

(As a substitute amendment, points 1-4 below were adopted by the Virginia Annual Conference of The United Methodist Church on 11 June 2011. In the introductory material references to specific corporate entities were deleted but otherwise, as per Conference Rules, no action was taken on the introductory material)

Stop Wage Theft

With many of our churches operating food pantries, most of us know that many people do not earn enough to make ends meet. With the recent Wall Street fiasco, many of us have become more aware of the growing disparities between Americans who receive more than they need and those who receive too little. Yet most of us might be shocked if told that millions of workers in the United States are being cheated out of their hard earned wages.

But wage theft is taking place — by employers who pay less than the minimum wage, pay workers for fewer hours than they work, give checks that bounce, not pay overtime, misclassify workers or pay in cash to avoid payroll taxes, make workers pay for a job, not pay the prevailing wage, take illegal deductions from workers' paychecks, take workers' tips, not pay the last pay check, or not pay workers at all.¹

Some may think that such illegal practices are found only among small, fly-by-night illegal businesses. But such practices are widespread and are found among employers "from small neighborhood businesses to some of the nation's largest employers." And surveys have found that the majority of nursing homes, garment factories, restaurants, poultry plants and vegetable producers hiring farm workers engage in wage theft.² Almost half of all day laborers — who are primarily immigrants and Latinos laboring as construction workers, gardeners and landscapers, painters, roofers and drywall installers — have had their wages stolen.³ In Virginia a federal court has awarded a settlement of \$125,000 in a case against Verizon and its subcontractors for failure to properly pay low wage workers digging ditches for Verizon's high speed communication network, but the workers have had difficulty in collecting their share.⁴

While some wage payment violations occur because of unclear laws and lax enforcement, greed is the primary driving force. For example, over three million workers are misclassified by their employers as independent contractors instead of employees to avoid payroll taxes, unemployment insurance, worker's compensation coverage and overtime pay.⁵ It has been estimated that in unpaid overtime alone companies annually cheat workers out of at least \$19 billion.⁶

Wage theft causes obvious harm to workers by depriving them of earned wages and benefits, making it more difficult to support their families, obtain medical care, educate their children, and purchase consumer goods. Wage theft also causes harm to ethical employers who are forced to compete on an uneven playing field where unethical employers who do not pay full wages and benefits have a cost advantage. Wage theft also causes harm to public revenues by depriving local, state and federal governments of funds needed for fire and police protection, social services, social security, health care and other basic government programs. In addition, wage theft causes harm to our democracy since low wage workers exploited by their employers believe government does not work for them, tend not to vote in elections and lack resources for otherwise participating in the democratic process.⁷

Wage theft is also contrary to basic United Methodist values set forth in our Social Principles and Resolutions – such as the right of every worker to a living wage and to sharing fully in the prosperity of society, that persons come before profits, and the duty of government to investigate industries “that routinely violate wage and hour laws”.⁸

In view of the above serious concerns, *it is hereby resolved by this session of the Virginia Annual Conference that:*

1. The Board of Church and Society of the Virginia Annual Conference expresses concern to the congregations of the annual conference regarding the ill-treatment of low-wage workers.
2. The Board of Church and Society define the nature of this problem and offer viable options of ministering to low-wage workers and employers.
3. The Virginia Annual Conference of The United Methodist Church express its concern to the Governor of the Commonwealth of Virginia for vigilant enforcement of existing state and federal laws to protect low-wage workers.
4. The Board of Church and Society is to communicate with our Virginia members of Congress and senators our concern for this problem.

¹ Kim Bobo, *Wage Theft in America: Why Millions of Working Americans Are Not Getting Paid — And What You Can Do About It* (New York: The New Press, 2009), Chapter 2, “How Employers Steal Wages.” Bobo is the founder and Director of Interfaith Worker Justice and a columnist for Religion Dispatches.

² Bobo, 6-7.

³ Abel Valenzuela, Jr., Nik Theodore, Edwin Meléndez and Ana Luz Gonzalez, *On the Corner: Day Labor in the United States* (January 2006). www.uic.edu/cuppa/uicued (17Feb2011).

⁴ “Can You Pay Me Now?” <www.canyoupaymenow.org> (2Jan2011). Several additional cases are pending.

⁵ Bobo, 7, 37-38.

⁶ This estimate was made by the Economic Policy Institute, a business-funded think tank. Bobo, 8.

⁷ Various studies have documented how our society is governed by a ‘ruling class’ and, with the integration of the world economy, a ‘global ruling class’ whose members are disproportionately persons with much wealth, education in elite schools, membership in elite social clubs, and connected by marriage, while those with less wealth, education and connections generally have less influence in shaping public affairs. Low wage workers who are victims of wage theft are generally the least able to participate in the democratic process since they lack access to resources that would enable them to best understand where their interests lie. Exceptions to this pattern generally occur only when there is intentional awareness-building and mobilization of targeted populations or extreme events that mobilize large segments of the general populace. See William Domhoff, *Who Rules America Now?* (New York: Simon & Schuster, 1983) and David Rothkopf, *Superclass: The Global Power Elite and The World They Are Making* (Farrar, Straus and Giroux, 2008).

⁸ ¶ 163.IV, “Social Principles,” *United Methodist Book of Discipline 2008*; “Rights of Workers,” *The Book of Resolutions of The United Methodist Church 2008*.