LABOR VIOLATIONS IN THE LOS ANGELES GARMENT INDUSTRY
DECEMBER 2020
Garment Worker Center is a worker rights organization leading an anti-sweatshop movement to improve conditions for tens of thousands of Los Angeles garment workers. Through direct organizing, GWC develops leaders who demand enforcement of strong labor laws and accountability from factory owners, manufacturers, and fashion brands. We center immigrant workers, women of color, and their families who are impacted by exploitation in the fashion industry.

**INTRODUCTION**

Los Angeles is home to the largest garment manufacturing hub in the United States, employing 46,200 garment workers, most of whom are immigrant women from Mexico and Central America.

Over 2,000 fashion and apparel brands are based in California, among them, a growing number of whom are invested in sustainable business practices and ethical, domestic production. LA’s proximity to linked industries like agriculture and textiles throughout the state help to situate it as a desirable location for sustainable fashion businesses pursuing the industry’s most progressive models for circular production, which call for sourcing and production localized closer to areas of consumption.

But labor violations are rampant in the industry at large. In addition to taking a heavy toll on workers and their families, wage theft and poor working conditions cost the state a lot of money, and threaten the long-term viability of the industry.

A 2010 UCLA Labor Center study found that 88% of low wage workers in Los Angeles experience wage theft. Of the 26 low-wage industries studied, the garment industry was found to have the highest level of wage theft violations.

In 2016, the U.S. Department of Labor conducted investigations of 77 randomly selected factories in Los Angeles and they discovered violations 85% of the time. According to the Department of Labor, because these shops were randomly selected, “these results reveal the high underlying rate of noncompliance in the industry that results from the low prices driving the system.” This same study found that contractors receive only 73% of what they need to be able to pay workers minimum wage.

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**METHODS**

Garment Worker Center has been tracking the impact of Covid-19 on the workforce since the onset of the pandemic. We conducted two needs assessments with Garment Worker Center members and other garment workers, first in March of 2020, with 96 GWC members, and again in August of 2020, with 219 garment workers. Through findings from these needs assessments, we report on conditions exacerbated by the pandemic, but long present in the local industry.

We report on wage theft in the industry through analysis of 142 wage theft claims filed between 2014 and 2020 through GWC’s Wage Justice Clinic.
SOUTHERN CALIFORNIA GARMENT INDUSTRY AT A GLANCE

View full map and data sources at: https://tinyurl.com/CWCSectorMap

AVerage Hourly Wage | $5.85

Some low-wage workers with wage theft claims filed as recently as 2019 are earning as little as $2.68 an hour through the piece rate system of pay.

Experience in Industry | 20 Years

A survey of 219 skilled garment workers shows an average of twenty years of experience working in this industry.

Large Workforce | 46,200 Employed

Cut-and-sew garment labor contributes to the second largest manufacturing sector and second largest creative economy in Los Angeles.⁶

Fashion businesses based in the US and around the world rely on over 4,000 contractors and manufacturers for the production, finishing, and distribution of apparel products, utilizing LA’s well-situated twin ports in addition to its skilled low-wage labor workforce. Los Angeles’s unique location to the Asian Pacific Rim, available & affordable production space, and comprehensive transportation systems strengthen LA as a desired fashion industry hub.

Skilled Jobs Held by Garment Workers

Cutters
Cut fabric to meet specific measurements of garments to be mass produced

Machine Operators
Operate various machines (coverstitch, single needle, overlock, flatlock; samplermakers) involved in the construction of garments

Pressers
Operate industrial iron in finishing of garments

Trimmers
Cut excess thread from garments

Quality Control
Inspect garments to ensure quality

Packers
Package garments for shipping and distribution

Drivers
Transport bundles of fabric or clothing between cutters and contractors

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GWC HOSTED TWO ROUNDTABLES IN JUNE AND NOVEMBER OF 2020 WITH FASHION BUSINESSES COMMITTED TO PRODUCING ETHICALLY IN LOS ANGELES. THE FOLLOWING POINTS WERE RAISED:

- Fashion businesses who do ensure fair minimum wages and good working conditions find it challenging to remain competitive when they are frequently undercut by the many businesses paying their workers sub-minimum wages.

- Little to no support is provided to businesses that take ownership over their supply chains and provide good garment industry work opportunities, in the form of incentives, tax breaks, or direct investments, as have been made available in other domestic garment manufacturing hubs like New York City. Meanwhile, fashion brands that avoid accountability and don’t pay up when violations are revealed shift the burden of stolen wages and poor working conditions onto tax payers and the State.

- Public pressure campaigns to hold brands accountable for paying up under COVID-19 emphasize consumer power. Customers are increasingly interested in knowing where and under what conditions their garments are produced, but transparency in the local supply chain is currently insufficient for California brands to respond to these demands.

- The prevalence of sweatshops in Los Angeles undermine efforts to promote “Made in Los Angeles’ garments, and in fact enable a form of “greenwashing” whereby some brands and manufacturers market goods that are “Made in LA” as inherently made ethically when in fact this is scarcely the truth.

- Businesses are interested in having direct dialogue with workers, but current audit programs are often not applicable for the size and scale of many LA factories, and are prohibitively expensive, inefficient, with inconsistent standards.

- Brands shift the burden of investing in sustainability on to contractors, but don’t match these demands in prices paid.

At the heart of the problem are apparel brands such as Fashion Nova, Windsor, and Charlotte Russe, who leverage their high volume purchases to demand lower prices from a network of manufacturers and subcontractors who produce their garments.

Brands routinely price their orders so low that factory owners are encouraged to skirt labor law, resulting in workers being paid an average of $5.85 an hour. When the low wages and poor working conditions are brought to brands’ attention, they frequently deny responsibility for the working conditions they create.

The workers have little recourse given the poor economic position of factory owners, substantial gaps in labor law and enforcement, and a lack of union representation in the cut and sew sector of the apparel industry. The result is an entrenched sweatshop culture in which workers are rarely afforded voice or bargaining power, and increasingly subject to exposure to the Covid-19 virus.
As global supply chains collapsed in the wake of the Covid-19 public health crisis, and personal protective equipment (PPE) stocks dried up, fashion brands and apparel manufacturers turned to Los Angeles for masks, hospital gowns, and other PPE. Over 400 local brands and manufacturers initially signed up for an initiative from the office of the city's mayor, called LA Protects, to match mask-makers with organizations and other essential businesses in need of PPE, resulting in the production of millions of urgently needed items at an unprecedented rate.

The thousands of garment workers making masks and PPE, deemed essential by the city, were left unprotected by an industry long-known for insufficient pay and occupational hazards, including blocked exits, poor ventilation, unsanitary worksites, and cramped conditions. They are faced with choosing to earn desperately needed wages while risking exposure to the virus, at the same time being denied sick leave, health care, and hazard pay.

Between August 3-10, 2020, GWC 2020 Dream Fellow Interns conducted a needs assessment survey over the phone with 219 garment workers.

**FOOD INSECURITY**

89% of respondents expressed worry about where their next meal would come from.

**RENT CONCERNS**

93% of respondents expressed worry about how they would pay rent.

**HOUSING UTILITIES**

97% of respondents expressed worry about paying for housing utility bills.
THEY ARE NOT AFFORDED TIME TO WASH THEIR HANDS OR CLEAN THEIR STATIONS, A COMMON VIOLATION EXACERBATED BY THE PIECE RATE SYSTEM, WHICH REQUIRES FAST-PACED AND HIGH-VOLUME WORK, FOR WAGES EARNED PENNIES AT A TIME.

ALREADY LOW PIECE RATES ARE FREQUENTLY DECREASING.

WORKSTATIONS ARE NOT SANITIZED BETWEEN SHIFTS OR USERS.

BATHROOMS LACK HAND SOAP.

EMPLOYERS ARE:

• FAILING TO ENSURE SOCIAL DISTANCING.

• NOT PROVIDING MASKS NOR DO THEY ENSURE ALL EMPLOYEES WEAR THEM.

• NOT PROVIDING PAID SICK LEAVE.

According to data collected by the LA County Department of Health tracking three or more confirmed Covid-19 cases at non-residential settings across the county:

At least 546 employees of garment manufacturing businesses have been exposed to the virus.

Of these, a prominent LA-based manufacturer with several federal government contracts, accounts for one of the largest outbreaks in manufacturing sectors across the USA, when 377 workers became infected with Covid-19, four of whom died.

Another 176 employees have been exposed at distribution centers for prominent brands such as Fashion Nova and Michael Kors.

“'I don’t really have a choice': LA. garment workers are risking their lives to sew masks”, Fast Company, 30 July 2020.

My family has struggled so much through this pandemic, we’ve had to borrow money [. . . .] Even though I know it is not safe, I don’t really have a choice but to take this risk.'

Maria*, garment worker, GWC Leader, mother of three

*Name changed for privacy.
**GWC’s Wage Justice Clinic: State of the Industry**

The current Los Angeles County minimum wage stands at $15 per hour for employers with 26 or more employees and $14.25 per hour for employers with 25 or fewer employees. Los Angeles garment workers are averaging an hourly wage well below the current minimum wage, without proper compensation for meal & rest breaks and overtime (OT).

Garment Worker Center hosts a weekly Wage Justice Clinic, in which we represent workers in their wage theft claims taken to the Department of Labor and Standards Enforcement.

It should be noted that the process of workers winning claims with the Department of Labor and Standards Enforcement for stolen wages is a long and slow one that can take more than one and a half years.

**Analyzing Data from 142 Wage Theft Claims Filed Recently Through GWC’s Wage Justice Clinic, Findings Show:**

- 62% of garment workers with wage theft cases earn their wages through piece-rate
- $5.85 Average hourly wage (not accounting for method of pay)
- $297.83 workers paid at piece rate receive, on average, $297.83 for over 57 hours worked weekly

**Average Rate Paid Per Hour Compared with Method of Wage Payment**

- Piece Rate: $5.19 (57.43 hours)
- Hourly Wages: $8.28 (65.6 hours)
- Fixed Salary: $5.78 (65.69 hours)
- Varied, daily, or unspecified: $6.06 (50.05 hours)
- Total Average: $5.85 (57.14 hours)

**Average hourly rate if paid LA’s minimum wage + OT for avg. 57.14 hour work week:** $16.39

**Method of Payment (Avg. Weekly Hours Worked):**
AVERAGE WAGES STOLEN WEEKLY FROM A GARMENT WORKER

FOR THE AVERAGE 57.14 HOUR WORK WEEK.
WORKERS ARE ONLY PAID $334 WITH NO COMPENSATION FOR MEAL & REST BREAKS OR OT
MEANWHILE, THE BASIC MINIMUM WEEKLY COST OF LIVING IN LOS ANGELES IS $802
WORKERS SHOULD BE PAID $936 AT MIN WAGE + OT

LA's garment workers are paid $936.36, while toiling under sweatshop conditions, even in a pandemic.

Workers have brought forward evidence identifying 101 brands in their wage theft claims.

Due to gaps in the law, none of these brands are liable for the wage theft that occurs within their supply chains.

TOP VIOLATORS IN GWC WAGE THEFT CASES:
FASHION NOVA
FOREVER 21
WINDSOR
CHARLOTTE RUSSE
URBAN OUTFITTERS
Lulus
RECOMMENDATIONS

PASS THE GARMENT WORKER PROTECTION ACT
AUTHORED BY SENATOR DURAZO AND ASSEMBLYMEMBERS GONZALEZ AND KALRA

In 1999, AB 633 (Steinberg) was enacted with the purpose of preventing wage theft in the garment industry and creating access to justice for victims. Some retailers and manufacturers have spent the last 20 years finding ways to circumvent this law to avoid liability, resulting in thousands of workers in California being unable to recover their stolen wages, and poor working conditions in under-resourced factories. Current loopholes in California law enable brands to avoid accountability for wages and working conditions, and pit contractor against contractor in a race to the bottom line.

Garment Worker Protection Act (GWPA) is the remedy. Three major components of the bill will close the loopholes in the law: (1) Eliminating the piece-rate pay in the garment industry; (2) Expanding liability for wage theft; (3) Expanding the Labor Commissioner’s Bureau of Field Enforcement ability to investigate and cite guarantors.

Expanded liability for wage theft and enforceable standards provided by GWPA would level the playing field and benefit workers and businesses throughout the fashion supply chain, providing assurance that the "Made in LA" tag is synonymous with ethical production and ensuring the long-term viability of the largest apparel manufacturing hub in the United States.

To learn more about the Garment Worker Protection Act, visit:
www.garmentworkeract.org

To learn more about the Garment Worker Center, visit:
www.garmentworkercenter.org

SOURCES
8. LA County Department of Public Health Covid-19 Homepage <http://publichealth.lacounty.gov/media/coronavirus/locations.html#nonres-settings>