

Testimony of OCPP Policy Analyst Janet Bauer, March 13, 2013

In Support of HB 2976, HB 2977 and HB 3142

before the House Business and Labor Committee

Chair Doherty, Co-Chairs Kennemer and Barton and members of the committee, my name is Janet Bauer. I am a policy analyst with the Oregon Center for Public Policy. We analyze tax, budget and economic data with the goal of advancing public policies that create economic opportunity for all Oregonians. I am here today to testify in support of HB 2977, HB 2976 and HB 3142.

Unfortunately, wage theft is a widespread problem in Oregon. The data bears this out.

OCPP has analyzed wage claims filed with the Oregon Bureau of Labor and Industries. Our analysis covers a six-year period ending in June 2012.

I qualify my description of our findings by stating that the BOLI data is certain to represent the tip of the iceberg of the problem of wage theft in Oregon. The data is limited by its complaint-driven nature. Many victims of wage theft do not file a claim for fear of reprisal from an employer, or because the worker doesn't know that BOLI may be able to help, or because they perceive no hope of recovering their unpaid wages.

With that caveat in mind, our analysis of the BOLI data found a pervasive problem of wage theft in Oregon. Oregon workers from every industry sector filed a total of 9,878 wage claims worth \$28.2 million during the six-year period ending June 2012.

While all industries were implicated, some were particularly troubling. We found the greatest problems were in the construction industry and the accommodation and food services industry (which includes hotels and restaurants). Focusing on construction for a moment, that industry had a particularly high number of claims against it relative to its workforce size. For instance, in the most recent 12-month period we examined, we found the construction industry made up 4 percent of Oregon's workforce and had 18 percent of all the claims filed with our labor bureau.

My assessment that the filed claims represent the tip of the iceberg is backed by research. A survey of workers in a number of low-wage industries conducted in three major U.S. cities in 2009 found, among other things, that more than two-thirds of the workers in the study reported experiencing wage theft in the previous week.

Illegal denial of wages is a serious problem in Oregon, one that affects the stability of Oregon workers and their families, local economies and law-abiding Oregon businesses. I respectfully urge the committee to approve HB 2976, HB 2977 and HB 3142.