



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

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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

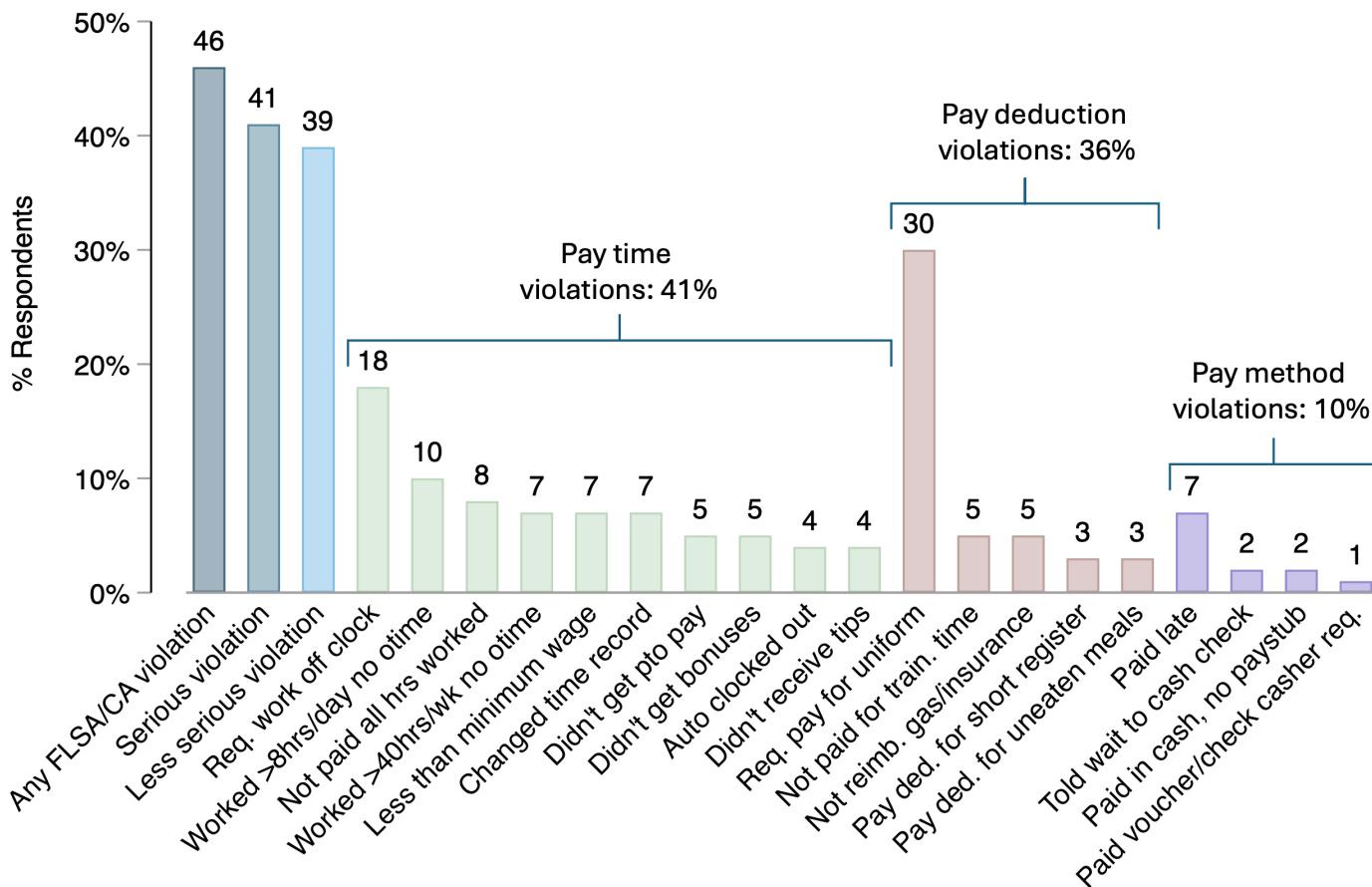
California law provides additional protections for both minimum wage and overtime in excess of the federal Fair Labor Standards Act (FLSA) along with a range of other labor standards protections for covered workers. Workers must be paid for all of the hours that they work, must be paid time and one-half 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

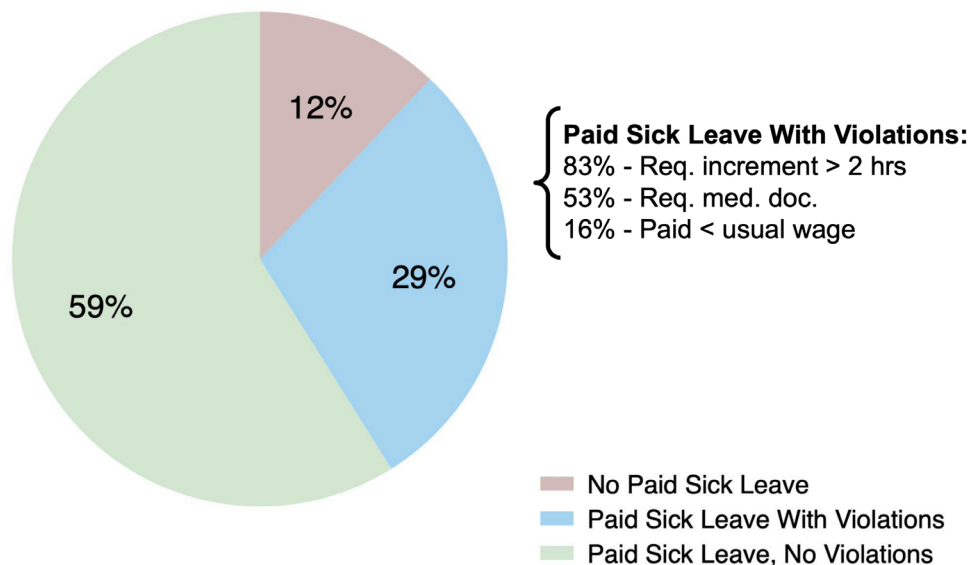
The State of California has long been a leader in requiring that employers provide workers with paid sick leave (PSL). First mandated in [2014](#), the California statute has been expanded over time from an initial minimum of 24 hours of annual PSL. In early 2024, when we conducted our survey, hourly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

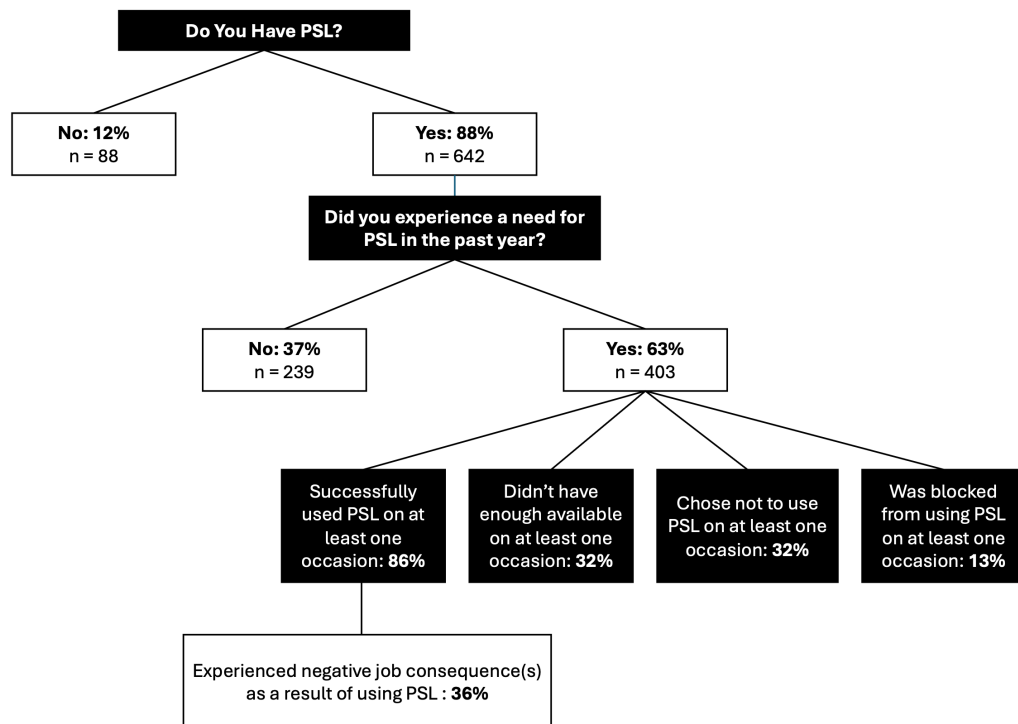
However, as shown in the bottom tier of Figure 3, for about a third of these workers who used PSL, doing so came with punitive consequences. After using their PSL, these workers reported having their hours reduced (18%), being assigned to worse work schedules (13%), receiving worse work tasks (7%), or 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

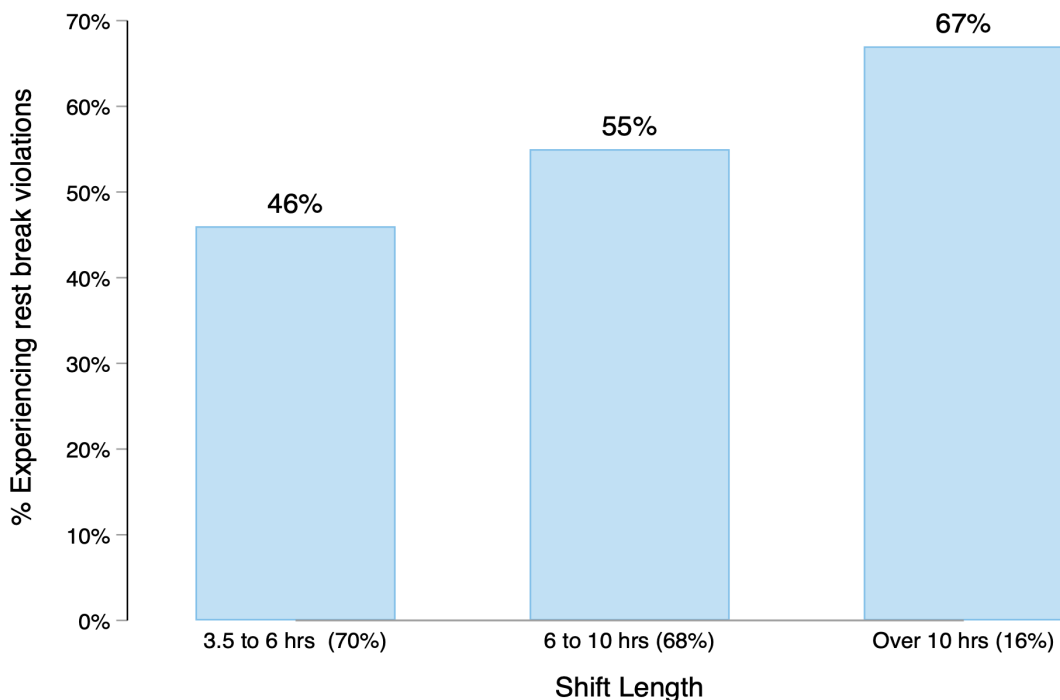
Where many workers across the United States lack mandated paid break time during their shifts,

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.

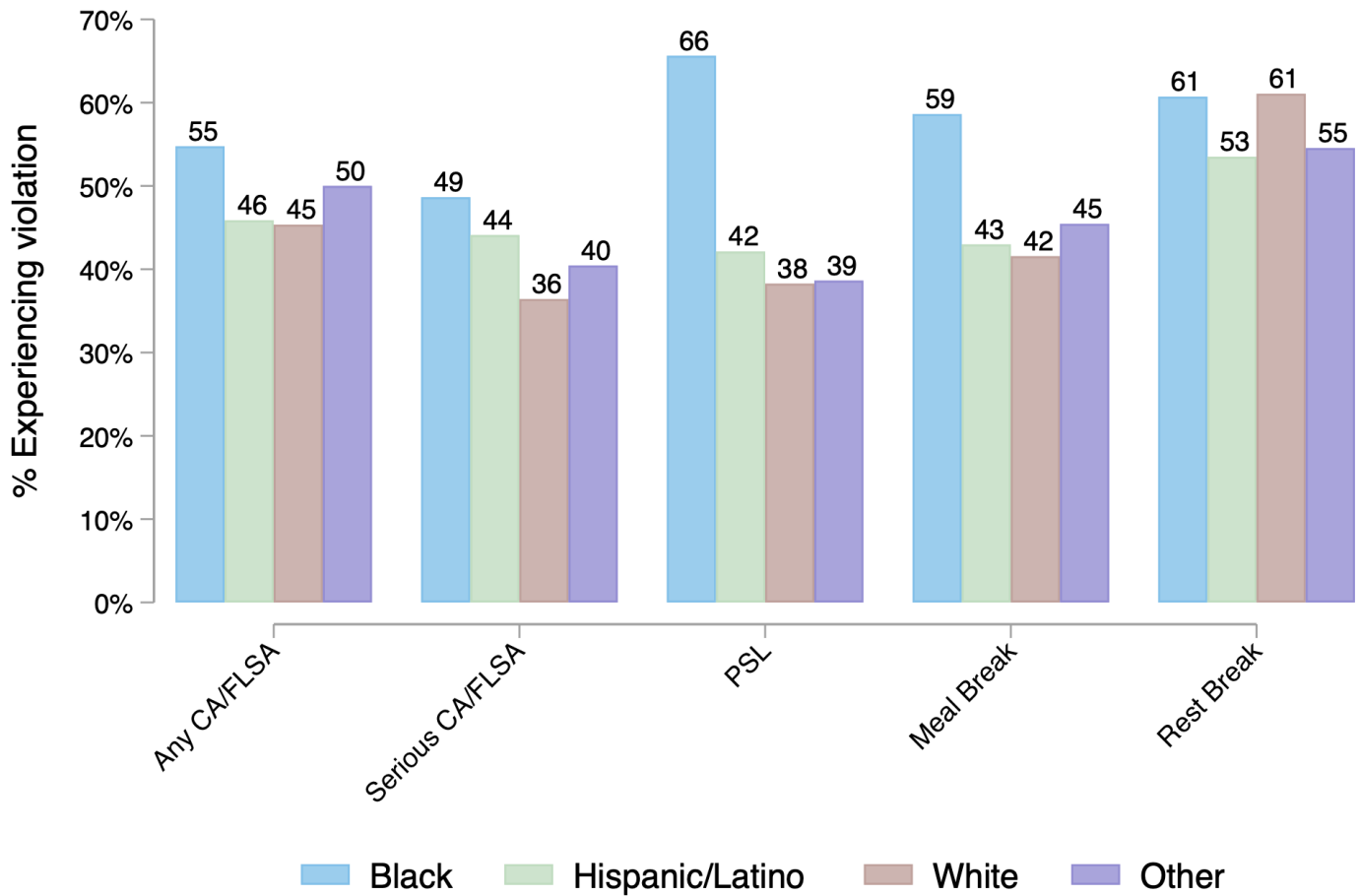
We find that 43% of workers experienced such meal break violations, with 26% of workers reporting that they were at times required to skip their break entirely and were not paid as a result, 31% reporting that they were at times required to remain at their workplace during their break and not paid as 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

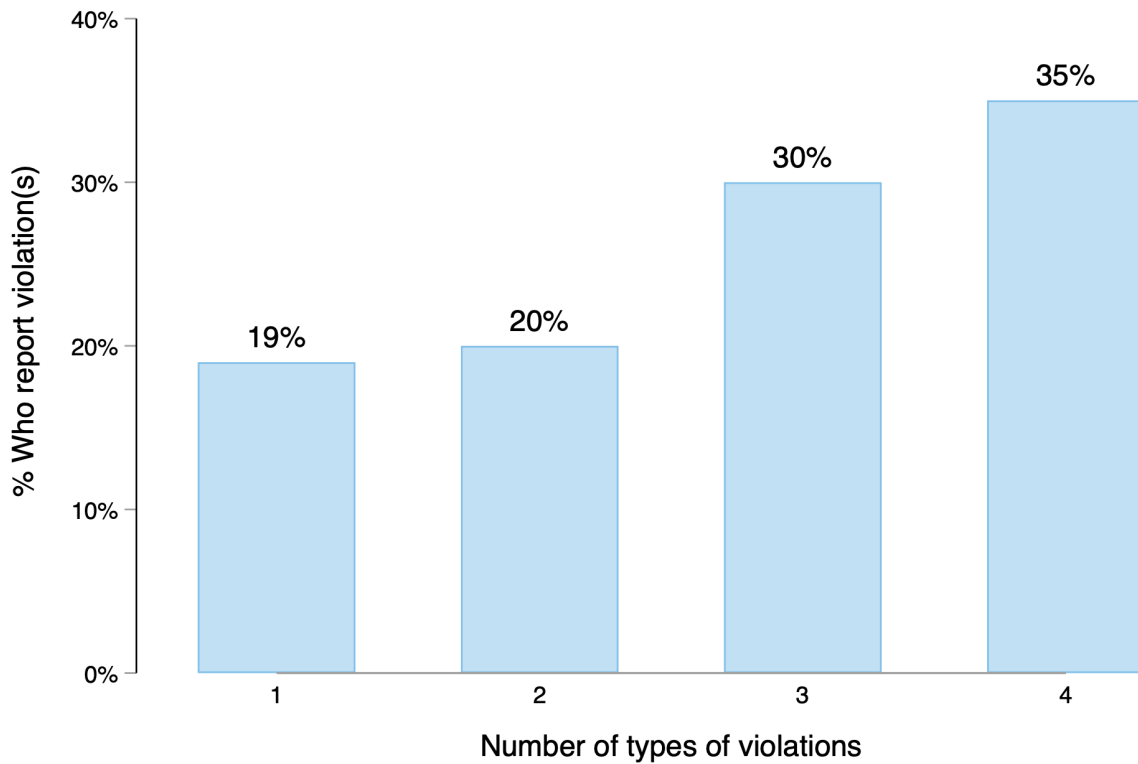
risk that coming forward may lead to retaliation from employers, including the loss of their jobs ([Weil and Pyles 2006](#)).

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.

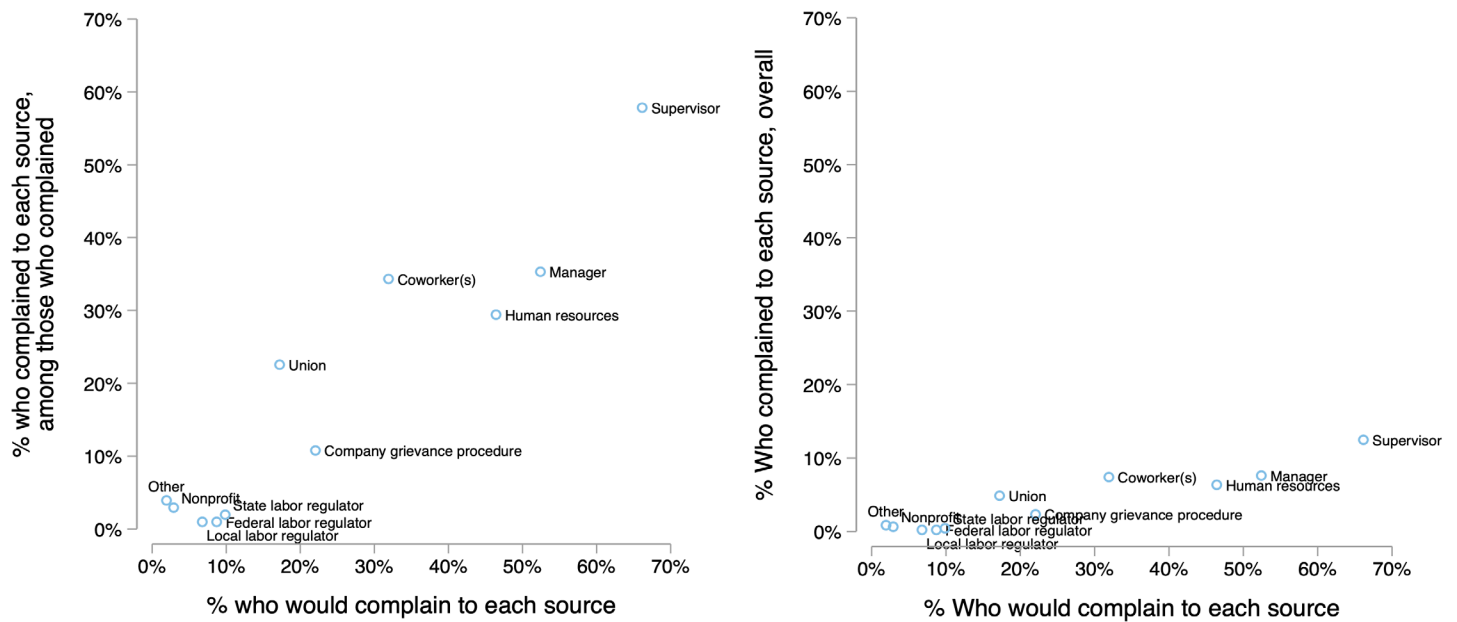
We find that even using this expansive definition, **very few workers who experience an apparent labor standards violation make any kind of report or complaint.** Overall, fewer than one in four workers who experienced at least one of the violations above make a report or complaint to any party. As shown 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.

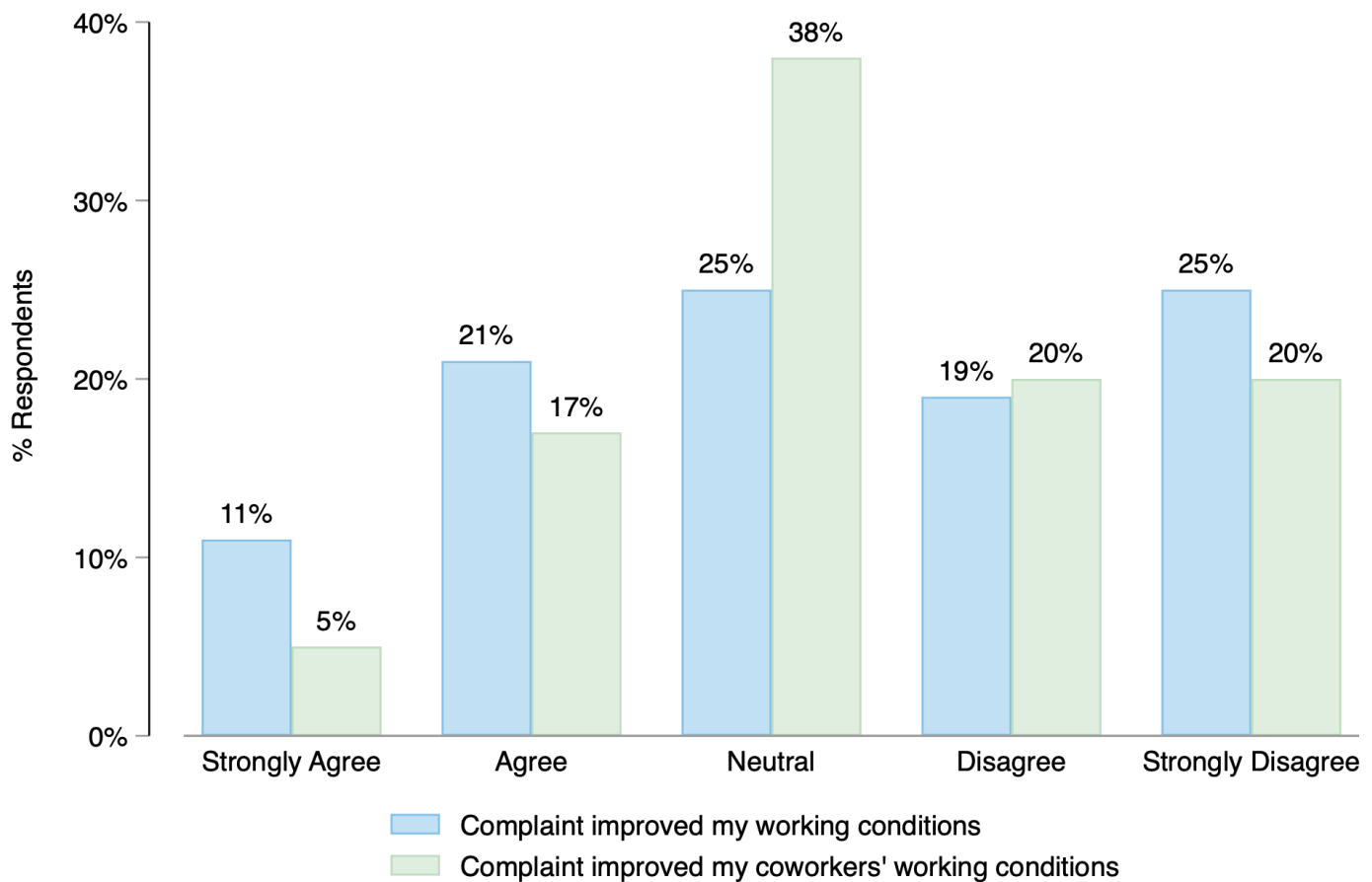
The left panel is striking for the high correlation between where workers actually reported potential labor standards violations and where they said they would turn given a hypothetical issue. In both instances, workers were most likely to indicate that they did or they would complain to someone in a 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.

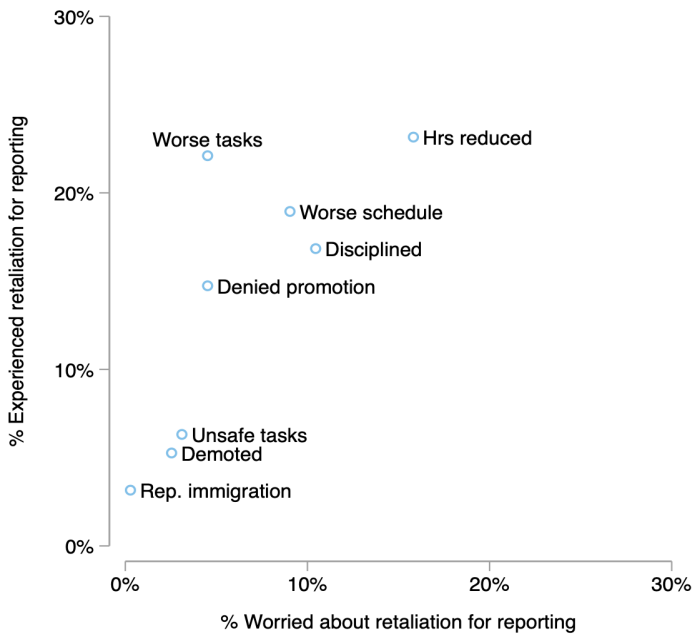
While 22% of workers who experienced apparent labor standards violations made a report, the large majority, 78%, did not choose to step forward. We asked these

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

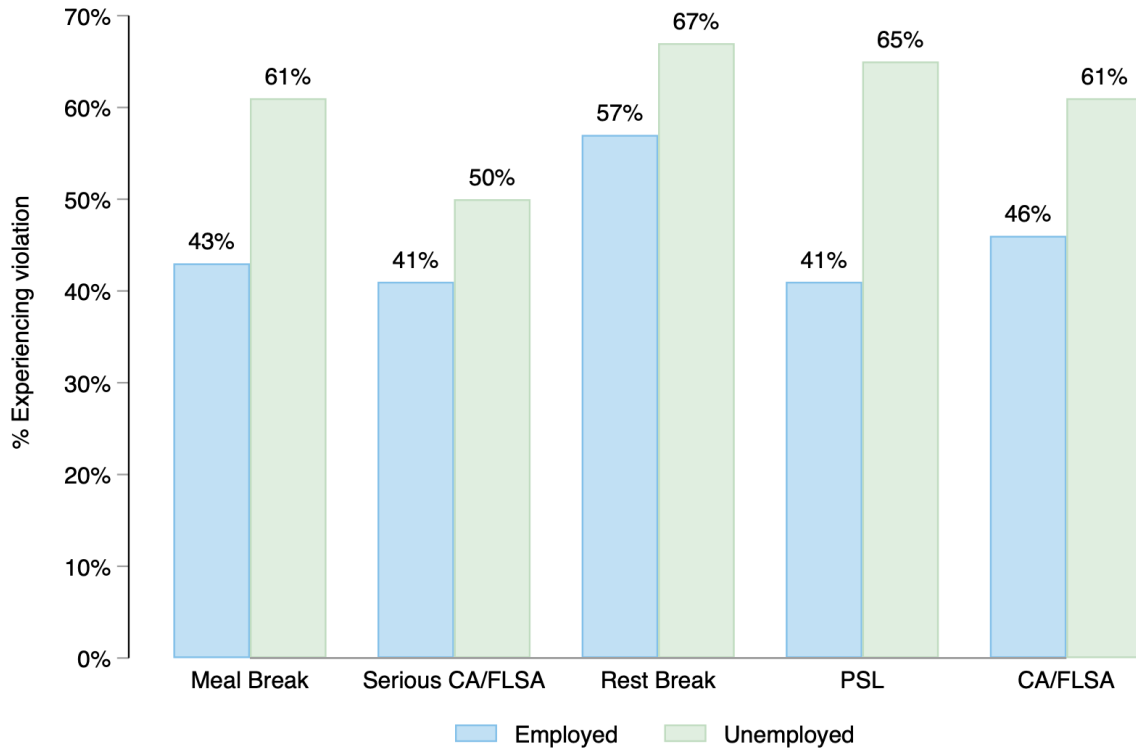
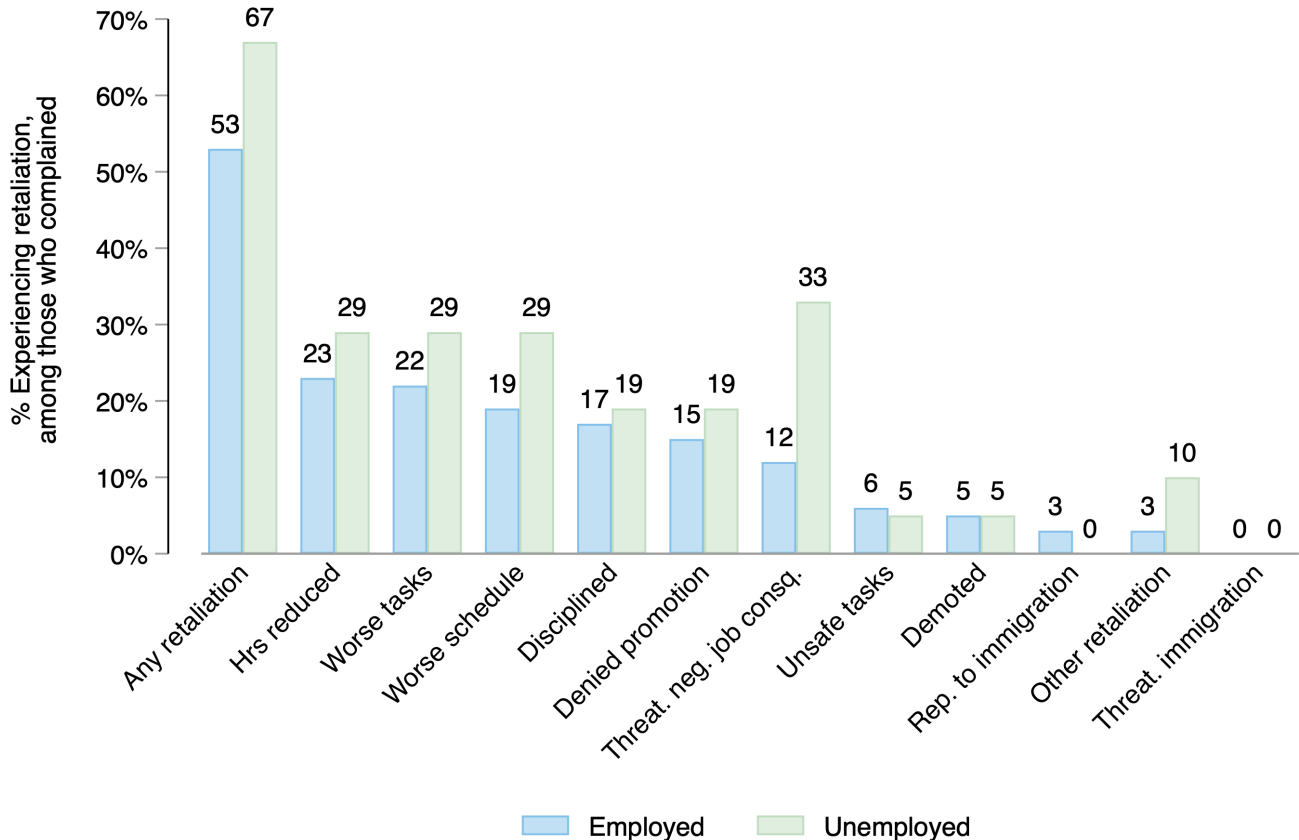


Figure 11. Rates of Retaliation among Employed Workers vs. Unemployed Workers



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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Acknowledgement

This research was supported by a generous grant from the James Irvine Foundation. We are grateful to Shift Project team members Alessandra Soto, Connor Williams, Dylan Nguyen, Jeremy Mopsick, and Tyler Woods for their assistance with this research. We are grateful to a number of individuals and organizations who reviewed and provided comments on our survey. The input was critical to crafting questions for assessing underlying compliance via worker experience

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

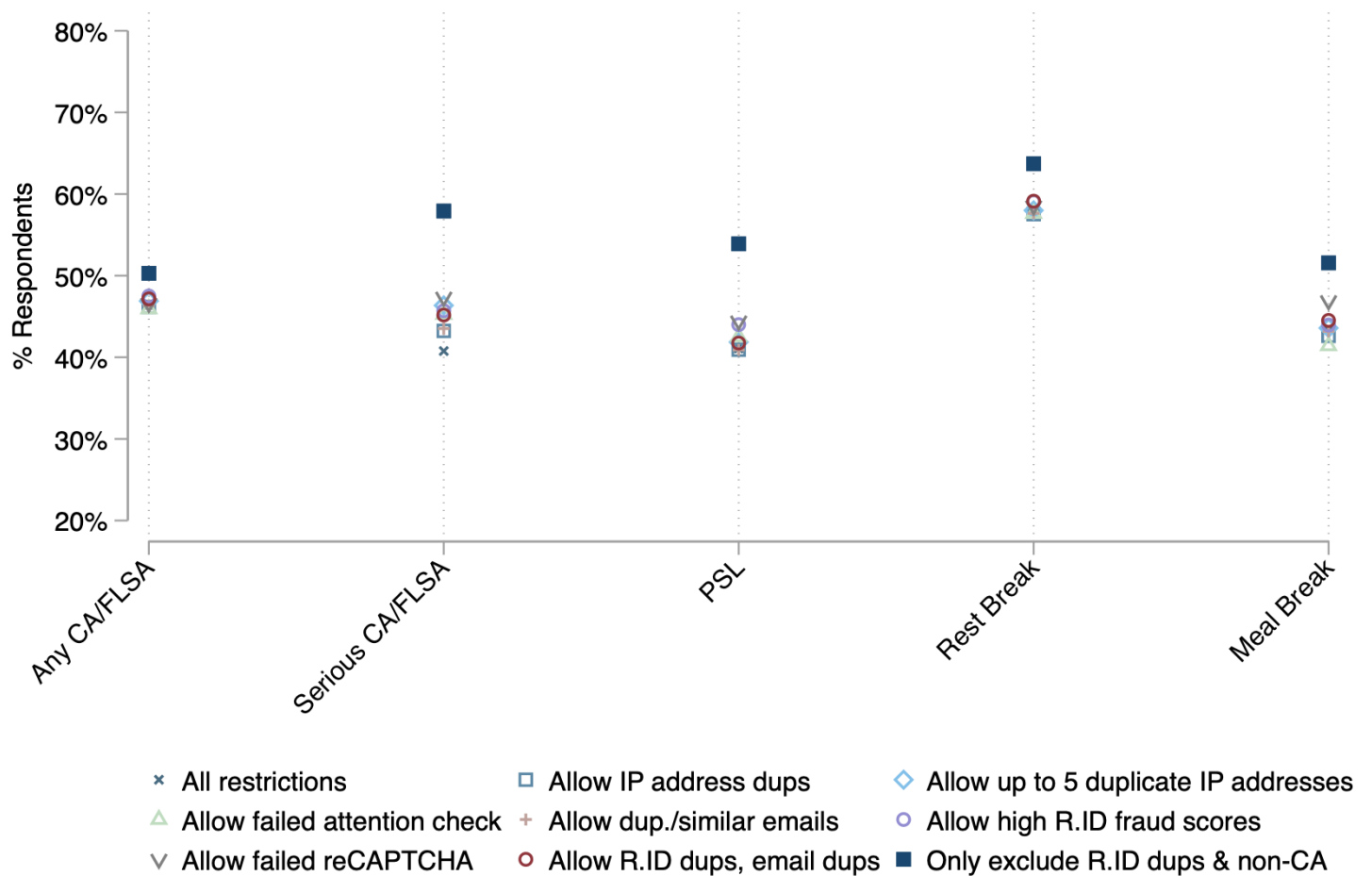
To a greater extent than probability sample surveys conducted online or in other modes, online surveys using non-probability sampling methods face threats to data quality ([Douglas, Ewell, and Brauer 2023](#); [Peer et al. 2021](#)). We took several steps to both guard against the collection of low-quality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

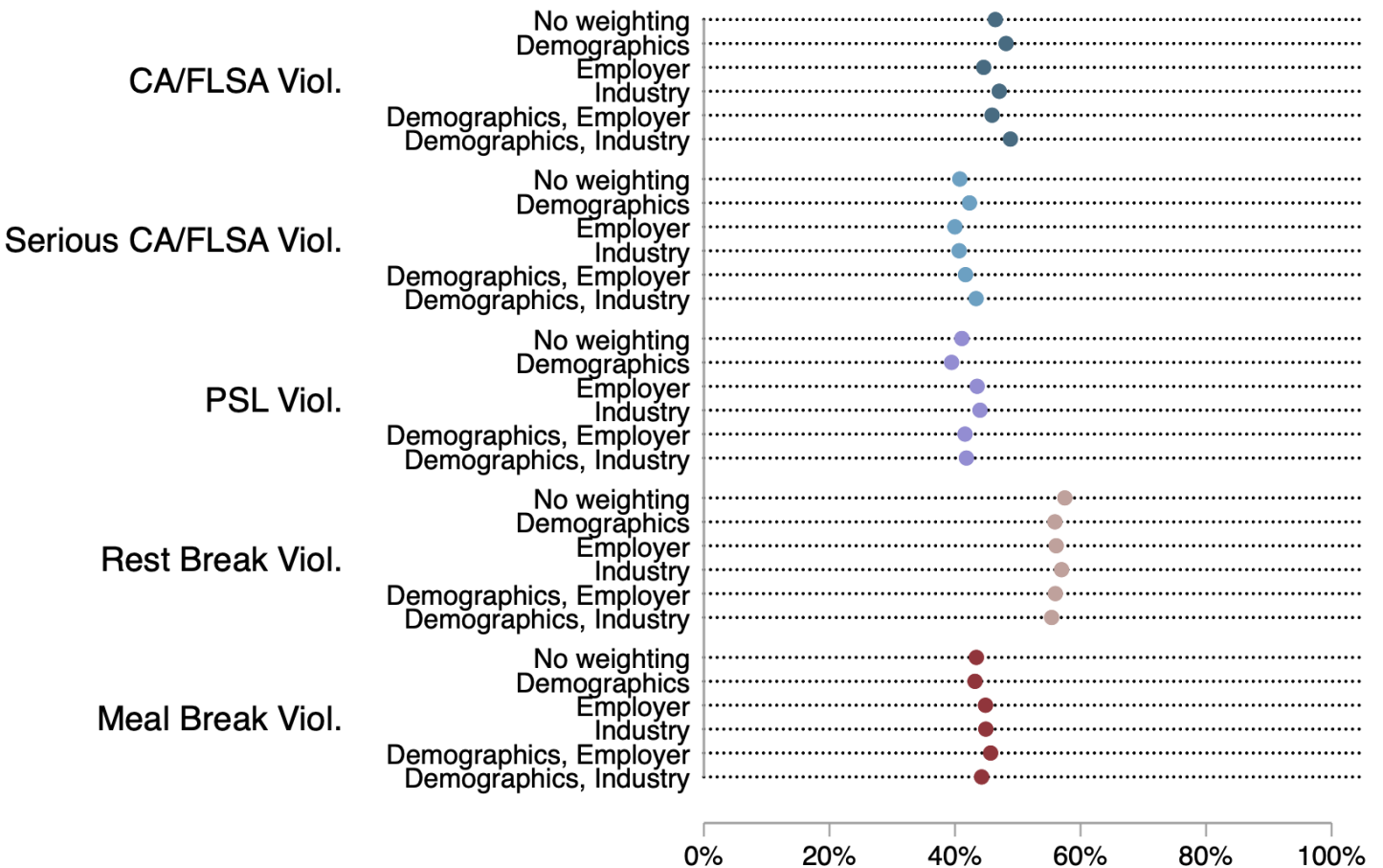
Third, we construct weights that align the distribution of workers by sub-sector in our survey with the distribution of workers by sub-sector in the ACS file.

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.

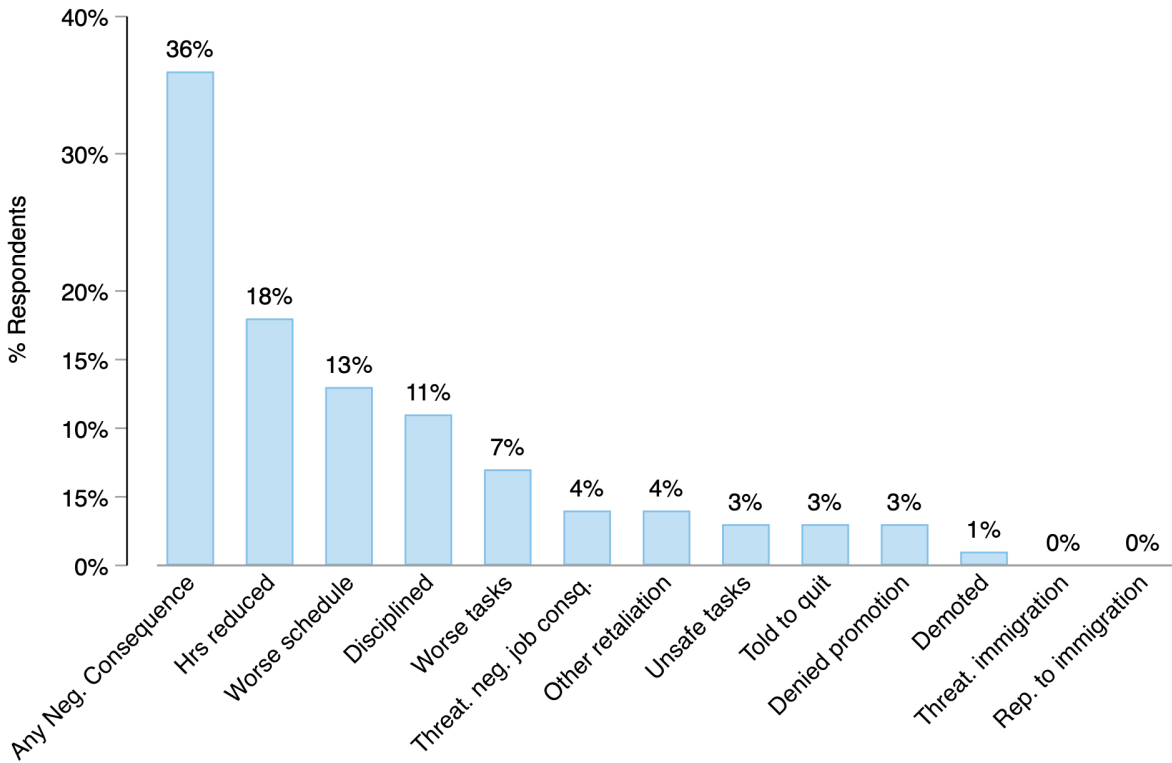
The results we present in this report are unweighted, but in supplementary analyses we applied these ACS demographic and RefUSA employer weights and results did not vary substantially. Appendix Figure 2 below demonstrates the robustness of our results to each of these weightings. Key results do not substantively 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

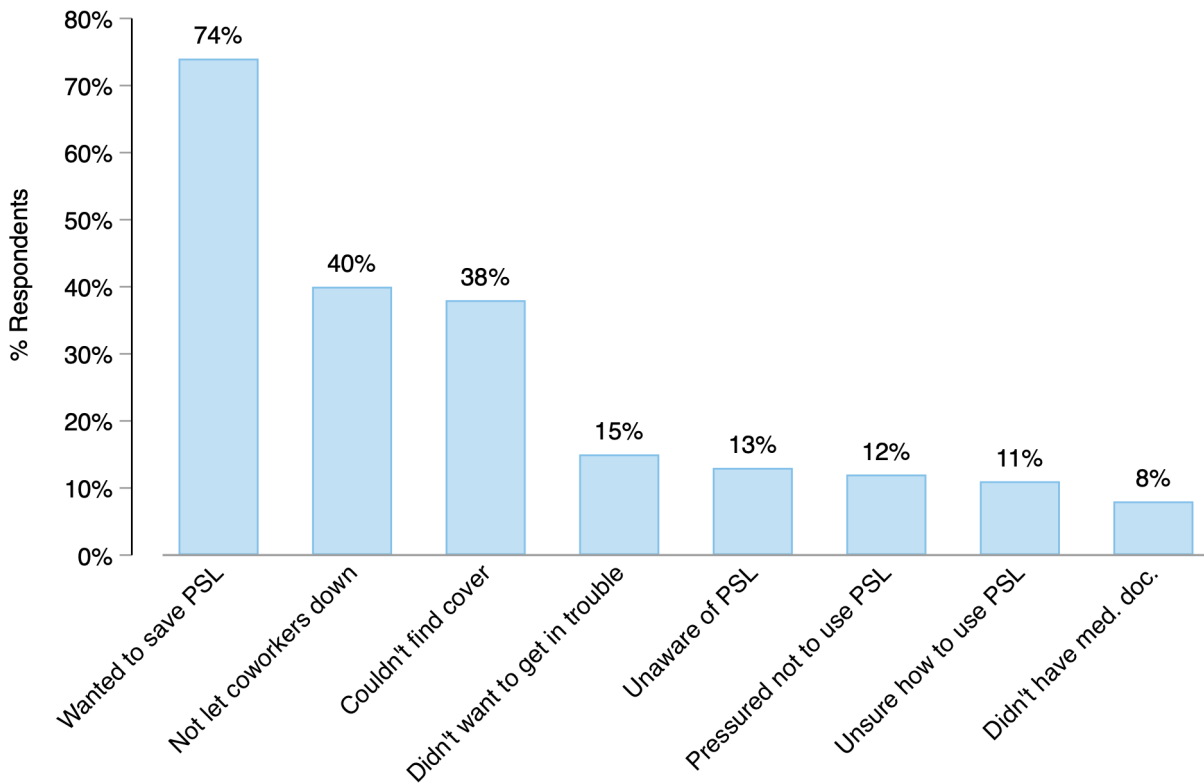


Appendix

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?

