinated	27%

Of those still unvaccinated, half cited personal beliefs as a reason for not receiving the vaccine, and one-fifth a medical reason. A tenth of workers were unable to get the time off from work to get vaccinated despite a legal requirement to provide paid sick leave to do so.

Table 7: Reasons for Not Receiving Vaccine

Personal belief	46%
Medical reason	18%
Unable to take time off	12%
Concerned about cost	3%
No transportation	1%
Other	18%

At the time of the survey, employers were not required to confirm customer vaccination status, and very few worksites chose to do this. Only 8% of workers reported that their restaurant checked for vaccination. Half said their restaurant relied on masks, and a fifth did nothing to determine if customers were vaccinated.

Table 8: Actions Taken to Determine Customer Vaccination Status

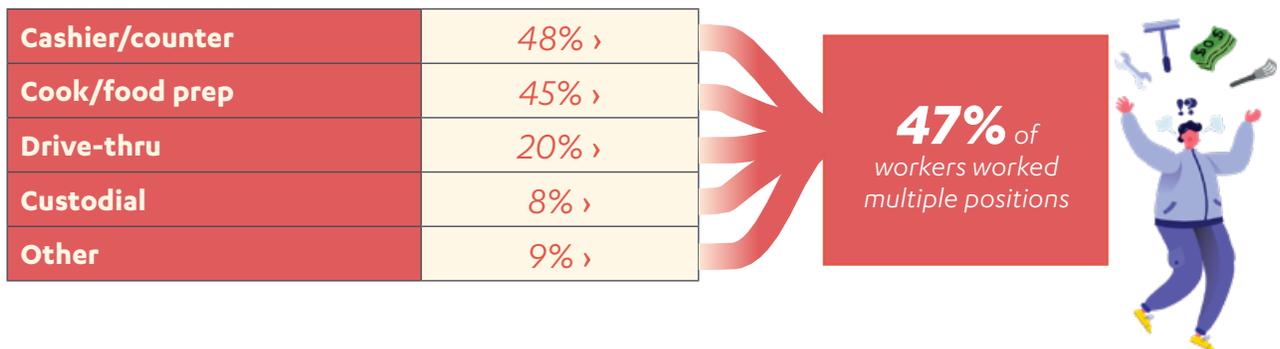
Everyone wears masks	51%
Self-attestation	14%
Proof of vaccination	8%
Other	6%
None of the above	21%

Discrepancies in enforcement between restaurant owners, managers, and assistant managers left workers in a bind. One interviewee who often worked the cashier station face-to-face with customers said that the owner made it clear that she “didn’t care” about the customer mask mandate. This manager was the only staff member who had refused vaccination. The assistant manager was more sympathetic and helped this worker feel safer while working. Contradictory and inconsistently enforced policies, the worker noted, made for an especially difficult and dangerous environment to navigate.

c. COVID-19 Transmission and Employer Response

Food service workers face a high risk of COVID-19 transmission due to close proximity to co-workers, frequent interaction with customers, and poor indoor air circulation. Further, one in two workers in our survey rotated throughout the restaurant in multiple positions, from the front counter (48%), the drive through (20%), at the food and cooking station (45%), and in custodial positions (8%).

Table 9: Worker Positions



One worker explained that social distancing protocols required a new trade-off between safety and workload, recounting that his employer would leave the restaurant understaffed to “avoid overcrowding.” He said that these new policies meant “more responsibilities because sometimes the workload that was given to around three people is now assigned to just one person.”

Over three-quarters of workers were concerned about COVID-19 and its effects on their economic, physical, and mental health. More than half (55%) stated that contracting COVID-19 would prevent them from supporting themselves or their family. Over a third had a medical condition that would put them at a greater risk. Some workers expressed worry about the possibility of not getting their jobs back if they had to quarantine.

Table 10: Worker COVID-19 Concerns

Unable to support self or family if contract COVID-19	55%
Worker or loved one had medical condition with greater risk	37%
Unable to get job back if quarantined	23%
No adequate ventilation	10%
Other	7%
No concerns about COVID-19	21%

Even with certain safety protocols and protective equipment in place, workers risked disproportionately high rates of COVID-19 exposure and contraction. Nearly a quarter of surveyed workers reported testing positive for COVID-19, and half knew about positive cases among their coworkers. For comparison, the overall case rate for residents of Los Angeles County was roughly 15%, indicating a proportionally greater rate among fast-food workers.¹⁷

Table 11: Worker or Co-Workers Tested Positive for COVID-19

Answer	Worker	Co-Worker
Yes	23%	49%
No	77%	18%
Don't know	n/a	33%

Under Cal-OSHA's Emergency Temporary Standards for COVID-19 Prevention, employers must notify workers within one business day if they may have had close contact with a COVID-19 case, respond to outbreaks of three or more COVID-19 cases among employees, and provide free COVID-19 testing on paid time.¹⁸ Prior to September 30, 2021, California's COVID-19 Supplemental Paid Sick Leave law required employers to provide paid sick leave to workers required or advised to quarantine, attend vaccine appointments, recover from vaccine side effects, and care for family members due to COVID-19.¹⁹ And workers' compensation insurance is available to workers who contract COVID-19 on the job to cover the cost of medical treatment and wage replacement.

Workers reported a mix of action by their employers in response to COVID-19 cases among employees at the worksite. A quarter were unsure about their employer's response. Less than half said the worker was provided with paid sick leave, and nearly a quarter said the worker was allowed to quarantine—but without paid sick leave as required by law.

Table 12: Employer Response to a Positive COVID-19 Test among Workers

Allowed worker to take paid sick leave	47%
Quarantine without pay	23%
Continue working without quarantine	5%
Other	6%
Not sure how employer responded	28%

Only a third of workers said that they were provided with information about workers' compensation if they tested positive for COVID-19 due to an exposure at work.

Table 13: Employer Provided Workers' Compensation Information for Workplace Exposure

Yes	30%
No	70%

A third of respondents said that their employer took no action of any kind to support workers who may have been exposed. Fewer than half reported that employers notified other workers; 38% said that other exposed workers were allowed to quarantine; and 17% said they were provided with free testing.

Table 14: Employer Response Regarding COVID-19 Exposure

Notified workers who might have been exposed within one working day	48%
Made sure exposed workers quarantined for 10 days	38%
Provided paid leave to exposed workers who could otherwise work	19%
Offered COVID-19 testing to exposed workers	17%
None of the above	32%

Overall, employers failed to consistently notify workers of COVID-19 exposure. In fact, nearly half said they were rarely told, and a quarter were sometimes informed.

Table 15: Frequency of Employer Notification Regarding COVID-19 Transmission or Risk

Rarely	42%
Sometimes	25%
Every time	33%

Workers described deliberate obfuscation of potential exposure, which they experienced as a frightening ignorance of a health threat. One worker we interviewed recounted the fallout after a co-worker abruptly stopped coming into work after experiencing a number of symptoms consistent with COVID-19:

If someone got sick they did not notify you or send you to take the test . . . they never ordered a cleaning of the store or disinfecting. People came out sick and infected and we didn't know . . . [W]hen the manager died . . . we all demanded that they tell us if he had died of COVID . . . [T]hey said no, that it had been from a heart attack. But he had had all the symptoms of COVID when he stopped working because he felt sick. When he left he said he had the flu, a sore throat, all the symptoms of COVID. And yet they never sanitized the store.

Another worker received confirmation that management had failed to disclose a COVID-positive co-worker. "That time it was very scary because . . . they didn't tell us . . . [T]he girl came back and told us herself that she had tested positive. I didn't like the fact that they didn't want to tell us and they refused to tell us. We would ask and they'd be like, 'Oh yeah, she's sick. She's going to come in.' Stuff like that." A few interviewees described how management became angry with workers when they revealed to their co-workers that they had tested positive.

Others described being "brushed off" when they asked about potential exposure, and the need to learn from one another, not management, about co-workers' COVID-19 status. "Management was looking out for itself," said one worker. Another asserted, "They didn't want to tell us because if we were to get tested, that time that the test results would've come in, it would've stopped us from going into work. So we would miss, and that's what I think they didn't want to happen, for us to miss a couple days of work."

d. Raising COVID-19 Concerns

Workers in our study expressed an alarming laxity in COVID-19 safety protocols in fast-food restaurants, such as failure to enforce masking mandates, provide paid leave, or alert workers to COVID-19 exposure. Workers who sought to enforce COVID-19 protocols on their own experienced customer abuse and retaliation from management.

Over a third of workers and a fifth of their co-workers had raised concerns related to COVID-19 with their employer.

Table 16: Raised Concern about COVID-19

Worker	38%
Co-workers	21%
Did not raise concern	51%

More than half of these workers had their concerns disregarded by management, with their issues partly addressed or not addressed at all.

Table 17: Employer Response to COVID-19 Concern

Fixed the problem	40%
Partly addressed the problem	42% ›
Did not address the problem	13% ›
Other	5%

55% reported that the employer did not or only partly addressed the problem



Workers we spoke with expressed frustration at employer inaction when they raised concerns. “I told my manager, ‘[I]f you guys don’t care [about enforcing the mask mandate], then I’m not going to be cashier. I refuse to have contact with people who are not wearing a mask.’ And then she told me, ‘Okay, if you’re going to be cashier, you’re allowed to enforce that stuff. You can do that.’” Employer apathy required frontline workers to enforce COVID-19 protocols, often facing physical threat and aggression.

For those who had a concern but did not raise it, over a quarter thought nothing would change and a tenth did not consider their issue serious. Half said that they did not have concerns.

Table 18: Reason Worker Did Not Raise Concern

Don’t have concerns	53%
Thought nothing would change	28%
Didn’t think it was a serious issue	12%
Concerned about employer retaliation	8%
Immigration status	3%
Other	9%

Workers feared retaliation for raising COVID-19 concerns, such as having their hours cut or being treated unfairly. Nearly a fifth of workers said they experienced some type of retaliation, and 16% were not sure if they had. Retaliation occurred after asking management for increased protections or temporary leave from work related to contracting the virus.

Table 19: Experienced Retaliation Due to COVID-19-Related Experiences

Having COVID-19	7% ›
Asking for protections against COVID-19	7% ›
Asking or taking leave related to COVID-19	8% ›
No one has gotten COVID-19 or asked for protections	4%
I don't know	16%
Did not experience retaliation	68%



Workers we interviewed described how retaliation can often be hard to detect, and is sometimes doled out in a veiled or ambiguous manner, like demanding that workers do tasks well outside their job description (one was ordered to “hop in the dumpster and stomp the trash down”), generally ignoring them over the course of a shift, or even purposefully making a worker feel uncomfortable about their immigration status. More than one worker, however, recounted explicit examples of demotion following the registration of a complaint with management.

Eleven percent of respondents contacted the LA Department of Public Health if they had COVID-19 concerns or experienced an outbreak at their workplace. Only a tenth said they did not have any concerns.

Table 20: Worker filed a complaint with LACDPH

Yes	11%
No	79%
Don't have any COVID-19 concerns	10%

Across a number of our interviews with workers, it became clear that workers rarely felt empowered to raise their voices, but rather were encouraged—either implicitly or explicitly—to take on more work, suppress these feelings of dissatisfaction, and generally stay quiet. “We just put the weight on ourselves,” one worker said, “and I wish it weren’t that way.”

e. The Economic and Health Toll of COVID-19

The majority of fast-food workers in Los Angeles County are women, people of color, working-class, and responsible for financially contributing to their households.²⁰ The impacts of COVID-19 on this workforce included loss of work, financial hardship, coping with illness, and the mental health toll of working through a pandemic.

Even with workplace protections and increased vaccinations, the possibility of new surges and variants continued to loom throughout the summer and fall. The majority of workers (91%) were somewhat or very concerned about another resurgence of COVID-19.

Table 21: Level of Concern about a COVID-19 Resurgence

Very concerned	61%
Somewhat concerned	30%
Not concerned	9%

Most fast-food workers experienced an increase in their stress levels due to the pandemic. Many feared having to come back into the workplace. Workers experienced irregular sleep patterns, depression, and appetite change.

Table 22: Impact of COVID-19 on Well-Being

Stress level increased	66%
Afraid of coming back to work	42%
Sleep patterns changed	41%
Sad or depressed	34%
Appetite changed	23%
Less productive at work	19%
Other	15%

After discovering that her employer had hidden a COVID-19 outbreak from her and her co-workers, one interviewee got her husband to anonymously report the matter to LACDPH, fearing retaliation if she filed the complaint herself. The agency inspected the workplace, and she experienced so much fear of losing her job that she began receiving mental health counseling at a public clinic. This same worker also had a stroke in relation to the additional stress of working during the pandemic, and was allotted fewer hours by her manager after she requested a schedule that was more accommodating during her recovery.

With longer shifts and an increasingly precarious financial situation during the pandemic, one worker we spoke with said that he had frequently resorted to providing his family with the free food offered by the restaurant owners. “Work was offering us free meals for our families. And normally I wasn’t eating the food. [Fast] food’s not the healthiest, but when you’re doing a 10 hour day it’s just easier to just bring it home.” While convenient and financially helpful, a diet of mostly fast food coupled with depression caused weight gain: “Well, I put on 35 pounds . . . I was depressed . . . I’m always tired because I’m always working.”

One of the main concerns for workers was the financial impact of having to take time off due to illness. Despite two weeks (80 hours) of COVID-19 Supplemental Paid Sick Leave, the majority of workers did not expect to be paid if they tested positive for the virus, and half of workers did not think they would get sick time.

Table 23: Pay and Sick Time Offered if Contracted COVID-19

Response	Continue to be paid	Can use sick leave
Yes	34%	47%
No	66%	53%

More than 60% of workers came from households with four or more people, many of whom also faced challenges during COVID-19.

Table 24: Number of People in the Household

1–3	39%
4–5	44%
6 or more	17%

A third of workers had a household member that had experienced job loss during COVID-19, and half of those people were still without work at the time of the survey. Even if still working, the majority of workers lived in households that faced income loss due to COVID-19.

Table 25: Job and Income Loss for People in the Household Due to COVID-19

Answer	Person in household lost job	Person who lost job still without work	Person in household lost income
Yes	32%	54%	62%
No	68%	46%	38%

Workers experienced economic hardships during COVID-19. Nearly half did not have enough money to pay for groceries and/or missed rent or a mortgage payment. A tenth had become housing insecure during the pandemic.

Table 26: Economic Hardship Due to COVID-19

Answer	Not enough money for groceries	Missed rent or mortgage payment	Lost housing due to COVID-19
Yes	44%	43%	9%
No	56%	57%	91%

One worker we interviewed depended on local food banks and was forced to take out a personal loan to support herself and her mother. Another’s father had to return to work despite recent surgery after her family’s sole source of income dried up. “[M]y mom . . . would sell food every Friday and that’s how she would get money. So when the pandemic hit, the sales went down . . . And my sister wasn’t working, but she was in high school, so my parents didn’t want her to work . . . [So] even fresh out of surgery, [my dad] had to go back to work and I started working at the pizza place.”



Part 2: Fast Food Workers and Working Conditions

The fast-food industry is an economic juggernaut in the United States and especially in Los Angeles, which saw the fastest growth of fast food in the nation between 2009 and 2014.²¹ Yet primary data about the industry are sorely lacking. In our first study, we outlined some key labor issues in the fast-food sector such as wage theft, health and safety, harassment and retaliation. Here, we offer a comprehensive look into the labor conditions beyond COVID-19.

Fast-food workers face an array of workplace challenges. More than half experienced wage theft, such as being paid late or unpaid overtime rates, denied meal breaks or reimbursement for uniforms or equipment. Workers also reported insufficient hours to make ends meet. More than half experienced a health and safety hazard, and 43% were injured at work. Half of workers faced verbal abuse, particularly from customers. Many also witnessed or experienced violence or harassment, such as racial slurs, assault, and robbery.

Summary of Workplace & Labor Issues

Wages, Hours, & Benefits

Wage Theft	63%
Did not get enough hours	43%
Did not receive paid sick time	31%



Health and Safety

Experienced hazard	58%
Was injured at work	43%

Harassment

Verbal abuse	49%
Experienced threats, slurs, assault or robbery	37%
Was retaliated against when raised concerns	25%
Sexual harassment	14%



a. Hours/Schedule

About 60% of workers worked thirty hours or less, with most of these workers in the twenty to thirty hour range.

Table 27: Average Hours Worked Per Week

1–10	6%
11–20	15%
21–30	38%
31–40	36%
More than 40	5%

Four in ten reported that the hours they received were insufficient, and more than one worker in interviews expressed that a pay raise would alleviate the need for more hours.

Table 28: Received Number of Work Hours They Needed

No, I didn't get enough hours.	43%
Yes, I got all the hours I needed.	52%
I got more hours than I wanted.	5%

Scheduling is often a challenge in low-wage industries. Only a quarter said that they received the schedule they wanted all of the time. For three-quarters, schedules varied and they sometimes or never received their preferred schedule.

Table 29: Worker Got Work Schedule They Wanted

Always	24%
Sometimes	55%
Never	21%

Night shifts, workers told us, are not only more dangerous, but also more difficult. One worker described being regularly scheduled for the overnight shift, which was chronically understaffed (compared to what they understood to be overstaffed morning and lunch shifts) and often involved unpleasant and frightening interactions with intoxicated customers leaving the nearby nightclub. "I work from 6 pm to 4 am and I have to do the work of three or more people because there are no workers at night. For the same payment, it is not worth it." This worker, like others, suggested schedule changes to more evenly distribute workers across day and night shifts.

Like many workers in low-wage jobs, the hours and/or pay at one job was often not sufficient so they needed to juggle multiple jobs. A second job can also be challenging when working with erratic scheduling practices. Nearly half of workers reported having more than one job, and a tenth of workers had two or more jobs.

Table 30: Worker Has Other Paid Jobs

0	53%
1	36%
2	9%
3	<1%
4 or more	1%

Often, fast-food work is dismissed as short-term, temporary work. About half of workers had been in the job for around one to three years; a quarter had been in this work for four or more years.

Table 31: Time Employed at Restaurant

Less than 6 months	11%
6 months to a year	15%
1–3 years	47%
4–6 years	15%
7 or more years	12%

b. Wage Theft

Wage theft occurred frequently among survey participants. Most common was buying a uniform, special shoes or equipment for which they were not reimbursed, followed by interrupted meal breaks. Others were paid late, or not at all for off-the-clock work. One worker we interviewed said that at her restaurant, working the night shift typically meant “punching your break, but not actually taking it,” because management chronically understaffed her shift.

Table 32: Experience of Wage Theft

Experience	Yes	No	Don't Know
Required to buy uniform, special shoes or equipment without reimbursement	45%	51%	4%
Meal break interrupted	23%	74%	3%
Denied meal or rest break	13%	84%	3%
Paid late by employer	12%	85%	3%

Worked after official end time without pay	11%	85%	4%
Worked before official start time without pay	7%	90%	3%
Paid less than legally required	7%	88%	5%
Asked to wait to cash check	6%	92%	2%

About a fifth worked more than forty hours in a week, but only half of them received overtime premium pay of a time and half for those hours.

Table 33: Experienced Overtime Violation

Worked overtime	21%
Was not paid a time-and-a-half regularly for overtime hours	55%

Overall, six in ten experienced some type of wage-related violation. One-third experienced two or more violations.

Table 34: Number of Wage Theft Conditions Experienced

1	31%
2-3	21%
4 or more	11%
None	37%



c. Paid Time Off

Los Angeles County provides six days (48 hours) of paid sick leave per year, yet one-third of workers did not receive sick time.

Table 35: Worker Allowed Paid Sick Time

Yes	69%
No	31%

Even those who received paid time off received less than the legal minimum. Only 14% received the legal minimum of forty-eight hours of regular sick time, and only 14% received the eighty hours of Supplemental Paid Sick Leave required by law.

Table 36: How Much Paid Sick Time Is Allowed

3 days or 24 hours	41%
6 days or 48 hours	14%
10 days or 80 hours for COVID-19	14%
Don't know	24%
Other	7%

If a worker requested sick time, more than a third reported getting their paid time off approved; a tenth were denied. More than half had not requested any paid time off.

Table 37: What Happened If Requested Paid Sick Time

Received paid sick time	37%
Employer denied paid sick time	10%
I did not request time off	53%

d. Health and Safety Issues

Health and safety risks in the fast-food industry include exposure to harmful chemicals, hot grease, slippery floors, broken or damaged kitchen equipment, and pressure to work more quickly than is safe. COVID-19 has exacerbated these risks, as one-third of workers pointed to staff shortages that contributed to unsafe work conditions.

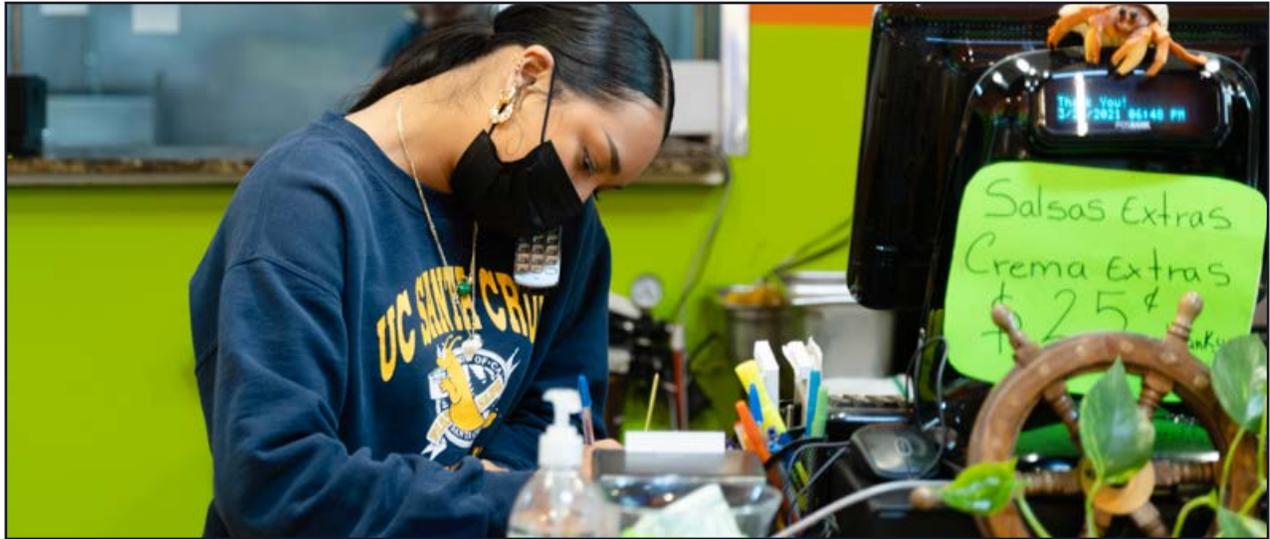
Table 38: Type of Health and Safety Hazard Experienced

Too few employees to handle workload safely	35% ›
Wet, slippery, or oily floors	33% ›
Broken or damaged kitchen equipment	27% ›
Pressure to work more quickly than safe	26% ›
Not enough training to do job safely	15% ›
Missing or damaged PPE	11% ›
Exposure to chemicals	8% ›
Other	6%
None of the above	41%



Safety concerns owing to workload abounded in our interviews with workers, who suggested that improved staffing ratios would alleviate workload and improve morale and safety. In interviews, workers shared that management was often reluctant to schedule the necessary amount of people it took to safely handle the workload during a shift. COVID-19 exacerbated this issue. One worker we interviewed described the

increased turnover at her workplace, with additional tasks being delegated to her as her coworkers left their jobs, including some that proved particularly challenging given her small stature: “I’m like 4’11”. I was carrying like 20 pounds of flour . . . the big boxes of six cans of sauce. It was really heavy work.”



The top injuries reported by workers in our survey in the past year are burns from hot oil, liquids, or equipment, and cuts and wounds from lifting or carrying items.

Table 39: Type of Injuries or Illnesses in the Past Year

Burned by hot oil, liquids, or equipment	29% ›
Cut	25% ›
Hurt while lifting or carrying items	10% ›
Assaulted by a customer or co-worker	7% ›
Injured by a fall on a wet, slippery, or oily floor	5% ›
Breathing or skin problems due to chemical use	4% ›
Injured in another way	7% ›
Did not experience injury	57%

43% of workers experienced an injury or illness in the past year



Only one fifth of respondents indicated that their employers provided them with a form to file for workers’ compensation following their injury, as required by law. Some workers had to pay for medicine or treatments without reimbursement, and a small portion missed work without pay.

Table 40: Result of Injury

Provided form to file workers' comp	20%
Paid for medicine or treatments without reimbursement	16%
Missed work and not paid for time off	13%
Paid for medical care without reimbursement	8%
Supervisor mandated you to continue work	8%
None of these statements apply	54%

Workers who experienced injury faced added economic insecurity. Four in ten injured had difficulty paying bills. Nearly a tenth lost their job entirely.

Table 41: Impact of Injury

Difficulty paying bills	40%
Loss of job	9%
Loss of health insurance	2%
Other	49%

e. Harassment and Violence

Fast-food workers experienced frequent mistreatment from employers, co-workers, and customers. One in two experienced some type of verbal abuse. Nearly half experienced verbal abuse from a customer, and 14% experienced verbal abuse from an employer or supervisor.

Table 42: Experience Verbal Abuse from Employer, Supervisor, or Customer

Answer	Employer or supervisor	Customer	Either employer or customer
Yes	14%	46%	49%
No	86%	54%	51%

Many workers emphasized the frequency of customer abuse. Across our series of interviews, workers were blunt and direct on this point: “It’s very, very, very common”; it “happens every day, basically”; “verbal abuse from customers does happen quite often”; and it “happens more often than you would think.”

Workers provided explicit examples. “Me and my co-workers have been called stupid, we’ve been called dumb. We’ve been yelled at because they’re unsatisfied with whatever it may be.” One Latinx worker told us she had frequently experienced discrimination from customers, “Clients insult you every day . . . When you take orders and they don’t understand you, they always insult you and ask if there is someone who speaks English.”

Another Latinx cashier told us she often endured explosive reactions over trivial mistakes.

[S]ometimes they get mad at the slightest mistake. One time this lady was like, “Oh, so is there sauce in here?” I’m like, “Yeah, there is.” And she was so mad . . . she threatened me and she cussed me out . . . [S]ometimes it’d be the slightest thing and it’s like, ‘Okay, you could have just asked, or you could’ve just told me and I would’ve gave it to you.’ They’re crazy . . . or they already come in mad . . . And sometimes they’ll make petty comments or they’ll disrespect us in a way that they think is kind of slick.

Thirteen percent surveyed experienced sexual harassment, the majority of which was from customers. Five percent experienced sexual harassment from other workers.

Table 43: Experienced Sexual Harassment

Co-worker(s)	5% ›	
Manager(s)	2% ›	
Customer(s)	9% ›	
None	87%	

Workers shared stories of frightening and demeaning experiences of sexual harassment including working alone with a harasser at closing, “touchy” co-workers and managers, nonconsensual contact, and uncomfortable boundary-crossing. They suggested improved training for managers and co-workers regarding consent and professional boundaries.

Workers also experienced violence, including threats, intimidation, and racial slurs. A few workers had also experienced assault.

Table 44: Experienced Violence in the Workplace

Threats or intimidation	25% ›	
Racial slurs	24% ›	
Assault	10% ›	
Robbery	4% ›	
Other	9%	
None	60%	

We heard disturbing stories of severe abuse and violence or threats of violence. One worker told us he had been kicked and pepper-sprayed by customers. Another told a harrowing story of a volatile customer who arrived while she and another female worker opened the restaurant:

[O]ne Sunday where me [and] one of my co-workers opened together. And usually Sunday mornings are a little busy . . . while I went to get the phone, a customer came in [who] started screaming and threatening the other co-worker . . . He kept coming back in and out, in and out . . . I was afraid that he was going to

jump over the thing and hit her. So that was very, very scary . . . It's just two girls. Like what are we going to do? Obviously we can't defend ourselves, but like we're alone versus this guy. Both of us are pretty small persons. So obviously he could smack us and like we could get hurt. Yeah, that was a situation that was so scary.

Another significant finding that emerged over the course of our interviews with workers was their experience interacting with Los Angeles's growing unhoused population. These interactions were often unpleasant, and increased in frequency during the pandemic. Multiple workers described similar day-to-day realities at their restaurants, illustrating how fast-food restaurants have come to serve as critical infrastructure for LA's unhoused population, providing much-needed shelter and bathrooms, both of which the city has systematically failed to deliver. Fast-food workers deserve to be understood as front-line workers in LA's ongoing housing crisis.

f. Raising Concerns about Workplace Issues

While COVID-19 concerns predominated, more than one-quarter of workers raised concerns about other working conditions.

Table 45: Raised Concerns about Working Conditions

Yes	27%
No	73%

Workers in our survey who sought redress felt overworked, underpaid, and unsafe. Unfavorable scheduling, overwork, and dangerous working conditions stood out among worker concerns, followed closely by inadequate pay. One in three workers who raised issues in management sought sick leave, and over a fifth sought redress for unpaid overtime.

Table 46: Type of Concerns Raised with Management

Bad schedule/shift	46%
Made to work more	42%
Dangerous working conditions (non-COVID-19)	36%
Need a raise/pay too low	35%
Sick leave	32%
Unpaid wages (such as overtime)	22%
Discrimination	19%
Abuse or harassment	17%
Asked to wait to cash paycheck	6%
Other	15%

The majority of workers who raised concerns did so by discussing the problem with their supervisor or employer; some asked a lawyer, union representative, worker center, or community group to make a complaint on their behalf.

Table 47: How was Concern Raised

Discussed problem with supervisor or employer	82%
Asked lawyer, union rep, worker center, community group to complain to employer	14%
Filed complaint with agency (such as DOL or Cal/OSHA)	8%
Testified at a hearing/participated in an official investigation	1%
Other	7%

The majority of people who raised concerns discussed the problem with their supervisor or employer. Some workers directly delegated management as a group. Their concerns went disregarded, or they faced retaliation by having their hours or pay cut. Of those who raised concerns, over a third reported that their employer did nothing to resolve the issue; some had their hours or pay cut; and others were given worse assignments as a form of retaliation by the employer.

Table 48: Employer Response to Concern

Employer responded to concern to resolve the issue	40%
Employer ignored me/us and did nothing	36%
Cut you or co-workers' hours or pay	19%
Gave you or co-workers worse assignments	10% ›
Fired or suspended you or your co-workers	4% ›
Employer or supervisor threatened to fire you or co-workers	4% ›
Threatened to call police or immigration	2% ›
Harassed or abused you or your co-workers	1% ›
Other	13%



Most workers experienced inadequate management responses when they raised issues. One cook, who delegated management with a cohort of other cooks to share their concerns, said, “[W]e thought we weren’t being given enough, not related to COVID, we weren’t being treated well enough. And we also thought that we are being underpaid. So we talked to the supervisor, but . . . it was not well taken care of as we had expected.”

Even extreme violence received insufficient management response. “There’s no security,” shared one worker, “If we are there alone, if things come to the point where it gets real bad, we have to call 911 and wait for them to come and protect ourselves, and defend ourselves.” This worker lamented the removal of security guards and wished to see them return.

Many shared frustration with what they perceived as managements’ rewarding customer abuse. “The issue is that the manager sees the customer scream at us or tell us something and she tries to make the situation better by giving them free food or free drink or stuff like that. So obviously they know that if they treat us bad, they’re going to get away with it and they’re even going to get an award for it.” Another offered, “[Customers] can come here, throw a tantrum . . . and you’re over here giving them a drink or a refund.”

Finally, one undocumented worker we spoke with expressed frustration over discriminatory treatment and fear of retaliation on the basis of immigration status. She explained that political education and access to social safety nets like unemployment insurance, currently unavailable to undocumented Californians, would enable her and her family to speak up with less fear of retaliation. “I feel like we definitely need to be louder about that topic because . . . we contribute to the economy. I think we’re just as deserving as everybody else to get something.”

Nearly one in four workers who experienced issues in the workplace did not speak up to raise those concerns with their employer.

Table 49: Had Problem but Did Not Raise Concern

Yes	38%
No	62%

Those who did not raise concerns felt that their voices would not be heard and that it would not make a difference, or they feared reprisals. In addition, some workers explained that they did not know whom to talk to or where to take the complaint.

Table 50: Reason for Not Raising Concern

Did not think it would make a difference	53%
Afraid of losing job	43%
Afraid of getting hours or wages cut	35%
Did not know who to talk to or where to take complaint	23%
Other co-workers were disciplined for speaking up	13%
Fear due to immigration status	7%
Employers made threats that if they complained, they would be fired, reported to immigration, etc.	3%
Other	13%

Workers shared that their fear of retaliation inhibited their willingness to address concerns, despite harrowing instances of harassment, abuse, and violence. In some cases, workers cited immigration status as a reason they did not feel comfortable speaking up, instead keeping quiet to keep their jobs and provide for their families despite clear safety violations or dangerous working conditions.

One worker shared that workers relied solely on one another to endure sexual harassment. “Crew members were leaning on each other, afraid to speak up or just didn’t feel comfortable speaking up.” This worker ultimately spoke up despite fear of retaliation. “[W]ith an issue as big as sexual harassment I just couldn’t not say anything. I was very worried that I would be retaliated against, like in pay cuts, but I know my rights as a worker and it’s things of that nature and having to suffer consequences like that, that’s just not acceptable.”

Many we spoke with enjoyed their jobs and their co-workers’ company but felt alienated from and even afraid of management. “I love the people that I work with but . . . when there’s just not a sense of teamwork, it makes it a little difficult to run a successful store.” Said another, “I often feel like some of us take on more than we need to rather than being able to communicate with our manager and say, ‘Hey, this is what I feel like we can really benefit from.’ We just put the weight [of retaliation] on ourselves [when we] try to take the lead and I wish it weren’t that way.”

g. Addressing Workplace Issues Collectively

Across the country, workers in different industries have held nearly two hundred strikes in 2021.²² Fast-food workers held strikes throughout Los Angeles over unsafe working conditions and better pay.²³ Nearly a third of workers in our survey came together to address issues in the workplace. One-third participated in a strike.

Table 51: Workers Collectively Addressing Issues

Response	Came together to address issue	Participated in workplace strike
Yes	32%	30%
No	68%	70%

The majority of workers (76%) said their employers were aware that the worker had participated in an action or talked to their co-workers about workplace issues.

Table 52: Employer Knew About Workplace Actions

Yes	76%
No	24%

Concerns raised during the strike or workplace demonstration largely went ignored by their employers. Eighteen percent faced retaliation for their participation.

Table 53: Employer Response to Participation in Actions

Employer ignored workers and did nothing	67%
Cut worker or co-workers' hours or pay	11% ›
Employer threatened to fire	5% ›
Threatened to call police or immigration	2% ›
Harassed or abused worker or co-workers	2% ›
Gave worse work assignments	1% ›
Fired worker or co-workers	1% ›
Other	27%





Recommendations

This report shows that fast-food workers have suffered from high transmission rates of COVID-19 with inadequate protections, dangerous and difficult working conditions, and significant economic and health impacts. These findings show the need for policy intervention in the fast-food industry to enforce robust COVID-19 safety protocols that prevent worker and community transmission, and to promote basic labor standards such as protection from wage theft, retaliation, workplace violence, and harassment. Based on the results of the survey and interviews, we make the following recommendations:

- 1. Enforce COVID-19 safety protocols and provide workers with adequate protection from retaliation and abuse for enforcing those protocols.** Fast-food workers need safe workplaces that conform to COVID-19 safety protocols, and workers must be free to address concerns. Workers should not have to choose between their paychecks and health. The LA County Department of Public Health should develop a targeted enforcement approach for this high-risk sector to ensure that safety protocols are appropriately followed.
- 2. Strengthen the fast-food worker voice in the industry.** As principal stakeholders, worker expertise should guide oversight and standards in the fast-food industry. Workers we spoke with had many concrete ideas to improve their conditions and morale, including better staffing ratios, pay, training, support for immigrant workers, and site-specific protocols to increase efficiency and customer satisfaction. Our findings show that workers seek greater decision-making power and authority over their work conditions, without fear of repercussion.
- 3. Improve labor and health and safety practices in the workplace.** Government agencies should

improve existing protections from wage theft, injury, retaliation, discrimination, harassment and unsafe working conditions. Workers need to feel safe and empowered to enforce their workplace rights. Continue to support the Public Health Councils program (in partnership with UCLA LOSH) which is designed to help with compliance and enforcement at worksites and policies such as LA County's anti-retaliation ordinance that protect workers from retaliation for reporting public health violations.

- 4. Support ongoing research in the fast-food industry.** Researchers should continue to document the work conditions with the fast-food industry on the local and state level.

Appendix A: Sample and Population Demographics

Table A1: Demographics of Survey Sample and Fast Worker Population in Los Angeles County

	Survey Sample	Fast-Food Worker Population*
Gender		
Female	64%	69%
Male	34%	31%
Transgender	<1%	n/a
Gender non-conforming, or genderqueer	<1%	n/a
Race/Ethnicity		
Latinx	67%	73%
Black	12%	5%
Asian	4%	10%
White	8%	10%
Native American	1%	2%
Other	2%	--
Multiple	6%	--
Age group		
16–18	2%	17%
19–24	24%	45%
25–39	37%	26%
40–64	28%	12%
65+	9%	<1%

* 2017–2019 IPUMS American Community Survey (ACS) data.

Appendix B: Methodology

Commissioned by the Los Angeles County Department of Public Health (LACDPH), this study sought to understand the experience of fast-food workers during COVID-19 and more generally. This study is the second part of the fast-food research project in collaboration with the UC Berkeley Labor Center, UCLA Labor Occupational Health and Safety Program (LOSH), and the UC Berkeley Labor Occupational Health Program (LOHP). The first report included extensive industry and policy analysis and analysis of government data sources. Those findings were published in a report in March 2021.

From June 28, 2021, and October 28, 2021, the UCLA Labor Center conducted online surveys of fast-food workers in Los Angeles County, California, who were eighteen years of age or older, and in a non-management position. For the purposes of this study, we defined fast-food workers as those who work in establishments where, even before COVID-19, customers order their food either at the counter or in a drive-thru lane.

The survey questionnaire comprised seventy-eight questions divided into six parts, addressing (1) current job and professional history, (2) how COVID-19 has impacted this job, (3) their workplace conditions, (4) safety protocols at their workplace, (5) their experience dealing with management, and (6) demographics. Surveys were conducted online using the Qualtrics platform, in both English and Spanish, and took approximately thirty minutes to complete.

Participants were recruited through community organizations including Fight for 15, Koreatown Immigrant Workers Alliance and the Restaurant Opportunities Center-Los Angeles. In addition, we purchased targeted ads through Facebook—identifying workers who had listed a fast-food restaurant or working in the food industry in their profile. Fifty-six percent of the total surveyed were recruited by our community partners, utilizing their existing networks within the fast-food industry, while the remaining 44% percent were fielded through social media advertising and completed a preliminary screening survey to verify their employment information.

Participants could fill out the survey through the online link. In addition, FF15 conducted surveys with workers over the phone and manually entered survey data into the online surveying platform on the worker's behalf. Each fast-food worker received a \$30 incentive upon completion of a valid and complete survey. Due to the online recruitment and advertised stipend, we received a significant amount of invalid surveys, which necessitated meticulous review of screening and survey data to ensure only qualified respondents were included in the final analysis. Surveys were excluded due to multiple submissions from identical IP addresses, submissions from outside of Los Angeles County, and submissions that were incomplete.

To ensure a well-distributed sample of workers, we limited our fielding and recruitment to a maximum of five workers from any single fast-food restaurant location. In total, we surveyed 417 fast-food workers across 118 companies at 342 individual workplaces. Forty-four percent of companies were chains or franchises with five or more total locations. Workplace data were used for tracking purposes only and were not connected to the survey data.

From our survey pool, we selected fifteen fast-food workers representative of our overall sample, from diverse backgrounds and with distinctive experiences in fast food, for follow-up interviews. Each interviewee received an additional \$50 incentive. These interviews ranged from ten minutes to over an hour and were conducted via telephone or video-conferencing software.

This study had some limitations, including, in particular, the difficulty of subject recruitment due to COVID-19 restrictions. Our sample skewed older and toward those connected to a community organization or union or through social media.

Appendix C: Acknowledgments

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Brian Justie, Tia Koonse, Monica Macias, Jennifer Ray, and Saba Waheed, *COVID-19 and Working Conditions in the Los Angeles Fast-Food Sector* (Los Angeles: UCLA Labor Center, January 2022).

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Communication from Public

Name: California Fast Food Workers Union

Date Submitted: 03/04/2025 07:12 AM

Council File No: 19-0229-S2

Comments for Public Posting: A January 2025 research brief from the Workplace Justice Lab (Northwestern-Rutgers), Wage Theft in the Fast Food Industry: Minimum Wage Violations in Los Angeles (WJL 2025). Please post to the council file related to fast food workers.

Wage Theft in the Fast Food Industry: Minimum Wage Violations in Los Angeles

Key Findings:

- More and more LA-area fast food workers are experiencing minimum wage violations. One in four fast food workers were paid below the minimum wage in 2024. That's *eight times* the 3 percent rate in 2009.
- A bigger share of LA-area fast food workers experience this form of wage theft than any of the other industries we analyzed – restaurants (not fast food); health care support; retail; and transportation/warehousing.
- Fast food workers in the LA area lose almost \$3,500 a year – about 16 percent of their income – because employers are paying them below the minimum wage. That adds up to over a quarter of a billion dollars in the last six years.

Since 2016, the minimum wage in California has grown from \$10 per hour to \$16.50 today; in the city of Los Angeles, the minimum wage has grown from \$10 per hour to \$17.28 per hour. Studies have shown that these increases have produced significant [wage growth](#) for California workers, had minimal effects on [employment](#), led to minor increases in [prices](#), and generated valuable [revenue](#) for the state.

Statutory minimum wage increases, however, do not guarantee that workers will collect the full amount they have earned and to which they are legally entitled. A recent study found that over [\\$1.5 billion](#) in unpaid wages were recovered by state and federal authorities between 2021 and 2023 through enforcement and litigation. This figure represents only the

tip of the iceberg, however, as [most instances](#) of wage theft still go [unreported](#).

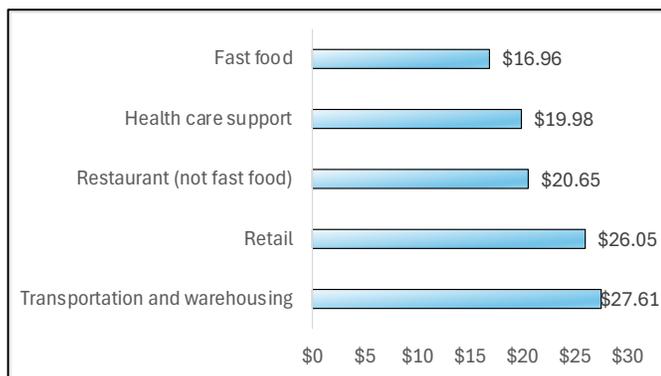
This research brief uses survey data to examine underlying rates of wage theft in the fast food industry in greater Los Angeles.¹

We find that a growing number of fast food workers are experiencing minimum wage violations; a higher share of fast food workers suffer this form of wage theft than workers in comparable industries; and the losses fast food workers incur are significant (16% of their income). With [88 percent](#) of fast food workers lacking full knowledge of basic workplace rights, these findings underscore the need for mandatory third-party “know your rights” trainings as [recently proposed](#) to the Los Angeles City Council.

Fast food workers in Los Angeles

Fast food workers in greater Los Angeles have historically earned lower wages, on average, than comparable workers. As shown in **Fig. 1**, between 2019 and 2024, fast food workers earned \$16.96 per hour on average—significantly less than workers in other service-sector industries.

Fig. 1: Average Hourly Wage in Greater Los Angeles, 2019-2024



California’s Fast Food Accountability and Standards (FAST) Recovery Act ([AB 1228](#)), as [amended](#) in 2023, raised the minimum wage for fast food workers across the state to \$20 beginning April 1, 2024. The law also established a Fast Food Council to monitor and set minimum wages and adopt other employment standards in the industry. Scholars have shown that since April 2024, the new law has provided [much-needed support](#) to the approximately 750,000 fast food workers whose wages and working conditions have long lagged behind those of comparable workers in the state.

We still do not have a good sense, however, of (a) the prevalence of minimum wage violations in the fast food industry; (b) how fast food violation rates compare to other industries; or (c) how violation rates and the costs to fast food workers have changed over time.

To address these questions, the Workplace Justice Lab turned to the Current Population Survey (CPS), which serves as the federal government’s primary source of monthly labor force statistics. The CPS is designed to produce reliable estimates at the national and state levels, as well as for the country’s largest metropolitan areas (including Los Angeles). CPS earnings and hours data, compiled in the CPS-Merged Outgoing Rotation Groups data, has been used by most social scientists who have sought to develop estimates of minimum wage violations since the 1970s.² We follow conventional methodological approaches here (see Methodological Appendix).

In this report, fast food workers are considered those who work in the “[food services and drinking places](#)” industry (8680) and in any of the following occupations: “[combined food prep and serving workers, incl fast food](#)” (4050), “[fast food and counter workers](#)” (4055), “[counter attendants, cafeteria, food concession, and coffeeshop](#)” workers (4060), or “[cashiers](#)” (4720).³ We compare the experience of fast food workers to four comparable groups: all other restaurant workers (not in fast food); health care support workers; workers in the retail trade industry; and transportation and warehousing workers.

Findings

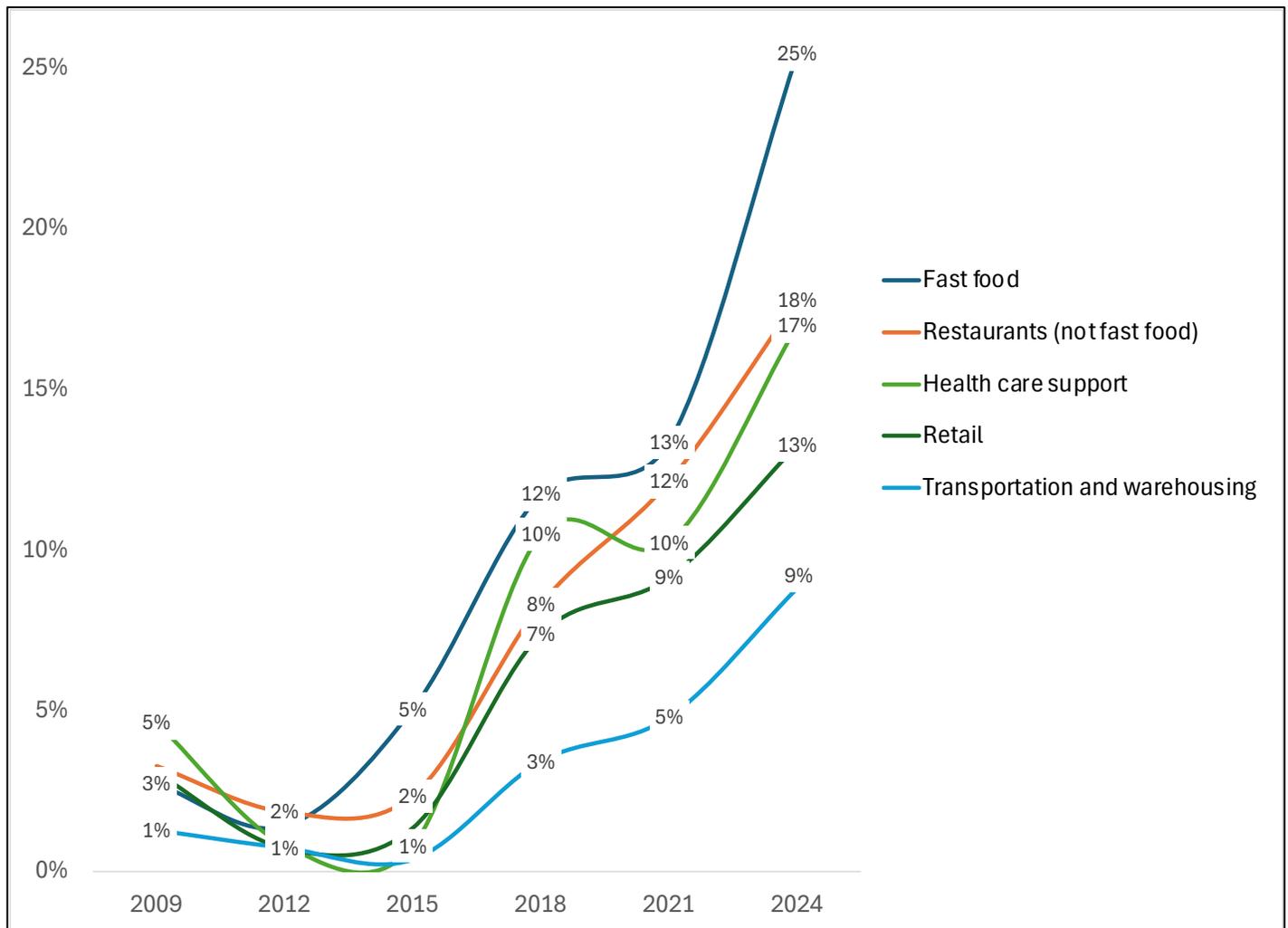
- More and more LA-area fast food workers are experiencing minimum wage violations. One in four fast food workers were paid below the minimum wage in 2024. That’s *eight times* the 3 percent rate in 2009.
- A bigger share of LA-area fast food workers experience this form of wage theft than any of the other industries we analyzed—restaurants (not fast food); health care support; retail; and transportation/warehousing.

- Fast food workers in the LA area lose almost \$3,500 a year—about 16 percent of their income—because employers are paying them below the minimum wage. That adds up to over a quarter of a billion dollars in the last six years.

As illustrated in **Fig 2** below, the violation rate in every industry began to rise when the state minimum wage increased in 2016.⁴ Subsequent annual state minimum wage increases were similarly accompanied by increases in the

incidence of minimum wage underpayment. This correspondence is not surprising: prior research has shown that noncompliance with the minimum wage typically increases along with increases in the statutory minimum wage. This is likely due in part to both the time it takes some employers to adjust to the new wage and the unwillingness of other employers to pay it; it is also a function of the ability of state and local-level enforcement to account for changes in mandate, often with limited and/or stagnant resources.

Fig. 2: Minimum Wage Violation Rates by Industry in Los Angeles Metro Area



Notwithstanding higher violation rates following minimum wage increases, statutory increases have had positive effects on average wages in every industry examined here. **Table 1** shows the change in the average wage by industry between 2009 to 2024. Although average wages in fast food still lag behind comparable industries, fast food workers have seen the strongest wage growth (96%) between 2009 and 2024, notwithstanding their higher rates of wage theft.⁵

Table 1: Average Wage Change by Industry in LA Area from 2009 to 2024

	2009	2024	Rate of change
Fast food	\$9.33	\$18.27	96%
Restaurant	\$11.38	\$19.59	72%
Retail	\$12.94	\$20.60	59%
Health care support	\$13.02	\$19.66	51%
Trans. & warehousing	\$17.22	\$23.81	38%

Table 2 summarizes our population and dollar-value estimates regarding the cost of minimum wage violations to fast food workers in greater Los Angeles. Between 2019 and 2024, an estimated 12,661 fast food workers per year—19% of all fast food workers in the Los Angeles metro area—were paid less than the lowest applicable statutory minimum wage.⁶

These workers lost \$2.53 per hour, on average, which represents 16% of the income to which they were entitled. Over this six-year period, estimated losses totaled over a quarter-billion dollars.

It is important to note that the CPS survey we rely on to generate these estimates contains measurement error (incorrect answers to survey questions) and other sampling limitations. These are problems that affect all survey research. One of the consequences of measurement error in the CPS is that our analyses likely *underestimate* the severity of the problem due to factors including: (a) under-representation of low-wage and undocumented workers in the survey; (b) the tendency of low-income workers to over-report their income, which would result in under-reporting of minimum wage violations; (c) and our use of the lowest applicable minimum wage—the state minimum wage—rather than the often higher city or county minimum wage rates to which many workers are entitled. The Methodological Appendix details the steps we take to address measurement error in our analyses.⁷ All figures, nevertheless, should be interpreted as rough estimates that are likely conservative.

Table 2: Cost of Minimum Wage Violations to LA-area Fast Food Workers, 2019-2024

Total number of fast food workers per year	65,504
Total number of underpaid fast food workers per year	12,661
Share of fast food workers underpaid	19%
Average wage of underpaid fast food worker	\$12.90
Average minimum wage to which entitled	\$15.43
Amount lost per hour	\$2.53
Amount lost per week	\$66.90
Amount lost per year	\$3,479
Share of income lost	16%
Total aggregate amount lost per year	\$44,041,343
Total aggregate amount lost, 2019-2024	\$264,248,061

Conclusion

Minimum wage noncompliance in the Los Angeles fast food industry is a chronic problem that has not improved with increases in the minimum wage.

Many workers [do not complain](#) when they are underpaid (or not paid at all) for their work. This is largely due to a lack of information and understanding of their workplace rights: a recent study found that [88 percent](#) of fast food workers in California lacked a full understanding of their basic rights on the job. Both the [U.S. Department of Labor](#) and the [California Department of Industrial Relations](#) have emphasized the importance of “know your rights” trainings as key tools in the fight to improve compliance with labor laws. By equipping workers with the information, knowledge, and understanding of where to go and what to do when faced with rights violations, [mandatory third-party “know your rights” trainings](#)—like those currently under consideration by the Los Angeles City Council—can empower workers to play a vital role in upholding core workplace standards.

About Us

The Workplace Justice Lab @ Northwestern University (WJL@NU) conducts research on workers’ rights and economic inequality and collaborates with local, state, and federal government agencies as well as worker centers, unions, and legal nonprofits. WJL@NU is part of a multi-institutional partnership that is anchored by the [Workplace Justice Lab @ Rutgers University](#) and includes the [Pilipino Workers Center of Southern California](#).

Daniel J. Galvin is professor of political science, faculty fellow at the Institute for Policy

Research, and director of the Workplace Justice Lab @ Northwestern University.

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Methodological Appendix

Measuring the scope and depth of “wage theft” is difficult. No single data source systematically and reliably tracks the incidence of wage theft and records the precise amounts of money that are not being paid. Early studies of minimum wage compliance used data provided voluntarily by employers to the Bureau of Labor Statistics, but employer-reported data cannot be considered not reliable, as employers who violate the law cannot be trusted to report that information to government agencies.

Workers can report wage theft by filing lawsuits and/or lodging complaints with federal, state, and local enforcement agencies. But lawsuits are often too expensive for minimum wage workers and the costs of litigation frequently exceed the amounts of back pay owed. Complaints are also problematic measures because the workers who are more likely to be exploited are also more likely to be unaware of their right to complain (whether due to language barriers, lack of information and knowledge, or fear of retaliation, termination, or deportation).

Lawsuits and the complaints government agencies receive thus provide inaccurate and unreliable portraits of the actual number of violations. We must therefore turn to alternative methods to more accurately detect and measure violations. Survey data on hours and earnings are invaluable in this regard, as they enable us to estimate the true underlying incidence wage violations indirectly.

Most useful are the Current Population Survey's Merged Outgoing Rotation Groups (CPS-MORG) data, which serve as the federal government's primary source of monthly labor force statistics. The CPS is designed to produce reliable estimates at the national, state, and metropolitan levels (for the 12 largest metro areas, including Los Angeles). CPS earnings and hours data, compiled in the CPS-MORG, has been used by most social scientists who have sought to develop estimates of minimum wage violations since the 1970s (Ashenfelter and Smith 1979; Ehrenberg and Schumann 1982; Sellekaerts and Welch 1984; Trejo 1991, 1993; Weil and Pyles 2005; ERG 2014; Galvin 2016; Cooper and Kroeger 2017; Fine, Galvin, Round, and Shepherd 2021; Clemens and Strain 2022; Galvin 2024).

Because the CPS-MORG survey asks workers to report their hourly wages as part of a larger battery of demographic and other neutral questions—and does not mention wage theft, working conditions, or ask any other leading questions about the respondent's industry or occupation—it is safe to assume that respondents are not primed to report lower wages than what they actually earned. Indeed, some research finds that certain respondents tend to report *higher* earnings (Bollinger 1998).

The methodological approach employed here is consistent with previous research (In

particular, Galvin 2016; U.S. Department of Labor 2014; Cooper and Kroeger 2017). A few key points to keep in mind:

Los Angeles. The geographical focus of this study is the [Los Angeles Metropolitan Statistical Area](#) (Los Angeles-Long Beach-Anaheim MSA). This is because the CPS captures a representative sample of the population in the 12 largest metro areas, including Los Angeles, but not necessarily at the city or county level.

Wages. For hourly wages, we use variables that include wages earned from overtime, tips, and commissions. To ensure that our estimates of wage violations do not overstate the incidence or severity of violations, we follow Cooper and Kroeger (2017) in taking the higher of the reported wage (hourly wage or weekly pay divided by hours worked) for hourly workers who reported earning overtime, tips, and commissions.

Calculating minimum wage violations. Minimum wage violations are dichotomous measures of whether an individual's reported hourly wage was lower than the lowest applicable legal minimum wage (e.g., the California state minimum wage for small businesses, since CPS does not identify firm size), not the higher city/county minimum. We use the lowest applicable statutory minimum wage rate for each respondent as of the date (month) effective. The amount of wages lost is likewise calculated based on the lowest applicable minimum wage as of the date (month) effective.

Exemptions. We exclude from the analysis all respondents we can identify as exempt from the state minimum wage. In California, identifiable exemptions include only "outside salespeople," who account for a minuscule

fraction of the estimated total workforce (.04%). We are unable to identify other exemptions (immediate family members, apprentices, “learners” in their first 160 hours of employment in a new field, and mentally or physically disabled employees).

Survey weights and standard errors. All analyses, including population estimates, use the survey weights suggested by Davern et. al (2007), which are necessary given the sampling method of the CPS.

Measurement error. There is reason to believe that measurement error in the CPS may downward-bias the estimates of minimum wage violations.⁸ First, despite going to great lengths to reach them, both Hispanics (Latinx) and undocumented immigrants are under-represented in the CPS (McKay 1992).⁹ Because workers in these groups are at higher risk of experiencing minimum wage violations, the estimates of violations reported here should be considered conservative estimates (McKay 1992; Bernhardt et al. 2009; U.S. Department of Labor 2014). Second, in Bollinger’s study of measurement error in the CPS, he finds a “high over reporting of income for low-income men” driven by “about 10% of the reporters who grossly over report their income,” thus potentially biasing estimates downward even further (Bollinger 1998). Third, CPS data have a shortage of low-wage workers and an excess of high-wage workers relative to comparable survey data like SIPP; one effect of this imbalance could be to underestimate minimum wage violations (Roemer 2002; U.S. Department of Labor 2014). Roemer does find that the CPS reaches more “underground” workers than other large-scale surveys and is less biased than alternatives (2002). But given the high rates of violation discovered in the Bernhardt et al.

(2009) innovative survey of hard-to-reach workers in the “informal” labor market—higher than the estimates presented here—there is reason to suspect that these findings underestimate the prevalence of minimum wage violations across the board.

These considerations notwithstanding, the fact that measurement error surely exists recommends using caution when working with the point estimates reported here.

Although every survey contains measurement error, previous research has shown that measurement error in the CPS-MORG cannot predict key patterns or variations in the incidence of minimum wage underpayment; nor can it account for differences observed across industries, which is of primary interest here (Clemens and Strain 2022). Nevertheless, we take the following steps to address the possibility of measurement error: (1) Our sample includes only hourly workers and workers who report working over 10 hours per week. (2) Rather than calculate minimum wage violations as any reported wage less than the statutory minimum, we provide a \$0.25 buffer to account for rounding errors. (3) Because CPS-MORG tracks where respondents live but not where they work, we use the lowest applicable statutory minimum wage each month (the California state minimum wage for small businesses), not the higher city/county minimum wage to which most workers are actually entitled. (4) Exclude unemployed and self-employed workers; (5) Exclude all observations of workers not specifying hourly/nonhourly status; (6) Exclude respondents with imputed hours.

These steps reduce the likelihood that our estimates overstate the incidence of minimum wage violations. However, they increase the likelihood that our estimates represent

conservative *under*-estimates. True violation rates are likely higher.

Data. We use the CPS-MORG abstracts generated by Economic Policy Institute. 2024. Current Population Survey Extracts, Version 1.0.60, <https://microdata.epi.org>.

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Endnotes

¹ The geographical focus of this study is the [Los Angeles Metropolitan Statistical Area](#).

² See Methodological Appendix.

³ We follow the UC Berkeley Labor Center's [definition](#) of fast food workers. Census codes provided in parentheses. 4055 replaces 4050 and 4060 beginning in 2018. Using the Bureau of Labor Statistics' Occupational Employment Statistics (OES) data, we estimate that within the "restaurants and other food places" industry, virtually all

“combined food prep and serving workers, incl fast food” and “fast food and counter workers” work in the fast food industry, and approximately 72% of “cashiers” in the restaurant industry work in fast food.

⁴ The fast food violation rate was not only significantly higher than other industries, but the rate of change over this period of time was much greater as well. The violation rate for fast food workers increased *eight-fold* over this period, as compared to the rate of change in restaurant (four-fold), retail (three-fold), health care support (three-fold), and transportation and warehousing (six-fold).

⁵ After the \$20 fast food minimum wage was introduced in April 2024, the average wage of fast food workers was \$19.06 -- lower than \$20 due to minimum wage violations. For those who were paid at or above the minimum wage, the average wage for fast food workers after April 1, 2024 was \$21.36.

⁶ These estimates include only hourly fast food workers who worked over 10 hours per week in the occupations listed above who earned less than \$0.25 less than the lowest applicable statutory minimum wage. For more, see the Methodological Appendix.

⁷ Although every survey contains measurement error, Clemens and Strain (2022) demonstrate that measurement error in the CPS cannot predict key patterns or variations in the incidence of minimum wage underpayment; nor can it account for differences observed across industries.

⁸ For an excellent discussion of the advantages and limitations of using the CPS data to estimate minimum wage violations given the existence of measurement error and other issues, see U.S. Department of Labor 2014, Appendix B.

⁹ As Bernhardt et al. 2009 write: “standard surveying techniques—phone interviews or census-style door-to-door interviews—rarely are able to fully capture the population that we are most interested in: low-wage workers who may be hard to identify from official databases, who may be vulnerable because of their immigration status, or who are reluctant to take part in a survey because they fear retaliation from their employers. Trust is also an issue when asking for the details about a worker’s job, the wages they receive, whether they are paid off the books or not, and their personal background” (56).

Communication from Public

Name: Devon Gray

Date Submitted: 03/04/2025 08:45 AM

Council File No: 19-0229-S2

Comments for Public Posting: My name is Devon Gray and I serve as President of End Poverty in California (EPIC). I'm writing in support of the Fast Food Fair Work motion. At EPIC, we have spent the last 3 years in communities up and down the state to learn directly from people living in poverty about their challenges, their aspirations, and their solutions for making California a place where everyone can find economic security. To date, we've visited 24 counties and met with dozens of fast food workers who have shared their struggles to make ends meet. The motion before the Council today will go a long way towards addressing the types of concerns we've heard many times over by empowering workers to speak up and enforce workplace safety. Not long ago, our organization spoke with about 20 fast-food workers in Oakland to better understand their experiences and what this fight means to them. A McDonald's worker talked about working in the kitchen through the summer without air-conditioning. Even after a colleague passed out and was taken to the hospital, nothing changed. It wasn't until workers went on strike that the air-conditioning was finally repaired. At a Burger King, workers requested security due to repeated encounters with aggressive customers. One badly cut a worker's face. Management threatened that security would be paid for by a reduction of worker hours. Another McDonald's worker was sexually abused, but said nothing because they feared a loss of hours or a call to Immigration. This fear of retaliation resonated across the group. A Jack in the Box worker joined the Fight for \$15 and then had "several days taken away, leaving me with only two. That's the retaliation they do to us." There was no mistaking what a seat at the table would mean. "They'll not be able to retaliate. They're not going to take away hours. We're going to have a better life," said a Domino's worker. "Most of us have two jobs. I'll leave one job and keep only one, and be able to pay more attention to my health," said a Burger King worker. "We want to break a system that for years has been breaking us," said a Jack in the Box worker. These anecdotes reflect a reality that is also supported by statistics. Fast food corporations make an estimated \$44 million a year in wage theft alone across Los Angeles. 88 percent of California fast-food workers surveyed reported that they do not know their rights on the job and 93 percent of California fast-food workers surveyed reported that they lack

information about essential benefits and programs. Given the demographics of fast food workers in Los Angeles (9 in 10 are people of color; 7 in 10 are women), this exacerbates longstanding racial and gender income gaps. Further, 1 in 9 unhoused workers in California works in fast food—with erratic hours and irregular income further complicating their ability to find stable housing. Mandatory “Know Your Rights” training for fast food workers across Los Angeles would go a long way towards improving the lives and economic conditions of the 50,000 Angelenos employed in this industry. And at only around \$100 a worker per year plus a day off, the cost is well worth the long term gains workers will experience. Thank you