



May 3, 2024

**To Honorable Mayor Karen Bass; Honorable Council President Paul Krekorian;
Honorable Budget Committee Chair Bob Blumenfield; and Honorable Members of the
City Council**

Re: Prioritizing Wage Theft in the 2024-2025 LA City Budget

As responsible stewards of the public's money, we understand your work is difficult, if not at times, impossible. We at the Los Angeles Worker Center Network (LAWCN) feel equally responsible to the low-wage workers we represent through our nine worker centers and partner organizations, including other labor allies. Similarly to you, our success is determined by our access to economic resources or lack thereof.

The significant budget shortfalls and other economic challenges faced by the city—as outlined by the recently released 2024-2025 budget—let us all know that we must face these challenges head on and do so collectively. That is why we want to make sure you know we are with you in overcoming the obstacles ahead of us, especially around the issue of homelessness.

Dual Crisis of Homelessness and Wage Theft in Los Angeles

LAWCN advocates for the inclusion of the city's most vulnerable working Angelenos in LA City's 2024 Budget. Angelenos of color continue to fall into poverty and homelessness due to wage theft. As the wage theft capital of the nation, Los Angeles leads Chicago and New York—other major contenders—by a full 20%, with a whopping 88% of workers in LA County experiencing labor standards violations, such as:

- 80% who work overtime do not receive overtime pay;
- 30% receive less than minimum wage; and
- 80% work through meal and rest breaks.

Moreover, loss of income, such as wage theft, is the primary reason participants became unhoused at least three times more frequently than any reason among leaseholders who became unhoused.

The dual crisis of homelessness and wage theft is particularly acute in Los Angeles—where the lowest-income Angelenos lose an estimated 12.5% of take-home pay to wage theft every year according to a study by UCLA. According to LAHSA, an estimated 600,000 households in the County are “severely” rent-burdened and at risk of homelessness. Experts predict that more

than 100,000 Angelenos could be unhoused by the 2028 Olympic games if action is not taken to prevent the inflow of newly unhoused Angelenos.

In recent weeks, the City of Los Angeles published two reports with a series of recommendations intended to address Los Angeles' dual crisis as both the wage theft capital and homelessness capital of the U.S.:

1. Efficient resolution of wage theft and labor violation cases;
2. Implementation of efficient, strategic enforcement; and
3. Broader public outreach and education, including relaying information in languages other than English, as well as ways of communicating information other than electronically.

By addressing loss of income resulting from wage theft and labor standards violations, Mayor Karen Bass and the Los Angeles City Council have an opportunity to buck LA's trend as the wage theft and homelessness capital while building a model for the region and the nation to effectively solve the root causes that perpetuate the dual crisis of wage theft and homelessness, and poverty at large.

LAWCN urges the Mayor and City Council to closely examine and prioritize funding based on the recommendations presented in the City's recently published reports, along with the pending reports being prepared by the Chief Legislative Analyst in response to two other council motions authored and moved by Councilmembers Soto-Martinez and McOsker.

Sincerely,

A handwritten signature in black ink, appearing to read 'Armando Gudino', with a long horizontal line extending to the right.

Armando Gudino
Executive Director
Los Angeles Worker Center Network