

A FAIR DAY'S PAY?
HOMELESS DAY LABORERS IN CHICAGO

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EXECUTIVE SUMMARY

Contrary to popular assumptions, homeless men and women in Chicago are working – and working regularly. The majority of adults living in homeless shelters work day labor through staffing agencies. Yet they remain homeless because the jobs they hold are low paying and unstable. These workers are part of a growing segment of the economy – “contingent workers” who hold temporary job assignments through temporary help agencies. In the case of day labor, workers line up each morning at agencies in hope of receiving a work assignment for a manual labor job at a factory, warehouse, and other work site.

This study contains the findings of a survey of 510 homeless men and women. The survey was conducted at four Chicago homeless shelters on a single night in October 1999. Shelter residents were asked a series of questions regarding their experiences working day labor including questions about occupations, wages, and job safety.

Key Findings

- 75% of homeless adults interviewed worked day labor in the past year.
- 82% of homeless day laborers were paid an hourly wage of \$5.50 or less at their most recent job.
- Homeless day laborers who work regularly earn less than \$9,000 per year.
- 27% of homeless day laborers have worked on day labor assignments for the City of Chicago.
- 42% of homeless day laborers expressed concerns about their personal safety on the job.
- 96% of homeless day laborers would prefer jobs with regularly scheduled hours. Half of these workers work day labor because it is the only job they could find.

Homeless day laborers are employed throughout the Chicago area. They work in factories, warehouses, construction sites, and other work places performing manual laborer jobs such as unloading trucks and assembly. In addition, day laborers frequently encounter working conditions that are unsafe. Many have been injured on the job but return to day labor because of their immediate need for income. For this work, most are paid the minimum wage and remain deep in poverty, unable to escape homelessness.

Survey results show that homeless day laborers are both willing and able to work consistently when given the opportunity. Contrary to the stereotypes of homelessness, the survey shows that homeless day laborers are engaged in a constant and active struggle to make ends meet. These workers routinely arrive at their agencies in the early morning in

search of work. Then they wait, often for several hours, before actually beginning paid employment. When work is not available from their regular agencies, many workers travel to other agencies with the hope of securing an assignment. When work assignments are in short supply, homeless day laborers resort to other forms of income-generating activities such as selling newspapers or panhandling. During the course of a typical day, homeless day laborers leave shelters in the early morning to look for work, either receive work or continue their search, and then return to the shelter for the night. This pattern is repeated by thousands of Chicagoans each day.

The survey was conducted by the Chicago Coalition for the Homeless, Chicago Interfaith Committee on Worker Issues, Chicago Jobs with Justice, and the University of Illinois Center for Urban Economic Development. Funding for the survey was provided by a grant from the Woods Fund.

INTRODUCTION

The Chicago Coalition for the Homeless has been working with homeless men, women, and children to end homelessness by tackling its root causes. To this end, the Coalition has advocated programs and policies to improve access to jobs paying family-supporting wages, expand the availability quality health care, and increase the supply of affordable housing.

As the Coalition sought to understand how it is possible that working Chicagoans are forced into homelessness, it became clear that there are patterns of employment that perpetuate homelessness. Foremost among these is the type of employment commonly known as “day labor.” Day labor – working through temporary help agencies or waiting on “labor corners” to secure low-paying, manual laborer jobs in factories, warehouses, and construction sites – is the primary source of employment for homeless adults. And although day labor provides income to thousands of homeless men and women in Chicago allowing them to survive day to day, the very nature of day labor fosters workers’ dependency on low-wage, unstable work. If day labor afforded homeless workers the resources to live in adequate housing, to feed their families, and to build stable careers, day laborers could have the opportunity to escape this dependency. However, day labor provides neither the income nor the employment security necessary for these workers to rise out of homelessness and poverty.

It is well known that homeless workers comprise a substantial portion of the day labor workforce nationwide. For example, Labor Ready, the largest corporation providing day labor services in the United States, reports that 50 percent of its workers are homeless. In addition to Labor Ready and other national temporary staffing services, cities like Chicago are home to dozens of small, independent staffing firms that provide day laborers to area businesses. In Chicago there are well over 100 such agencies. Supplying workers ASAP is the mantra of the day labor industry. Agencies locate in high-poverty neighborhoods where there are large pockets of underemployed workers with few other opportunities for earning a living.

Recently, the practices of day labor agencies in Chicago have come under public scrutiny. In 1997, an article in the *Chicago Reader* called attention to worker abuses by several agencies and their business clients.¹ In 1998, a survey commissioned by State Senator Miguel del Valle documented the low wages and unsafe working conditions encountered by many day laborers.² In November 1999, the Chicago Workers’ Rights Board conducted hearings on day labor and found evidence of widespread abuses.³ Also in 1999, efforts by Chicago Alderman Ray Frias led to the shutting down of five day labor agencies for violations of City ordinances.⁴ And currently, the Illinois House Task Force on Day Labor chaired by Representative Sonia Silva is holding several hearings to learn more about the employment practices associated with day labor.

¹ Nadia Oehlsen, “Caught in the Machinery,” *Chicago Reader* 26 (1997): 1-25.

² Enrique Murillo, Gladys Diaz, Claudia Tellez, and Marsha Gonzalez, “Day Labor Survey Results,” report prepared for State Senator Miguel del Valle, 1998.

³ Stephen Franklin, “Day laborers’ plight illuminated,” *Chicago Tribune*, November 6, 1999: B1,2; Damian Irizarry, “A Day’s Labor Does Not Always Pay for Chicagoans Seeking Jobs,” *Streetwise*, November 9-22, 1999: 1,2.

⁴ Patrick Cole, “Labor firm shuts amid charges of violations,” *Chicago Tribune*, February 4, 2000: C1,3.

These efforts have been important in that they have called attention to the problems faced by a growing segment of the Chicago workforce. What is now needed is a better understanding of day labor that goes beyond the abuses. To provide this needed information, the Chicago Coalition for the Homeless, Chicago Interfaith Committee on Workers' Issues, Chicago Jobs with Justice, and the University of Illinois Center for Urban Economic Development designed a survey of homeless day laborers. The survey was conducted at four Chicago homeless shelters in October 1999 and 510 shelter residents were surveyed regarding their experiences working day labor. Seventy five percent of shelter residents surveyed reported that they had worked day labor during the past year. This study presents the findings of this survey and analyzes day labor from the perspective of homeless workers.

DAY LABOR PERPETUATES HOMELESSNESS

The majority of homeless adults in Chicago are working day labor on a regular basis. Yet because of the very low incomes they earn, and because of the instability and uncertainty associated with this type of employment, they have little hope of escaping homelessness. The responses of homeless day laborers to survey questions pertaining to wages and other sources of income shed light on the realities of low-wage contingent work. This section begins with a summary of these survey results. Then, an analysis of alternative earnings and expenses scenarios of day laborers is presented.

Seventy-five percent of shelter residents surveyed reported that they had worked day labor during the last 12 months. Hourly wages earned by homeless day laborers are on the whole quite low, with wages clustered at or near the minimum wage (Table 1). When asked how much they were paid for their most recent day labor assignment, nearly two-thirds (64.5%) of those surveyed indicated that they were paid \$5.15 or less per hour, while the overwhelming majority (82%) reported that they were paid \$5.50 or less per hour. Furthermore, less than 5% of homeless day laborers reported earning \$7.00 or more per hour at their most recent job and only 0.6% reported earning \$8.00 or more per hour.

Table 1: Hourly wage, most recent day labor assignment

<i>Hourly wage</i>	<i>Number</i>	<i>Cumulative percentage</i>
\$5.15 (minimum wage) or less	233	64.5
\$5.50 or less	296	82.0
\$5.51 to \$6.99	47	13.0
\$7.00 or more	18	5.0
\$8.00 or more	5	0.6
Total	361	

Fifty respondents indicated that their hourly pay was less than \$5.15, the federal minimum wage at the time of the interview. There are several possible reasons why some day

laborers reported earning less than the legal minimum wage. First, some workers may actually have been paid less than the minimum wage. In interviews, some day laborers indicated that they were paid in a single lump sum at the end of the workday and that the amounts paid were less than \$5.15 per hour worked. Second, others may have been paid \$5.15 per hour but may have had certain costs deducted from their paychecks such as those for transportation, meals, or safety equipment so that at the end of the workday their paychecks totaled less than \$5.15 per hour. Deductions by day labor agencies for expenses are commonplace in this industry. Third, some workers may have miscalculated their hourly earnings.

Because the wages from day labor are so low, it is common for workers to combine earnings from day labor with income from other sources. For about one-quarter (23.6%) of the workers surveyed, income from day labor accounts for less than 25% of their monthly income (Table 2). These workers only occasionally secure day labor assignments. For nearly one-third (30%) of workers, income from day labor accounts for between 25% and 75% of their total monthly income. However, for the largest group of workers (46.7%), income from day labor represents 75% to 100% of their monthly income.

Table 2: Percentage of monthly income earned working day labor

<i>Percent of Income</i>	<i>Number</i>	<i>Percent</i>
Less than 25%	83	23.6
25-50%	58	16.5
50-75%	46	13.1
75-100%	164	46.7
Total	351	

For a substantial segment of homeless day laborers (33%), government income support supplements earnings from day labor, in effect underwriting the low wages paid by employers to these workers (Table 3). In other words, despite working regularly, many homeless day laborers still qualify for income support because the wages they are paid fall below the meager thresholds established for public-aid eligibility. Clearly, many of these workers would not be able to make ends meet on their earnings from day labor alone. The government income support received by these workers is an implicit subsidy to the businesses and day labor agencies that hold down wage rates well below the poverty level.

Table 3: Receipt of government income support

<i>Receipt of government income support</i>	<i>Number</i>	<i>Percent</i>
Receives income support	120	33.0
Does not receive income support	244	67.0
Total	364	

Given the low levels of earnings associated with working day labor and the limited availability of government income support for single adults, it is not surprising that some homeless workers also turn to other sources of income to supplement their earnings (Table 4). These include working other jobs, receiving money from friends and family, selling newspapers, panhandling, selling cans, and working other sorts of occasional jobs. While it is not known how much income day laborers are able to generate from these other sources, it is clear that given the substantial time demands of seeking and securing day labor assignments, only modest amounts of money will be generated from alternative sources for the typical worker.

Table 4: Other sources of income

<i>Alternative source of income</i>	<i>Number</i>	<i>Percent</i>
Job with regular hours and regular pay	11	3.5
Selling newspapers	8	2.6
Asking strangers for money	8	2.6
Selling blood/plasma	3	0.9
Selling cans/recycling	11	3.5
Money from friends/family	13	4.2
Other	31	9.9
None	227	72.8
Total	312	

Estimated Wages of Homeless Day Laborers

From the survey questions pertaining to wages and days worked, it is possible to estimate the annual, pre-tax earnings of homeless day laborers in Chicago. The following four scenarios estimate the expected annual earnings for different segments of the day labor workforce. Importantly, these scenarios do not take into account expenses (such as transportation costs and safety equipment) that are incurred by workers and which typically are deducted from workers' paychecks by agencies.

For each scenario, estimates of hours worked are made under various conditions. Then, these hours are applied to various wage rates: (i) \$5.15 per hour, the federal minimum wage and the most common wage reported by survey respondents; (ii) \$5.50 per hour, the wage level under which 82% of day laborers reported being paid; and (iii) \$7.00 per hour, the upper bound at which most day laborers interviewed might reasonably hope to earn. The hourly wage of \$7.00 is presented more as a point of comparison than as a realistic wage rate for day laborers since less than 5% of workers reported being paid at this level or higher. Nevertheless, it serves as a useful comparison, a "best case scenario" for day laborers. Similarly, Scenario 4 (full-time work, full-year work) is a hypothetical case that rarely, if ever, will be achieved. This scenario assumes an uninterrupted work schedule with no sick leave or vacation time, a temporary worker employed regularly over the course of an entire year. Given the daily and seasonal fluctuations in work loads that are endemic to the temporary help industry, not to mention the physically

demanding conditions under which day laborers work, it is highly unlikely that this scenario reflects the employment patterns of very many day laborers. Again, this scenario is presented as a hypothetical upper limit on the hours worked and wages earned by day laborers.

Scenario 1: Peak season work followed by occasional work

In Scenario 1, a day laborer works five days (40 hours) per week during the peak season (April through August) and two days a week during the rest of the year. This scenario is quite common and reflects the working conditions faced by day laborers with only minimal work experience and modest work habits. These workers are frequently passed up by day labor agencies unless demand for workers is strong.

<i>Approximate hours worked per year</i>	<i>Annual earnings at 5.15 per hour</i>	<i>Annual earnings at \$5.50 per hour</i>	<i>Annual earnings at \$7.00 per hour</i>
1248 hours	\$6,427	\$6,864	8,736

Scenario 2: Intermittent work

In Scenario 2, a day laborer works two days (16 hours) on an assignment and waits one day for the next assignment each week for the entire year. Patterns of intermittent work are common among day laborers who are subject to seasonal cycles and weekly fluctuations in the number of workers requested by agencies' business clients. Even the most highly regarded day laborers who seek employment through agencies on a regular basis encounter down time as they await new jobs following the completion of work assignments. Therefore, this scenario reflects conditions commonly faced by day laborers.

<i>Approximate hours worked per year</i>	<i>Annual earnings at 5.15 per hour</i>	<i>Annual earnings at \$5.50 per hour</i>	<i>Annual earnings at \$7.00 per hour</i>
1277 hours	\$6,577	\$7,024	8,939

Scenario 3: Steady work

In Scenario 3, a day laborer works four days (32 hours) on an assignment each week and then waits one day each week for the next assignment for the entire year with no sick leave or vacation time. This scenario represents the work patterns of the most experienced day laborers who have established solid work records with their agencies. These workers are typically assigned to new clients following the completion of work assignments. During slack periods these workers may experience spells of unemployment but are quickly reassigned as soon as opportunities are available.

<i>Hours worked Per year</i>	<i>Annual earnings at 5.15 per hour</i>	<i>Annual earnings at \$5.50 per hour</i>	<i>Annual earnings at \$7.00 per hour</i>
1664 hours	\$8,570	\$9,152	\$11,648

Scenario 4: Full-time, full-year work

In Scenario 4, a day laborer works 40 hours per week for the entire year (52 weeks) with no waiting between assignments and no down time, sick leave, and vacation time. This scenario is least common since day labor is characterized by unstable working relationships that are brought on by fluctuations in labor demand. Instead, this scenario represents the upper limit that a day laborer might hope to earn over the course of a year. For many reasons, this upper limit is rarely, if ever, attained. Day laborers are the first to experience the effects of firms' fluctuations in product demand which are felt even during periods of economic growth. As a result, fluctuations in worker-order sizes are common, regardless of the state of the overall economy.

<i>Hours worked per year</i>	<i>Annual earnings at 5.15 per hour</i>	<i>Annual earnings at \$5.50 per hour</i>	<i>Annual earnings at \$7.00 per hour</i>
2080 hours	\$10,712	\$11,440	\$14,560

From the scenarios presented above, it is clear that homeless day laborers are engaged in a constant struggle to make ends meet. Those with only modest work skills are frequently unemployed or are among the last to receive assignments from their agencies. Most of these workers can only hope to earn between \$6,000 and \$7,000 each year from day labor. It is important to note that even these meager earnings are for day laborers who return to agencies on a regular basis in search of work, not for workers who, according to most agencies' hiring criteria, are "unemployable."

Workers with more experience and better work habits can expect to work more often but still will likely find themselves earning annual wages of only about \$7,000. These workers will be placed more quickly than their less job-ready counterparts, but given the low pay and unstable working conditions that characterizes day labor, their earnings will remain chronically low.

Day laborers who are able to secure steady work and are able to avoid seasonal downturns can hope to earn \$8,500 to \$9,000 per year. If these workers are able to secure occasional assignments paying \$7.00 per hour or if they are able to pick up some overtime hours, their annual earnings may climb to \$10,000. For reliable workers with experience and strong work habits this is possible to achieve, although clearly even this level of earnings presents considerable hardships for workers.

Finally, Scenario 4 (the "best case scenario") suggests that the most fortunate day laborers who are able to work without interruption while earning wages that are at the top of those typically earned may receive annual pay of between \$11,000 and \$14,500. However, for many of the reasons stated above, such a scenario is implausible, but instead should serve as a marker of the upper limit that a typical day laborer might reasonably hope to earn.

Income and Expenses

From the scenarios presented above, it is possible to compare the incomes of homeless day laborers to a basic budget comprised of average living and work-related expenses for a single adult. On the income side is earnings from day labor as well as income from public aid and other sources. A worker earning between \$6,500 and \$8,000 a year from day labor would have a monthly, pre-tax income of between \$542 and \$667. A common form of income support for single working adults with very low incomes is Food Stamps. A single low-wage worker in Illinois may be eligible for up to \$127 per month in Food Stamps. If the day laborer worker were to receive the maximum Food Stamp allowance, the worker's income from day labor and food stamps combined would be between \$669 and \$794 each month. Even when adding in income from alternative sources, it is unlikely that the monthly earnings of homeless day laborers would be much in excess of between \$600 and \$850. Of course employment taxes would reduce this amount, but for the purposes of this example the above figures will not be altered.

On the expense side, the average rent for a studio apartment in Chicago is \$820 per month.⁵ Assuming that the worker was able to rent a studio at two-thirds of the Chicago average rental cost, rent for this worker would be \$546 per month. The U.S. Department of Agriculture (USDA) calculates baseline costs of food eaten at home by families of various sizes and budgets. According to USDA, under the "low-cost plan," the food expenses of a single male aged 20 to 50 are \$185 per month.⁶ Utilities costs would add an additional \$119 per month.⁷ Transportation by the agencies to work sites would cost the worker an additional \$40 per month. Even when leaving the costs of health care, clothing, and personal care out of the equation, the living expenses incurred by the worker would be on the order of \$890 per month, well below the likely earnings from day labor and other sources. In short, rather than providing an income that would allow workers to afford the necessities of life, day labor provides the minimum income required for workers to feed themselves and to return to work the next day.

HOMELESS DAY LABORERS IN THE MAINSTREAM ECONOMY

While people often think of the homeless as living on the margins of society, this survey shows that homeless day laborers are working in the mainstream of the booming economy. Homeless day laborers in Chicago work a variety of manual laborer jobs (Table 5). When asked about their most recent day labor assignment, the most common job categories reported were warehouse work (47.5%) such as the loading and unloading of trucks and material moving, and factory work (33.9%) such as assembly and hand packing. Other common job categories include janitorial work (6.1%), construction (4.2%), and kitchen work (3.1%).

⁵ Source: *Chicago Tribune*, "Rental Roundup: Chicago Area Average Rents," December 7, 1999.

⁶ Source: United States Department of Agriculture, "Official USDA Food Plans: Cost of Food at Home at Four Levels, U.S. Average, September 1998."

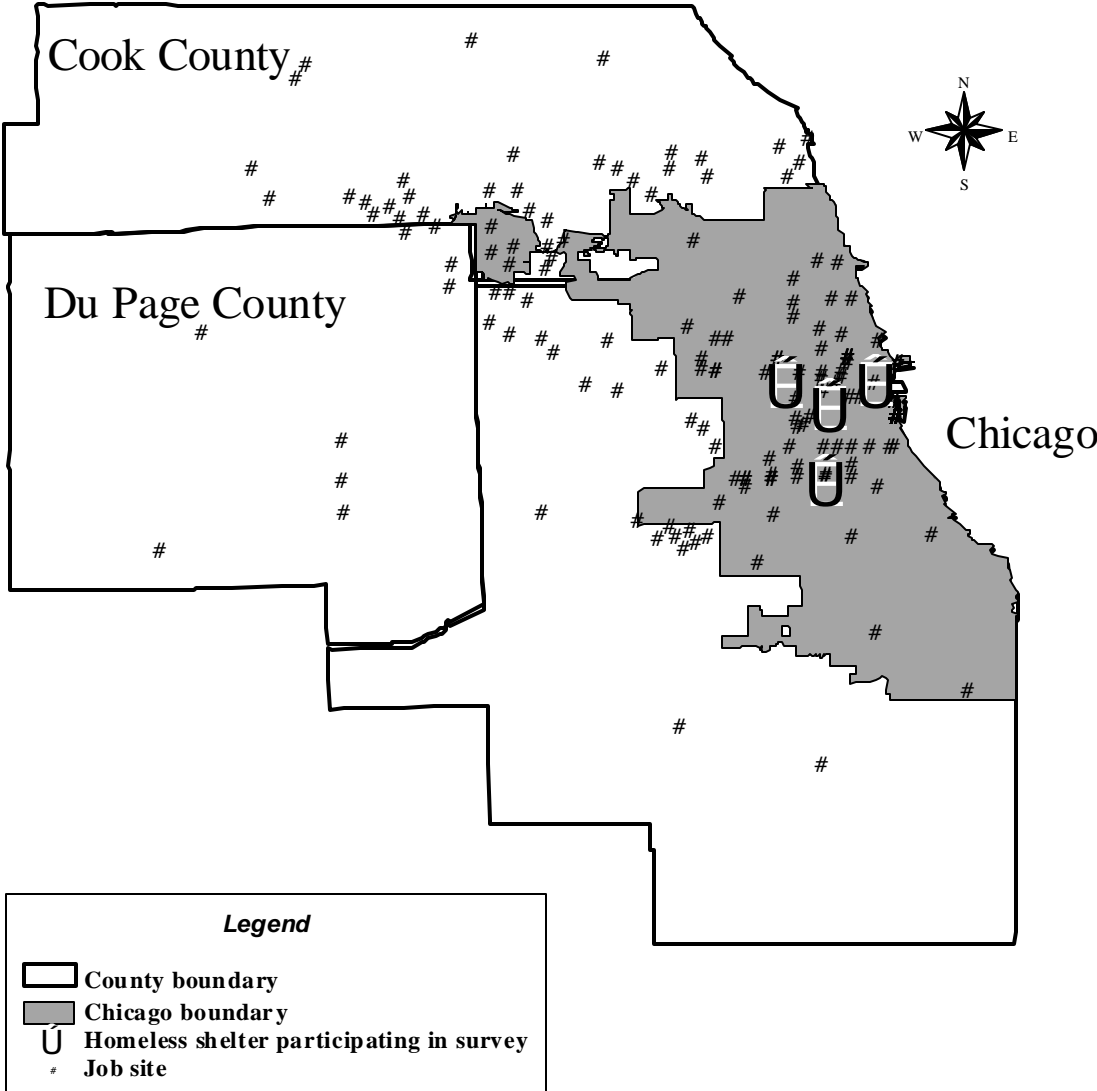
⁷ Source: U.S. Bureau of the Census, *Statistical Abstract of the United States, 1995*.

Table 5: Type of work, most recent day labor assignment

<i>Type of Work</i>	<i>Number</i>	<i>Percent</i>
Light industrial/factory work	122	33.9
Loading & unloading/warehouse work	171	47.5
Construction	15	4.2
Landscaping	2	0.6
Kitchen work	11	3.1
Janitorial	22	6.1
Other	17	4.7
Total	360	

The work sites at which day laborers are assigned are located throughout Chicago and the suburbs (Map 1). They include factories, warehouses, liquor and newspaper distribution centers, government agencies, and transportation companies. The wide dispersion of work sites of homeless day laborers supports findings from the survey commissioned by State Senator Miguel del Valle which showed that day laborers are dispatched to work sites throughout the Chicago metropolitan area.

Location of Day Labor Assignments



One of the more troubling aspects of the day labor phenomenon in Chicago is the low wages paid to these workers. The perception may exist that the jobs held by day laborers are marginal to the businesses that employ them, perhaps special projects that need completing or tasks that are peripheral to the core operations of these employers. However, this usually is not the case. While some workers may be brought in to complete special projects on a one-time-only basis, many more workers are integrated into the day-to-day operations of Chicago area businesses. These workers perform tasks that are central to many of the area’s manufacturing plants and warehouses where the production and transport of goods is the lifeblood of these companies.

A measure of the extent to which day laborers are integrated into the workforces of area employers is the percentage of day laborers who work alongside regular, permanent employees. More than three-quarters (77.7%) of day laborers surveyed indicated that they worked alongside regular, permanent workers (Table 6). Often, day laborers perform the same work assignments as these employees, but without the wages, benefits, and employment stability afforded to “regular” workers. The survey results reveal that day laborers are frequently “blended” into workplaces, working side-by-side with regular, permanent employees. While the survey was unable to explore the question of whether the jobs worked by day laborers would otherwise be performed by regular, full-time workers, the regularity with which most day laborers work as well as anecdotal evidence suggests that this certainly is the case in many instances.

Table 6: Day laborers reporting that they work alongside regular, permanent employees, most recent day labor assignment

	<i>Number</i>	<i>Percent</i>
Worked alongside regular, permanent workers	289	77.7
Did not work alongside regular, permanent workers	72	19.4
Don't know	11	3.0
Total	372	

Area manufacturers and warehouses are not the only employers of workers supplied by day labor agencies. More than one-quarter (27.2%) of homeless day laborers interviewed reported that they had been assigned to work in City of Chicago buildings or at City-sponsored events such as the Taste of Chicago (Table 7). Considering that day laborers also are assigned to work for contractors performing services to the City of Chicago (such as the Blue Bag recycling program) and that several day labor agencies hold subcontracts for City work, the actual number of day laborers employed on City of Chicago contracts is considerably larger. Homeless day laborers now perform a variety of services for the City including janitorial work, park clean-up, and refuse collection.

Table 7: Percentage of respondents who have been assigned to work day labor for the City of Chicago

	<i>Number</i>	<i>Percent</i>
Has been assigned to work for the City of Chicago	101	27.2
Has not been assigned to work for the City of Chicago	270	72.8
Total	371	

Rather than employing workers directly to perform services needed by the City of Chicago, the City is increasingly turning to outside contractors to supply these services. This outsourcing has been central to Mayor Daley’s privatization efforts, although in recent months allegations of fraud, overcharges, and wrongdoing have mired some of these efforts in controversy.⁸ The findings presented here suggest an additional troubling aspect of the City’s privatization program: possible violations of the City’s Living Wage Ordinance. It appears that some, and perhaps many, day laborers employed on City contracts are not being paid wages consistent with those called for by the ordinance (\$7.60 per hour in 1999). The City of Chicago should investigate possible violations of the Living Wage Ordinance to ensure that City contractors are in compliance with City laws and to guarantee that workers on City projects are receiving wage levels that are equal to or greater than those approved by the Mayor and the City Council.

DAY LABORERS DEBUNK STEREOTYPES OF THE HOMELESS

Explanations of the causes of homelessness typically rest on three points: (1) homeless people lack work discipline; (2) they are unable to hold down steady work; and (3) they desire casual work that is appropriate to their transient lifestyle. Our data refute such claims. To work day labor, the homeless must be prepared to endure long hours and ever-changing work schedules demanded by employers.

Popular reports on the increasing use of day labor by companies typically stress the working-time flexibility offered to employers. But with this flexibility comes uncertainty, instability, and long hours for workers awaiting job assignments. Day laborers throughout Chicago line up in the early hours each morning looking for work. Most day laborers (79.1%) surveyed indicated that they report to their agencies between 4:00 am and 6:00 am each day (Table 8).

⁸ For example see, Fran Spielman and Cam Simpson, “Daley explains no-bid pact for cleaning firm,” *Chicago Sun Times*, July 29, 1999: A18; Dirk Johnson, “Minority program aids firm run by white men,” *Chicago Tribune*, January 4, 2000: A15; Fran Spielman, “Fence controversy prompts City to tighten purchasing practices,” *Chicago Sun Times*, January 15, 2000: A4; Fran Spielman, “Mayor takes contract heat; Blames complacency, vows reforms,” *Chicago Sun Times*, January 20, 2000: A8; and Andrew Martin and Laurie Cohen, “Clout firm fenced out on new contracts,” *Chicago Tribune*, February 5, 2000: A1,14.

Table 8: Most common times workers reported to day labor agencies

<i>Reporting time</i>	<i>Number</i>	<i>Percent</i>
4:00 am to 6:00 am	283	79.1

Upon arriving at an agency, day laborers must wait for dispatchers to issue work assignments. Typically, this involves waiting for long periods of time. After receiving the day's assignment, workers travel to the job site using agency van pools, public transportation, their own vehicles, or those of a co-worker. Most workers (79.7%) begin working at their job sites by 9:00 am (Table 9).

Table 9: Most common times workers began paid work on job assignments

<i>Time starting work</i>	<i>Number</i>	<i>Percent</i>
6:00 am to 8:00 am	239	70.3
8:30 am to 9:00 am	32	9.4

Despite being paid as an agency employee, day laborers do not begin earning their paycheck once they arrive at the agency or even after they receive their daily assignment. Rather they are “on the clock” after they report to the agency’s business clients, are given their task instructions, and are put to work. For approximately one in five day laborers (21%) this means waiting one hour or less (Table 10). However, for nearly half of these workers (48.4%), waiting periods are between 1 ½ and 2 ½ hours, while 30.6% reported that they usually wait three hours or more between the time that they arrive at their agency and the time that they begin being paid for work. Among the workers surveyed, the average waiting period reported is approximately 2 hours and fifteen minutes.

Table 10: Number of hours between arriving at day labor agency and beginning paid work

<i>Time between reporting to an agency and beginning paid work</i>	<i>Number</i>	<i>Percent</i>
1 hour or less	66	21.0
1 ½ to 2 ½ hours	152	48.4
3 hours or more	96	30.6
Total	314	

The time spent waiting for work has a significant impact on the hourly wages paid to day laborers. A day laborer earning \$5.15 per hour for eight hours of paid work earns \$41.20 per day before taxes and before any costs are deducted from their paychecks by their agencies for transportation, meals, equipment, or other expenses. If workers were paid from the time that they reported for work to their employer (the day labor agency), for most workers, the \$41.20

they are paid would be for more than 10 hours of work – or less than \$4.12 per hour (pre-tax earnings).

Length of Job Assignments

In addition to highlighting the benefits to businesses of temporary work, proponents of day labor also point to the flexibility that temporary employment is believed to offer workers. Workers are said to be able to come and go as they please, accepting an assignment when it suits them and going without work when they choose to do so. But for most day laborers, such assertions mask the realities of low pay, working-time instability, and uncertainty that characterize this segment of the workforce. Flexibility is mainly on employers' terms since the wages that are paid to day laborers leave them below the poverty line struggling to make ends meet. These realities cast doubt on claims that homeless day laborers benefit from flexible schedules and contingent employment.

Mistaken notions of working-time flexibility is just one of many misperceptions surrounding day labor. In many respects, even the term “day labor” is a misnomer. While each morning workers line up outside the doors of their agencies unsure whether work will be available for them that day, and while many are paid on a daily basis, most “day laborers” work with regularity, holding assignments that last many days, weeks, or even months (Table 11 and Table 12). Just one in five workers surveyed reported that their assignments usually lasted only one day. Assignments lasting two to four days were somewhat less common. In contrast, longer assignments appear to be the norm. According to the day laborers surveyed, almost 10% of recent assignments lasted one week (five days) and nearly half (46.5%) reported that their most recent assignment lasted more than one week. Thus, more than 55% of recent assignments lasted one week or longer. This is consistent with the accounts given by workers when asked how long assignments usually last: 40.3% of interviewees reported that their assignments typically were for one week or longer.

These figures indicate that, when given the opportunity, most day laborers are willing and able to work consistently and reliably. At the same time, the prevalence of long-term assignments should not be confused with regular, permanent employment. Even workers on long-term assignments are subject to cancelled work orders while the wage and benefits packages provided to temporary workers tend to fall well short of those offered to regular employees.

Table 11: Length of assignment, most recent day labor job

<i>Length of assignment</i>	<i>Number</i>	<i>Percent</i>
One day	69	20.8
Two days	30	9.1
Three days	29	8.8
Four days	17	5.1
Five days	30	9.7
More than one week	155	46.5
Total	330	

Table 12: Typical length of day labor assignment

<i>Number of Days</i>	<i>Number</i>	<i>Percent</i>
One day	68	20.0
Two days	47	13.8
Three days	60	17.6
Four days	28	8.2
Five days	87	25.6
More than one week	50	14.7
Total	340	

Among the difficulties facing all day laborers are frequent fluctuations in job availability. While some workers are able to move from assignment to assignment with minimal interruption, many others work intermittently, taking assignments when available and waiting several days or more for new opportunities to become available. Slightly less than one quarter (24.1%) of day laborers reported that they typically are placed immediately (that same day or the next day) following the completion of an assignment (Table 13). On the other hand, more than one in five workers (21.7%) reported waiting one day between assignments and an additional one in five reported (22%) waiting two days between assignments. The remainder (32.3%) reported that they usually waited more than three days between assignments.

Table 13: Typical length of time between assignments

<i>Length of time between assignments</i>	<i>Number</i>	<i>Percent</i>
Placed immediately	71	24.1
One day	64	21.7
Two days	65	22.0
Three days	27	9.2
Four days	12	4.1
Five days	27	9.2
More than one week	29	9.8
Total	295	

When work is not available at their regular agency, many day laborers seek employment opportunities with other agencies (Table 14). More than one half (55.7%) of the workers surveyed indicated that they sought work from more than one agency during the past year. However, for day laborers, receiving a job assignment is not simply a matter of moving between agencies in search of work. Agencies distribute work assignments to their regulars first, thereby ensuring that their most steady employees are sent to clients' work sites. In many cases, to have an opportunity to be considered for an assignment after the regulars have received their work tickets, workers indicated that they must return to an agency day after day before dispatchers "got to know them" and were prepared to issue a work ticket. This process of waiting and seeking work is one of the little known aspects of day laborers' work weeks. While this time-consuming process of moving between agencies for day labor assignments may not, on any given day, result in work, it is for many homeless adults their best chance of securing employment.

Table 14: Number of agencies through which day laborers sought work in the last year

<i>Number of agencies</i>	<i>Number</i>	<i>Percent</i>
One	153	44.3
Two	89	25.8
Three	61	17.7
Four	18	5.2
Five or more	24	7.0
Total	345	

Together, these survey results show that homeless day laborers are both willing and able to work consistently when given the opportunity. Contrary to the stereotypes of the homeless, the survey results show that homeless day laborers are engaged in a constant and active struggle to make ends meet. These workers routinely arrive at their agencies in the early morning in search of work. Then they wait, often for several hours, before actually beginning paid employment. When work is not available from their regular agencies, many workers travel to other agencies with the hope of securing an assignment. When work assignments are in short supply, homeless day laborers resort to other forms of income-generating activities such as selling newspapers or panhandling. During the course of a typical day, homeless day laborers leave shelters in the early morning to look for work, either receive work or continue their search, and then return to the shelter for the night. This pattern is repeated by thousands of Chicagoans each day.

WORKER GRIEVANCES

Homeless workers endure day labor despite often unsafe and sometimes abusive working conditions. But homeless workers return to these conditions day after day because, to survive,

they depend on the minimal incomes offered by day labor. A large number of day laborers surveyed reported that they had grievances against their agency or work site supervisor. Approximately one in six (16.4%) day laborers reported that they were not paid some or all of their wages by their agency following the completion of work (Table 15). Other workers reported discrepancies in their wages that later were rectified and therefore are not included as part of the results presented in Table 15.

Table 15: Percentage of day laborers reporting that they were not paid by an agency for work completed

	<i>Number</i>	<i>Percent</i>
Reported non-payment of wages	61	16.4
Did not report non-payment of wages	311	83.6
Total	372	

A more common concern voiced by day laborers is for their safety on the job. The more reputable day labor agencies in Chicago perform site visits to client work sites and provide workers with information regarding work tasks and a briefing on the workplace environment. These steps are taken to ensure the safety and protection of workers as well as to ensure compliance with rules governing employer liability under workers' compensation laws. While work-site assessments do not guarantee that day laborers will not be exposed to unsafe working conditions, they at least may identify the most egregious violations of workplace safety rules. Many other agencies, however, do not make these assessments and therefore subject their workers to unnecessary risks in the work place.

When asked about concerns regarding personal safety on the job, 42% of day laborers indicated that they had concerns about their safety (Table 16). Concerns about unsafe working conditions included worries about reckless behavior by co-workers, lack of necessary safety equipment, lax safety procedures in the workplace, and working with potentially dangerous materials.

Table 16: Percentage of day laborers reporting concerns about safety on the job

	<i>Number</i>	<i>Percent</i>
Had concerns regarding personal safety	153	42.0
Did not have safety concerns	211	58.0
Total	364	

Most day laborers surveyed (56.3%) indicated that they reported their concerns regarding workplace safety to either their work-site employer or day labor agency (Table 17). Some of those who did not report their concerns stated that they feared being terminated from their assignment thus losing an opportunity to work and earn wages.

Table 17: Percentage of day laborers who expressed their concerns about safety to the work-site business or day labor agency

	<i>Number</i>	<i>Percent</i>
Expressed their concerns	80	56.3
Did not express concerns	62	43.7
Total	142	100.0

Other day laborers stated that they chose to not report their concerns because they believed that no corrective action would be taken, a belief that is corroborated by many day laborers who elected to make their concerns known to their employers. Sixty percent of those indicating that they notified their employers of safety concerns reported that employers took no corrective action (Table 18). Nearly one in four (23.8%) reported that they were terminated or not re-assigned to a job after reporting concerns to their employer, and only 11.3% reported that corrective action was taken.

Table 18: Action taken as a result of day laborers bringing safety concerns to the attention of work site business or day labor agency

<i>Action taken</i>	<i>Number</i>	<i>Percent</i>
Nothing	48	60.0
Terminated/Not re-assigned	19	23.8
Correction of problem	9	11.3
Other	4	5.0
Total	80	

Concerns of day laborers about workplace safety are justified. Day laborers were asked whether they had sustained workplace injuries that were serious enough to require medical attention. Ten percent indicated that they had been injured on the job and required medical attention (Table 19).

Table 19: Injured on the job and required medical attention

	<i>Number</i>	<i>Percent</i>
Injured and required medical	38	10.0
Did not require medical attention	342	90.0
Total	380	

Finally, more than one in six (17.8%) day laborers surveyed reported that they had been denied a job assignments from an agency because of either their race or gender (Table 20). This finding is consistent with several national studies that revealed that levels of discrimination and segregation, by both race and gender, are markedly higher within the temporary workforce than in the workforce as a whole.⁹

Table 20: Percentage of day laborers reporting race or gender discrimination in agency assignments

	<i>Number</i>	<i>Percent</i>
Reported that they had not received an assignment because of their race or gender	59	17.8
Did not report discrimination	257	77.4
Don't know	16	4.8
Total	332	

DAY LABOR: THE EMPLOYMENT OF LAST RESORT

Given the long hours, low pay, and unstable working conditions associated with day labor, it is not surprising that few day laborers (4.4%) indicated that they preferred this type of employment to jobs with regular hours (Table 21).

Table 21: Percentage of day laborers indicating that they prefer day labor assignments or jobs with regularly scheduled hours

<i>Preference</i>	<i>Number</i>	<i>Percent</i>
Prefer day labor	16	4.4
Prefer job with regular hours	345	95.6
Total	361	

The reasons for working day labor are fairly straightforward. Nearly half (49%) of those surveyed indicated that day labor was the only type of work that they could find (Table 22). For

⁹ Colastosti, S., "A Job without a Future: Temporary and Contract Workers Battle Permanent Insecurity," *Dollars and Sense* 176 (1992): 9-11; Ryan, A. M. and Schmit, M. J., "Calculating EEO Statistics in the Temporary Help Industry," *Personnel Psychology* 49 (1996): 167-180; and Spalter-Roth, R. and Hartmann, H., "Gauging the Consequences for Gender Relations, Pay Equity, and the Public Purse," in K. Barker and K. Christensen, eds., (1998) *Contingent Work: American Employment Relations in Transition*, Ithaca: Cornell University Press.

these workers, day labor has become the employment of last resort, a way to generate earnings, however meager they may be.

Table 22: Main reason for working as a day laborer

<i>Reason</i>	<i>Number</i>	<i>Percent</i>
Better pay	5	1.4
Schedule is flexible	12	3.5
Paid daily	84	24.3
Only type of work could find	169	49.0
Work towards permanent employment	56	16.2
Other	19	5.5
Total	345	

Nearly one in four (24.3%) respondents indicated that they worked day labor because of their need to be paid daily. Day labor is one way for workers to earn money quickly since agencies have contracts with area businesses that are anxious to take on low-paid workers on an as-needed basis for manual-labor jobs. But while day labor provides some means of basic subsistence to homeless workers, it is also fraught with drawbacks. On the one hand, daily living expenses must be paid for and day labor generates income to cover some of these expenses. On the other hand, even full-time day labor will rarely satisfy the income needs of a homeless worker. Consequently, homelessness will likely persist.

Approximately one in six (16.2%) workers surveyed stated that they accepted day labor because they thought it could lead to permanent work. These workers hoped that day labor would be a stepping stone to better opportunities. The extent to which this occurs is not clear. The survey reveals that a substantial percentage of those interviewed have been working day labor for many years (Table 22). Of the workers surveyed, 12.8% began working day labor prior to 1984, 31.8% began working between 1985 and 1995, and 55.4% began working since 1996. While there certainly is some movement from day labor to better paying, more stable employment, for most homeless workers, day labor has become a long-term source of employment despite their stated preferences for jobs with regularly scheduled hours.

Table 23: Year began working day labor

<i>Year</i>	<i>Number</i>	<i>Percent</i>
1984 or earlier	46	12.8
1985 to 1989	48	13.4
1990 to 1995	66	18.4
1996 to 1999	199	55.4
1996	27	
1997	42	
1998	73	
1999	57	
Total	359	100.0

Finally, few workers expressed preferences for day labor over “regular” employment. Only 3.5% indicated that they worked day labor because they enjoyed its flexible schedules, and just 1.4% reported that day labor paid better than other employment.

CHARACTERISTICS OF SURVEY RESPONDENTS

Survey respondents were overwhelmingly male, with men comprising 91.4% of day laborers responding and 95.4% of all interviewees (Table 24 and Table 25). In large part this reflects the gender composition of residents living at the four homeless shelters where the surveys were conducted. National and local studies of the day labor population have shown that women are a significant subset of all day laborers. Therefore, there is reason to believe that female, homeless day laborers were undercounted in this survey.

Table 24: Gender composition of day laborers surveyed

<i>Gender</i>	<i>Number</i>	<i>Percent</i>
Male	350	91.4
Female	17	4.6
Missing	10	
Total	367	

Table 25: Gender composition of all survey respondents

<i>Gender</i>	<i>Number</i>	<i>Percent</i>
Male	440	95.4
Female	21	4.6
Missing	14	
Total	475	

The majority of day laborers surveyed were African American (79.3%), followed by Latinos (13.8%), and whites (3.4%) (Table 26). As was the case with the gender composition of survey respondents, the racial/ethnic distribution of workers surveyed is in part a product of the shelters selected for participation in the survey. It is believed that the survey undercounted the numbers of white homeless persons working day labor and most likely the number of Latinos as well.

Table 26: Racial/ethnic background of day laborers surveyed

<i>Race/Ethnicity</i>	<i>Number</i>	<i>Percent</i>
African American/Black	299	79.3
White	13	3.4
Latino	52	13.8
Other	11	2.9
Refused	2	0.5
Total	377	

The majority (70.9%) of day laborers surveyed reported that they supported only themselves on their income from day labor (Table 27). Many of these respondents answered with disbelief that this question was even asked given the chronically low wages and instability associated with working day labor. Yet 29.1% of respondents reported that their income from day labor was in fact used to provide some support to other persons as well, usually family members.

Table 27: Number of persons supported through earnings from day labor

<i>Persons supported</i>	<i>Number</i>	<i>Percent</i>
None	244	70.9
One	45	13.1
Two	23	6.7
Three or more	32	9.3
Total	344	100.0

A significant share (42.6%) of homeless day laborers surveyed reported that they had not completed high school nor received a GED, two vocational credentials that are commonly sought by employers. But focusing on only those among the homeless population with limited vocational credentials misses the larger segment of workers who possess the types of credentials typically sought by employers hiring workers for higher-level as well as entry-level positions (Table 28). Nearly one-third (32.4%) of homeless day laborers reported that they possessed a

high school diploma or GED, while 19.2 percent reported having attended some college courses, and 5.3% reported having completed a degree at a college or technical school.

Table 28: Educational attainment, day laborers surveyed

<i>Last grade completed</i>	<i>Number</i>	<i>Percent</i>
Some high school or less	155	42.6
High school diploma or GED	118	32.4
Some college	70	19.2
College degree	10	2.7
Graduate or professional degree	6	1.6
Certificate from a technical school	5	1.4
Total	364	

SURVEY METHODOLOGY

More than fifty volunteers participated in surveying residents of four homeless shelters in Chicago. Surveys were conducted on a single weekday evening in October 1999. Respondents were first asked whether they had worked day labor during the last 12 months. If the answer to this question was “no,” no further questions were asked. If the answer was “yes,” interviewers continued on with the survey. All respondents were paid \$5.00 for their participation, *regardless of whether or not they had worked day labor in the last 12 months.*