

Principles for an Immigration Policy to Strengthen and Expand the American Middle Class **Fact Sheet: The Exploitation of Undocumented Workers**

The exploitation of undocumented immigrant workers threatens to drive down wages, benefits and working conditions for middle-class workers and low-income Americans striving to earn a middle-class standard of living.

- **Under current immigration law, immigrant workers compete with their U.S.-born counterparts on an uneven playing field—to the detriment of both groups.**
 - It is false to claim that immigrants only take jobs Americans don't want. This argument ignores the historic role that labor rights—especially the right to organize a union and bargain collectively—played and continue to play in transforming whole industries where jobs were once undesirable into pillars of middle-class life for millions of Americans and their families.
 - Dirty and ill-paid jobs in steel mills became “good jobs” once unions negotiated for solid wages and working conditions. Similarly, the dishwashing jobs that are presumed to be wanted only by undocumented immigrants are desirable to more workers when they are decently-paid positions with benefits at unionized restaurants in New York and Las Vegas hotels.
 - Undocumented workers without effective labor rights aren't just filling positions U.S. citizens don't want—their exploitation enables employers to keep certain jobs so undesirable that only relatively powerless undocumented workers will accept them, thereby reducing job opportunities for all workers.

- **Because employers threaten undocumented immigrants with deportation, these workers cannot effectively assert their rights in the workplace** by, for example, asking for raises, complaining about violations of wage and hour or workplace safety laws, or by supporting union organizing drives. As long as this cheaper and more compliant pool of immigrant labor is available, employers are all too willing to take advantage of the situation to keep their labor costs down.
 - In a survey, 25 percent of workers whose employers found out that they were undocumented were not fired until they complained about worksite conditions. Another 21 percent said their employers used their unauthorized status to fire them in retaliation for trying to organize a union. Others reported that their employers' didn't fire them when they discovered their unauthorized status, but instead they continued to employ them while cutting their benefits or wages.¹
 - Nearly half of day laborers have been cheated out of their wages and 44 percent were denied food, water, or breaks in work according to a national study at 264 day labor sites across the country.² While not all the day laborers were undocumented, researchers note that “the employers assume they're undocumented. They assume they're afraid to report the crime.”³
 - When formerly undocumented workers were granted legal status in 1986, their wages increased significantly even after controlling for factors like education, ability to speak

English, and time of residence in the U.S.⁴ This demonstrates how the lack of legal status by itself depresses immigrants' wages.

- **U.S.-born workers are left to either accept the same diminished wages and degraded working conditions as immigrants living under threat of deportation or be shut out of jobs where employers hire predominantly undocumented immigrants.**
 - The exploitation of undocumented workers is frequently not captured in economic research. As a result, the many conflicting studies that attempt to assess the impact of immigration on American wages often do not account for immigrants' vulnerability in the labor market.
 - One case where the impact of immigrant exploitation on the current and aspiring middle class is clearly visible is in the attempt to organize a union. Unions have historically enabled working people to attain a middle-class standard of living, and they continue to do so. By virtually any measure, union workers get a better deal in the workplace.⁵ Yet in recent years, businesses have more vigorously resisted their employees' attempts to form unions.⁶
 - In the atmosphere of threats and pressures that is commonplace when employees try to unionize, undocumented workers' fear of deportation adds another dimension of intimidation. When many undocumented workers are present in an organizing campaign, half of all companies facing employee attempts to organize threaten to report undocumented employees to the immigration authorities.⁷ This added barrier to unionization hurts not only the undocumented immigrants themselves but also the U.S.-born workers who are denied the benefits of a union if the organizing drive fails.

- **The solution is to bolster the rights of immigrants in the workplace,** reducing their vulnerability to exploitation and enabling them to demand a deal in the labor market that doesn't undercut the middle class.

SOURCES:

¹ Chirag Mehta, Nik Theodore, and Marielena Hincapié, "Social Security Administration's No-Match Letter Program: Implications for Immigration Enforcement and Workers' Rights", Center for Urban Economic Development, University of Illinois at Chicago (2003). <http://www.uic.edu/cuppa/uicued/npublications/recent/SSAnomatchreport.pdf>

² Abel Valenzuela Jr. et. al. "On the Corner: Day Labor in the United States," University of California Los Angeles Center for the Study of Urban Poverty (2006). http://www.sscnet.ucla.edu/issr/csup/uploaded_files/Natl_DayLabor-On_the_Corner1.pdf

³ Mary Beth Sheridan, "Pay Abuses Common for Day Laborers, Study Finds", Washington Post, June 23, 2005.

⁴ Francisco L. Rivera-Batiz, "Undocumented Workers in the Labor Market: An Analysis of the Earning of Legal and Illegal Mexican Immigrants in the United States," Journal of Popular Economics 12 (1999). <http://faculty.tc.columbia.edu/upload/flr9/MexicanundocumentedImmigrants1999.pdf>

⁵ See, for example: "Union Members in 2008," Bureau of Labor Statistics (2009).

<http://www.bls.gov/news.release/pdf/union2.pdf> "Employee Benefits in the United States, March 2009," Bureau of Labor Statistics (2009). <http://www.bls.gov/news.release/pdf/ebs2.pdf>

⁶ Kate Bronfenbrenner, "No Holds Barred: The Intensification of Employer Opposition to Organizing," Economic Policy Institute (2009). <http://www.epi.org/publications/entry/bp235/>

⁷ Ibid.