

COVER STORY

by Sarah Godfrey

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THE REMAINS OF THE DAY WORK

In a day laborer's world, even the minimum wage looks good.

Five a.m. is an ungodly hour. The sky is as black as when you went to bed, making it feel as if you hadn't slept. There's no traffic on the streets. The birds and the garbage trucks—those most reliable harbingers of morning—aren't even out yet.

But long before most of us have even started brewing coffee, workers of one sort are already out in force, making their way to their job. Or at least, their hope of a job. For these are day laborers: temporary construction workers, contract employees, manual laborers who push the wheelbarrows and carry the bricks of the nation's economy. They gather almost invisibly at designated "catch-out" points across the region or outside employment agencies.

And then they wait. You have to get up early to grab for the bottom rung of the ladder.

On this particular morning in October, Mickey Cook is one of the first to arrive at the campus of Central America Solidarity and Assistance of

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Maryland (CASA de Maryland), a social-service agency in Takoma Park that links day laborers with temporary work. The 46-year-old D.C. native, sporting his usual skullcap and a fleece jacket to battle the early-morning chill, is one of the few African-American men here. The organization was established to provide services to immigrants, so the clients are overwhelmingly undocumented Spanish-speakers.

Cook has been a day laborer for years, but today he's beginning his first day as a dispatcher at CASA de Maryland, matching the many available workers—nearly 200 will show up today—with the few available jobs. It's a tryout of sorts that Cook hopes might turn into a permanent job on the agency's staff.

"Hey, man, what are you doing with that thing?" asks one man, pointing to Cook's walkie-talkie and clipboard.

"Trying to help you get out on a job!" Cook replies.

It's an unaccustomed role for Cook, who's more used to joining fellow laborers in a daily chorus of complaints about supposed favoritism in the job-matching process, or the failure of dispatchers to announce jobs in both English and Spanish, or jobs that pay scarcely minimum wages. Now, however, from the other side of the process, Cook is suddenly realizing that such complaints often boil down to one simple fact: There just isn't enough work to go around.

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—Daniel Katz,
employment lawyer

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"Catch-out work isn't like it used to be," Cook says. "There's a lot more people—more competition for these jobs. But there's enough work that if you're hungry and need a few dollars to get you through the week, you can."

Cook has worked as a day laborer off and on since the late '70s, having learned both construction and janitorial trades from his father and older brother. In the '80s, Cook was able to secure regular employment as a security guard and also at McDonald's. But he's had trouble holding a steady job since being the victim of a 1989 robbery outside of his Southeast home, when he says he was shot six times and left with chronic, debilitating pain.

"I couldn't work a regular job being sick all of the time," Cook says. "You can't keep calling in and calling in."

As he re-entered the day-labor market in the early '90s, Cook found that it had slowed considerably, with temporary agencies increasingly squeezing out the casual corner hires. A few years later, when his mother died and he lost his home, Cook decided to move to Montgomery County, where he eventually landed at CASA de Maryland.

Cook is just a few minutes into his new role as a dispatcher when a man sidles up to him and asks him to "throw a job my way," by steering the man some work outside of the normal agency process. The man and some cohorts loitering outside the gates have been banished from the CASA premises

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"The only benefit to an agency vs. standing on a street corner is that you're protected from the elements while waiting, and you will be paid something at the end of the day." —Will Collette, AFL-CIO researcher

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for some unknown offense—which usually means drinking or trying to intercept jobs.

"Just tell [the employers] that there are some good workers outside of the gate," the man suggests, "and they won't have to fill out all those forms."

Cook demurs. "I'm trying to get a part-time job here, a staff position maybe," he explains. "Not only for me, but for the other people here. They need someone to look out for them who's been through it all."

No one can say with any certainty how many day laborers across the country arise in the darkness each morning to try to scratch out a day's pay before the sun sets. The U.S. Census Bureau estimates there are approximately 260,000 people nationwide who classify themselves as day laborers. But government officials and workers' advocates alike say that the figure is a gross underestimation. Most such temporary workers do not file tax returns, many are illegal immigrants, and others are homeless—all in all, it's an extremely difficult population to track.

Nor do those who employ this population offer any better insight. Often they are small contractors who compensate workers under the table to avoid having to pay taxes, worker's compensation, or benefits.

Day laborers in the Washington area generally fall into three categories: those dispatched by commercial temporary agencies, those hiring

You take less or you don't work. Someone might tell you \$12 in the morning, but at the end of the day, they change the price and pay you \$8, or don't pay you at all." —Jose, a day laborer

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The men who catch out from the homeless shelter are especially vulnerable to exploitation. Although many have professional construction skills, they are also often middle-aged and frail or sick after years of living on the street. Employers know these men are desperate to earn a wage—any wage—and may consequently take advantage.

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"The only benefit of day labor is that it is work. They do it because they cannot

themselves out from street corners and shelters, and those organized and dispatched by a community organization. Although the market is largely dominated by recent Latino immigrants, African-American men have been doing catch-out work in the area since the early 1930s.

The day workers who fare the best are those dispatched by community organizations that not only handle their employment needs, but offer social services as well. According to Kim Propeack, staff attorney for CASA, there are only 18 such organizations nationwide, and CASA is, by far, the largest one in the Washington metropolitan area.

CASA was founded in 1985 to respond to the diverse needs of Central-American immigrants, ranging from health care to English classes to legal services and employment training. The organization has recently been involved in a very public battle with merchants in Takoma Park and neighboring Langley Park who do not want day laborers gathering near their businesses while waiting for work. The merchants claim that the crowds of men are scaring off their customers.

CASA also attracts African, West Indian, and Asian immigrants, as well as American citizens—largely because it is the only game in town. And many of the African-American men who gather at CASA in search of work believe that they are not best served by the immigrant-oriented organization.

"No one wanted to help when it was just blacks

find anything else. The workers realize that they are not being paid what they are worth, but it is a source of income." —Terri Bishop, executive director of the Community for Creative Non-Violence

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"A lot of employees will say, 'I'm happy making \$10 an hour without paying taxes on it,' which is fine for an 18-year-old, but older workers need the benefits that come with paying taxes." —Daniel Katz

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doing this work, and now that there is finally a place we can go to find work without standing out on the corner, the blacks here have to fight to get sent out on jobs," says one black man, echoing the sentiments of others.

James, a 64-year-old black man from Jamaica who declines to give his last name, has done various jobs in the United States for more than 30 years, but now he's unable to work because of illnesses including diabetes and an abscess on his leg. Many of the younger men call him "Papa" and give him money, cigarettes, coffee, and food.

James thinks that the grievances of the African-American workers have more to do with money than anything else. "The black men are older. They have more experience, want more money," he says. "The [Latino] guys are younger, not as experienced, so they work for less. But if you turn down a job and another man wants to do it for less, let him do it. Don't try to knock another man down."

Whatever tension at CASA exists between African-Americans and Latino immigrants, it does not seem to affect personal relationships. Frustrations are directed more at general conditions than individuals.

"I don't have a problem with nobody here, but it is different for us," says one African-American man. "It's different when you live here your whole life and you see people around you with all this money and you can't touch any of it. If I lived my whole

life in a poor country and then came here, I might be happy with any old amount of money, too."

The Labor Ready branch office on the corner of Rhode Island and Montana Avenues NE is a bleak storefront located at the end of a tiny strip mall that includes a liquor store, a SuperTrak auto-parts store, and a Chinese carryout. It's just a few steps from the Brookland Manor public housing development.

Inside, about 20 men, and a handful of women, sit slumped in folding chairs. The workers come in waves, at 5, 6:30, and 8 a.m. A few talk among themselves, but most are dozing, waiting for their names to be called so they can receive an assignment. Others gather outside to smoke cigarettes, talk about the upcoming football season, and complain about the agency.

"Labor Ready is modern urban slavery," declares L.C., an animated, middle-aged man who says he's a regular here and asks that his last name not be used. "This place is a waste of time. The manager has his favorites. You have to already have money in your pocket when you come up here. They give you no pay for travel time, no pay for show-up time."

Commercial temp agencies such as Labor Ready are an economic step down from community organizations such as CASA de Maryland. Day workers dispatched by either type of agency earn roughly the same wages—usually between \$7 and

\$12 per hour—but the commercial agencies don't provide services such as job training.

Less visible than professional temporary agencies such as Randstad and Office Staffing, manual-labor temp agencies place workers in construction trade jobs—painting, roofing, paving streets—usually for only one day. Labor Ready is one of the largest agencies of this type. The company has two branch offices in Washington and more than 700 total in North America.

"A man who worked with me yesterday came in after me, and he's already left on a job," complains Tony, a short, solid, well-dressed man who says he's been waiting for an assignment since 5:15 a.m. "They always give preference to their favorites and people who they know."

Tim Adams, general counsel for Labor Ready, says this is a common complaint, and it results from a misconception.

"We hear this sort of complaint from time to time," Adams says. "Our policy is 'Best match for dispatch.' Workers are not sent out on a first-come, first-served basis. We want to connect workers to customers in a way that best suits both of their needs. In any branch office, certain workers prove themselves to be good, hard, reliable workers, and we try to make sure our best customers are served by our best workers. None of this is readily apparent to someone who has walked in off of the street for the first time."

Tony also complains that management is lazy in sending workers out on assignment. "They don't send people out on time," he contends. "A lot of times, they give you a job ticket late, so that you're late showing up to the job, and if you're late, the contractor might just send you home. The other day I got a ticket at 6:40 a.m. for a job that started at 7:30 in Tysons Corner."

Although a Labor Ready branch manager denies the claim, several workers say that for a period, the nearby Brentwood Liquor Store refused to cash their Labor Ready checks because, as one man puts it, the checks were "bouncing all over town."

"I don't understand how they have these major contracts the way that they do business," wonders L.C. The workers name Clark Construction, FedEx Field, the Four Seasons hotel, and the MCI Center as places where they have worked through Labor Ready. Labor Ready workers from the Rhode Island Avenue branch say they even erected bleachers and picked up trash during last January's presidential inauguration.

Often, the men say, company contractors treat workers even worse than Labor Ready does. "They know you're with Labor Ready, so they work you to death," says L.C.

Labor Ready was founded in 1989 by Seattle fast-food restaurateur Glenn Welstad, who wanted to translate his experience with Hardee's restaurant franchises into the temporary-labor arena. Welstad

has successfully expanded his business to include branch offices in every state plus Canada, Puerto Rico, and Great Britain. "Welstad wanted to make Labor Ready the McDonald's of the temp industry," says Will Collette, a researcher with the AFL-CIO Building and Construction Trades Department.

Welstad's attempt to regulate the corner-hire market by moving it indoors and securing corporate accounts, rather than relying on small contractors, has translated into financial success. Although the company's growth has recently slowed, Labor Ready became a Wall Street darling in the mid-'90s. In 1999, *Kiplinger's Personal Finance* magazine named Labor Ready the fourth-best stock of the '90s, ahead of even Microsoft and America Online. Today, Labor Ready is America's largest single construction employer; last year, the company had more than \$1 billion in sales and employed more than 700,000 workers.

But the AFL-CIO is not impressed by the company's financial success. It is interested in allegations that the company mistreats its workers, who are not unionized.

"The only benefit to an agency vs. standing on a street corner is that you're protected from the elements while waiting, and you will be paid something at the end of the day [if you work]," says Collette.

Union organizers take particular exception to Labor Ready's unique adaptation of a standard automated-

teller machine to pay day laborers. Workers who prefer to be paid in cash rather than a check receive a one-use personal identification number and a voucher to receive payment via the modified cash machine. Unlike a traditional ATM transaction, this is entirely internal and can be performed only on a Labor Ready machine located in a branch office. For this convenience, Labor Ready charges workers a fee of \$1, plus whatever change is left over after rounding down the wage figure to the nearest whole dollar. If a worker wanted to redeem \$50.89 in wages, for example, he or she would pay the \$1.00 fee and lose \$.89 in change. By Labor Ready's own estimates, the average transaction costs a worker \$1.50.

"What Labor Ready did with these cash machines was take a huge business expense and turn it into a business profit," says Collette. "To pay an employee with a check, it costs the employer money in bank fees, etc. Labor Ready converted this cost into a profit center."

Workers choose to use the company cash machines because they have few other options. "In most poor neighborhoods, where a lot of these workers come from, there aren't too many bank branches," Collette says. "You have check-cashing places and your local liquor store, which also charge a fee to cash your check. So you have the option of trying to cash a check drawn on an out-of-state bank or getting paid in cash on the spot."

Although currency exchanges and liquor stores

often charge more than Labor Ready cash machines to cash checks, the AFL-CIO's problem with the machines is that it is the employer, not a third party, who is essentially charging the employee to be paid—something prohibited by most states, Collette says. The AFL-CIO has organized Labor Ready workers who have filed class-action lawsuits against the company in Georgia, California, and New York based on alleged violations of this law. Attorneys general in several other states, Collette says, are also investigating Labor Ready for its ATM payment practice.

Labor Ready maintains that the ATMs are legal, and company officials emphasize that their use is optional.

"We don't force the workers to do anything," says Adams. "At the end of each workday, they have a choice of receiving a traditional paycheck to cash or deposit where they see fit, or a voucher to redeem in a cash machine. This is simply an option for the worker. Our cash-dispensary-machine program is in compliance in every state and the District of Columbia."

And if there's a worker backlash brewing against Labor Ready, there's no evidence of it in the District. Collette speculates that this is because of a "lack of organizing." Labor Ready's clientele is primarily African-American and, according to Collette, "the African-American community hasn't yet rallied around the issue of day work as the Latino community has."

Jose, 24, a newcomer to the District from Guatemala, had no trouble finding the corner of 15th and P Streets NW—one of the few remaining informal hiring spots, or "shape-ups," inside the city.

"People just told me that if I wanted work, I should come here," he says.

Shape-ups, another name for catch-outs, are the oldest way that temporary workers hook up with employers looking for day laborers. No one is entirely sure how these street-corner meeting places came into existence, but the District used to be crowded with them. But when temporary agencies such as Labor Ready began to set up shop in the city in the early '90s, catch-outs largely migrated to the suburbs.

Catch-outs are usually found close to retail stores that sell hardware, paint, or other building and home-improvement items and, thus, draw those in need of help with such tasks. Gradually, word gets out that anyone looking for work, or workers, can come to the shape-up and negotiate manual labor.

But shape-ups, by virtue of their completely unregulated nature, leave workers exposed to mistreatment. Day laborers complain of being cheated out of wages, forced to work overtime, or left stranded at a remote location after a long day's work.

The shape-up at 15th and P is located in the parking

lot of the Duron paint store, directly across the street from one of the District's newest, and most visible, symbols of gentrification: a Fresh Fields supermarket. But the Duron store, as well as the old Metro supermarket next door, is expected to be replaced by a \$57 million residential and retail complex, which means that the men who gather here may soon be forced to find a new place to look for work. Traffic at the shape-up has already declined.

On one recent morning, the vans and trucks of contractors are more plentiful than workers to fill them. Between 5:30 and 6:30 a.m., five vehicles park near the shape-up, wait for about 15 minutes, and then pull off when no workers appear.

Around 6:45, three men appear toting hard hats, toolboxes, and McDonald's breakfast sandwiches. Upon learning that several trucks have come and gone in the hour prior to their arrival, the men don't seem concerned. "There is always work here," says Orlando, who adds that he is an illegal immigrant and does not wish to be identified. "More trucks will arrive." The trucks, however, seem few and far between after 7 a.m.

Orlando says he came to the United States from Honduras three months ago. He learned of the Duron lot from his cousin, who is also present but prefers not to give his name. Orlando says he does all types of labor, from painting to roofing. He says that \$8 an hour is the standard rate of pay, but it can be as high as \$12, depending on experience.

"There are bad bosses and good bosses," Orlando says. "Some take money out for food and transportation. Others don't."

Although neither man says he's been stiffed by an employer, others have not been so lucky.

"Sometimes you are treated well, sometimes badly—it depends on the guy," says Jose, another worker. "If you do not like the pay, too bad—you do not work. You take less or you don't work. Someone might tell you \$12 in the morning, but at the end of the day, they change the price and pay you \$8, or don't pay you at all."

Unlike the men who gather at Labor Ready each morning, these men voice few complaints about the work they perform. Most are relatively new to the country and still view America as a vast land of opportunity when compared with their home countries. Orlando, for one, says that working for \$8 to \$12 an hour provides enough for him to live and still send money back to his family in Honduras: "I came here for a better life, just like everyone else, and I think that I have it."

Most of the men who gather at Duron are aware of the site's looming closure. "I heard about it on television and on the radio," says one. "If they close it, we will just have to go somewhere else—Maryland, Virginia, wherever. We'll find somewhere."

But competition for work is stiff in the suburbs. The

frenetic intersection of Glebe Road and Pershing Street in Arlington, with workers desperately trying to flag down vans and trucks, makes the Duron shape-up look sleepy by comparison.

And, although the warm summer months provide enough work to go around, that is not always the case. "Right now, there is enough work for everyone, but four months ago, there wasn't," says Jorge, a 23-year-old from Guatemala, through a translator. Jorge says he would like to learn English, as many of his friends have, but the type of work he has performed so far—painting—doesn't offer many opportunities for practice.

Some of the men who gather every morning across the street from the Community for Creative Non-Violence (CCNV), a homeless shelter at 2nd and D Streets NW, have been catching out for decades. But they're at the bottom of the heap in terms of wages. Whereas Labor Ready employees and the men at the 15th and P shape-up generally earn at least \$7 an hour, these men earn far less.

"They don't pay minimum wage—usually about \$5 an hour, sometimes less," says one man. "Try \$3 or \$4," says another.

The men sit on a high wall that borders the overpass above the D Street Tunnel, in a small park adjacent to the U.S. Tax Court building, ironically enough. They read the morning paper and joke about winning the Powerball jackpot. For them, it's a dream not much more distant than earning the

minimum wage, which in the District is set at \$6.15 per hour, although day laborers can legally be paid the federal rate of \$5.15 per hour for the first 90 days of employment.

The men who catch out from the homeless shelter are especially vulnerable to exploitation. Although many have professional construction skills, they are also often middle-aged and frail or sick after years of living on the street. Employers know these men are desperate to earn a wage—any wage—and may consequently take advantage.

Yet none of the men here see the point of trying to find work through agencies such as Labor Ready. "It's the same thing, really," says one man, who, like his colleagues, is fearful of being identified. "They might pay a little more, maybe \$8 or \$9 [an hour], but they deduct for equipment and transportation, so it ends up being about the same. Once you add in wait time and travel time to get there, maybe less."

The men trade horror stories of being injured on various jobs, like the worker who says his employer abandoned him in a hospital when he broke his ankle on a job in Delaware.

"No one gets workers' comp," laments another man. "Sometimes they might kick a little extra money your way [if you're hurt], but that's it."

Terri Bishop, executive director of the CCNV, says such complaints are common.

"The only benefit of day labor is that it is work," Bishop says. "They do it because they cannot find anything else. The workers realize that they are not being paid what they are worth, but it is a source of income."

Bishop says that the CCNV prefers to keep out of arrangements between employers and its residents.

"I remind [residents] that when you employ yourself, and make your services available to someone, that we cannot enter the picture," she says. "I don't know who these employers are or what they have promised them. We do encourage them to file complaints when such things happen. We stay out of any employer-employee relationship unless CCNV is the employer."

Other nonprofit organizations are not so hesitant to intervene.

The D.C. Employment Justice Center, for example, conducts a workers' rights clinic every Wednesday at Bread for the City in the Shaw neighborhood. The center usually handles problems with workers' compensation, discrimination, and Family Medical Leave Act complaints, among others. Volunteer counselors, usually bilingual law students, hear complaints and then present the cases to volunteer lawyers, who recommend plans of action that can range from helping to write a strongly worded letter to filing a formal complaint.

Judy Conti, director of the center, estimates that fewer than 10 percent of the clinic's participants are

day laborers. "Unfortunately, these workers don't know where to go to vindicate their rights. They think that the abuses they are experiencing are just par for the course," says Conti.

Robert Egger, director of the D.C. Central Kitchen, which is housed in the same building as the CCNV, wants to offer the workers who gather across from the shelter, as well as other day workers across the city, a better alternative. His organization trains men and women who have struggled with homelessness, substance abuse, and mental illness for work in the hospitality industry.

"We are definitely interested in pursuing our own temp agency," says Egger. "We have to challenge these labor companies face to face, instead of fighting them."

That may be a fine idea for the future. But Daniel Katz, an employment lawyer and member of the D.C. Employment Justice Center's board of directors, points out that the economic downturn that was exacerbated by the Sept. 11 terrorist attacks has made day laborers even more vulnerable right now.

"When the economy is weak—as it is now—those at the bottom are more and more open to exploitation," Katz says. "As the average U.S. worker moves down financially, where do those at the bottom go?"

Those who directly employ day workers are often

blamed for most of the workers' woes. It is the employers, after all, who have the power to choose not to hire the laborers as actual employees but rather classify them as "independent contractors."

Legitimate independent contractors, such as plumbers and freelance writers, are essentially self-employed and contribute to the flexible labor pool that is necessary for our country's economy. However, small contractors often classify their day hires as "independent contractors" merely for tax purposes—when they are not operating as all-cash, off-the-books operations, that is. Either way, they are relieved of the responsibility of paying workers overtime or covering workers' compensation and other benefits.

But some small contractors, many of them former day laborers themselves, contend they are scarcely better off than their temporary workers.

Ricardo, a contractor in need of some roofers to help him replace a roof for Fairfax Realty, pulls up to CASA de Maryland in his red Toyota Tercel around 9:30 a.m. Cook, in his new role as a dispatcher, radios one of his colleagues and describes the nature of the job, and two men with roofing experience are quickly located. The two men, Marvin and Larry, are both African-American and have several years of experience. A third roofer, Mario, who is a friend of Ricardo's, is already in the car with him.

Unlike many other contractors who shy away from

any outside attention, Ricardo, who is originally from El Salvador, is willing to allow a reporter to tag along on today's job—although he declines to be fully identified. "I'm not going to cheat anybody or hurt anybody," he says with a laugh. After quick introductions and handshakes, the four men squeeze into the two-door car, along with ladders and various other tools.

They head off on the long drive to Calverton, Md. Larry and Marvin have both been up since about 5 a.m. They will actually get to begin working—and earning money—at 10:30.

As soon as they arrive at the house to be worked on, the three laborers climb up to the roof to begin removing the seemingly endless layers of shingles. Ricardo, meanwhile, leaves to get more supplies. He spends much of his days driving—to pick up workers, to take them to job sites, to fetch supplies for the job, to buy lunch for the workers, to get money to pay them, to drop them back off.

"I get tired of all of this driving sometimes," he says. "I would rather be working with my hands."

The gig with Fairfax Realty is steady and reliable, Ricardo says. But in the past, he notes, he has been cheated, both as a worker and as a small-time contractor at the mercy of a larger company. When that has happened, he explains, he has been forced to pass on this misfortune to his workers. "I cannot pay workers if I myself am not paid," he says. "People see you as the bad guy, but this is not

always true."

Last year was a particularly tough one for Ricardo. His van, loaded with thousands of dollars worth of tools and supplies, was stolen. He was cheated out of money after completing several jobs, and he spent what little amount he did earn visiting relatives in El Salvador and sending them money.

All told, he estimates he lost more than \$25,000—about half of his gross earnings. "I am a hard man to break," he says, "but I am doing well now. Business is getting better."

He'd like to expand his contracting business, but it's too expensive, he says, to hire full-time employees. And without the ability to threaten them with firing, he finds he often has a hard time getting workers to complete jobs.

"I try to help people—especially my people [Salvadorans]. I give them work," he says. "But it is hard to find good people. Many times, I will come at the end of a day, and very little has been done, there is mess everywhere, and yet they want to be paid for a full day's work."

Although he still grapples with many of the trials he faced as a regular day laborer, Ricardo has been able to move from performing standard day work to essentially owning his own business. This sort of transition is viewed by some as the one redeeming quality of day work.

"Employees who work as contractors often get a

better deal," says Phillip Zipin, an attorney specializing in employment issues and a defender of the practice. "They do not receive overtime and other benefits as they would as an actual employee, but in the long run, it is not necessarily a loss. Contractor status allows workers to work their own hours, maybe lets them start their own business. It can be a real steppingstone for entrepreneurs. And it keeps overhead costs down for small companies."

But Katz thinks that an informal payment system benefits no one except the employer.

"A lot of employees will say, 'I'm happy making \$10 an hour without paying taxes on it,' which is fine for an 18-year-old, but older workers need the benefits that come with paying taxes," Katz says. "Yes, there is more cash in people's pockets, but in the end, it just relieves the employer of paying into disability and retirement. And, in this community, you see a lot of workers who never retire—not because they don't want to, but because they can't."

Katz notes that it's often illegal for employers to classify day laborers as independent contractors when they are in fact functioning as employees.

"Just because an employer says someone is an independent contractor does not make it so," Katz says. "The Internal Revenue Service and wage-and-hour regulations have very specific tests to determine employment status: Do you own your own tools? Control your hours? Have financial interest in the business entity? Are you exempt

from direct supervision? If you can answer yes to these questions, you're an independent contractor. If not, you're an employee."

The Internal Revenue Service loses out, as well. Often in the day labor market, "independent contractor" simply means someone who is not paying taxes.

"We track data through tax returns," says David Jordan of the IRS Statistical Information Section. "If someone is an undocumented worker being paid in cash and isn't reporting their earnings, we have no way of tracking them."

Katz estimates that the loss of tax revenue is "millions and millions of dollars," but believes that in the long run, American society gains more from these workers than they cost.

"Who cleans our buildings? Paints our homes? Watches our children?" Katz asks. "In terms of this area's economy specifically, the immigrant population is a motor for growth. It is this work force that keeps the local economy going, not the young white yuppies who move to D.C. and work for the government." **CP**

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