



CHECK, PLEASE!

HEALTH AND WORKING CONDITIONS IN SAN FRANCISCO CHINATOWN RESTAURANTS

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A REPORT BY CHINESE PROGRESSIVE ASSOCIATION

In partnership with the San Francisco Department of Public Health; University of California, San Francisco Medical School; University of California, Berkeley School of Public Health; and the University of California, Berkeley Labor Occupational Health Program, with writing support from the Data Center

CHECK, PLEASE!

This report is dedicated to all of our brothers and sisters who are struggling for survival and fighting for their rights.

With careful research and large amounts of data, this report seeks to tell the little-known real-life stories of low-wage workers and communities of color.

This is the grassroots level. These are the people that came to this foreign land to seek a life of hope. Armed with the will to persevere, they created wealth and laid the foundation for this city, but still live in the shadows of this society. They are continually exploited, often forgotten because they are immigrants or have difficulty with English, with their cries of frustration often falling on deaf ears, never getting media coverage. So as you finish your meal, please consider the people that made it all possible.

—The Workers Committee of the Chinese Progressive Association
Hu Li Nong, Gan Lin, Li Li Shuang, Rong Wen Lan, Michelle Xiong, Zhu Bing Shu

The Chinese Progressive Association (CPA) educates, organizes and empowers the low-income and working-class immigrant Chinese community in San Francisco. Our mission is to build collective power with other oppressed communities to demand better living and working conditions and justice for all people.

CPA's Worker Organizing Center builds a voice and power for Chinese immigrant workers through grassroots organizing, leadership development, advocacy, and alliance-building.

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Our Worker Leadership Committee helped design this "research-for-action" project from start to finish and trained other restaurant workers to conduct survey interviews.

Since 2004, CPA has helped restaurant and food industry workers recover over \$725,000 in unpaid wages and minimum wage violations, in collaboration with San Francisco's Office of Labor Standards Enforcement (OLSE). In that same time, OLSE has collected over \$3.7 million in minimum wage violations for over 600 workers across the city. However, organizers and leaders at CPA felt that the systemic nature of low-road jobs had to be confronted on a greater scale, leading to this research project.

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EXECUTIVE SUMMARY

San Francisco's Chinatown is a vibrant neighborhood and cultural center in one of the country's most affluent cities. Yet, within the walls of many Chinatown restaurants, immigrant workers struggle for survival by laboring in sweatshop conditions. This report, based on surveys of 433 restaurant workers interviewed by their peers and observational data on 106 restaurants, found a prevalence of low-road industry practices such as wage violations, lack of benefits, poor working conditions, and stressful and hazardous workplaces. These conditions leave workers insecure in their jobs and vulnerable to injury and illness, while negatively affecting consumers, businesses, and the community.

The problems in Chinatown reflect a national epidemic of wage theft and lowered labor standards. More and more employers are choosing the low road over the high road. These low-road practices may result in inexpensive meals for patrons, but workers, consumers, law-abiding employers and the public pay a high price. Low-road employers compromise the health of their customers when they violate health code and safety regulations to make an extra dollar. They undercut employers who are playing by the rules, depress the local wages and tax base, and force workers to

rely on public services to meet their basic needs.¹ These national trends of wage theft, unlivable wages and poor working conditions are part a global "race to the bottom" to lower wages and working conditions in the pursuit of profits.

LOW ROAD PRACTICES WIDESPREAD IN CHINATOWN

The survey found that workers experience numerous labor violations and poor working conditions that are symptomatic of low-road practices.

- **Workers experience widespread wage theft, pay-related violations such as sub-minimum wages or lack of overtime pay.** In this study, wage theft in Chinatown restaurants was rampant and occurring at even higher rates than national trends: 1 in 2 workers report minimum wage violations. Other forms of wage theft cited include withheld, unpaid, or delayed payments, as well as employers taking a portion of workers' tips. **Minimum wage violations alone are costing Chinatown restaurant workers an estimated \$8 million every year in lost wages.**²



- **Workers report long work days and weeks and lack of breaks.** Forty-two percent report working over 40 hours a week with half of those workers working 60 hours or more. Forty percent of workers do not get any rest or meal breaks at all. Thirty-seven percent shorten their breaks in order to complete their work.
- **Workers experience injuries, work in hazardous workplaces and do not receive training.** Almost half (48%) of the workers have been burned. Four out of ten have sustained cuts at work in the past year; 17 percent have slipped or fallen. Workers experience many occupational hazards such as intense heat, slippery floors, and missing safety protections— such as floor mats, proper knife storage for knives or complete first-aid kits. In addition, 64 percent of workers do not receive training to properly and safely do their jobs.
- **The workplace environment produces high levels of stress for workers.** Workers face constant time pressure, pressure to work extra hours, and demands to do tasks not in their job duties. Many (72%) report that their jobs had become more demanding over time with greater levels of responsibility. Many workers (42%) report being yelled at by their supervisors, co-workers or customers, reflecting a stressful and unsupportive work environment.
- **Workers do not have the necessary healthcare and time off to address their medical conditions and injuries.** Over half the workers surveyed (54%) are paying for their medical care out-of-pocket and only 3 percent of workers are provided healthcare by their employer. Although San Francisco has mandatory Paid Sick Leave, the survey found that 42 percent of workers have pay deducted if they take time off sick. In addition to lack of sick time, most workers (81%) do not receive paid vacation time.



considerably worse than that of the US population in general. Eighteen percent of all Chinatown restaurant workers report “fair or poor health” compared to almost ten percent of the general population and seven percent of the Asian population in the United States. Almost one-third (32%) describe their health as worse than the previous year.

- **Low wages and long hours restrict workers’ ability to spend time with their families, pursue training and education programs, and participate in the civic life of the community.** The survey found that over two-thirds (68%) of workers feel their current job situation is not secure. Workers also lacked time to study English or gain other job skills in order to find a better and more secure job. More than half (53%) do not participate in their child’s school, over three-quarters (76%) of workers have never voted, and only 5 percent have ever attended a community meeting.

POOR WORKING CONDITIONS IMPACT WORKERS, FAMILIES AND COMMUNITIES

Working conditions impact workers and their families, creating hardship, poor health and barriers to participating in the greater Chinatown community.

- **Workers’ wages are low and inadequate to support their families.** With an average hourly wage of \$8.17 and 13 percent of workers earning at or below \$5 per hour, workers wages are inadequate to make a decent living in San Francisco. The survey found that 95 percent of workers do not earn a living wage and none of the workers earn what would be needed to support a family of four. The survey found that more than one in three workers report living often with their families, in single-room occupancy hotels (SROs) with an average of 80 square feet living space.
- **Workers’ health severely affected by working conditions.** The health of Chinatown restaurant workers is

CREATING A PATH TO THE HIGH ROAD

Some Chinatown restaurant employers are seeking the high road by providing decent wages, increasing benefits, ensuring opportunities for job advancement and creating a healthy workplace. High-road employment practices benefit the community by raising standards for food, service and sanitation and improving Chinatown’s image as a good place to visit and live. But when low-road employers dominate the industry and unfairly compete with responsible employers, they create disincentives for employers to comply with labor laws, let alone improve labor standards. Ultimately, the high road is the only road that can lead to a healthy Chinatown where workers have stable living wage jobs, local businesses compete fairly and grow, customer and public health are protected, and the community can thrive.



In response to these findings we make the following recommendations:

Convene community stakeholder roundtables on healthy jobs, healthy communities

Ending sweatshop conditions and changing the climate of low-road employment practices will take time, investments, creativity and serious commitment on the part of the city and community. Community dialogue is needed because developing solutions is the responsibility of the entire community — workers, employers, community, consumers, and the government.

Strengthen San Francisco government enforcement of labor and health and safety laws

Local government and agencies must enact stronger policies and enforcement systems and strengthen efforts to work with community organizations and advocates. To do this they can:

- Shift to a proactive “investigation-driven” enforcement strategy rather than relying on worker complaints to combat labor law violations.
- Partner and collaborate more closely with community-based organizations and advocates to monitor and target violators.
- Increase funding for enforcement agencies to hire more investigators and other staff and ensure adequate bilingual staffing.
- Strengthen penalties for violations and create new enforcement measures.

- Increase workers’ voice and protect their right to take action by increasing education, streamlining the complaint process, and increasing protections from retaliation.
- Significantly strengthen and fund collections program for workers to obtain unpaid wages and penalties.

Significantly increase investments in healthy economic development and responsible employment practices in Chinatown

The City and other public agencies should invest significantly in diversified economic development in Chinatown with strong labor standards and programs to support and promote responsible employers. The City should:

- Invest in diversified economic development for Chinatown that builds from and protects community assets.
- Require that City funded economic development programs ensure living wages and strong labor standards.
- Invest in more small business stabilization and technical assistance programs to support employers to take the high road.
- Fund and support marketing programs to promote high road employers.

Address high rates of unemployment and employment needs of immigrant workers and other workers facing barriers to employment

High unemployment rates undermine the economic security of working families and their communities and increase the vulnerability of workers to exploitation by their employers. The city’s economic development strategy should prioritize creating high road jobs and training programs that are accessible to immigrant and other workers with significant barriers to employment.



Create a new vision to the high road in San Francisco

In addition to increased enforcement and systems, we also recommend shifting towards a sustainable and community approach to business. To create a stronger community infrastructure to support workers and their families the City should:

- Create a Community Jobs program that addresses community needs around education, childcare, eldercare, transportation, healthy food, recreation, environmental justice, cultural programming and employment needs.
- Establish fair pricing and economic incentives for local consumption through promotion of living wage prices and a local Chinatown currency/bartering system to generate economic activity.
- Create Healthy and Green Food Community Kitchens by expanding existing community meals programs to provide affordable and healthy food to low-income seniors, families and youth while creating employment in Chinatown and neighboring communities.
- Develop and fund worker-owned cooperative businesses as a model that can generate employment with high labor standards, create access to business ownership, and build local community assets.
- Create protections for workers, including a “just cause termination” law requiring employers to provide reasonable justification to fire an employee.

Pass a Bill of Rights for all low-wage workers in San Francisco

The San Francisco Progressive Workers Alliance (SF PWA) was formed because the crisis facing Chinatown restaurant workers is shared by low-wage workers in San Francisco across industries, communities and languages. The Low-Wage Worker Bill of Rights lays out the PWA's platform and the key issues to be addressed through organizing, advocacy and legislative campaigns. It calls for the city of San Francisco to:

- Address the employment and training needs of those facing the greatest barriers to employment.
- Actively protect the city's workers and responsible employers from wage theft.
- Support and reward responsible businesses.
- Protect the social safety net for poor and marginalized communities.
- Ensure equal treatment for all workers.

We believe sweatshop conditions can end and new standards can be set for healthy jobs in Chinatown. Across Chinatown, San Francisco and the country, conversations are underway about a new, forward-thinking vision for healthy economic development. We invite all stakeholders to join us in developing our vision and strategy for healthy jobs and healthy community in Chinatown.





SECTION I.

INTRODUCTION: THE HIGH ROAD TO HEALTHY JOBS

San Francisco's Chinatown is a vibrant neighborhood and cultural center in one of the country's most affluent cities. Tourists and locals are drawn to Chinatown's famous shopping and dining. However, within the walls of many Chinatown restaurants, immigrant workers struggle for survival by laboring in sweatshop conditions.

- A Feng, a 30-year old kitchen prep cook, is paid \$6 an hour with no overtime pay and endures frequent insults from his boss. For eight months, he has been paid virtually nothing other than bounced checks, a few hundred dollars in cash, and verbal promises to pay "tomorrow."
- A Lei, a dim-sum seller, seriously injured her foot when heavy cans fell from a shelf. She asked to go to the doctor but her employer simply told her to ice it. The next day, she could not walk. Her employer still told her to come back to work.

Being a dog would be better than being a worker in the United States.

—a fifty-year old low-wage worker whose employer owes him thousands of dollars in unpaid wages

- Guan, a kitchen worker, works ten hours a day, six days a week to provide for her two children. She appreciates that her employer is fair and does not yell at her. However, after 10 years, she is still getting paid less than the minimum wage.

THE LOW ROAD AND THE HIGH ROAD

In the 21st Century, Chinatown restaurant workers are struggling for the enforcement of basic labor laws, rather than for higher standards that would allow them to have a decent standard

SAN FRANCISCO'S CHINATOWN AND THE CHINATOWN RESTAURANT INDUSTRY

San Francisco is a diverse city. One in four residents is Asian. Half of Chinatown's San Francisco's Asian population is of Chinese descent.³ San Francisco's Chinatown is one of the oldest in North America and ranks as the third-most visited tourist destination in the City.⁴ Chinatown is a cornerstone to San Francisco's local and tourist economy.

Chinatown continues to draw both Chinese immigrants—searching for jobs, housing access, Chinese groceries and goods—as well as tourists and locals coming to dine and shop. Three-quarters (74%) of Chinatown residents are immigrants and almost a third of residents are seniors.⁵ The median household income of \$21,800 is significantly lower than the San Francisco median household income of \$64,700.⁶ The unemployment rate for working-age adults is estimated to be well over 30%.⁷

The restaurant industry is the largest private-sector employer in the United States and has become a backbone of the service-based economy.⁸ In San Francisco, the restaurant

sector generates nearly one quarter of the city's total sales tax revenue. With the decline of the manufacturing industry in San Francisco, 32% of Chinese workers are now employed in the leisure and hospitality industry, more than in any other industry.⁹

There are over 100 restaurants in the approximately 0.13 square miles of Chinatown, employing an estimated 2,000 workers.¹⁰ Restaurants serve a range of customers from local residents and low-income seniors to tourists, with an array of services ranging from single-family meals to large-scale events and banquets. The majority of restaurants are medium to large scale restaurants with 10–50 workers.

Most employers are Chinese immigrants, who lack training in business and marketing, and have limited to no access to capital. Retail sales in Chinatown have declined over the past 10 years with the rise of competing commercial centers in other "new Chinatowns" in San Francisco and the Bay Area.

PLAYING BY THE RULES

To responsibly operate a safe and healthy restaurant or other business in San Francisco, employers should comply with various federal, state and local laws, including paying minimum wage (\$9.79/hr in San Francisco as of 1/1/10), paying overtime pay of 1.5 times regular pay rate for hours worked over 8 per day or 40 per week, providing rest and meal breaks, providing 1 hour of paid sick leave for every 30 hours worked, provide a safe working environment, and purchasing workers compensation (see www.cpasf.org for more detailed list of labor laws and health and safety laws).

of living and raise healthy families. While some Chinatown restaurant employers are responsible and play by the rules, this report finds that “low-road” employment practices are prevalent in Chinatown: **50% of Chinatown restaurant workers report earning less than minimum wage.**

Other common violations include lack of basic workplace protections such as overtime pay, breaks, safety protection, and workers’ compensation. Many Chinatown restaurant workers are routinely cheated of wages and tips and experience abusive treatment at the workplace. Many are afraid to speak up for fear of losing their jobs.

This is the low road: violating basic workplace protections and cutting whatever corners possible in order to earn a profit. These low-road practices may result in inexpensive meals, but workers, customers, law-abiding employers and the public pay a high price. Low-road employers compromise the health of their customers when they violate health code and safety regulations to make an extra dollar. They undercut employers who are playing by the rules, depress the local wages and tax base, and force workers to rely on public services to meet their basic needs.

In contrast, some Chinatown restaurant employers are seeking the high road by providing decent wages, increasing benefits, ensuring opportunities for job advancement and creating a healthy workplace. High-road employment practices benefit the community by raising standards for food, service and sanitation and improving Chinatown’s image as a good place to visit, live, and support. But when low-road employers dominate the industry and unfairly compete with responsible employers, they create disincentives for employers to comply with labor laws, let alone improve labor standards.

Across the country, more and more employers are choosing the low road over the high road. The problems in Chinatown reflect a national epidemic of wage theft and lowered labor standards. A recent study found that the practice of evading or breaking core labor protections has become normalized in most low-

wage industries.¹¹ These national trends of wage theft, unlivable wages and poor working conditions are part a global “race to the bottom” to lower wages and working conditions in the pursuit of profits.

In Chinatown, the “race to the bottom” is compounded by inadequate enforcement of labor laws at the local, state and federal levels, as well as inadequate investment in Chinatown’s economic development.

Labor law enforcement issues

- **Complaint-driven enforcement strategy:** Current enforcement strategy is complaint-driven, reacting to complaints filed by workers and relying on employers to be responsive to administrative proceedings.
- **Lack of resources:** Lack of sufficient funding for enforcement of labor and health protections at federal, state and local levels.
- **Backlog of cases:** Workers who file wage claims at the city or state level often wait months, even years, to get through the legal process.
- **Lack of an effective collections system:** Even when the state or city labor agency issue legal orders for employers to pay wages, workers are often not able to collect wages owed to them by evasive employers.
- **Inefficient administrative enforcement process:** With an unnecessarily complex hearing process, heavy caseload and only one Chinese-speaking bilingual investigator in San Francisco’s Office of Labor and Standards Enforcement, some cases wait years before adjudication. (In one case, restaurant workers who were owed two months of unpaid wages waited two years for a hearing.)

Chinatown’s economic climate

- **Declining economy and emergence of “New Chinatowns”:** Retail sales have declined over the past ten years as many younger immigrant families have dispersed to other neighborhoods. Competing commercial centers have emerged in “New Chinatowns” around the city.
- **High commercial rent:** Employers face high commercial rents, short leases and aging infrastructure. Many employers cite high commercial rents as the greatest pressure they face to keep prices and costs down.
- **Businesses are “just getting by”:** In a recent survey of Chinatown businesses, the majority said that their current business goal was “just to survive.”¹² Chinatown’s business environment relies heavily on the food industry (59% of retail sales), creating a highly competitive environment.
- **Narrow economic development strategy:** San Francisco’s

economic development strategy prioritizes white-collar industries such as bio-tech and digital media, and focuses very little attention on the needs of small businesses, low-wage workers and limited-English speakers.¹³

LEADING THE WAY TO THE HIGH ROAD

Low-road practices have become so commonplace in Chinatown that many workers have accepted them as inevitable, saying “there is no minimum wage in Chinatown” and “that’s just how Chinatown is,” concluding that “there is no other way.”

We believe there is another way. Chinese immigrants have a long history of resilience through hardship and of helping each other and their communities. High-road practices build on what is best about our communities and leave behind the low-road practices that undermine us. Local and federal governments are actively challenging the impact of low-road employment practices. San Francisco government officials and Chinatown leaders must join in these efforts and take action. Our success will require a concerted effort by all stakeholders—workers, employers, consumers, property owners, government agencies, community organizations, and community leaders. Together, we can build a path to the high road and create a healthy Chinatown community with healthy jobs.

I ran a restaurant in Chinatown for seven years paying workers good wages, maintaining high sanitation standards, and serving quality food. But it was hard to keep up the business, because expenses were high and there weren't enough customers coming to Chinatown, they are going to other places like the new Chinatowns. Some employers think by lowering prices they can increase their business. But I think employers should respect their employees labor and treat them well. If workers feel security in their job, they will do good work for you and they will stay with you. If we raise standards for food quality, worker treatment, and help bring more customers to Chinatown, it will help increase business to the community.





SECTION II.

ABOUT THE STUDY

The Chinese Progressive Association (CPA) in partnership with the San Francisco Department of Public Health (SFDPH), University of California, San Francisco Medical School, University of California, Berkeley School of Public Health and the Labor Occupational Health Program (LOHP) launched this study to document the work conditions of San Francisco Chinatown restaurant workers. The study utilized a community-based participatory research (CBPR) approach¹⁴ with the extensive involvement of restaurant workers themselves. To date, few studies have been conducted on restaurant working conditions and none have focused on San Francisco's Chinatown.

Two primary methods were employed to collect information on the health and working conditions of Chinatown restaurant workers: a worker-administered community survey and a SFDPH-administered observational checklist. In addition, the survey focus groups and interviews were conducted with workers that generated the stories and quotes found in this report. Workers also assisted in analyzing the data and guiding the overall frame of the report. The final report was written by CPA staff with support from the DataCenter.

COMMUNITY SURVEY

Over the course of two years, approximately 30 current and former restaurant workers were deeply involved in the design, project oversight, and implementation of the community survey. These workers conducted surveys with a total of 433 restaurant workers during the summer of 2008. The survey included 103 questions on physical and mental health status, injuries, and illnesses, working conditions, and demographic characteristics. Survey participants were 18 years of age and older and were either currently employed or had been employed by Chinatown restaurants within the previous 24 months. Respondents were recruited through CPA member networks and other community organizations and are not necessarily representative of the entire Chinatown restaurant worker population (see Table 1 for complete demographics of those surveyed). Given the size of the community and vulnerability felt by workers, strict confidentiality was a key condition of the survey to gain the consent of workers to disclose information.

OBSERVATIONAL CHECKLIST

A 13-item observational checklist was used by collaborators from SFDPH to observe 106 of 108 Chinatown restaurants in the Spring and Summer of 2008. The development of the checklist built upon research conducted by previous CPA and LOHP interns and involved the input of workers and other project partners, as well as SFDPH food inspection staff. Checklist items focused on the number and gender of employees, presence of required labor law postings, occupational hazards, and safety measures and equipment.

REPORT OUTLINE

This report compiles the key findings from the survey and checklist. Under the Findings, Section A of the Findings presents the profile of workers. Section B presents the findings on wages and overtime pay and the impact on workers and their families. Section C focuses on workplace conditions including access to breaks, hours, experience with management, and health and safety issues. Section D assesses how the working conditions impact workers' health and lives. Part IV presents recommendations to improve the industry for workers, employers and the larger Chinatown community and Part V presents strategies to support all low-wage workers throughout San Francisco.





SECTION III. FINDINGS

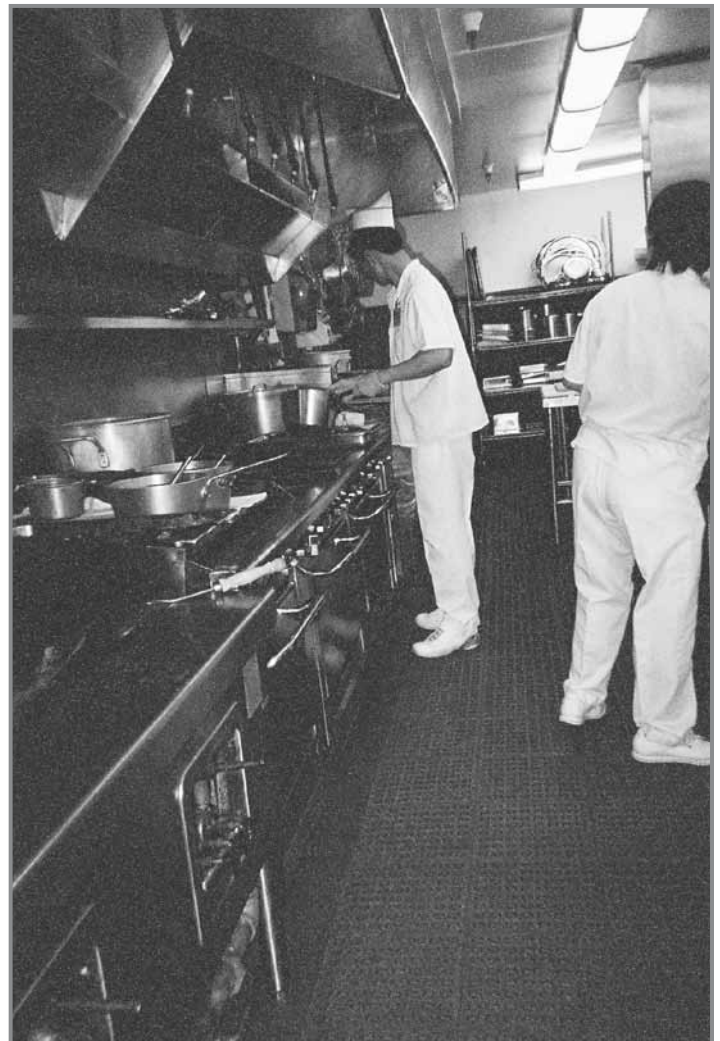
A. WHO ARE CHINATOWN RESTAURANT WORKERS?

The survey revealed that most Chinatown restaurant workers are relatively recent immigrants and middle-age wage-earners who are supporting families with children.¹⁵ The majority of workers surveyed were women. Dim sum sellers, servers and kitchen workers are predominantly women, while men were concentrated in jobs such as cooks. Most workers have limited education background and English skills.¹⁶ Nearly half (44%) are U.S. citizens.

Over 35% live in Single Room Occupancy hotels (SROs). The majority live in Chinatown and surrounding neighborhoods (70%), followed by 14% in the Southeast neighborhoods of San Francisco (see appendix Table 1).

When we came over, every Chinese person's thinking is for their children, their future . . . I was happy in China. I didn't want to come. But for my daughter, I gave it all up.

Before coming to America, you just couldn't believe when friends said that things weren't so good there. Only until you get here and experience things for yourself do you believe . . . life here is so hard.



B. WHAT ARE THE TYPICAL WAGES?

The most basic right of employment is fair compensation for one's labor. High-road employers not only pay the legally required minimum wage but offer higher wages that are considered a "living wage"- what it would take to cover living costs including shelter, food and other basic needs. But pay-related violations (such as not paying the minimum wage or overtime worked, withholding or delaying payments, taking illegal deductions or part of or all of the tips) are common in low-wage sectors and are a key component of low-road practices. The recent groundbreaking study, *Broken Laws, Unprotected Workers* found that in three major cities, 68% of all workers in low-wage industries had experienced at least one pay-related violation in the last pay period.¹⁷ This is wage theft.

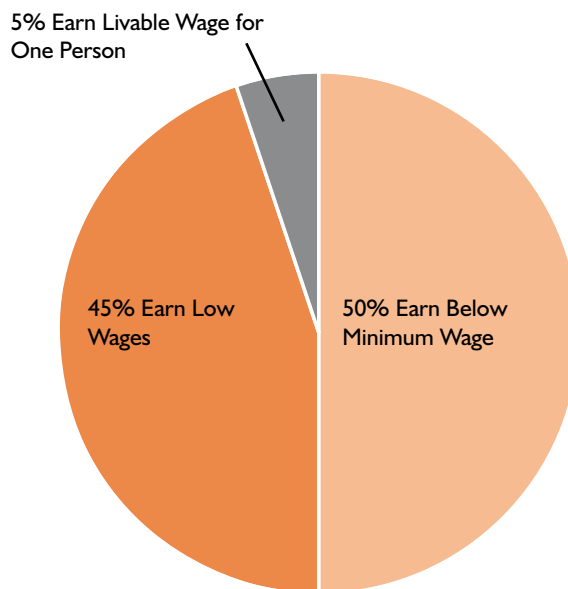
Our study found that wage theft in Chinatown restaurants was rampant and occurring at even higher rates than national trends: half of the workers reported experiencing minimum wage violations. Based on our survey data, **minimum wage violations alone are costing Chinatown restaurant workers an estimated \$8 million every year in lost wages** not including losses to federal, state and local governments in unpaid taxes and to the local economy in decreased spending.

In addition to wage theft, almost all the workers surveyed were earning poverty wages and only five percent of workers earn a livable wage. Low wages pose significant hardship for workers and their families in meeting their living needs. In addition, wage theft and low wages hurt small businesses and the local economy by lowering local consumption and unfair competition. This takes resources away from the local community through loss of tax revenue and undermines overall community health and social stability.¹⁸ Furthermore, with poverty-level wages and no benefits, workers often must turn to public assistance programs, leaving taxpayers to pick up the tab for low-road employers.¹⁹

Minimum Wage Violations Cost Workers Millions

This survey found a high occurrence of minimum wage violations: one half of respondents report not being paid the minimum wage. This is double the national average of minimum wage violation reported in the Broken Laws report. For kitchen workers and dishwashers, the violation rate was even higher with 70 percent of workers not earning the minimum wage. This means that the average Chinatown kitchen worker loses an average of \$6,000 a year in minimum wage violations alone.

FIGURE B1. Chinatown Workers' Earnings



Widespread Wage Theft

As indicated in Figure B2, workers experience multiple forms of wage theft. Three-quarters of workers were not compensated for overtime when they worked additional hours. Workers also experience unpaid wages or delayed payments from their employer. In addition, some employers illegally withhold a workers' first and sometimes second paycheck. For almost one-third of the workers (31%), the money was never paid back. Workers explain that they continue to work without pay because they feel that if they leave, they will lose those unpaid wages completely. According to one worker, "Employers usually promise they will pay them soon, and sometimes pay a small amount here and there to keep stringing workers along"

For wait staff, tips are an important part of their income. Yet nearly thirty percent of the respondents report that the "boss" receives a portion of the tips, which is illegal unless the boss provided service to a customer. Workers also shared stories of many other illegal tip policies, including deductions from credit card tips and taking a cut from banquet tips.

*We don't even have minimum wage, maybe 4 dollars an hour.
Think about it, \$1200 for an entire month, working 10 hours a day, six days a week.*

WORKER STORY

LI JUN IS A RECENT IMMIGRANT

who worked in a restaurant as a dim sum seller. She was paid \$900 a month while working 7 to 8 hours a day, six days a week (averaging \$5 per hour with no overtime). For 5 months, she was not paid at all.

I came to the U.S. one year ago for my daughter's future. She is 17 years old and it's hard for her to adjust. My husband works in construction and he has been unemployed for a long time. We live in a SRO room in Chinatown. It's about 12 by 12 square feet. Ten families share two toilets and one shower. There's no kitchen in my building, so I just cook in my room with an electric stove. Rent costs \$470 a month.

I start work at 7 or 8 am and I get off at 3pm. I am off one day per week. When I get home I cook for my family. After dinner I attend my evening ESL class.

After not getting paid for months, my coworkers and I finally decided to stand up to the boss and fight for our pay. It was hard



because I was still working there, but that is how we got the boss to pay us back the wages he owed us {\$900 a month for five months}.

Initially, I didn't want to pursue back wages because I had compassion for my boss. He, however, did not have any compassion for me.

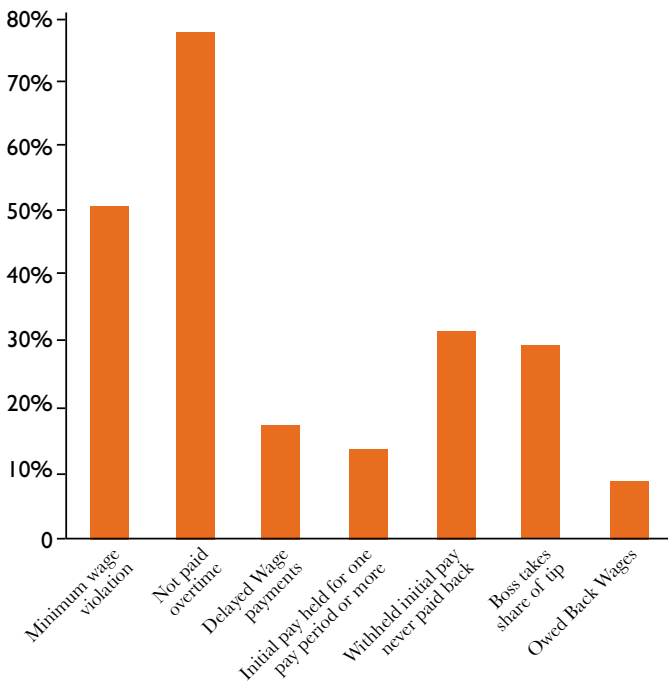
When the dim sum didn't sell, the boss and his wife would yell at me. Once it got busy and the boss told me to bus tables, serve and take orders. But I was never trained to do that and didn't know how to do it. The boss yelled and cursed at me until I cried. For that whole busy day, all the boss gave us for credit card tips was \$2.95. I could not take it anymore so I quit.

Now my husband and I are both out of work. I applied for unemployment insurance benefits, but I am not sure if

I am eligible since my boss never paid taxes for me. I have been looking for a job for a month.

I want the government to enforce minimum wage laws. I want them to allow people like us to have just a little bigger space to live.

FIGURE B2. Wage Theft Experienced by Workers



Source: Chinatown Restaurant Worker Survey 2010

TABLE B1. Workers Wages and Income

Minimum Wage Violations Experienced by Job	
All Workers	50%
Kitchen Workers and Dishwashers	70%
Cooks	43%
Waiters, Dim Sum Sellers and Bus Persons	40%
Cashiers	34%
Other Restaurant Workers	45%

Average Hourly Wages and Monthly Income	
Hourly Wage	\$8.17
Monthly Income	\$1160
Household Monthly Income	\$2219

Low Wages Inadequate to Support Families

Workers surveyed earn an average hourly wage of \$8.17, which was below the San Francisco minimum wage at the time (\$9.36.) 27% of workers earned at or below \$6.25 per hour and 13% of workers earn at or below \$5 per hour. These wages are inadequate to provide decent living in San Francisco. Based on living wage calculations, an individual needs to earn \$12.50 an hour to support his or her basic living expenses in San Francisco.²⁰ Yet, 95% of workers surveyed did not earn a living wage and none of the workers earned what would be needed to support a family of four.²¹

These wages severely limit workers' options for supporting their families, including access to housing. Chinatown has the highest population density in San Francisco,²² meaning that Chinatown restaurant workers work and live in crowded and stressful environments. One in three of the workers report living, often with their families, in single-room occupancy hotels (SROs). SROs are housing units designed for one resident and consist of a 70–100 square foot room with a shared kitchen, bathroom and shower facilities on the same floor. Workers who do not live in SROs often rent rooms or converted garages in houses where conditions are often crowded as well. Overcrowded housing has been shown to increase risk of fires, spread of infectious diseases, and incidence of mental health and child development problems.²³

TABLE B2. Cost of Housing and Supporting Families

Type of Housing	
SRO	35%
Rental apartment or house	46%
Shared housing or basement	12%
Own home or condo	4%
Section 8 Housing	3%

Amount Paid in Rent	
Median Rent	\$700

Workers Supporting Family Members	
Average Number of People in Household	4
Provide care for children, elderly or disabled person	74%
Support family members outside of their household	45%



C. WHAT ARE THE WORKING CONDITIONS?

High-road employers create safe and dignified working conditions that ensure the health of workers and consumers. In contrast, low-road practices create sweatshop conditions such as those reported in this survey: long hours, hazardous workplaces, lack of health and safety trainings, inadequate breaks, excessive job demands, and abusive and stressful workplaces. In national studies, similar conditions have been correlated with higher rates of health and safety violations, workplace injury, and high levels of stress and fatigue which impact consumer and public health.²⁴

Unhealthy workplaces endanger public health, especially in restaurants, which account for more than half of all food-borne illness outbreaks in the United States.²⁵ Previous studies have demonstrated that employers who violate labor laws are also likely to cut corners on health and safety,²⁶ risking consumer health in addition to worker health. Though analysis has not yet been conducted to make those correlations, our research uncovered many incidents of labor violations as well as hazardous conditions in Chinatown restaurants. Furthermore, workplace injury and illness in the restaurant industry costs workers, the public and employers billions of dollars every year in lost wages, workers compensation and legal settlements.²⁷

Workers Experience Overwork or Underemployment

Many workers report working long hours. 42% report working over 40 hours a week with half of those workers working 60 hours or more. One in four workers report working 10–12 hours a day. Longer work days were more prevalent among men and back-of-the-house positions like cooks and kitchen staff. One worker said, “Sometimes you work 10 straight hours with no break; you have to stand or walk until your legs are swollen.”

At the other end of the spectrum, many workers experience underemployment, not finding enough work to meet their needs.

Almost half of workers surveyed report working less than 30 hours each week. Many of these are women or front-of-the-house positions such as dim sum sellers. Since dim sum is served during breakfast and lunch times, these workers have only a small amount of work time for which they are paid. Even though they are employed, they do not receive full day shifts, leaving their income insufficient to support their families.

WORKER STORY



MR. LOW HAS WORKED full-time at a Chinese restaurant for 7 years as a kitchen helper. He is married and has two adult children. His wife is currently unemployed.

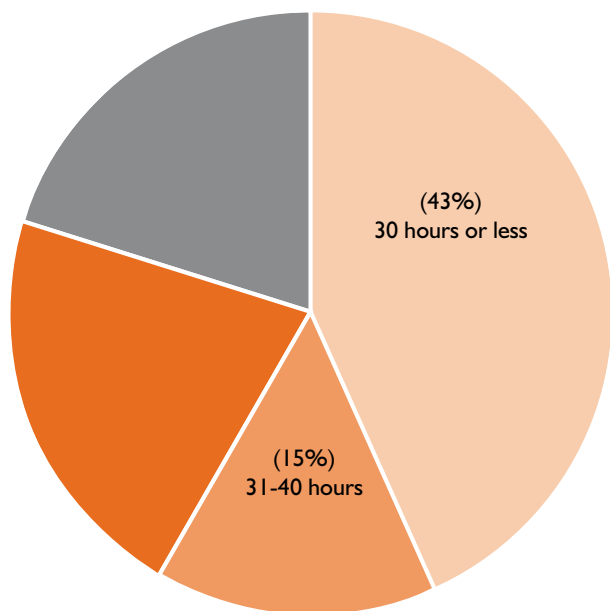
One Friday afternoon, I rushed into work from my morning ESL classes to prepare for a large banquet. The deep-fry oil needed to be changed and the kitchen helper was busy, so I decided to change the oil.

While moving the vat of hot oil, I slipped and spilled the oil on myself. The oil spilled all over my face, chest, both arms and right side of my body. I had second degree burns and had to get skin grafts on my arm. I stayed in the hospital for more than 2 weeks and could not go to work for over 11 weeks.

My manager said that it was not my job to change the oil and that the medical bills were my own responsibility.

Training? There is no such thing as training in Chinatown restaurants. You just get told to do your job and you learn on your own.

FIGURE C1. Hours worked per week



Workers also report not receiving breaks to rest and recover. Even when they do receive breaks, they are often interrupted or instructed to return to work. The survey found that 40% of workers did not get any rest or meal breaks at all. 37% shortened their breaks in order to complete their work.²⁸

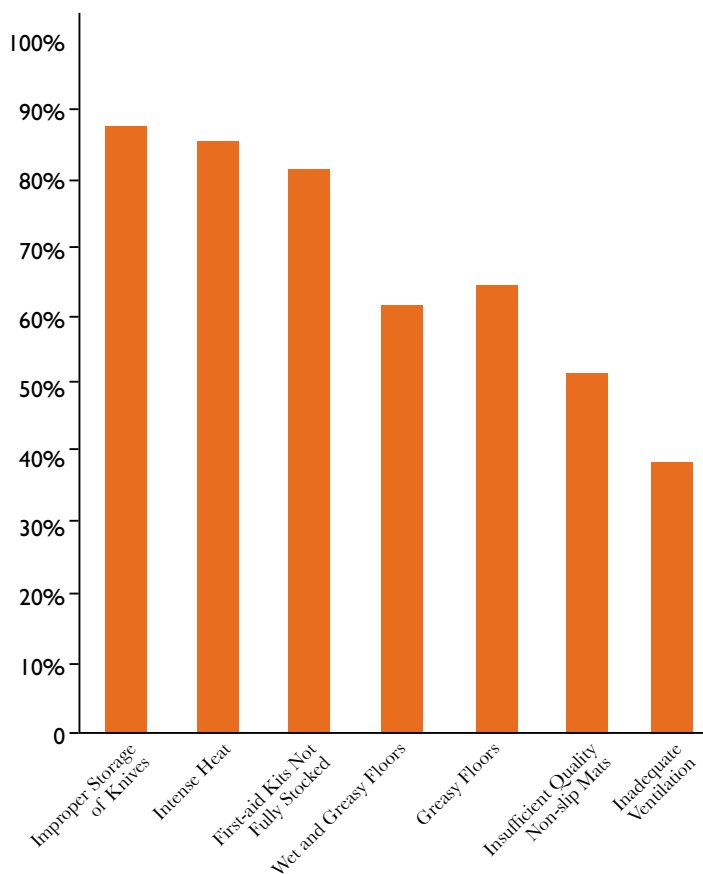
Hazardous Workplace and Worker Injuries Commonplace

The majority of workplace injuries and illness are preventable. And yet, workers report frequent cuts, burns, slips and falls. Almost half (48%) of the workers have been burned while four out of ten have sustained cuts at work in the past year. 17% have slipped or fallen. Injuries are significantly higher for cooks. Eight in ten cooks have been burned and 68% have been cut. Over one-quarter of cooks have slipped or fallen.

Worksite observations documented many workplace hazards which could be controlled.²⁹ Intense heat and slippery floors were found in most restaurants. These hazards increased the vulnerability of workers to accidents and injuries. Missing safety protections — such as mats that could protect workers, proper storage for knives or complete first-aid kits -further jeopardized workers.

In addition, workers do not receive adequate health and safety training. 64% reported not being trained to properly and safely do their job, thus making them a potential hazard to themselves and others.³⁰

FIGURE C2. Occupational Hazards in Restaurants



Stress and Abusive Treatment at Work

The workplace environment produces high levels of stress for workers. Three-quarters of workers surveyed face constant time pressure. They also report that their jobs have become more demanding over time with greater levels of responsibility. More than half the workers report they are asked to complete tasks that are not a part of their job duties. Some workers feel pressured to work extra hours. In addition, experience multiple many workers (42%) report being yelled at by their supervisors, co-workers or customers.

My employer would yell at people for small things, or for no reason at all. He would frequently say things like, “You are all useless! Is everyone from mainland China so stupid?”

FIGURE C3. Pressures Experienced by Workers

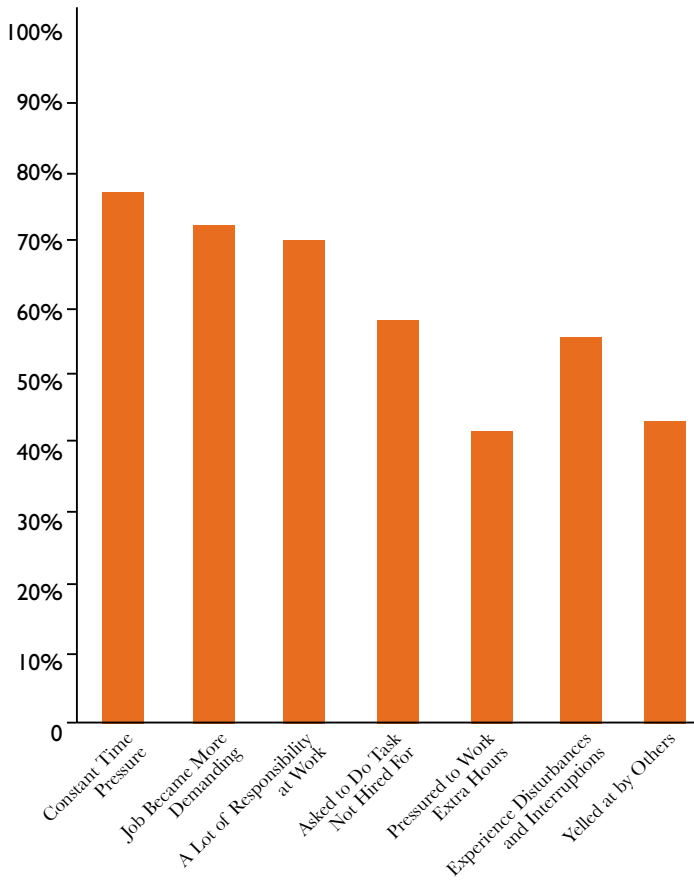


TABLE C1. Workplace Conditions

Workers Experience of Breaks	
Receive no work breaks	40%
Skip lunch or break or take shorter breaks	37%

All Workers Experience of Injuries	
Burned	48%
Cuts	40%
Fallen	17%

Cooks Only Experience of Injuries	
Burned	81%
Cuts	68%
Fallen	27%

Access to Trainings	
Did not receive any on-the-job training at all	64%

Source: Chinatown Restaurant Worker Survey 2010

D. WHAT ARE THE IMPACTS ON WORKER AND COMMUNITY HEALTH?

Low-road practices described in the previous sections have been shown to affect the physical, emotional, and mental health of workers. Studies have shown that such conditions increase risk of chronic illnesses (such as cardiovascular disease, diabetes, and depression), unhealthy coping behaviors (such as smoking or excessive alcohol consumption), and bodily wear and tear which may accelerate aging.³¹ The health of Chinatown restaurant workers is considerably worse than that of the US population in general. 18% of all Chinatown restaurant workers report “fair or poor health” compared to almost 10% of the general population and 7% of the Asian population in the United States.³²

These health issues are exacerbated by lack of adequate time off and health benefits, thus blocking their ability to get necessary medical attention. San Francisco leads the country in innovative efforts to make healthcare accessible to all San Francisco residents regardless of income. However our survey found that low-wage workers like Chinatown restaurant workers have yet to fully benefit from these policies.

In addition, San Francisco was the first city in the country to enact a paid sick leave policy, giving every worker access to one hour of paid sick leave per 30 hours worked. Research shows that employers can fulfill the policy with minimal effect on their businesses.³³ Nonetheless, this survey suggests that many businesses ignore the law. Lack of compliance with the paid sick leave law also endangers public health by increasing the spread of communicable diseases, transmission of food-borne disease in restaurant, and burden on the healthcare system³⁴.

Workers’ Health Severely Affected by Working Conditions

Workers report various ailments. A majority of respondents (83%) report becoming tired after a short period of time and (84%) being physically exhausted at the end of the day. 20% report irregular bowel movements.³⁵ Almost one-third (32%) describe their health as worse than in the previous year.

WORKER STORY

A LING IMMIGRATED to the United States from Guangzhou in China and is the mother of two US born children.

When I first arrived, my English was limited; I could only find work as a waitress in a Chinese restaurant. I often worked over 10 hours a day and sometimes even had to put in overtime.

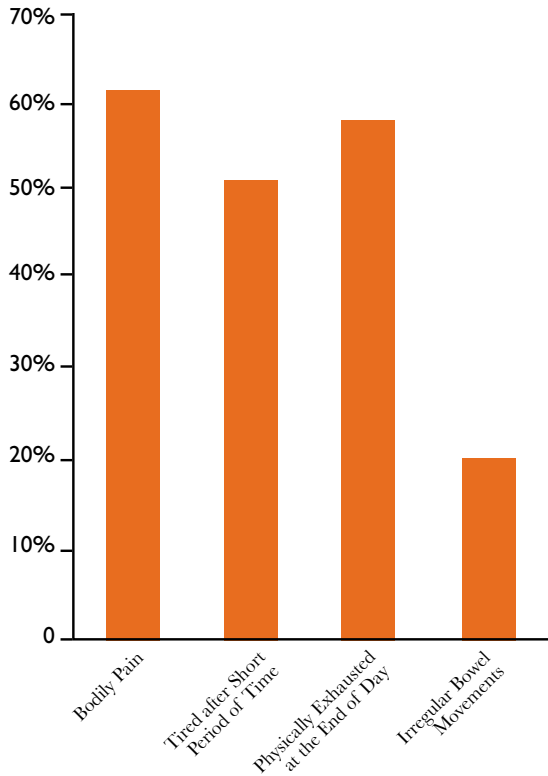
In recent years, I began experiencing fatigue, an accelerated heartbeat and uncontrollable perspiration. I went to see a doctor and she told me that due to many years of standing for too long, not getting enough rest, and malnutrition, I had developed extensive muscle damage. Because my boss did not



have healthcare coverage for his employees, I couldn't afford to get proper treatment, so I resorted to inexpensive temporary remedies that had very little effect. Despite my injuries, I had to endure the pain for fear of losing my job.

Finally one day, I really couldn't stand the pain any longer and I told my boss about it to see if he could help me. I never imagined he would respond so dismissively, saying "I can't help you, but if you can't go on, you can just quit." After hearing this, I couldn't help but cry. I experienced tremendous pain in order to help my boss become successful, and yet this is how he treats me. I hope that by working with CPA, I can contribute whatever I can to change this unjust society. This is my story.

FIGURE D1. Pain and Ailment Experienced by Workers



Source: Chinatown Restaurant Worker Survey 2010

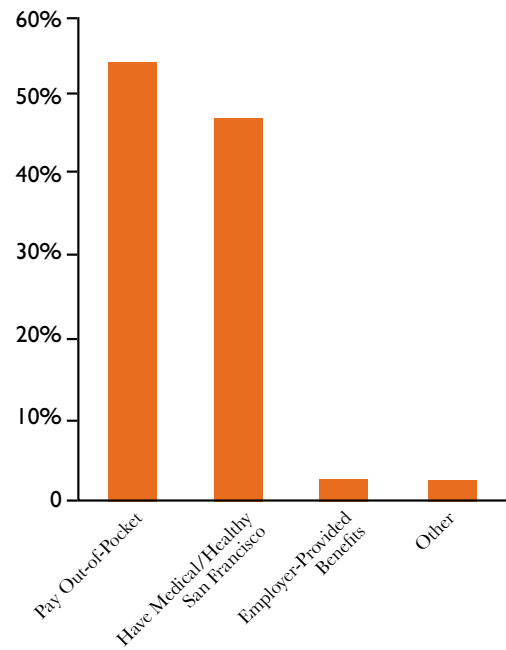
TABLE D1.

Pain and Distress Experienced by Restaurant Workers	
Have significant level of psychological distress	25%
Experienced some amount of bodily pain in the 4 weeks prior	61%
Bodily pain interfered with their work	66%
Pain in hands, wrists, fingers	68%
Pain in legs	64%
Pain in arms, elbows	64%

Workers Lack Healthcare

Workers do not have the necessary healthcare access to address their medical conditions. All residents are eligible for sliding-scale coverage under Healthy San Francisco, the city’s healthcare system. However, over half of the workers surveyed (54%) are paying out-of-pocket for all their medical care since many cannot afford the cost of Healthy San Francisco. In San Francisco, all employers with 20 or more employees are required to spend a minimum amount on healthcare for their employees.³⁶ However, according to the survey, few employers (3%) provided healthcare for their employees. For many workers, healthcare is the most important household cost they face. Workers greatest concerns focus on health insurance for their children and catastrophic protection for themselves.

FIGURE D2. Healthcare Coverage of Workers



Source: Chinatown Restaurant Worker Survey 2010



Workers Lack Sick and Vacation Time

Workers are not receiving the necessary time off needed to rest and recover from their illnesses. Although San Francisco has mandatory Paid Sick Leave, the survey found that 42% of workers had pay deducted if they took time off sick. In follow-up interviews, workers explained that they usually do not take time off when sick, and in the rare event that they do, they are asked to make up the time on their regular day off.

In addition to lack of sick leave, most workers (81%) are not getting paid vacation time. Without a paid vacation benefit, workers do

not take the necessary time for rest and relaxation. This can add to overall feelings of fatigue and contribute to increased risk for workplace accidents and injury.

Workers do not report their work-related pain to their employer or file workers’ compensation claims.

The survey documented over three-quarters of workers who do not report their injuries. Others do not know that they should report or could not afford to take time off. These workers go to work regardless of their pain or discomfort. In addition, only one respondent of 433 reported ever filing a workers’ compensation claim. Chinatown survey findings correspond with state and national surveys showing most low-wage workers do not take advantage of the workers’ compensation system.³⁷ One worker noted: “A lot of workers don’t file for workers’ compensation because they fear losing their jobs. Our education level and skills are limited, so we stick with our jobs regardless because it’s all we have.”

Workers Feel Trapped

The survey found that over two-thirds (68%) of workers do not feel secure in their current job situation. Workers spoke about how job insecurity and the precariousness of their positions keep them from complaining or asking for improvement. Workers also lack time to study English or gain other job skills in order to find a better and more secure job. 43% report they have never taken any English or vocational classes.³⁸

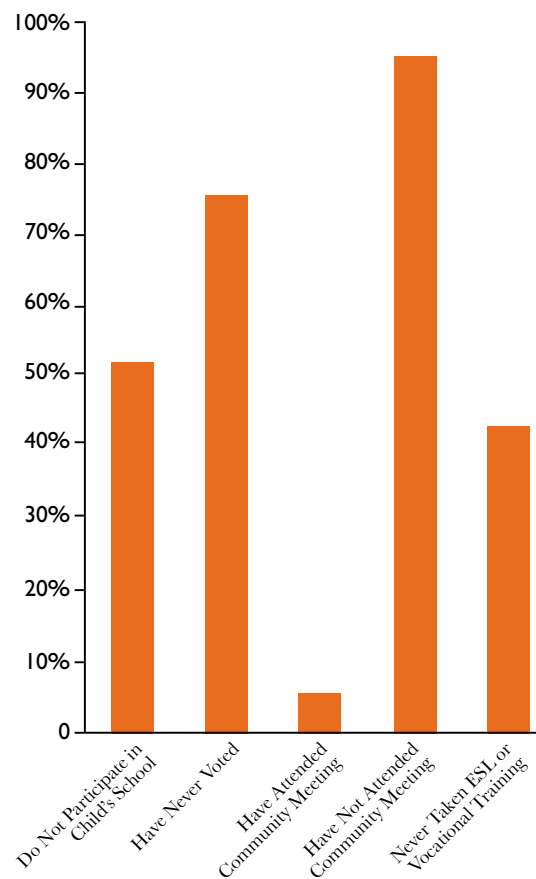
TABLE D2. Injury Reporting, Time Off and Job Stability

Health of Workers	
Do not report injuries on the job	76%
Did not know how to report work related injury to workers comp	57%
Access to Time Off	
No vacation time off	81%
Do not receive paid sick days	42%
Job Stability	
Feel job situation is not secure	68%

Workers Lack Time for Families and Civic Engagement

Low wages and long hours limit workers’ ability to spend time with their families and participate in the civic life of the community. More than half (53%) do not participate in their child’s school. Over three-quarters (76%) of workers have never voted even though almost half (44%) are US citizens. Only 5% have ever attended a community meeting. One worker leader reflected, “These problems [low wages and poor working conditions] aren’t just happening to the Chinese community, it’s the same with other minorities. People ask why minorities don’t participate in [civic] society as much; they should look at how hard our jobs are to understand!”

FIGURE D3. Workers Role in the Community



Too many people are looking for a job, you don't want to risk getting fired because you know and the boss knows that there will be others to fill your position.



SECTION IV.

KEY RECOMMENDATIONS

The following summarizes the key recommendations which emerged from the experiences of Chinatown restaurant workers themselves, developed in consultation with community members, community leaders, other worker advocates and business leaders.

I. CONVENE COMMUNITY STAKEHOLDERS ROUNDTABLES ON HEALTHY JOBS, HEALTHY COMMUNITIES

In particular, community organizations including service organizations, grassroots advocacy groups and family associations; Chinatown business owners, property owners and business associations; and policymakers need to be at the table along with workers and community members. We call for these stakeholders to join in discussions where solutions can be identified and strategies developed.

2. STRENGTHEN GOVERNMENT ENFORCEMENT OF LABOR AND HEALTH AND SAFETY LAWS

Across the country, worker centers and advocacy organizations are reaching similar conclusions. To be effective, enforcement agencies must update their strategies for a changing economy where violations are rampant, fully fund investigation staffing, and better coordinate their work with each other and community organizations on the ground. We believe the first step is to focus on enforcement on the local level, but also seek improvements at the state and federal level.³⁹

San Francisco's Office of Labor Standards Enforcement (OLSE), as well as California Division of Labor Standards Enforcement (DLSE), and the U.S. Department of Labor (DOL) should:

- **Shift to proactive "investigation-driven" enforcement strategy rather than relying on worker complaints to combat labor law violations.**

An "investigation-driven" strategy identifies key industries, conducts industry sweeps and audits of target violators, and publicizes the successful resolution of violations and punishment of violators, particularly repeat offenders;⁴⁰ it is critical

to addressing the epidemic of wage theft in restaurant industries and other low-wage sectors where violations are rampant. Interagency coordination and collaboration is also critical to target violators who are often violating a myriad of laws. San Francisco's OLSE should shift resources towards this strategy and restructure its work accordingly.

- **Partner and collaborate closely with community-based organizations and advocates to monitor and target violators.**
In San Francisco, the OLSE's Workers Rights Collaborative should be expanded from its current outreach/education and counseling role, to have a strategic role in collaborating with the agency on developing strategy, identifying target industries and violators, and publicizing enforcement work.
- **Increase funding for enforcement agencies to increase number of investigators and other staff and ensure adequate bilingual staffing.**
At the local, state and federal levels, staffing is inadequate for the enforcement of labor, health and safety laws, especially given the diverse nature of workforce, language needs and complex investigations. In San Francisco, more bilingual staff should be hired, particularly Cantonese-speaking bilingual staff, and a wage theft unit should be created in the City Attorney's office with specialized training and dedicated staff for labor law enforcement.
- **Strengthen penalties for violations and create new preventative measures.**
In San Francisco current penalties should be enforced and stronger enforcement measures should be taken including: increasing penalties for repeat offenders, a wage-bond system to stop runaway employers, stronger citation powers, and mandatory labor law and health and safety education for employers. The state should create stronger enforcement mechanisms including systems to revoke or suspend business and liquor licenses of employers who violate labor laws.
- **Increase workers voice and protect their right to take action by increasing education, streamlining the complaint process, and protect workers from retaliation.**

San Francisco should increase funding to OLSE for community education and outreach, streamline the administrative enforcement process to eliminate unnecessary bureaucratic delays and employer evasion, and increase and enforce penalties on employers when they retaliate against workers who file complaints, speak up, or organize their co-workers around working conditions.

• **Significantly strengthen and fund collections program for workers to obtain unpaid wages and penalties.**

Currently, workers who go through the DLSE or OLSE process may get an order to pay but without an effective enforced collections process, they are not able to collect those unpaid wages. In San Francisco a collections system should be established and staffed, partnering with other agencies such as the tax collectors to maximize oversight and relieve burden on investigators. More effective methods to collect fines and penalties from employers would also generate vital revenues. In California, the collections unit should be greatly expanded and linked to other permitting agencies.

3. SIGNIFICANTLY INCREASE INVESTMENTS IN HEALTHY ECONOMIC DEVELOPMENT AND RESPONSIBLE EMPLOYMENT PRACTICES IN CHINATOWN

The city should invest significantly in diversified economic development in Chinatown with strong labor standards, and invest in programs to support and promote responsible employers. Furthermore, the city should address the unemployment crisis through workforce development and job creation programs to create access to jobs for immigrant workers.

The city should:

1. Invest in diversified economic development for Chinatown that builds from and protects community assets.

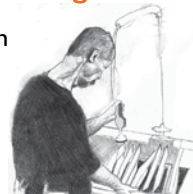
The city should invest more in a diversified economic development in Chinatown that can serve neighborhood needs while attracting new clientele, creating new healthy jobs for

LOW ROAD EMPLOYMENT PRACTICES

HIGH ROAD EMPLOYMENT PRACTICES

Working Conditions

Pay workers low wages and regularly violate minimum wage, overtime, break period, and other labor laws; often violate other laws such as health and safety.



Set higher labor standards for healthy jobs by complying with and striving to go beyond legal requirements such as minimum wage, overtime, health care, etc.

Quality of Food, Service and Sanitation

Set a low standard for food quality, service and sanitation by relying on low prices as primary marketing strategy.



Set high standards for food quality, service and sanitation as primary marketing strategy.

Impact on Chinatown Economy

Hurt Chinatown's economy by depressing local wages, limiting local consumer base, not paying taxes owed, and overburdening the social services system.



Expand Chinatown's economy by contributing to local tax base, drawing in more visitors and increasing local consumption by paying good wages.

Impact on Chinatown's Reputation

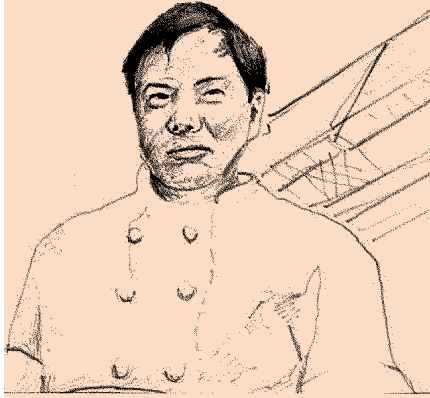
Tarnish Chinatown's reputation as a place to work, visit and live.



Promote reputation of Chinatown as a good place to work, live and visit; increase visibility of Chinatown businesses.

WORKER STORY

The High Road is Possible: Responsible Employers in Chinatown



JIMMY HAS WORKED for six years as a waiter at a large restaurant in Chinatown. He is married and has two children.

I only get 2-3 days of work but I do get paid the current minimum wage, plus tips. I'm not so satisfied with

the wages [and would like more hours], but right now it's really hard to find another job. What I'm most happy about is getting healthcare; it's the Healthy San Francisco program and my boss pays for all of it. We get Paid Sick Leave too. My boss is better than others because he pays the minimum wage and follows the law.

current residents and raising labor standards for existing jobs. This must be achieved while protecting Chinatown's community and cultural heritage from gentrification and increased prices, rents, and displacement and include high labor standards as a baseline criteria. The city should fund comprehensive cultural preservation and community-based cultural programs that can build from community assets while drawing more visitors.

2. Require that city funded economic development programs ensure living wages and strong labor standards.

The Office of Economic and Workforce Development (OEWD) should work with the Office of Labor Standards Enforcement and community organizations to ensure that monitoring, enforcing and raising labor standards is integrated into any economic development strategy plan in San Francisco.

3. Invest in more small business stabilization and technical assistance programs to support employers to take the high road.

There is a lack of adequate training, representation and access to city services for Chinatown business owners, especially those who speak limited English. The city should increase efforts and

work with local business owners to address needs for multilingual technical assistance including trainings on lease negotiations, labor laws, occupational health and safety, marketing support, and infrastructure improvements, etc, with compliance with labor standards a criteria for support. The city should work with business owners, landlords and family associations to address impact of commercial rent policies on Chinatown's small businesses (high rents and month-to-month leases), without passing increases to tenants.

4. Fund and support marketing programs to promote high-road employers.

The city should fund and support marketing programs and campaigns including a Chinatown guide, map, and website that can highlight high-road employers, and leverage access to the Tourism Board and publicity outlets. Community-based organizations and workers should be involved in identifying and monitoring businesses for compliance with a high-road standard. The city should fund a local restaurant guide for high-road employers such as Young Workers United's "Dining with Justice: A Guide to Guilt-Free Eating."⁴¹

4. ADDRESS HIGH RATES OF UNEMPLOYMENT AND EMPLOYMENT NEEDS OF IMMIGRANT WORKERS AND OTHER WORKERS FACING BARRIERS TO EMPLOYMENT

The high unemployment rate among immigrants and other workers with significant barriers to employment undermines the economic security of working families and their communities. It also fuels low-road practices by increasing the vulnerability of workers to exploitation by their employers. The city's economic development strategy should prioritize creating high-road jobs that are accessible to immigrant and other workers with significant barriers to employment.

The city should increase funding to community based workforce development programs that provide culturally appropriate vocational training to assist workers in moving into more stable jobs with benefits, such as union jobs in hotels, janitorial work, and childcare.⁴² The city should develop a Community Jobs program to address community needs for education, childcare and other services while creating local employment opportunities. Finally, the city should support job development strategies that can address the needs of immigrant workers and other workers facing high rates of unemployment, including reviewing English testing requirements for entry-level city jobs (such as janitorial and food service positions) with community groups, and exploring policies such as local hiring mandates.

SAN FRANCISCO: CREATING A NEW VISION TO THE HIGH ROAD

As the first city in the nation to pass Paid Sick Leave and a universal healthcare program, San Francisco should continue to lead the way for working people. Many other steps could be taken to end sweatshop conditions and create healthy jobs and healthy communities, including shifting towards a sustainable and community approach to business and building a stronger community infrastructure to support workers and their families. In conclusion we share some of our visionary ideas that have potential to change conditions, and which deserve further conversation.

- **Community Jobs Program.** Create permanent city-sponsored subsidized Community Jobs program that address community needs around education, childcare, eldercare, transportation, healthy food, recreation, cultural programming, environmental justice and green equity and employment needs.
- **Re-Evaluation of Prices to Account for Living Wages.** If businesses adjusted their prices to include the actual cost of food, utilities, and other business expenses, then they could move towards sustaining their business and providing healthy jobs, instead of undercutting each other and themselves in price wars. For example, one study found that a 1% increase in the cost of a meal could cover the cost of a pay raise for workers.⁴³
- **Chinatown Local Currency and Bartering System.** The city should consider establishing a local community system of exchanging services and goods through a central registry and established local currency/ barter system. Residents of Chinatown could get a “credit” that is “debited” from participants’ account for valued service (ex. local restaurants and other businesses or independent labor). Residents could also use local currency (attached to their municipal ID) for discounted rates at local restaurants and other businesses. Dozens of cities have considered and implemented local currency systems to support community members and grow economic activity.
- **Healthy and Green Food Community Kitchens.** Expand existing food and meals programs administered by Self Help for the Elderly and other agencies to create community kitchens that will provide affordable and healthy food to low-income seniors, families and youth, while generating employment in Chinatown and neighboring communities. This project could be in conjunction with an urban garden project.
- **Development and Funding for Worker Cooperatives.** Worker-owned cooperatives are a unique business model that can generate employment with high labor standards, create access to business ownership, and build local community assets because both jobs and spending stay in the community. San Francisco should invest in the worker cooperative business model by offering procurement preferences, investing in local projects, and creating a Cooperative Business Incubator program which provides technical assistance, financing and promotion for worker cooperatives.
- **“Just Cause” Termination Law.** The city should also address how at-will employment is a key factor in workers feeling vulnerable and open to abuse, in addition to providing cover to employers who are in fact practicing retaliation. Just as a landlord must have justification to evict a tenant, employers would have to provide “just cause” or reasonable justification to fire an employee.

PROMISING STEPS TOWARDS THE HIGH ROAD

- The San Francisco Department of Public Health (DPH) has begun working with the city’s labor agency to use the DPH hearing process to enforce the San Francisco minimum wage. With the threat of revoking a food permit, they compelled employers who had evaded the law or fought the city’s legal proceedings, to negotiate settlement and pay workers back.
- New York state’s Labor Department collected \$28 million in wage violations in 2009 using an “investigation-driven” approach instead of a “complaint driven”, collaborating with community groups to conduct sweeps of problem industries.
- The Restaurant Opportunity Center of New York convened the New York City Restaurant Industry Roundtable which has launched the “NYC Diner’s Guide to High Road Restaurants” as well the “Exceptional Workplace Award” to honor restaurants with exemplary workplace practices.
- In Cleveland Ohio, an ambitious effort has been launched by the local universities, hospitals and the City of Cleveland to establish procurement agreements that could redirect the estimated \$3 billion they spend on goods and services to developing worker cooperative businesses in Cleveland’s urban communities with high unemployment rates.



SECTION V.

CONCLUSION: ANOTHER ROAD IS POSSIBLE

The findings in this report illustrate the prevalence of low-road industry practices in Chinatown's restaurants that are symptomatic of unregulated low-wage sectors across the country. Wage violations, overtime violations, lack of benefits, and hazardous workplaces leave workers feeling insecure about their jobs, vulnerable to injury and illness, and impact consumers, businesses, and the community.

Some say that Chinatown's low-road practices, sweatshop conditions and low pay cannot be changed, that "there is no other way." We believe that another way is not only possible but necessary for the future of Chinatown. There is no question that ending sweatshop conditions and changing the climate of low-road employment practices will take time, investments and serious commitment on the part of the city and community. Ultimately, the high road is the only road that can lead to a healthy Chinatown where workers have stable living wage jobs, local businesses compete fairly and grow, customer and public health are protected, and the community can thrive. Developing solutions is the responsibility of the entire community—workers, employers, community, consumers, and the government.

This research and work in the community indicate that the employment, wage theft and health concerns of Chinese immigrant low-wage workers continue to be serious and systemic problems, not only in San Francisco's Chinatown, but throughout the city, and in major cities throughout the country, including Los Angeles, Chicago and New York. These problems disproportionately impact immigrant communities and communities of color. As the economic recession persists, high unemployment rates, foreclosures and evictions, reductions in public services and increase in crime continue to ravage low-income communities.

In crisis there is opportunity. The national economic crisis has triggered long-overdue conversations about job creation and the working poor, opened up debates around the paradox of a job-less recovery, and energized growing grassroots movements across the country to challenge the epidemic of wage theft, create jobs such as the Green Jobs movement, end historic legal discrimination against domestic work and agricultural workers, and call for the improving of labor standards for all workers. Under the Obama administration and new Labor Secretary

NOT JUST IN CHINATOWN

Workers across industries and neighborhoods in San Francisco are facing record levels of wage theft, unemployment and mistreatment. A glance at recent news articles show examples that include:

- **Latina domestic workers** experience workplace abuse and are denied overtime pay due to exclusion from labor laws.
- **Latino day laborers** are cheated out of the wages they have earned and face police harassment.
- **Young restaurant workers** don't get overtime, paid sick leave or meal and rest breaks and face sexual harassment .
- **Filipino caregivers** are denied the 8-hour workday and expected to be on-call 24 hours a day.
- A high unemployment rate among **African-American workers** in the Bayview is also compounded by discrimination that makes it hard to find work.
- A **gay worker** who is organizing a union at his workplace is fired for "being too gay."



We need to educate workers and the community about our rights as workers, and organize to change these problems!

Hilda Solis, the Department of Labor is undergoing a significant and promising shift in policy to strengthen federal enforcement of labor laws and invite the engagement of workers, community organizations, and other government agencies.

We believe sweatshop conditions can end and new standards can be set for healthy jobs in Chinatown. Across Chinatown, San Francisco and the country, conversations are underway about a new, forward-thinking vision for healthy economic development. We invite all stakeholders to join us in developing our vision and strategy for healthy jobs and healthy community in Chinatown.

THE HIGH ROAD FOR ALL WORKERS: San Francisco Low-Wage Worker Bill of Rights

The opportunities for reform exist at all levels. We believe the first step is to build a strong voice for a movement locally by creating model solutions in San Francisco. To this end, CPA helped form the San Francisco Progressive Workers Alliance (SF PWA) in 2010 to address the crises facing low-wage workers, particularly in communities of color. Recognizing that these problems emerge from an economic and political structure that systematically marginalize low-wage workers, nine grassroots organizations in San Francisco decided to come together and form a unified voice across race, language, neighborhood and industry.⁴⁴

The Low-Wage Worker Bill of Rights lays out the platform for the alliance and the key issues to address through organizing, advocacy and legislative campaigns. It calls for the city of San Francisco to:

1. Address the employment and training needs of the long-term unemployed.
2. Actively protect the city's workers and responsible employers from wage theft.
3. Support and reward responsible businesses.
4. Protect the social safety net for poor and marginalized communities.
5. Ensure equal treatment for all workers.

Just as San Francisco has been a national trendsetter in environmental reforms such as municipal compost systems and bans on plastic bags, the Low-Wage Worker Bill of Rights can set a precedent for an inclusive economy and lead the nation in supporting healthy jobs for all.

When I first got involved in this survey project, I thought it was impossible to change anything in Chinatown. But now that we have done so much work in the community and helped other workers recover wages, I see that change is possible. We can improve things. We must!

—CPA Worker Committee leader

APPENDIX

Table 1. Characteristics of Chinatown Restaurant Workers Surveyed

Gender	
Male	31%
Female	69%

Age	
18-30	8%
30-39	20%
40-49	43%
50 and up	29%

Restaurant Position	
Kitchen Workers	31%
Cooks	18%
Dim Sum Sellers	22%
Waiters	19%
Cashier	7%
Bussers	1%
Driving/Delivery	1%
Leaflet Distribution	1%

Marital Status	
Married	86%
Single	14%

Country of Birth	
China	98%
Did not report	2%

Education	
Below High School	50%
High School Diploma	45%
College or Vocational Training	5%

English Ability	
Little or No English	79%
Basic	15%
Advanced or Fluent	6%

Citizenship	
US Citizen	44%
Not US Citizen	56%

Native Language	
Cantonese	52%
Mandarin	5%
Toishanese	42%
English or Other	1%

Years in the US	
0-5	45%
6-10	27%
10 or more	28%

Neighborhood Residence	
Percentage of restaurant workers living in Chinatown and surrounding neighborhoods	70%
Percentage of restaurant workers living in the Southeast neighborhoods	14%
Workers in other neighborhoods	16%

ENDNOTES

- 1 These trends are also seen in other low-wage industries. In fact, a recent study found that the practice of evading or breaking core labor protections has become normalized in most low-wage industries. Bernhardt, Milkman, et al. *Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America's Cities*, Washington, DC: National Employment Law Project, September, 2009.
- 2 Calculated from Chinese Progressive Association 2007 worker survey findings.
- 3 U.S. Census Bureau, 2008 American Community Survey.
- 4 San Francisco Office of Economic and Workforce Development. "Chinatown Economic Action Plan." August 2008.
- 5 Chinatown Community Development Center. *Chinatown Anchor Businesses Preliminary Report*. June 2010.
- 6 San Francisco Office of Economic and Workforce Development. "Chinatown Economic Action Plan." August 2008.
- 7 A 2007 survey of Chinatown Single Resident Occupancy (SRO) tenants found that nearly one-third of all working-age adults (29.5%) were unemployed, even before Wall Street's "financial crisis" in 2008. Since then, overall unemployment rates have increased.
- 8 "National Restaurant Association 2006 Restaurant Industry Fact Sheet"; "National Restaurant Association Says 2006 Sales Will Exceed Half-Trillion Dollar Mark for Nation's Largest Private-Sector Employer." Both documents available at: National Restaurant Association (www.restaurant.org).
- 9 U.S. Census Bureau. (2000). *Census 2000 Summary File 3—P49. Sex by Industry for the Employed Civilian Population over 16+ years. Universe: Total population.*
- 10 Chinese Progressive Association. *Research and Analysis of Chinatown's Restaurant Industry*. August 2007.
- 11 Bernhardt, Milkman, et al. *Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America's Cities*, Washington, DC: National Employment Law Project, September, 2009.
- 12 Chinatown Community Development Center. *Chinatown Anchor Businesses Preliminary Report*. June 2010
- 13 Marti, Fernando, Karl Bietel and Calvin Welch. "A new New Deal for San Francisco." *San Francisco Bay Guardian*, 6 July 2010.
- 14 For more information on the CBPR approach and principles for research, see Minkler, Meredith, & Nina Wallerstein. "Introduction to CBPR: New issues and emphases." In M. Minkler & N. Wallerstein (Eds.), *Community-Based Participatory Research for Health* (pp. 5–24). San Francisco: Jossey-Bass, 2008; and Israel, B. A., Schulz, A. J., Parker, E. A., & Becker, A. B. "Review of Community-Based Research: Assessing Partnership Approaches to Improve Public Health." *Annual Review of Public Health*, 19, 173–202. 1998.
- 15 While the vast majority of restaurant workers are Chinese immigrants, there are a growing number of Latino immigrant (Spanish-speaking) workers in Chinatown, primarily working in the back of the house or as delivery workers. This study did not include interviews with Latino workers due to the very limited numbers of such workers and the lack of capacity and existing relationships to engage Spanish-speaking workers in a long-term community-based participatory research project.
- 16 See Appendix A.
- 17 A. Bernhardt, et. al. *Broken Laws*
- 18 Fairris, D. et al. *Examining the evidence: The impact of the Los Angeles living wage ordinance on workers businesses.* (Los Angeles Alliance for a New Economy, 2005.)
- 19 Studies of the restaurant industry in cities like New York, Chicago, and New Orleans found that "low wages and lack of job security among restaurant workers lead to increased reliance on social assistance programs resulting in an indirect subsidy to employers engaging in low road practices and fewer such public resources available to all those in need."

Restaurant Opportunities Center United, *Behind the Kitchen Door Executive Summary: A Summary of Restaurant Industry Studies in New York, Chicago, Metro Detroit, New Orleans, and Maine*. February, 2010.

Researchers at the University of California, at Berkeley calculated that California taxpayers pay \$10 billion annually in hidden costs associated with the poverty wages earned by 2 million families and that most public assistance went to families with full-time workers. The study concluded that raising wages for these workers would result in billions saved in public expenditures and help working families.
- 20 Glasmeier, Amy K. "Living Wage Calculator." <http://www.livingwage.geog.psu.edu/places/0607567000>. 2008
- 21 Workers had average household size of four, and almost three-quarters (74%) of the workers provide care at home for children, elderly or disabled persons. 45 percent were also supporting additional family members outside of their household. A family of four would need to earn \$32.50 an hour to be able to sustain their household.
- 22 115 persons per acre compared to 25 persons per acre overall.
- 23 City and County of San Francisco Department of Public

- Health Occupation and Environmental Health Section Program on Health, Equity and Sustainability, *The Case for Housing Impacts Assessment: The Human Health and Social Impacts of Inadequate Housing and their Consider in CEQA Policy and Practice* May, 2004 http://www.thehdm.org/etc/004_HIAR-May2004.pdf
- 24 Restaurant Opportunities Center United, *Behind the Kitchen Door Executive Summary: A Summary of Restaurant Industry Studies in New York, Chicago, Metro Detroit, New Orleans, and Maine*. February, 2010.
- 25 Francisco Department of Public Health. *A Health Impact Assessment of the California Healthy Families, Healthy Workplaces Act: Summary of Findings*. July, 2008.
- 26 Bernhardt, Annette. Siobhán McGrath and James DeFilippis. *Unregulated Work in the Global City: Employment and Labor Law Violations in New York City*. Brennan Center for Justice, 2007.
- 27 Researchers have estimated that fatal and non-fatal occupational injuries and illnesses in eating and drinking establishments cost \$3.2 billion nationally in workers' compensation, lost wages, and jury awards. In 2007, the estimated cost of disabling workplace injuries in the U.S. was \$53 billion dollars. Liberty Mutual Research Institute for Safety, 2009.
- 28 Forty-six percent also reported that non-smokers were more likely to be called in early from breaks, a practice that has the effect of rewarding those who smoke.
- 29 San Francisco Department of Public Health. *A Health Impact Assessment of the California Healthy Families, Healthy Workplaces Act: Summary of Findings*. July, 2008.
- 30 Examples include what to do in case of workplace violence, how to safely lift heavy objects, what to do in case of emergency and how to report injuries and illnesses.
- 31 UCSF Center for Social Disparities in Health. *Issue Brief 4: Work and Health*. Robert Wood Johnson Foundation Commission to Build a Healthier America. . December, 2008.
- 32 Cultural perceptions of health vary. Focus groups and interviews revealed that for most Chinese immigrants, good health status is understood as the absence of serious illness such as cancer. "As long as you can work, you are healthy." Aches, pains, routine work-related burns and cuts are seen as normal and not viewed as unhealthy.
- 33 Boots, Shelley, Karin Martinson, and Anna Danziger. *Employers' Perspectives on San Francisco's Paid Sick Leave Policy*. The Urban Institute, Research of Record. March, 2009.
- 34 The provision of paid sick days to all workers could reduce the number of people impacted by pandemic influenza by 15%–34%; reduce transmission of food-borne and communicable diseases in restaurants; allow workers and their dependents easier access to preventive and early care, thus reducing unnecessary and expensive hospitalizations; and prevent hunger and homelessness among low-income workers with severe illnesses.
- 35 Chinese Progressive Association. *Research and Analysis of Chinatown's Restaurant Industry*. August 2007.
- 36 City and County of San Francisco Labor Standards Enforcement. "Health Security Ordinance." 9 January 2008. Accessed at: <http://sfgsa.org/index.aspx?page=418>
- 37 Lashuay Nanette, and Robert Harrison. *Barriers to Occupational Health Services for Low-Wage Workers in California*. San Francisco: Commission on Health and Safety and Workers' Compensation, California Department of Industrial Relations. April, 2006.
- 38 This correlates with results from CPA's 2007 SRO employment survey, where over 40% of the respondents worked in restaurants. Over 70% reported never having taken ESL and 89% had not taken job training.
- 39 The national Wage Theft Prevention Act (H.R. 3303) is an example of federal legislative initiative that would address staffing, increasing penalties for violations and retaliation.
- 40 More state and local governments are moving in this direction. New York state has been a leader in proactive approach to enforcement of labor laws, collecting \$28.8 million in unpaid wages for close to 18,000 workers in 2009.
- 41 In 2009, Young Workers United created the first consumer guide to socially responsible restaurants in San Francisco, called «Dining with Justice: A Guide to Guilt-Free Eating!». Based on worker surveys and criteria for following labor laws and treating workers with dignity and respect, the guide highlights 10 restaurants and encourage consumers to patronize them.
- 42 Overall, San Francisco's economic development strategy prioritizes white-collar industries such as bio-tech and digital media, and focuses very little attention on the needs of limited English speakers, including Chinese immigrant workers (especially in proportion to the demographics of San Francisco.)
- 43 <http://www.dollarsandsense.org/archives/2006/0506wicks-lim.html>
- 44 SF PWA represents thousands of Asians, Latinos, Blacks, and whites who are restaurant workers, construction workers, caregivers, domestic workers, unemployed workers, and more. The member organizations are: The La Raza Centro Legal–Day Laborer Program and Women's Collective, the Chinese Progressive Association, Young Workers United, Filipino Community Center, SF Pride at Work (PAW), People Organized to Win Employment Rights (POWER), Mujeres Unidas y Activas (MUA), People Organized to Demand Environmental and Economic Rights (PODER), Coleman Advocates for Children and Youth, Jobs with Justice.

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