

FACT SHEET

WAGE THEFT IN TEXAS

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Wage theft is a significant issue facing the state's **thirteen million workers**.

Wage theft takes a variety of forms, including: nonpayment for work completed, failing to pay the minimum wage or overtime, uncompensated breaks, and working off the clock.

Over the last five years the Texas Workforce Commission (TWC) has ordered employers to pay **more than \$49 million** owed to Texas workers for wage theft claims.¹

 Recent surveys found more than one in five construction workers had experienced wage theft at some point in their careers.²



7 in 10 workers who experienced wage theft reported economic hardship including the inability to pay households bills, utilities, rent, & difficulty obtaining medical care.³

Victims of wage theft were owed **\$2,100** on average in 2020.⁴

Workers who report wage theft also face employer retaliation such as firing or threats to call immigration authorities. One in three construction workers surveyed reported retaliation from their employer for filing wage theft claims.⁵



 Wage theft not only harms Texas workers and their families but also saps state and local governments of much needed tax revenues and undercuts honest, local businesses that play by the rules.

\$8.8 Million

Estimated tax revenue Texas municipalities lost from wage theft in 2013.⁶

"High road" employers are frequently underbid **15-25%** by contractors who commit payroll fraud, don't offer workers' compensation insurance, or choose not to provide basic employment benefits.⁷

 TWC's Labor Law Department is responsible for investigating wage theft claims, but suffers from a lack of funding, limited enforcement power, and inadequate staffing.

- ▶ The Labor Law Dept's share of the total TWC budget has decreased every year 2015 to 2019.⁸
- ▶ More than half of the \$49 million owed to Texas workers from TWC wage claims from 2016 to 2020, \$26.3 million in total, remains unpaid by employers.⁹
- ▶ The number of investigators budgeted to the Labor Law Department declined from **27** in 2010 to **21** in 2018. The actual number of investigators decreased from **22** in 2012 to **16** in 2018, when a quarter of investigator positions were left vacant.¹⁰



**Workers Defense
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(1) Data for FY 2010-2020 obtained by information request from Texas Workforce Commission, March 2021; U.S. Bureau of Labor Statistics. Economy at a Glance: Texas. Retrieved March 25, 2021 from <https://stats.bls.gov/eag/eag.tx.htm> (2) Price, Amy, Emily Timm, and Cristina Tzintzún. Build a Better Texas: Construction Working Conditions in the Lone Star State. 2013. p.46 (3) *ibid*, p.22 (4) *ibid* (5) *ibid*, p.24 (6) *ibid*, p.46 (7) *ibid*, p. 39 (8) Data obtained by information request from Texas Workforce Commission, January 2019 (9) *ibid* (10) Data obtained by information request from Texas Workforce Commission, January 2019