

L. UNREGULATED WORK IN THE AUTO SERVICES INDUSTRY IN NEW YORK CITY

While New Yorkers disproportionately rely on public transportation, the city in fact does contain a sizable auto services industry. Some parts are well regulated (e.g. national repair chains), but the small-scale and sometimes informal nature of the industry means that workplace violations are a real threat (see Table L). While our fieldwork was not able to cover all parts of the industry, which numbers more than 20,000 workers, we were able to gather some information on the following segments:

CAR WASHES

Most car washes are independently owned, although two or three may be owned by the same person or family. The largely immigrant workforce shampoos, vacuums, cleans, and dries cars, usually in 12 to 13 hour shifts, six days a week. There is very little room for negotiation on schedules, as recounted by one worker in our focus group: “After working four days (Monday to Thursday) for 15 hours a day, I was tired. On Friday, after working 12 hours, I said to the manager, ‘I’m tired.’ So no more work.” The worker was fired.

With the exception of a few large corporate car washes, minimum wage violations appear common in this segment. Workers report that they earn as little as \$4 an hour, and overtime is almost never paid. Customers often give tips at car washes, but usually not enough to qualify workers for the state’s reduced minimum wage for tipped workers outside of the restaurant industry. Nevertheless, employers often use the tips as an excuse for paying the lower minimum wage, a clear violation of state law. Further, employers sometimes engage in illegal practices such as having workers pool their tips but not distributing the entire amount. We also heard reports of non-payment of wages in car washes, although it is not clear how common this practice is.

Car wash jobs are physically demanding, but workers report being denied rest breaks or being given only 15-20 minutes for lunch. Employers also may fail to follow a

number of health and safety regulations. These include training workers about the chemicals and machines they are using, and providing protective gear to prevent injuries. Injured workers are instructed not to file workers’ compensation claims; in some cases they may receive a cash payment from their employers, but in other cases are fired and quickly replaced. Workers also report not being able to take any days off, for fear of losing the job altogether.

Turnover appears to be high in car washes, although workers who have some seniority may be able to move to preferred positions (such as shift supervisor), which are less physically demanding and may also pay \$1 to \$2 more per hour.

AUTO REPAIR SHOPS

Auto body and repair shops have undergone significant changes as a result of car computerization, the growth of national chains, and increasing competition from auto dealerships. But neighborhoods throughout the city are still dotted with small auto repair businesses, as well as “street repairs” where workers set up shop on strips in the Bronx, Queens, Brooklyn and uptown Manhattan. While technical knowledge is required (certain mechanics can earn \$10 per hour), the skill level of most jobs is not so high as to prevent hiring off the street. Upward mobility in the industry depends on formal training and certification, which is largely out of reach for workers in informal shops. Wage and hour violations are likely for helpers in particular, and some repair shops may be misclassifying workers as independent contractors.

PARKING LOTS & GARAGES

Parking lots and garages have been undergoing rapid industry consolidation, with large national companies taking over smaller independent firms. In the national chain garages, hiring and wage setting occurs at central offices, and workers get overtime pay as well as access to health

benefits. However, an informal segment of lots and garages remains in low-income neighborhoods, with what appear to be unregulated working conditions for car attendants and night watchmen. Parking lots are usually open 24 hours; attendants are usually required to work 12 hour shifts, and working alone at night can be dangerous because of the possibility of robberies.

OTHER SEGMENTS

Although we did not study them directly, respondents indicated that other segments in the industry may also contain unregulated work: gas stations, tire shops, and auto parts dealers.

TABLE L.
CHARACTERISTICS OF UNREGULATED WORK IN THE AUTO SERVICES INDUSTRY
IN NEW YORK CITY

INDUSTRY SEGMENTS WHERE WORKPLACE VIOLATIONS ARE COMMON	
Industry segments	Violations are common in car washes, but are also reported in informal parking lots, garages and auto repair shops.
Union density	Little or no union density.
THE JOBS WHERE WORKPLACE VIOLATIONS ARE COMMON	
Occupations	Violations are prevalent for car wash workers. Violations may also occur for parking attendants and auto body and repair workers.
Typical wages	Entry-level jobs in car washes are typically paid \$4-\$6 per hour. Parking attendant jobs at chain companies start at \$7-\$8 per hour, but informal lots can pay significantly less. Wages for auto body and repair workers vary widely, with skilled mechanics in unregulated shops earning about \$10 an hour.
Typical hours	Car wash workers typically work six days a week, 12 or 13 hours per day. Parking lots operate on 12 hour shifts. Auto body and repair work can be full-time, but may also be a second job (weekends or evenings).
Payment method	Outside of franchise or chain businesses, workers are largely off the books.
Benefits	Health benefits and sick days are extremely rare in car washes, and in informal parking lots and car repair.
THE WORKERS MOST AFFECTED BY WORKPLACE VIOLATIONS	
Demographics	Auto services workers are overwhelmingly men, with differentiation by segment: car wash workers are largely Mexican, Central American, and African immigrants; workers in parking lots and garages are both immigrant and African-American.
Immigration status	A substantial percentage of car wash workers are undocumented immigrants.
INTERMEDIARIES PLACING WORKERS IN UNREGULATED JOBS	
Some storefront employment agencies place workers at car washes (charging workers a fee per placement), but most workers find jobs through personal networks.	
INDUSTRY-SPECIFIC LAWS AND REGULATIONS	
Most workers are covered by core employment and labor laws. Some car wash and valet parking workers earn tips, and may be covered by different minimum wage regulations if those tips are customary, usual, and sufficiently large.	
COMMON WORKPLACE VIOLATIONS	
Minimum wage and overtime	<p>Minimum wage: Violations are pervasive in car washes: workers routinely report \$4-\$5 an hour as the going hourly rate. Some employers pay the reduced “tipped worker” minimum wage, even though most workers do not earn enough in tips to qualify for the lower minimum.</p> <p>Overtime: Overtime is rarely paid in car washes.</p> <p>Other segments: Hourly wages in other segments (i.e. attendants in informal parking lots; car repair helpers) may be at risk of both minimum wage and overtime violations, when full hours worked are taken into account.</p>
Non-payment of wages	Workers report several recent incidents of non-payment of wages in car washes, as well as employers illegally taking part of their tips.
Meal breaks	Car wash workers are frequently denied required meal breaks.

Employer taxes	Employer taxes are usually not paid on cash wages.
Misclassification	Some auto body and repair shops may be misclassifying workers as independent contractors.
OSHA	Car wash employers often fail to provide required training and protection from chemicals and cleaning machines.
Workers' Compensation	Workers report being discouraged from filing workers' compensation claims in car washes.

Note: All violations were assessed using legal standards in effect when interviews were conducted, and in particular, wage rates are from 2004 and 2005.

Sources: Original data gathered by authors during fieldwork from 2003 through 2006 in New York City, as well as the following secondary sources: Bearak (2003), Casimir (2004), Elliot (2004), Girskey (2001), New York State Department of Labor (2007b), New York State Department of Labor (2007c), US Department of Labor (2005c).