California Dreaming—Day Labor and the Search for Work in the Golden State and the Nation

Arturo Gonzalez
PPIC

Abel Valenzuela
UCLA

California Economic Policy
September 5, 2006

Acknowledgements

We would like to thank Ana Luz Gonzalez and Shannon McConville for providing much technical help with all of the steps in this report, from data analysis, literature search, and copy editing. We also benefited from discussions with Marianne Bitler, Giovanni Peri, Ellen Hanak, and seminar participants at PPIC. All errors of fact or interpretation are our own, and all opinions expressed in this report do not necessarily reflect the views of PPIC.

.

Author Biographies

Arturo Gonzalez is a Research Fellow at PPIC. Prior to joining PPIC in 2004 he was a visiting professor at the Universidad Carlos III in Madrid, and an associate professor at the University of Arizona. He is the author of *Mexican Americans in the U.S. Economy: Quest for Buenos Dias* (2002), and has written articles dealing with the economics of education and immigration.

Abel Valenzuela Jr. is associate professor of Chicana/o studies and urban planning at UCLA. He also is the director of the Center for the Study of Urban Poverty. He has researched day labor for almost 10 years and has published numerous research articles, book chapters and technical reports on this topic.

Summary

Day labor is characterized by employers that need workers for a limited period of time, workers who are willing to accept short-term employment, and by the informal nature of this arrangement. Informal day labor markets are part of the underground economy, meaning that workers and employers enter into agreements that are not reported to the government and do not conform to certain labor regulations. Indications are that the number of day laborers has increased by over 30 percent from 2001 to 2005. The increasing presence of day laborers in many communities throughout the state and nation is creating a conflict between community residents, employers, and day laborers. Concerns over day laborers include issues like community safety, sanitation, and abuses of workers.

While day labor has become an ever increasing topic of interest, the lack of data hampers the crafting of effective policies. This CEP report analyzes the National Day Labor Survey, conducted in the summer of 2004, to address three research questions: (1) what are the fundamental aspects of day labor in California?, (2) What are the characteristics of and employment outcomes for day laborers? (3) What role do undocumented immigrants play in day labor and how do they fare compared to legal day laborers?

The results of the analysis reveal that there are nearly 45,000 day laborers in California, with 44 percent of them working in the Los Angeles area alone, 29 percent in the Bay Area, 27 percent working in Orange and San Diego Counties. The average day laborer in California is a Mexican male in his early 30s with 7 years of schooling who has been living in the country for less than 10 years. Furthermore, 80 percent of day laborers in the state are undocumented. The average weekly earnings of a day laborer is $258, which depends on the frequency of work, the hours worked per day, and the hourly wage.

Even though day laborers are employed only 2 to 3 days out the week, but look to work 5 days out of the week, they stay in day labor because they perceive their undocumented status and lack of English skills as the primary reasons they cannot find a regular job. The number of days worked is the most important variable affecting weekly earnings.

The large majority of day laborers are undocumented and on average they make $2.91 per hour less than legal day laborers ($11.28 compared to $14.19). However, undocumented day laborers earn less per hour because they are younger, do not speak English well, and are less experienced. After controlling for these and other demographic factors, undocumented day laborers earn the same hourly wage as legal immigrant day laborers.

The day laborers' search for jobs has both positive and negative consequences, and local communities have a vested interested in reducing and eliminating the negative externalities of this labor market. The community concerns over day labor exist despite the fact that day laborers make up less than 1 percent of the undocumented labor force in California. Successful policies grasp the role of the economic forces generating the day labor market. If local policies only focus on eliminating or reducing the presence of day laborers from their communities through anti-loitering or other punitive laws, these workers will more than likely adjust their behavior by moving to adjacent communities or going further underground.

In many ways, day laborers may serve as a lightning rod over larger issues, such as the failure of the nation's immigration policies with regards to undocumented immigration. Recent proposals in Congress to adjust the status of undocumented immigrants may be incompatible with the lack of paper trail regarding the employment history of day laborers. An immigration reform bill would have to accommodate the circumstances of day laborers in order to legalize their status.

Day labor workers centers may provide policy makers the means by which to effectively address issues that affect any proposed immigration legislation as well as the interests of day labor workers, employers, and community residents.

Table of Contents

I. Introduction

In most cities across the United States, hundreds of men gather in the early morning at street-curbs, parking lots, storefronts, and busy intersections in search of employment. Workers known as day laborers and employers meet at such sites to negotiate the terms of employment, including the type and length of task to be performed and the payment, typically in cash, for the work provided. These otherwise common areas become open-air labor markets where labor is bought and rented on a daily basis. Often, these labor markets exist in neighborhoods throughout the country, many of which have not had any previous experience with day laborers or immigration (Downes, 2006; U.S. General Accounting Office, 2002). The presence of this type of informal day labor has engendered varied community reactions and fostered the growing debate over undocumented immigration and its impact on the country and local communities. Yet, the day-labor (DL) market is not well understood, partly because workers and employers operate outside the formal economy with no government regulation or reporting requirements, and the government has not collected reliable information on these workers.[1]

Most people are aware of day laborers either because they have seen them at various DL sites, such as home improvement stores, or from coverage in the popular press, or from others that may have hired them. Lacking information, it is not surprising that stereotypes—that they are undocumented, a threat to community safety, drug dealers, and so on—about day laborers abound. Additionally, community members may feel that such a workforce is an undesirable element because they do not reflect well on the community, especially in residential

[1] Since 1995, the Bureau of Labor Statistics has periodically collected information on the contingent labor force, defined as those involved in work that is temporary in nature, of which day labor is a part. However, this data has many shortcomings including lack of adequate coverage of day laborers and significant sampling error (U.S. General Accounting Office, 2002; U.S. Government Accountability Office, 2006). The sampling error in the data prohibit separate analysis of the day laborers.

neighborhoods. For instance, the presence of young, working-class men, seemingly foreign-born, idling on street corners may be seen as adversely affecting the quality of life in the community. Additionally, day laborers can serve as reminders that undocumented immigrants are present and are disregarding immigration laws by openly seeking work in the U.S. (Little Hoover Commission, 2002; Sifuentes, 2006).

For these reasons, the presence of day laborers has become a hot issue. Yet while communities have responded in various ways—including proactive and punitive policies—the lack of information to refute or substantiate the perception of day laborers handicaps the ability of policy makers to craft appropriate policies. At the very minimum, policy makers need basic information about the magnitude of the DL population to address the day labor issue. Are day laborers a small and isolated segment of the workforce or do the observed men on the corner represent the tip of the iceberg of a labor force that residents do not want to have in their community? Clearly, the lack of data on the DL population has hampered policy makers from crafting effective policies that benefit the community, the workers, and the employers of day laborers (U.S. General Accounting Office, 2002).

What is known about the day labor market is that it is an informal labor market where workers and employers function outside the lines of established regulations. Workers and employers likely do not pay taxes on their transactions, do not participate in the workers compensation insurance system, and do not observe work place laws that mandate overtime pay, and safety and health requirements (U.S. General Accounting Office, 2002; Valenzuela, Theodore, Melendez and Gonzalez, 2006).[2] That is, this market exists, because on the one hand, there is a demand for a flexible workforce, and, on the other hand, there is a supply of labor

[2] Although federal labor regulations still apply to the employment of day laborers, the arrangements between worker and employer take place underground, and therefore DL employment is essentially unregulated.

looking to work; workers and employers enter into agreements voluntarily. While details such as these are common knowledge, with few exceptions little reliable information on day laborers or their labor market outcomes exists (Marcelli, Pastor and Joassart, 1999; Valenzuela, 1999).

This edition of the California Economic Policy (CEP) provides a detailed study of day laborers based on data from the first nationally representative survey of day laborers in the U.S., the National Day Labor Study (NDLS).[3] Since the NDLS consists of a representative sample of day laborers in the nation, the California DL population can be analyzed to examine some of the most pressing issues surrounding day labor work (Valenzuela, Theodore, Melendez and Gonzalez, 2006).[4] Specifically, this CEP addresses three policy questions:

- Who are day laborers? What is the size and characteristics of the DL force in California? What percentage of day laborers are undocumented immigrants?
- What are the employment outcomes for day laborers? What employment options do day laborers have?
- Are undocumented immigrants in day labor at a relative disadvantage, in terms of labor force outcomes, compared to legal immigrants in day labor?

This analysis fills the void regarding what is known about day laborers and also addresses the debate over undocumented immigration. Specifically, the recent discussion about the possible adjustment of legal status of undocumented workers has tended to focus on whether

[3] The NDLS was undertaken in the summer of 2004. There are two primary research components to the national study. The first component is a random sample survey of 2,660 workers spread across 140+ sites in 20 different states including the District of Columbia. The second component of the national study is a qualitative (in-depth interviews of coordinators) study of all known day labor work centers spread across 17 states. The detailed analysis in this CEP report considers the 2,660 participants in the 36 MSAs, without adjusting for undercount of day labor sites made by Valenzuela, Theodore, Melendez and Gonzalez (2006) as these adjustments required additional information regarding the *unobserved* day labor population.

[4] See Appendix 1 for a discussion of the survey and the representative nature of data, as well as how the data is weighted to obtain representative population estimates for the nation and California.

they take away jobs or are a source of competition for legal workers.[5] Since legal status is not a barrier in obtaining employment in day labor, the CEP report takes advantage of this structure of the DL market to consider whether undocumented status is associated with lower earnings. This report is organized into six sections with Section II providing background information on the structure and workers of the informal DL market in California and the nation. Section III provides a demographic portrait of workers, including an analysis of the employment options available to day laborers. Section IV provides a detailed analysis of the outcomes of the search for work—the number of hours and days worked. Section V presents evidence regarding the impact of legal status on worker earnings. Section VI concludes with a discussion of policy considerations, including the role of day labor worker centers.

II. The Fundamentals of Day Labor

A. What is Day Labor?

No formal definition of day labor exists, although the term is most often used to convey a type of temporary employment characterized by the informal arrangement of the working conditions (generally unwritten and unenforceable), as well as by the amenities and disadvantages of the work (including safety hazards), the absence of fringe and other typical workplace benefits (i.e., fringe benefits like health insurance and a retirement plan), and the short duration of most employment that necessitates continued, mostly daily, search for work. A more formal type of day labor does exist and consists of employment with a limited contract, usually

[5] Most studies rely on data on undocumented workers that have been apprehended, who are of a particular nationality, that live in a particular area, or that employ ethnographic methods (Bean, Lowell and Taylor, 1988; Chiswick and Miller, 1997; Espenshade, 1995; Hanson and Spilimbergo, 1999; Marcelli, Pastor and Joassart, 1999; Massey, 1987; Passel, 2005).

short term, arranged through a third party.[6] Another form of short-term and formal labor force is the contingent labor force.[7]

The informal day labor, on the other hand, is characterized by men (and in a few rare cases, women) who congregate in open-air curbside or visible markets such as empty lots, street corners, parking lots, designated public spaces, or store fronts of home improvement establishments to solicit temporary daily work. Several important characteristics identify the informal day labor industry and its participants: The market is highly visible, with hiring sites spread throughout major metropolitan areas including Los Angeles, the Bay Area, and in other small and large cities throughout the United States. This report focuses on this type of informal labor market.

Prior to the National Day Labor Study (NDLS), obtaining a count of the day labor population was very difficult, owing to the fact that day laborers are a difficult population to identify because they may be reluctant to participate in official government surveys. Nationally, the only information regarding the size of this population is available from data gathered on the contingent labor force. Based on the residual of total employment and size of the contingent labor force, the male DL force in 2005 is estimated to be 200,000, an increase from 147,000 in

[6] The formal day labor industry is primarily connected to for-profit temp agencies or "hiring halls" and places workers in manual work assignments at or around minimum wage. These temp agencies or hiring halls are less ubiquitous than informal sites and are usually located in enclosed hiring halls with boarded windows or other neighborhood-based establishments (Peck and Theodore, 2001). Similar to the informal day labor market, many of the participants are undocumented, recently arrived, and have low levels of education. However, the participants of formal day labor are more diverse than those of the informal market and also include nonimmigrant, women, and a substantial homeless population. Participants in the market are similarly vulnerable and exploited as evidenced by low wages, infrequent employment, workplace injuries, and ancillary employment charges such as check-cashing fees for payroll and costly transportation charges to get to the work sites (Kerr and Dole, 2001; Roberts and Bartley, 2004; Theodore, 2000).

[7] The contingent labor force includes those with temporary jobs, who work for temporary agencies, and third party contractors. This labor force represents about 4 percent of the 2005 total labor force, or 5.7 million workers (http://www.bls.gov/news.release/conemp.t01.htm). As defined by the BLS, the count of the contingent labor force includes informal day laborers (U.S. General Accounting Office, 2002).

2001, or an increase of 37 percent.[8] Although sampling error makes it difficult to definitely count day laborers from these data, the DL population has increased since the first BLS count in 1995 (U.S. Government Accountability Office, 2006).

The NDLS, however, estimates this labor force at 117,600 on any given day, after adjusting for potential undercount of day laborers (Valenzuela, Theodore, Melendez and Gonzalez, 2006). According to these data, most day laborers are male, foreign-born, recent immigrants who are recently arrived and undocumented, and have low levels of education and a poor command of English.

B. Factors Driving DL in California

The day labor market exists for a variety of reasons. On the demand side, the type of work employers require of day laborers is not provided by the formal labor market because the short duration of the work, the employers cannot or choose not to abide by formal labor regulations, or the formal labor market fails to provide workers that can do the work needed by employers at a relatively affordable wage. This demand for day labor is partially affected by the the ease and cost of hiring day laborers workers. For instance, worker compensation laws and tax regulations can make hiring short-term or casual worker too expensive or cumbersome for employers, but this is not the case when hiring day laborers. An available supply of workers with the combination of skills, eagerness, and relatively low wages, is also necessary for this market to exist. The final component that makes this market feasible is the overall acceptance by society of this type of work arrangement, with the exception of a few cities, such as Redondo Beach, and

[8] In addition to day laborers, this count based on the residual labor force also includes a small number of contingent workers. See http://www.bls.gov/news.release/conemp.t05.htm. These estimates are subject to significant sampling error and are not definitive (U.S. Government Accountability Office, 2006).

Vista, which have attempted to regulate or eliminate day labor sites (Downes, 2006; Sifuentes, 2006).

Day labor is not a recent phenomenon.[9] In California, agricultural work was historically the principal form of day labor. Traditionally, agricultural workers (hobos, casual workers, migrants) were drawn from urban centers, including areas known as skid row or wino row (Harrington 1962, Wallace 1965, Hoch & Slayton, 1989). As urban centers grew and agricultural work became less appealing and less accessible, skilled and unskilled urban workers became more common and gathering sites proliferated (Camarillo, 1979).

As in the past, today's employers in industries with fluctuating demand for workers have a particular need for day laborers. This is especially relevant in California as the residential and industrial construction industry has grown substantially since the 1980s; the growth of which has been partly made possible by the availability of low-skilled workers such as day laborers (Caufield, 2004; Caulfield, 2004; Wells Fargo Economics, 2005). In addition to the construction industry, households have also increased their demand for day laborers due to the increase in home remodeling activity in the recent past, and by the increased demand for domestic help (landscapers, cleaners, movers, etc.).

The supply of such day laborers is enabled by the immigration of the past three decades. The largest wave in the history of the United States has contributed to the growth of day labor and other forms of temporary work (U.S. General Accounting Office, 2002; U.S. Government Accountability Office, 2002). This inflow of new arrivals is also a response to the demand for

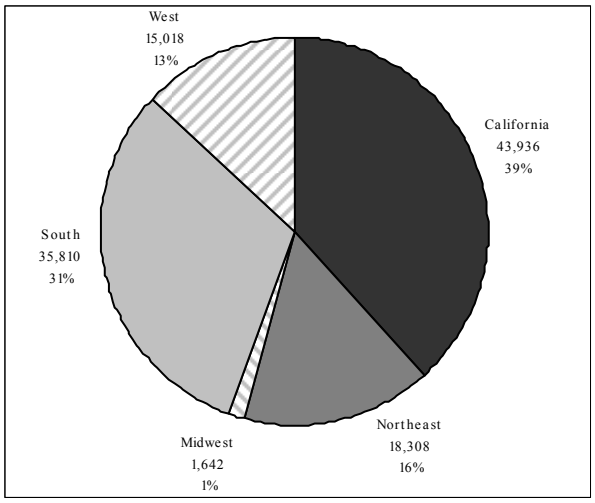
[9] In the United States, the search for employment in public spaces dates back to at least the early to mid-1800s, when day laborers were recruited from construction crews for track repairmen of railroad companies. Casual laborers (often off from construction jobs) worked in a variety of unskilled positions (brakemen, track repairmen, stevedores at depots, emergency firemen, snow clearers, mechanics' assistants), dockworkers, domestics, and many of these workers were recent immigrants—Chinese and Mexicans in the West and Germans and Irish in the East (Larrowe, 1955; Licht, 1983; Martinez, 1976; Wilentz, 1984).

low skilled and flexible workers that is generated by increases in wages induced by increased demand. The supply of laborers is also an outcome of the tightening of the borders in the past 10 years, which has made it more difficult for previously seasonal migrants to go back and forth between their countries, especially in Latin America (Reyes, Johnson and Van Swearingen, 2002). Furthermore, the fact that new immigrants are now residing farther from the U.S.-Mexico border means that the dollar cost of back-and-fort migration is higher than ever. Another domestic factor is the recession after 9/11, which drove many low-skilled immigrants workers out of work.Due to the tightening of the borders, many remained in the U.S. and sought alternative forms of employment when formal employment was not available (Gonzalez, 2002a).

C. Where do Day Laborers Work?

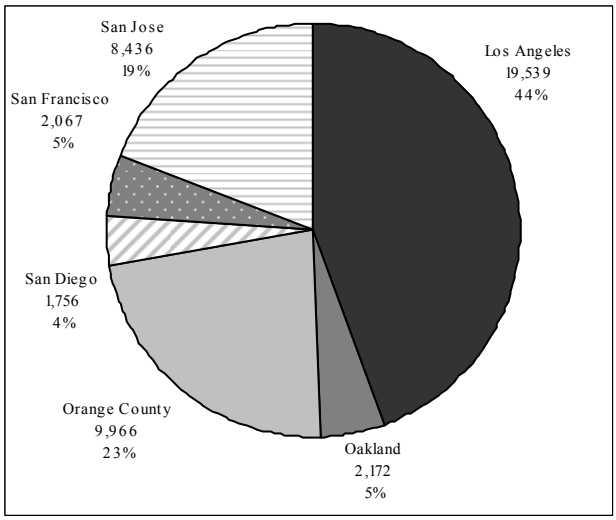
The NDLS provides an estimate of the national day labor population in any given day in 2004 based on a representative survey of day labor sites.[10] The distribution of this population is given in Figure 1. In 2004, of the nearly estimated 115,000 day laborers working in the U.S. at the time of the survey, about 44,000 of them worked in California metro areas, the most of any state, and greater than other regions of the country. Only the South's share of the DL population, 31 percent, is similar to California's share, 39 percent.

[10] See Footnote 3 for a discussion of the difference between this estimate and the estimate adjusted for the undercount of day laborers.



Source: NDLS, 2004
Notes: Total estimated day labor population is 114,714. Estimates are weighted for survey design effects.
Figure 1—Day Laborers in California and the Nation, Summer 2004

The NDLS identified DL sites throughout California, but only those sites in the sampled metro areas are analyzed here. The six sampled metro areas in California include Los Angeles, Oakland, Orange County, San Diego, San Francisco, and San Jose. Appendix 1 lists the cities/neighborhoods in California where the DL sites are located. The distribution of the DL population within the California metro areas sampled is provided in Figure 2. At time of the study, nearly 20,000 day laborers, or 44 percent of the state total, were working in the Los Angeles metropolitan area. Another 23 and 19 percent worked in Orange County and San Jose, respectively. Oakland, San Francisco, and San Diego had the fewest number of day laborers, each with 1,800 to 2,100 workers.



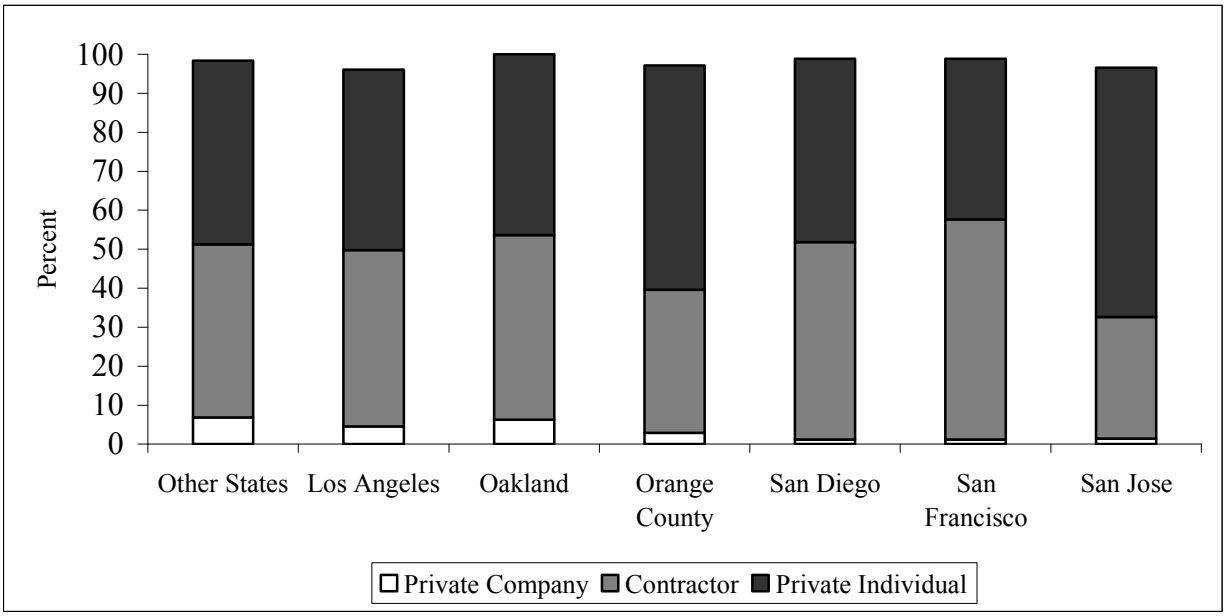
Source: NDLS, 2004
Notes; Estimated 2004 California day labor population is 43,935. Estimates are weighted to account for survey design effects.
Figure 2—Day Laborers in California Metro Areas

The day labor sites in California from which individuals are sampled for the NDLS are mapped in Appendix 2. The locations for day labor sites seem to be chosen to draw the maximum number of potential employers. In most instances, the sites are located nearby major freeways or other locations that are easily accessible, or near business that are likely to draw many contractors and private individuals, such as a Home Depot or a U-Haul store.

Despite their presence and impacts on local communities (both positive and negative), the DL population is both small in relative and absolute terms. Based on estimates of size of the male undocumented workforce in California (1.1 million) and the nation (4.5 million), day laborers represent less than 1 of the undocumented male workforce, 0.25 and 0.08 percent in California and the nation, respectively. Day laborers are an even smaller share of the California male workforce (16.4 million).

D. Who Hires Day Laborers?

Day laborers in California most often find employment in construction- and household-related industries. As such it is not unexpected that the persons seeking to hire them are contractors and private individuals. The type of employer that typically hires day laborers is plotted in Figure 3 for various metropolitan areas in California. In California, over 50 percent of employers of day laborers are private individuals and another 40 percent are contractors. Private individuals in San Jose, Orange County, Los Angeles, and other states are the predominant type of employer, accounting for 46 to 64 percent of DL employers. In San Francisco, 56 percent of employers are contractors—the highest of any area in the state—while in San Jose, only 30 percent of employers are contractors. These figures likely reflect the needs of the local economy. San Francisco's construction industry, for instance, has been driven in recent years by home remodeling, and likely explains the type of work performed by day laborers and the predominant type of employer there.



Source: NDLS, 2004

Notes: Only the top 3 employer types are included. All other categories account for less than 4 percent of responses. Estimates are adjusted for survey design effects.
Figure 3—Type of Employer in the Last Week

Private companies make less use of day laborers than either contractors or private individuals. This percentage, however, varies across locations, and is highest outside of California (7 percent). Only in Los Angeles (5 percent) and San Jose (6 percent) is the share of employers who are private companies similar to the DL markets outside of California. In other California metro areas, private companies make up between 1 and 3 percent of DL employers. These differences likely reflect different local demand for type of labor by private companies.

III. Characteristics of the Day Labor Market

Table 1 provides a demographic snapshot of day laborers in California and the nation. The typical day laborer is a single male who is 34 years of age, and is foreign-born. The majority of day laborers nationwide are from Mexico, and significantly more day laborers in California are from Mexico (72 percent). Fifty percent more workers from other Latin American countries live outside of California, 25 percent versus 39 percent. European and workers from other countries comprise a very small share of the DL workforce in California and the nation.

	NDLS			ACS	
	Nation	Other States	California	Total	In U.S. <10 Years
Age	34.3	34.4	34.1	36.6	29.4
Male	97.8%	97.4%	98.4%	100.0%	100.0%
Married, Partner Present	43.0%	43.4%	42.4%	56.4%	35.5%
Country of Birth					
US	6.4%	8.7%	2.7%	--	--

Mexico	59.2%	**51.2%**	**72.0%**	81.7%	83.5%
Latin America	33.8%	39.2%	25.1%	17.6%	16.3%
Europe/Other	0.6%	0.8%	0.1%	0.7%	0.3%
English Speaking Ability: Gets by or Well	25.4%	25.9%	24.6%	46.5%	25.8%
U.S. Citizen	9.4%	11.3%	6.3%	22.4%	4.1%
Non-citizen	90.6%	88.7%	93.7%	77.6%	95.9%
Permanent Resident	8.8%	8.7%	8.8%	--	--
Temporary Resident	6.3%	**7.4%**	**4.6%**	--	--
Undocumented	75.5%	72.5%	80.3%	--	--
School Years Completed	7.3	7.4	7.1	9.2	8.9
Highest Degree Completed					
No Schooling	19.8%	18.2%	22.2%	4.3%	3.9%
Elementary/JR High	61.1%	62.1%	59.6%	56.3%	61.7%
High School Diploma/GED	14.4%	**15.7%**	**12.4%**	27.2%	24.6%
Some College	4.7%	**4.0%**	**5.8%**	12.2%	9.7%
Potential Months in U.S.	87.2	**77.7**	**102.8**	195.6	63.7
Number of Trips to U.S.	2.1	1.9	2.3	--	--
Participate in DL Worker Center?	26.0%	**18.6%**	**37.9%**	--	--
Unweighted Sample Size	2,660	1,907	753	3,799	1,055
Population Sample Size	114,714	70,778	43,935	1,703,262	558,689

Source: *NDLS, 2004 **2004 American Community Survey.
Notes: *Bold indicates difference in means is statistically significant at 10% level. Estimates are adjusted for survey design effect. Not all variables have non-missing values. **Sample restrictions include California; foreign born (excludes Puerto Rico or other US territories); country of birth - Latin America, Philippines, or Caribbean; age 16 or older, not enrolled in school past 3 months, in the labor force - no government employees or self-employed. Months in the U.S. is multiplied by 12.
Table 1—Characteristics of Day Laborers in California and the Nation, and Foreign-Born in California

The legal status of foreign-born workers is derived from questions pertaining to U.S. citizenship and type of visa/work permit that the worker has, including a permanent resident card. The category "Undocumented" is a residual category of those responding not being a U.S. citizen or having a visa or work permit. Overall approximately 75 percent of all day laborers are undocumented, 9 percent are permanent residents, 6 percent are temporary residents, and 6

percent are U.S. citizens.[11] The DL workforce is primarily comprised of workers who cannot legally participate in the formal labor market, but a non-trivial 20-25 percent work in the country legally.

Day laborers do not have much education. The average number of completed years of school is just over 7, with 20 percent of day laborers stating that they have no formal schooling. DL workers in California are less likely than workers in other states to have a high school diploma/GED (12 percent versus 16 percent), but this is partly due to day laborers in California having slight more college degree, 6 percent vs. 4 percent).

California day laborers first entered the U.S. 103 months (8.5 years) prior to the survey, compared to an average of 78 months (6.5 years) in other states. Since migrants travel back and forth between the U.S. and their country of origin, this measure may not reflect the actual number of continuous months living in the U.S. Yet this difference also suggests that immigrants in California have more difficulty establishing and/or maintaining links to the formal economy than those in other parts of the country.

A brief comparison of California day laborers and the foreign-born population in 2004 shows that day laborers are more similar to immigrants that have been in the country for less than 10 years. This is especially true with regards to Citizenship status (95 percent are not citizens), English skills (25 percent) and marital status (35 and 42 percent). But day laborers have a lower proportion of Mexican immigrants (72 versus 84 percent), less education (7 versus 9 years), especially no schooling (22 versus 4 percent),

[11] Forty percent of temporary residents are on a student visa and another 44 percent have a work permit.

A. Earnings and Employment in DL

Even though Table 1 suggests that day laborers are similar in many dimensions in California and other states, the California economy, in particular, is likely to generate different conditions for day laborers. For instance, on average a "construction laborer" makes $15.87/hour and a landscaper $11.75/hour in California but nationally the same work pays $13.97/hour and $10.74/hour, respectively.[12] Consequently, the employment outcomes for day laborers may differ in California and the rest of the nation.

Two of the most pertinent and measurable outcomes for day laborers are the attainment of employment and the rate of pay for that work. Table 2 provides the mean values of these and other outcomes for the nation, California, and the other states. On average, 73 percent of day laborers found a job in the week prior to the survey, and worked about 2.3 days during the week for a total of 24 hours. The outcomes in California and the rest of the country are very similar in these respects, except for average hourly wage and hours worked per day.

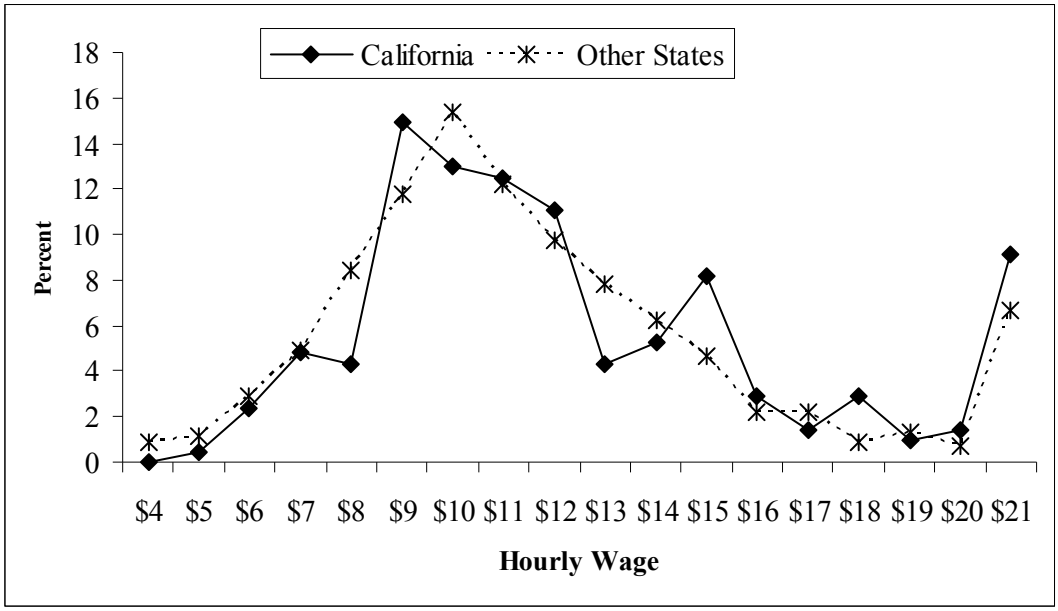
	Nation	California	Other States
Worked in DL Last Week	73.2%	73.1%	73.2%
Hours Worked Last Week	23.9	23.3	24.3
Average Hours Worked per Day	7.7	**7.2**	**7.9**
Days Worked Last Week	2.3	2.4	2.3
Average Hourly Wage	$11.05	**$11.85**	**$10.53**
Weekly Earnings	$251	$258	$246
Months of DL Experience	34.0	35.3	33.1
Days Sought DL Last Month	21.9	21.9	21.8

Source: NDLS, 2004
Notes: Bold indicates difference in means between California and other states is statistically significant at 10% level. Estimates are adjusted for survey design effects.
Table 2 —DL Worker Outcomes in California and Elsewhere

[12] For California, see http://www.bls.gov/oes/current/oes_ca.htm#b47-0000 and http://www.bls.gov/oes/current/oes_ca.htm#b37-0000, respectively. For the nation, see http://www.bls.gov/oes/current/oes472061.htm, and http://www.bls.gov/oes/current/oes373011.htm.

B. Hourly Earnings & Occupations of Day Laborers

In California, day laborers earn $1.32 more per hour than their counterparts in other states, $11.85 versus $10.53 an hour.[13] Since the rate of employment per week, number of days worked, and the hours worked per week are nearly identical in California and other states, the implied average weekly wage (the sum of the product of each day's hourly wage and hours worked) is greater in California ($258) by $12, although this difference is not statistically significant. Figure 4 shows that California and the rest of the U.S. have very similar distribution of average hourly wages, with the hourly wages between $9 and $13 accounting for at least over 35 percent of the hourly wages received by workers.

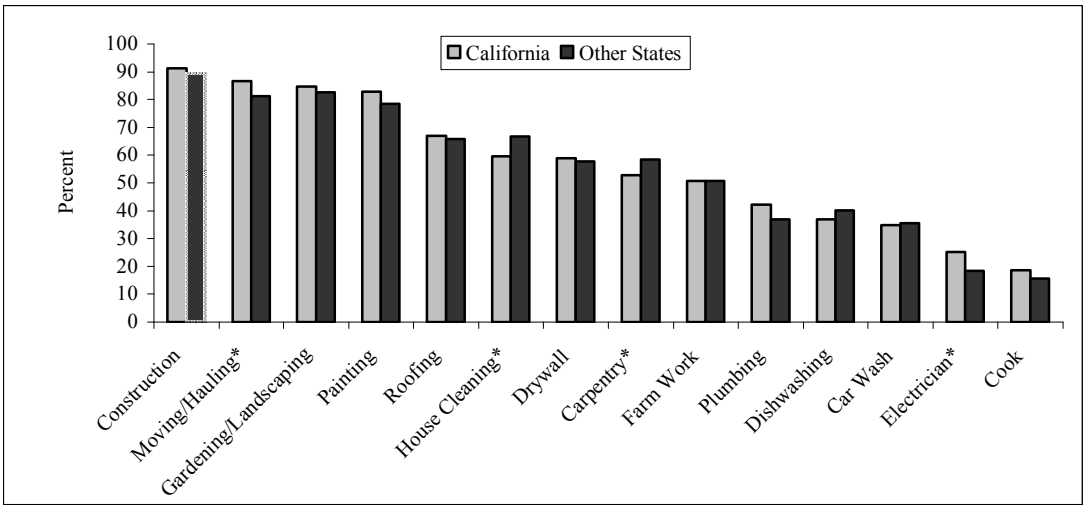


Source: NDLS, 2004.
Notes: Estimates are weighted. Wages over $20 are collapsed into the $21 category.
Figure 4—Distribution of Average Hourly Wages.

[13] The 2004 ACS yields an average hourly wage of $10.31 for immigrants with less than 10 years in the U.S. See Table 1 for sample restrictions.

The difference in hourly wages is likely due to other factors besides differences in minimum wage laws between California ($6.75) and the rest of the country ($5.15).[14] Instead, part of the reasons day laborers earn more than the minimum wage is that they work in occupations that pay relatively well compared to minimum-wage jobs. Day laborers must be flexible to work in different types of occupations, ranging from manual labor in construction, to painting and roofing, to skilled work in plumbing- and electrical-related jobs. Of course, skill requirements in certain trades restrict day laborers from working in all jobs, but by and large, day laborers find employment in a large variety of occupations. Figure 5 presents the types of jobs most frequently performed by day laborers in California and in other states. In California, a significant percentage of day laborers report that they have had a job in construction (91 percent), moving/hauling (88 percent), landscaping/gardening (84 percent), and painting (83 percent). These proportions are not statistically different in other states, with the exception of moving/hauling. Day laborers in California are 7 percentage points more likely to report having worked as some type of movers, compared to day laborers in other states.

[14] In 2003 a minimum wage law ($8.50) was passed in San Francisco, and is subject to annual cost-of-living adjustments. As of January 1, 2006, it is $8.82/hour.



Source: NDLS, 2004
Notes: Asterisk (*) on occupation indicates difference in proportion is statistically significant at the 10% level or better. Estimates are weighted to account for survey design effects.
Figure 5—Occupations Ever Performed by Day Laborers

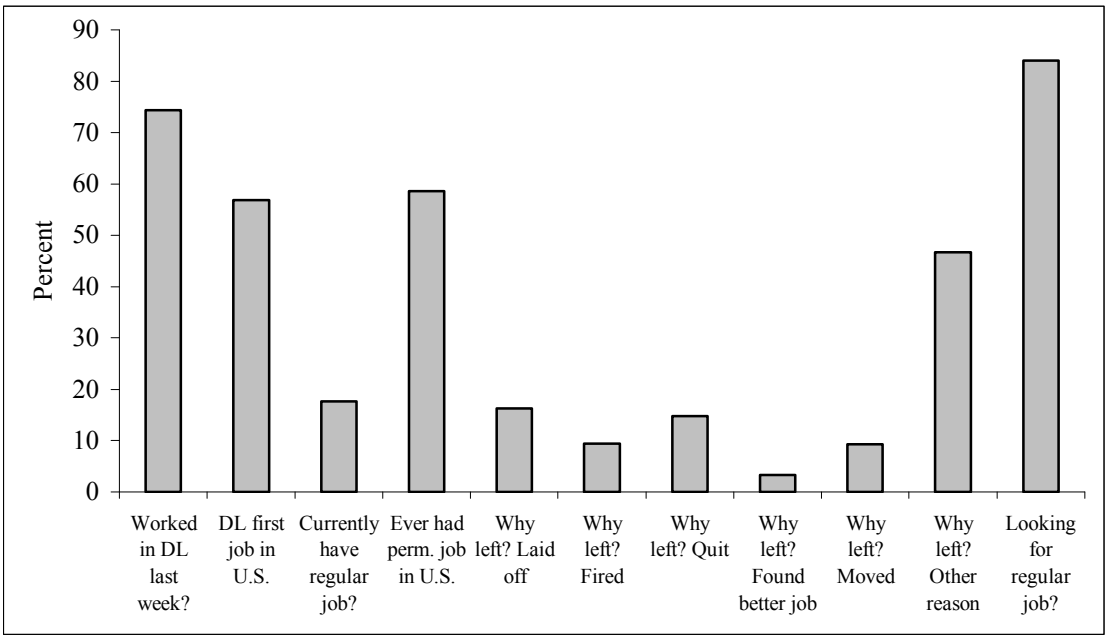
After this group of occupations, roofing, house cleaning, drywall, carpentry, and farm work are reported by at least 50 percent of the day laborers in the country. In California, however, day laborers are less likely to do house cleaning (60 percent) than in other states (67 percent) or carpentry, 53 percent compared to 58 percent. The remaining types of occupations are reported by less than 40 percent of day laborers at a similar rate in California and in other states, except for electrician (18 percent in California and 25 percent in other states).

C. Why Work in Day Labor?

Although Table 1 shows that day laborers work about half of a normal work week, they spend about five days out of seven looking for work. In other words, the infrequent nature of employment in day labor is involuntary. But it is unclear whether DL also exhibits other undesirable traits. For instance, is it the case that DL is the sector of last resort for workers unable to find employment in the formal sector? What are some reasons workers pursue employment in DL?

First, it is interesting to note that for the majority (58 percent) of the workers, day labor was their first job in the U.S. In other words, these workers entered this market either because they could not find employment in a formal job or because the employment networks or other factors facilitated obtaining a job in day labor. For instance, over 60 percent of day laborers reported they learned about DL from other day laborers, 19 percent from hometown associations, and 12 percent from friends. Therefore, the role of networks in introducing new workers to DL cannot be overlooked.

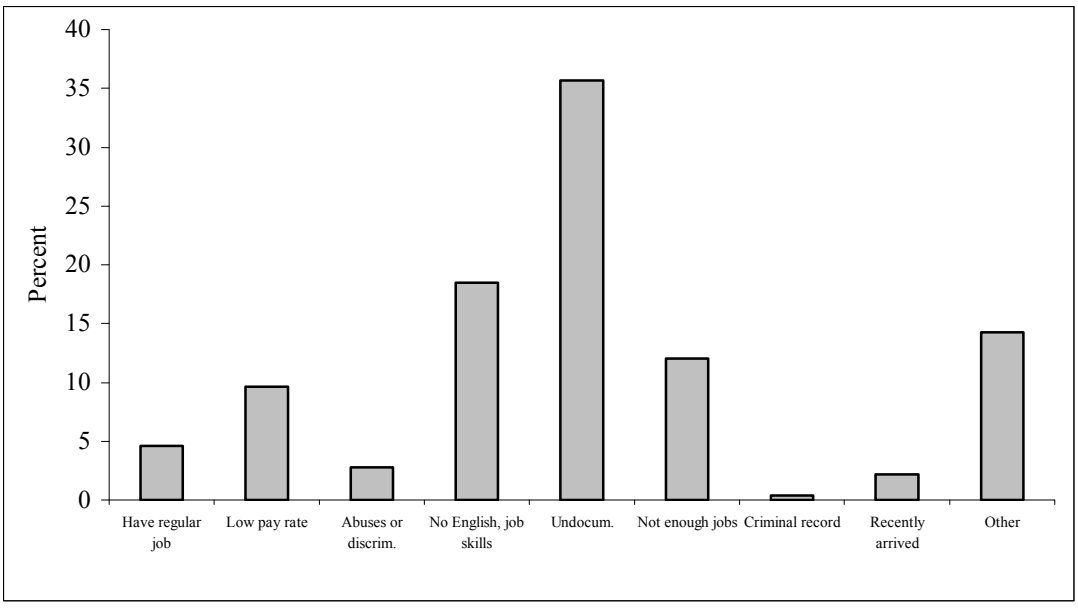
Figure 6 shows additional current and past employment outcomes of day laborers in California. It shows that three-quarters of NDLS respondents worked at least one day in DL the previous week. For 55 percent of workers, day labor was their first job in the U.S.



Source: NDLS, 2004.
Notes: Estimates are weighted to account survey design effects.
Figure 6—Employment Status of Day Laborers in California

About 18 percent of day laborers report having a regular job at the time of the interview. Nearly 60 percent of workers have worked in at least one permanent job in the U.S. Some persons quit their last permanent job for personal reasons or because they found a better job (18 percent); others were laid off or fired (25 percent). Finally, 85 percent of day laborers are currently looking for a regular job, although this percentage is more than 90 when those who currently have a regular job are excluded. This suggests that those with a regular job moonlight in DL, while those without a regular job would work in the formal sector if given the opportunity.

Although they may desire to work in the formal sector, the great majority reports being unable to switch employment sectors. The main perceived obstacle preventing day laborers from working in a regular job is provided in Figure 7. The top three stated reasons (not including "other"—14 percent of responses) are undocumented status (35 percent), lack of English or job skills (20 percent), and lack of jobs (10 percent). Low pay in regular jobs was stated by only 10 percent, negating the hypothesis that workers participate in day labor because it pays better than jobs in the formal sector.

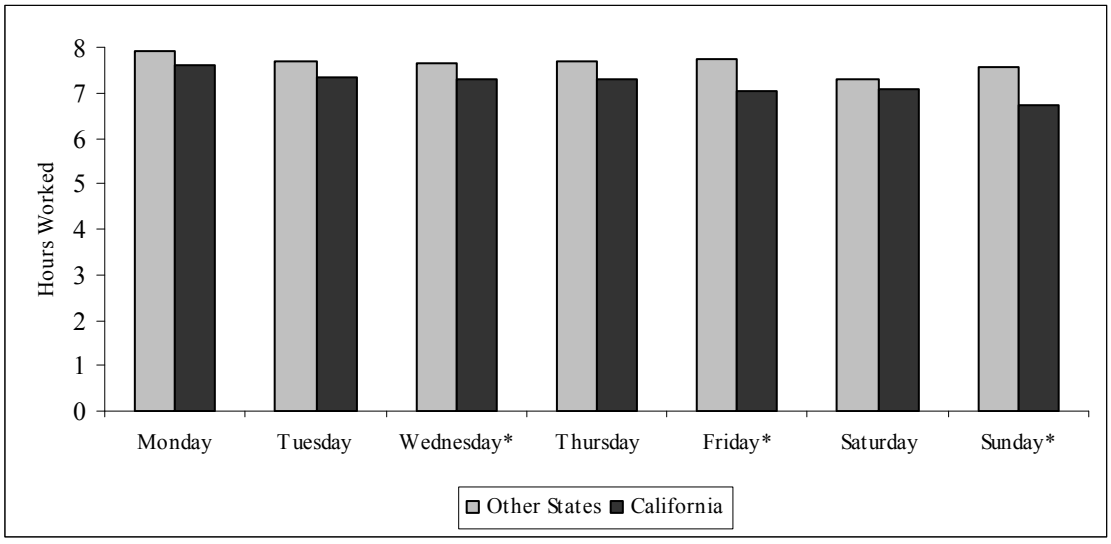


Source: NDLS, 2004.
Notes: Estimates are weighted to account for survey design effects.
Figure 7—What Prevents Day Labors from Leaving Day Labor?

IV. Hours and Days Worked in Day Labor

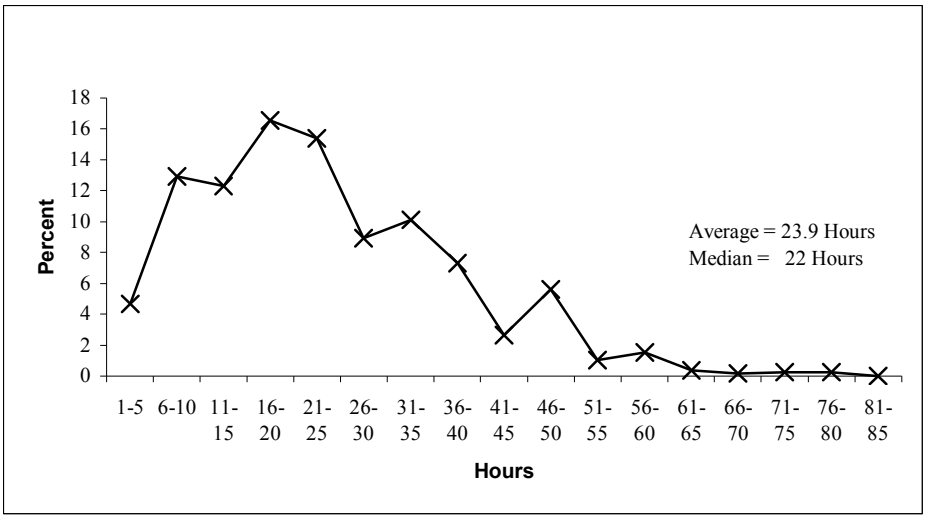
A. Hours of Work in Day Labor

The weekly earnings, approximately $260 in California, for day laborers depends on the hourly wage, the number of hours worked per day and the number of days worked. Therefore, in order to understand weekly earnings, it is useful to consider the total number of hours worked per day and per week. Figure 8 shows that the number of hours worked in any day of the week is similar in California and other states, usually between 7-8 hours a day, although on certain days day laborers work less in California.



Source: NDLS, 2004.
Notes: The sample includes persons who worked positive hours during that day. Estimates are weighted.
Asterisk (*) indicates statistically significant at the 10% level.
Figure 8—Average Hours Worked Per Day

Figure 9 presents the total hours worked in the past week for all day laborers. Nearly half of day laborers worked 20 hours or less in the previous week. At the other end of the distribution, 10 percent of day laborers worked more than 45 hours a week. These two figures suggest that the key variable determining weekly earnings is the number of days worked, since when day laborers find a job they work at least 7 hours a day on average; the total number of hours worked per week depends on the number of days worked.

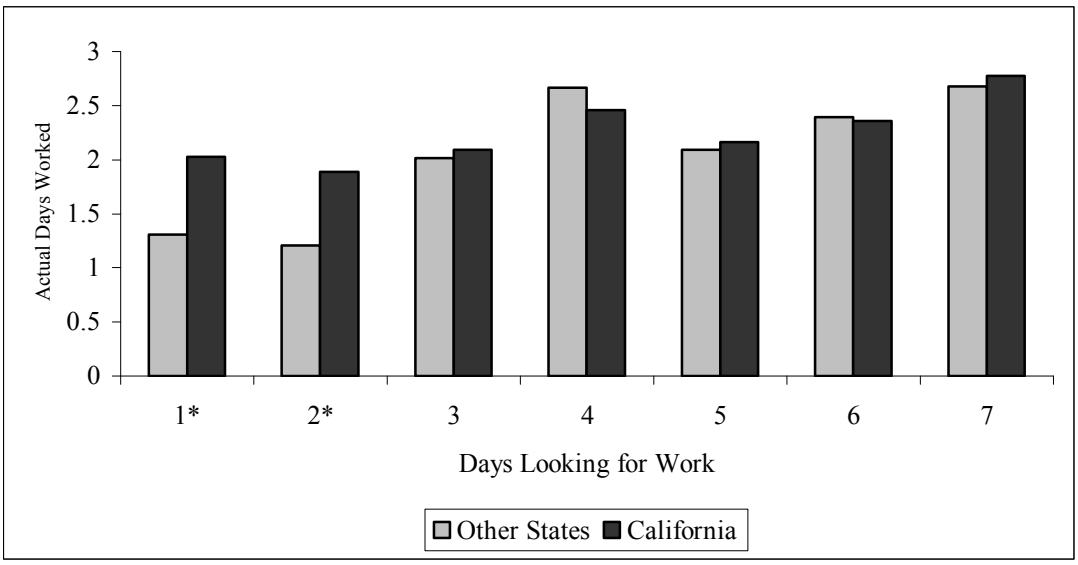


Source: NDLS, 2004
Notes: Only those with positive hours are included. Values are adjusted for survey design effect.
Figure 9—Distribution of DL Hours Worked Last Week.

B. Searching for Work in Day Labor

The important variable affecting weekly earnings among day laborers seems to be the frequency of employment—the number of days worked. Yet, by definition the day labor market is characterized by jobs that last a day or a few days. This is an undesirable trait of day labor for those wanting to work full time. On average day laborers work part time because they work 2 to 3 hours per week. Figure 10 graphs the average number of days actually worked in the previous

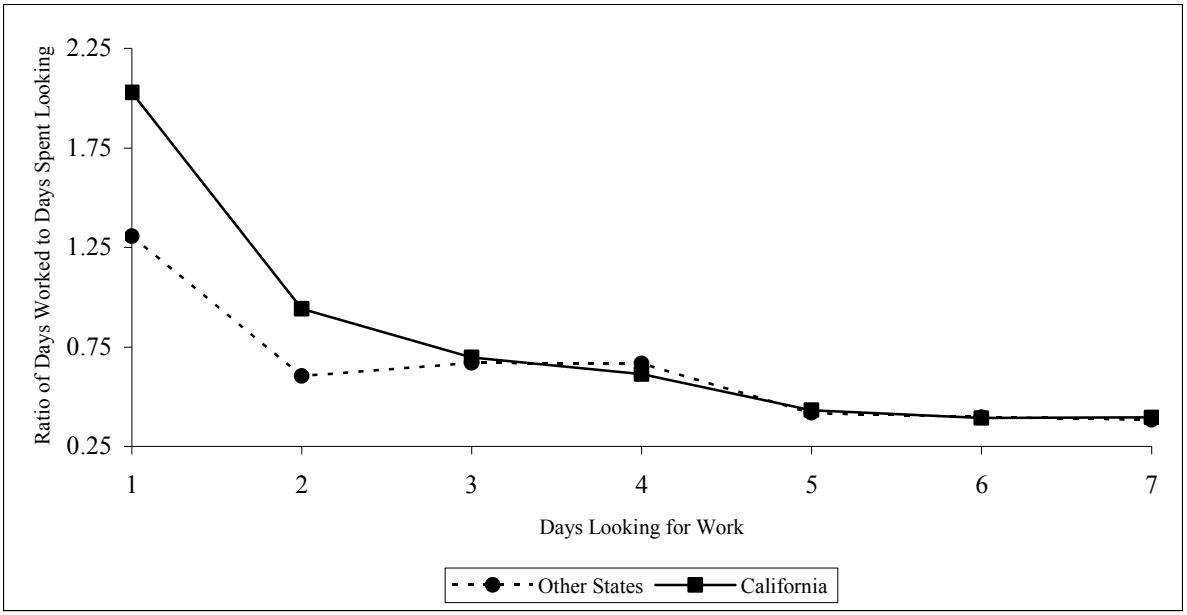
week by the number of days per week spent looking for work in the previous month. On average, the average number of days per week spent looking for work in the previous month is 5.3, but this average depends on the number of days spent looking. In California, those that seek work 1 to 2 days per week worked an average of about 2 days of work, those that sought work more than 3-4 days worked around 2.3 days, and those that sought work 6-7 days out of the week worked around 2.5 days that week. The increase in effort to find a job does increase the number of days worked, but this increase is small in magnitude.



Source: NDLS, 2004.
Notes: The average number of days looking for work is 5.3 in California and other states.
Estimates are weighted to account survey design effects.
Asterisk (*) indicates difference in mean is statistically significant at the 10% level.
Figure 10—Average Days Worked By the Number of Days Spent Looking for Work Last Month

The success rate of finding a job can be defined as the ratio of the number of days worked to the days spent looking for work. On any give day that day laborers look for work, the odds are about 50-50 that they find a job. Figure 11 plots this employment rate by the number of days spent looking for work. Since the reference period is the previous week for days worked and it is the previous month for days per week spent looking for work, it is not surprising that for low

values of the days looking for work this ratio is greater than 1. In other words, although dividing by the number of days spent looking normalizes this measure to a daily rate, there is less noise in this estimate as the number of days looking for work increases.[15] The likelihood of finding a job is over 60 percent for 2 to 4 days spent looking for work, and about 40 percent for 5 to 7 days spent looking for work. Even though the base (days spent looking for work) is the same, it is possible that those that look for work only a few days differ from others if they seek jobs only during with a higher likelihood of employment (such as weekends, when homeowners disproportionately go to the home improvement stores or rent moving trucks).[16] On the other hand, the decrease in employment likelihood can also be a supply effect—the competition for work is greater when more workers spend more days looking for work in the same site.[17]



[15] As expected, the standard deviation of this ratio decreases and the sample size increases as the number of days spent looking for work increases.
[16] Of those that worked the previous week, over 40 percent reported working on Tuesday, Wednesday or Thursday, compared to around 25 percent on Saturday or Sunday.
[17] In a more formal analysis the following variables were negatively associated with the number of days worked: those working in Northern California, who were interviewed at a DL worker center, with at least a high school diploma, who can speak English well, are more recent arrivals, and a have lower reservation wage. Undocumented status does not affect the number of days worked (see Appendix 3).

Source: NDLS, 2004.
Notes: Estimates are weighted to account survey design effects. The variable on the vertical axis is the average of the ratio of days worked last week to the number of days spent looking for work last month. As the time periods differ, it is possible that the denominator is smaller than the numerator.
Figure 11—Likelihood of Finding Work on Any Day of the Week

V. Undocumented Day Laborers

The previous section indicated that undocumented status is perceived as a reason to remain in day labor by over one-third of day laborers (see Figure 7). This value rises to over 40 percent for undocumented day laborers, who account for three-quarters of all day laborers.[18] How important is undocumented status in the earnings and employment outcomes of day laborers? In formal labor markets, the undocumented have a basic disadvantage because, lacking the legal right to work, they face hurdles in obtaining a job and continuously risk being discovered.

Such potential hurdles, however, do not prevent undocumented workers from working in the U.S. It is estimated that undocumented workers account for 5 percent of the U.S. labor force, or over 7 million, and are particularly likely to be found in low skilled and informal occupations like construction and household work (Marcelli, Pastor and Joassart, 1999; Passel, 2006). Employers that *knowingly* hire undocumented workers run the risk of being penalized, or may experience higher turnover rates as these immigrants flow in an out of employment either because they are deported or because their legal status forces them to be more mobile. In order to make themselves more attractive to employers that may be hesitant to hire undocumented immigrants, such immigrants may need to work for a lower wage or accept less favorable

[18] Of day laborers in California who claim some form of legal right to work in the U.S., the distribution of legal status of these respondents who said "lack of papers" was a barrier is: 7 percent are U.S. citizens, 5 percent are permanent residents, 30 percent are temporary residents, and 42 percent are undocumented. See Footnote 20 for a validity check of the variable "undocumented" status.

working conditions. Indeed this is found in multiple studies, although differences in skill account for much of the earnings difference between undocumented and legal workers (see Footnote 24).

The estimated 7 million undocumented immigrants working in the U.S. raise concern over their (negative) role in the labor market and other segments of society, such as health care. In the past, the "problem" of undocumented immigration was addressed by adjusting their legal status, and recent policy proposals would do the same by allowing undocumented immigrants to work legally in the in the U.S. (DeSipio and De La Garza, 1998; Gonzalez, 2002b). One concern regarding such a policy is how the wages of undocumented immigrants would change in response to the change in legal status. Will newly legalized immigrants experience upward economic mobility? Past studies that compare undocumented immigrants to legal immigrants suggest that the earnings of both groups are similar once skill differences are accounted for (Espenshade, 1995; Kossoudji and Cobb-Clark, 2002; Rivera-Batiz, 1999). However, the majority of these studies have had to compare workers in different occupations or industries in the formal labor market to make inferences.[19] Day labor offers an alternative way of considering this question.

Since day labor is an informal labor market, documentation is not required for employment, and workers with different legal status participate in this market. The unregulated aspect of this market makes it particularly appealing since the observed wage likely reflects the value of the worker's labor as determined by supply and demand. Furthermore, to the extent that day laborers and employers voluntarily participate in the labor market, both enter into agreements indicative of the value of the work and the worker's skills, rather than his documentation status. In this manner, this study avoids the confounding effect of barriers to entry

[19] Even in industries with large numbers of immigrants, such as construction, it is difficult to find a valid comparison group for undocumented immigrants as the types of occupations legal workers perform vary significantly. For instance one worker may work to clean up the job site while another installs dry wall.

faced by undocumented immigrants into formal employment. since the NDLS includes both legal and undocumented immigrants, while at the same time comparing workers doing the same type of work.[20]

Undocumented immigrants in the formal labor market may feel compelled to work for a lower working wage because employers incur higher risks from hiring them. It is also possible that undocumented workers simply have lower skills, in terms of age (a measure of work experience), English ability, fewer years of U.S. labor market experience, and so on. Given the nature of day labor, it is likely that all else being equal, undocumented immigrants' skills are valued equally in the DL market as those of legal workers, and hence would be employed at the same wage.

The minimum wage workers are willing to accept for work—referred to as the "reservation wage"—is one reasonable place to begin to ascertain if undocumented workers *perceive* whether they need to work at a lower wage because of their legal status.[21] The results indicate that on average. after adjusting for demographic factors, undocumented status is not associated with a lower reservation wage (see Appendix 3).

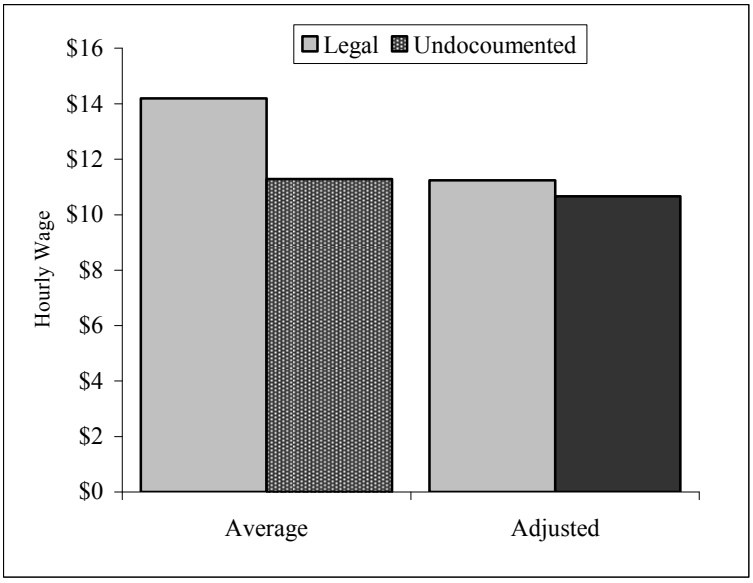
A second measure is the actual wage, which can substantially differ from the desired reservation wage.[22] In California, the difference in average earnings between legal and

[20] A legitimate concern is whether the undocumented status variable does measure the legal status of workers. Appendix 3 provides evidence that in the case of health access, this is indeed the case. Undocumented immigrants are less likely to have health coverage, have seen a medical doctor, or have a place to visit for health-related issues. But undocumented immigrants are as likely as other day workers to have gone to a hospital emergency room. These results are consistent with the notion that undocumented immigrants are deterred from accessing the health care system in many cases, except for emergencies. Goldman, Smith and Sood (2005) and Cunninghman (2006) review such studies and consider the effect of legal status on health coverage and hospital emergency room use, respectively.

[21] To reduce a possible source of bias, the analyses of this section exclude U.S.-born workers.

[22] It is not possible to examine if the sample of legal workers are self-selected into day labor and thus are not representative of legal workers in the formal economy. This is a question for future research. If legal workers in DL have unobservable characteristics (such as low motivation) that are associated with lower houry wages, then these results cannot be generalized.

undocumented immigrants is 13 percent.[23] Figure 12 graphs the differences in earnings between legal and undocumented (immigrant) day laborers in California. Legal day laborers earn $14.19/hour compared to $11.28/hour for undocumented day laborers.



Source: NDLS, 2004
Notes: Regression adjusted means control for age marital status, highest degree completed, years in the U.S., speaks English well, months of DL experience, whether site is a formal DL worker site, country of origin, whether ever had a regular job, and the square of age, years in the U.S. and DL experience. Only foreign-born are considered in the analysis.
A spotted (▒) bar indicates statistically significant lower wages.
Figure 12—Effect of Undocumented Status on Weekly Earnings by California Region

However, on average, undocumented immigrants also have lower values of the characteristics associated with higher hourly wages as seen in Table 3. For instance, undocumented day laborers are significantly younger, are less likely to speak English, have been in the U.S. for fewer years, and are more likely to be less educated than their legal counterparts.

	Legal	Undocumented

[23] The coefficient estimate for undocumented status is -0.1419 from a log hourly wage regression, and the implied percent difference is equal to -0.132=exp(-0.14196)-1. Adjusting for characteristics, this coefficient is -.0552, and the percent difference in hourly wages is -0.05= exp(-.0552) -1. Both are statistically significant at the 10 percent level.

	Southern CA		Northern CA		Southern CA		Northern CA	
Avg Hourly Wage	14.9	(1.67)	10.8	(0.05)	11.4	(0.20)	10.9	(0.28)
Age	43.0	(0.66)	40.7	(0.83)	32.3	(0.54)	31.2	(0.19)
No School	28.7%	(0.07)	.		29.3%	(0.03)	13.9%	(0.02)
Elem/JrHg	43.9%	(0.07)	55.5%	(0.02)	57.6%	(0.04)	70.9%	(0.02)
High School	17.3%	(0.01)	22.0%	(0.02)	8.4%	(0.01)	12.3%	(0.01)
Some Collge	10.2%	(0.03)	22.6%	(0.03)	4.7%	(0.00)	2.9%	(0.01)
Years in U.S.	18.2	(0.94)	14.3	(0.90)	6.4	(0.48)	5.1	(0.35)
Mexico	75.4%	(0.09)	81.9%	(0.03)	70.1%	(0.10)	83.2%	(0.09)
Latin America	24.6%	(0.09)	11.5%	(0.04)	29.9%	(0.10)	16.8%	(0.09)
Other Country	.		6.6%	(0.01)	.		.	
Speaks English Well	49.4%	(0.07)	42.4%	(0.05)	20.3%	(0.01)	7.5%	(0.04)
Months DL experience	53.5	(2.57)	22.0	(8.74)	34.2	(0.42)	27.7	(2.45)

Source: NDLS, 2004

Table 3—Demographic Characteristics of Legal and Undocumented Day Laborers in California.

Once education, English skills, and other factors are accounted for, the earnings difference due to being undocumented is reduced by nearly two-thirds, to 5 percent, and more importantly, is no longer statistically significant. This is consistent with most studies of undocumented immigrants.[24] Years in the U.S., English ability and repeated hires by the same employer are important determinants that reduce the gap in hourly wages between undocumented immigrants and legal immigrants (See Appendix 3).

[24] Undocumented immigrants earned up to 24 percent less than legal immigrants, and immigrants that legalized under the Immigration Reform and Control Act obtained a 6 percent increase in wages (Kossoudji and Cobb-Clark, 2002). Other studies find that controlling for characteristics eliminates most of the earnings difference (see, for instance, Espenshade, 1995; Rivera-Batiz, 1999). Experience and skills (English, education) are key variables in the earnings equation (Tienda and Singer, 1995). The results obtained here for day laborers suggest that months of experience in the DL market increases earnings, with 6 additional months of DL experience implying a 2 percent increase in earnings (See Appendix 3).

VI. Policy Implications of Findings

The two major findings of this report show that (1) that day labors find employment 2 or 3 days out of the week on average despite looking for work 5 days per the week, and (2) undocumented day labors earn the same as similar legal day laborers.

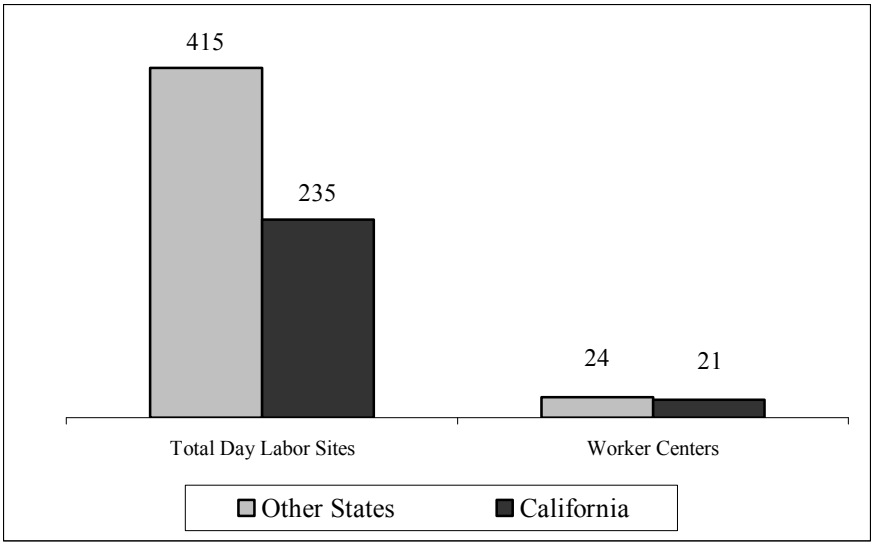
The first finding explains why the average weekly earnings of day laborers is about $260 in California. This finding also has implications regarding how the activities of day laborers should be interpreted. When day laborers are seen site idling or standing near a street corner or other location they are waiting for potential employers to hire them. Yet this aspect of the day labor market may make them suspicious to community residents that may wonder about their reasons for being there (U.S. General Accounting Office, 2002; Valenzuela, 2003). Although day laborers are serving the need of one segment of the community—the employers—they are also considered a nuisance or undesirable element by other segments of the community.

Communities have responded to the presence of day labor in three broad ways: (1) ordinances that prohibit or restrict solicitation in public areas, such as anti-loitering laws; (2) using local agencies (government and non-profits) to ensure immigration and employment protections for day laborers, such as applying the Fair Labor Standard Act and Occupational Safety and Health Administration (OSHA) regulations laws to day labor employment; and (3) the creation of regulated day labor worker centers (Sifuentes, 2006; U.S. General Accounting Office, 2002; Valenzuela, 2003).

Developing an effective policy first requires communities to reconcile the presence of day laborers with the economic dynamics that result in day laborers looking for work at a particular site. An effective day labor policy is one that accommodates the needs of all interested parties so as to not cause them to adjust their behavior in a manner that undermines the intention

of the policy. For day laborers, this means having a policy that integrates them, instead of one that attempts to push them even further underground or ignores their presence altogether. For instance, the City of Vista's attempt to drive day laborers out of the street corners by requiring employers to register with the city and use written terms of employment, may turn out to be ineffective because it pushes day laborers to adjacent communities. Such ordinances may not be effective since one community's response affects another community. A policy that integrates the varied interests is likely to be more effective than on that deals with only one issue.

Day labor worker centers are an alternative to the unregulated informal day labor sites, and many are set up to address the issues important to many interested parties. Perhaps for these reasons, organized DL worker centers have become particularly popular in California since the 1990s. California has the largest number (21) of worker centers compared to any other state or region (see Figure 13). Usually such centers are organized by non-profits or local communities, and in some cases these sites are no more than an enclosed, open-air venue with seats or benches (U.S. General Accounting Office, 2002; Valenzuela, 2003). In their more developed form, these centers are full-service community organizations that operate a hiring hall, coordinate workers' rights activities, and foster the incorporation of day laborers into the formal economy. Consequently such regulated sites can potentially benefit workers, employers, and the community at large.



Source: NDLS, 2004.
Notes: All identified sites for the NDLS, including those with no completed surveys or those discovered on the field.
Figure 13—Number of Day Labor Sites and in California and Other States

On the demand side of the labor market DL, worker centers offer a way to monitor the practices of employers and to curtail abuses, such as wage theft and unsafe working conditions. On the supply side, they organize and normalize the hiring of day laborers, monitor worker quality, and provide opportunities for workers to incorporate into the mainstream economy through employment assistance and, in some cases, skills training (U.S. General Accounting Office, 2002; Valenzuela, Theodore, Melendez and Gonzalez, 2006). Skills training likely benefits day laborers since lack of English was noted as an obstacle to obtaining a regular job (see Figure 7). For the community, these centers help resolve neighborhood conflicts around day labor, such as the regulation of seemingly disorderly hiring sites and assisting with local policing matters (U.S. General Accounting Office, 2002; Valenzuela, Theodore, Melendez and Gonzalez, 2006).

The finding regarding the differences in hourly wages associated with undocumented status is timely given the current debate about the merits of adjusting the legal status of undocumented immigrants. This finding is relevant for the nation not just California since undocumented immigrants and day laborers have expanded their presence outside of California (Johnson, 2006). For example, it is well documented that California now accounts for only 24 percent of the undocumented population as opposed to 45 percent in 1990, while states like North Carolina have experienced a ten-fold increase in the number of undocumented immigrants since 1990 (Passel, 2005). As pointed out by other studies, a successful immigration policy must include options that permit immigrants to successfully integrate into society, especially in light of the failed attempts to halt undocumented immigration (DeSipio and De La Garza, 1998; Johnson, 2006; Little Hoover Commission, 2002).

The results from the analysis of day labor hourly wages suggest that undocumented day laborers would at worst, earn slightly less than 5 percent per hour than undocumented immigrants, and at best, earn more than day laborers with the legal right to work in the U.S. Although it is not conclusive that day laborers would fare as least as well as non-day labor immigrants in the formal economy (since these immigrants are not included in the NDLS), the evidence from the DL market does not suggest that they would *not* fare well.

Policies that would adjust the status of undocumented immigrants need to incorporate the special circumstances faced by day laborers. In most instances, day laborers do not leave a paper trail since their employment arrangements are often not written down in a manner that is legally recognized. Should a law to legalize undocumented immigrants be passed, day laborers would have a difficult time proving to authorities that they have been residing and working in the country for a sufficient period of time. Community organizations, such as immigrant-rights or

DL worker centers, may be able provide assistance in this process by maintaining a record of employment or participation that would be recognized in the event a legalization program was implemented (Downes, 2006).

Even though the day labor population represents a small share of the undocumented male labor force, many communities in the state and the nation must deal with the presence of this growing labor force. Although the particulars of future immigration reform laws are uncertain and communities do not set Federal immigration policy, local communities should keep in mind that any policies they craft will be effective as long as they comprehensively address the concerns and needs of all parties involved.

REFERENCES

Bean, Frank D., Lowell, B. Lindsay and Taylor, Lowell J. (1988), "Undocumented Mexican Immigrants and the Earnings of Other Workers in the United States." *Demography*, 25(1), 35-52.

Camarillo, Albert, *Chicanos in a Changing Society*. Cambridge, MA: Harvard University Press (1979).

Caufield, John, "Hard Labor." *Big Builder Magazine*, August 11, 2004.

Caulfield, John, "Hard Labor." *Big Builder Magazine*, August 11, 2004.

Chiswick, Barry R. and Miller, Paul W. (1997). *Language Skill Definition: A Study of Legalized Aliens*.

Cunninghman, Peter J. (2006), "What Accounts for Differences in the Use of Hospital Emergency Departments across U.S. Communities." *Health Affairs*, 25, W323-W336.

DeSipio, Louis and De La Garza, Rodolfo O., *Making Americans, Remaking America: Immigration and Immigrant Policy*. Boulder, CO: Westview Press (1998).

Downes, Lawrence, "Day Laborers, Silent and Despised, Find Their Voice." *New York Times*, July 7, 2006.

Espenshade, Thomas J. (1995), "Unauthorized Immigration to the United States." *Annual Review of Sociology*, 21, 195-216.

Goldman, P. Dana, Smith, James P. and Sood, Neeraj (2005), "Legal Status and Health Insurance among Immigrants." *Health Affairs*, 24(6), 1640-1653.

Gonzalez, Arturo (2002a), "The Impact of the 2001/2002 Economic Recession on Hispanic Workers-a Cross-Sectional Comparison of Three Generations." Pew Hispanic Center, Washington, D.C.

Gonzalez, Arturo, *Mexican Americans & the U.S. Economy: Quest for Buenos Días*. Tucson, AZ: University of Arizona Press (2002b).

Hanson, Gordon H. and Spilimbergo, Antonio (1999), "Illegal Immigration, Border Enforcement, and Relative Wages: Evidence from Apprehensions at the U.S.-Mexico Border." *American Economic Review*, 89(5), 1337-1357.

Johnson, Hans (2006), "At Issue: Illegal Immigration." Public Policy Institute of California, San Francisco.

Kerr, Daniel and Dole, Chris (2001), "Challenging Exploitation and Abuse: A Study of the Day Labor Industry in Cleveland." Cleveland City Council, Cleveland, OH.

Kossoudji, Sherrie A. and Cobb-Clark, Deborah A. (2002), "Coming out of the Shadows: Learning About Legal Status and Wages from the Legalized Population." *Journal of Labor Economics*, 20(3), 598-628.

Larrowe, Charles *Shape-up and Hiring Hall: A Comparison of Hiring Methods and Labor Relations on the New York and Seattle Waterfronts*. Berkeley, CA: University of California Press (1955).

Licht, Walter, *Working for the Railroad: The Organization of Work in the Nineteenth Century*. Princeton, NJ: Princeton University Press (1983).

Little Hoover Commission (2002), "We the People: Helping Newcomers Become Californians." Little Hoover Commission, Sacramento, CA.

Marcelli, Enrico A., Pastor, Manuel Jr. and Joassart, Pascale M. (1999), "Estimating the Effects of Informal Economic Activity: Evidence from Los Angeles County." *Journal of Economic Isues*, 33(3), 579-607.

Martinez, Tomas, *The Human Marketplace*. New Brunswick, NJ: Transaction Books (1976).
Massey, Douglas S. (1987), "Do Undocumented Migrants Earn Lower Wages Than Legal Immigrants? New Evidence from Mexico." *International Migration Review*, 21(2), 236-273.
Passel, Jeffrey S. (2005), "Unauthorized Migrants: Numbers and Characteristics." Pew Hispanic Center, Washington, D.C.
Passel, Jeffrey S. (2006), "The Size and Characteristics of the Unauthorized Migrant Population in the U.S. Estimates Based on the March 2005 Current Population Survey." Pew Hispanic Center, Washington, D.C.
Peck, Jaime and Theodore, Nik (2001), "Contingent Chicago: Restructuring the Spaces of Temporary Labor." *International Journal of Urban and Regional Research*, 25(3), 471-496.
Reyes, Belinda I., Johnson, Hans P. and Van Swearingen, Richard (2002), " Holding the Line? The Effect of Recent Border Build-up on Unauthorized Immigration." Public Policy Institute of California, San Francisco, CA.
Rivera-Batiz, Francisco L. (1999), "Undocumented Workers in the Labor Market: An Analysis of the Earnings of Legal and Illegal Mexican Immigrants in the United States." *Jornal of Population Economics*, 12(1), 91-116.
Roberts, Wade T. and Bartley, Tim (2004), "The Wages of Day Labor: Homeless Workers in the Temporary Help Industry." *Journal of Poverty*, 8(3), 65-89.
Sifuentes, Edward, "Day Laborers Find Sites Beyond Vista Borders." *North County Times*, August 11, 006.
Theodore, Nik (2000). *A Fair Day's Pay? Homeless Day Laborers in Chicago* Center for Urban Economic Development, University of Illinois, Chicago.
Tienda, Marta and Singer, Audrey (1995), "Wage Mobility of Undocumented Workers in the United States." *International Migration Review*, 29(1), 112-138.
U.S. General Accounting Office (2002), "Worker Protection: Labor's Efforts to Enforce Protections for Day Laborers Could Benefit from Better Data and Guidance." GAO-02-925. Washington, D.C, Washington, D.C.
U.S. Government Accountability Office (2002), "Employment Arrangements Improved Outreach Could Help Ensure Proper Worker Classification." GAO-06-656. U.S. Government Accountability Office, Washington, D.C.
U.S. Government Accountability Office (2006), "Employment Arrangements Improved Outreach Could Help Ensure Proper Worker Classification." GAO-06-656. U.S. Government Accountability Office, Washington, D.C.
Valenzuela, Abel (1999). *Day Laborers in Southern California: Preliminary Findings from the Day Labor Survey* Center for the Study of Urban Poverty, Institute for Social Science Research, UCLA.
Valenzuela, Abel (2003), "Day Labor Work." *Annual Review of Sociology*, 29, 307-333.
Valenzuela, Abel, Theodore, Nik, Melendez, Edwin and Gonzalez, Ana Luz (2006), "On the Corner: Day Labor in the United States." UCLA Center for the Study of Urban Poverty.
Wells Fargo Economics (2005), "Southern California Business Survey-December 2005." Wells Fargo, San Francisco, CA.
Wilentz, Sean, *Chantz Democratic: New York and the Rise of the American Working Class, 1788-1850*. New York: Oxford University Press (1984).

Appendix 1—National Day Labor Study

Sample Design

The National Day Labor Study is a multi-stage, clustered study of day laborers. The data utilized in this report is derived from the surveys completed in 36 MSAs. These MSAs were selected based on (1) one of four strata that a city belonged to, as determined by total and Latino population, (2) its total population relative to the smallest metropolitan area in the strata. In order to give a higher probability of selection to cities with a large total population and a large Latino population, where day laborers are likely to concentrate, a disproportionate stratified sampling frame was implemented. Of those randomly selected MSAs, 13 were found not have a day labor population. In order to collect data on a representative number of worker centers, another 11 MSAs with worker centers that were not selected as part of the random sample were added. Step 3 in the sample design including identifying all day labor worker sites, and step 4 randomly selecting workers for the survey. The data presented in this report represents day laborers in the entire set of sampled MSAs within each stratum, giving us a total of 36 MSAs. The weights used in this report are based on the entire set of sampled MSAs (random and non-random).

The estimates obtained from the NDLS are adjusted by strata, cluster and individual sampling weight using the *svy* commands in STATA. Estimates for California were obtained using the *subpop* option for the *svy* commands.

Identifying Sites

November 2003 to March 2004 was spent identifying hiring sites and day labor populations in the cities in each of the MSAs selected in our sample. Several procedures were

used to identify day labor hiring sites. First, local groups were contacted, such as community-based organizations, advocacy groups, churches, home improvement stores, police departments, city planning departments, and merchants. We also conducted Internet searches (i.e., looked at newspapers, websites, articles) to identify as many sites as possible within each MSA. More than half of the hiring sites were identified using this method. Also, new sites were identified using a "referral" system that in many ways resembles snowball sampling. Day laborers were approached at different sites and asked where else they go in search of work, and we asked workers at those new sites the same question. This method led to the identification of the remainder of the sites.

Budget restrictions and time constraints prevented us from visiting all known sites except for some sites in Los Angeles, New York, and Orange County. This aspect of the sample design is also incorporated into the survey weights.

Selecting Day Laborers

Utilizing information (i.e., field notes, counts of day laborers) from the site identification research carried out during November 2003 – March 2004 and the scouting exercise in May 2004, "selection" counts for each site were established. Selection counts (a predetermined set of numbers) were based on the size (total number of day laborers) of the hiring sites prior to the survey conducted in July and August of 2004. Upon arrival at a given site a total count of all workers was taken at 6:30 in the morning. The count was repeated every hour until 10:30 a.m. and included day laborers who arrived after the initial count had been made. Included in the count was a general description of each worker (usually based on physical features and/or clothing attire). After all the workers had been counted a simple random sampling procedure

was administered whereby potential participants were identified. Each worker who fell within the selection count (a random number) was approached and asked to participate in the survey. Workers were randomly selected at 264 hiring sites in 139 municipalities in 20 states and the District of Columbia.

The data presented in this report supports generalizations regarding:

- Day laborers found at the 264 sites in 36 MSAs and throughout the United States on a typical day.
- Day laborers found at all sites in the 36 MSAs and throughout the United States on a typical day.
- Persons in the 36 MSAs and in the United States who seek work as day laborers.

A total of 2,660 surveys were completed. The majority of the interviews were administered in Spanish and all were conducted face to face. The survey was undertaken during a continuous seven-week period (the last week of June to mid-August 2004). Each interview included more than 100 questions including charts, extremely detailed questions, and skip patterns. The survey took approximately 35 minutes to complete.

Data Issues

A scientific study of day laborers, a highly mobile, highly visible, yet largely unknown population requires creative research approaches. Prior to implementing the survey we sent nine researchers to "scout' all of the MSAs that had conflicting or "thin" information about day laborers in that region. As a result of this exercise, we were able to confirm our site identification research and eliminate those sites that did not have a day labor population. Sending researchers to scout proved to be quite fruitful as we were also able to establish a relationship

with key community leaders in each area. Prior to implementing the survey, we sent letters to community organizers and community based organizations informing them of the date and time we would survey in the area. Having a community liaison was extremely helpful in establishing trust with the workers, particularly because we were visiting areas that had never heard of UCLA.

The study was surprisingly well received by most workers. Most, if not all, were extremely cooperative and many were excited to participate in a major research study. When available, community organizers would come to the site the day of the survey and help advertise the study and aid in establishing trust with workers.

The refusal rate (day laborers unwilling to participate in the survey) was considerably low (21 %) particularly in light of what most survey experts regard as a difficult population to approach and convince to participate in a major research study. This rate is useful only in measuring how well the interviewers performed and/or whether the nature of the survey was off-putting to potential respondents.

In California, the following cities and neighborhoods were surveyed for the NDLS

Anaheim	El Toro	Long Beach	Placencia	San Mateo
Berkeley	Encinitas	Los Angeles	Redwood City	San Ysidro
Brea	Fullerton	Malibu	Richmond	Santa Ana
Burbank	Garden Grove	Marina del Rey	San Carlos	Stanton
Campbell	Glendale	Mountain View	San Clemente	Topanga Beach
Chula Vista	Harbor City	North Hollywood	San Diego	Van Nuys
Concord	Hollywood	Oakland	San Francisco	Westminster
Costa Mesa	Huntington Beach	Orange	San Jose	
Dana Point	Laguna Beach	Pasadena	San Juan Capistrano	
El Cajon	Lemon Grove	Pittsburg	San Leandro	

Appendix 2—Location of Day Labor Sites in the NDLS

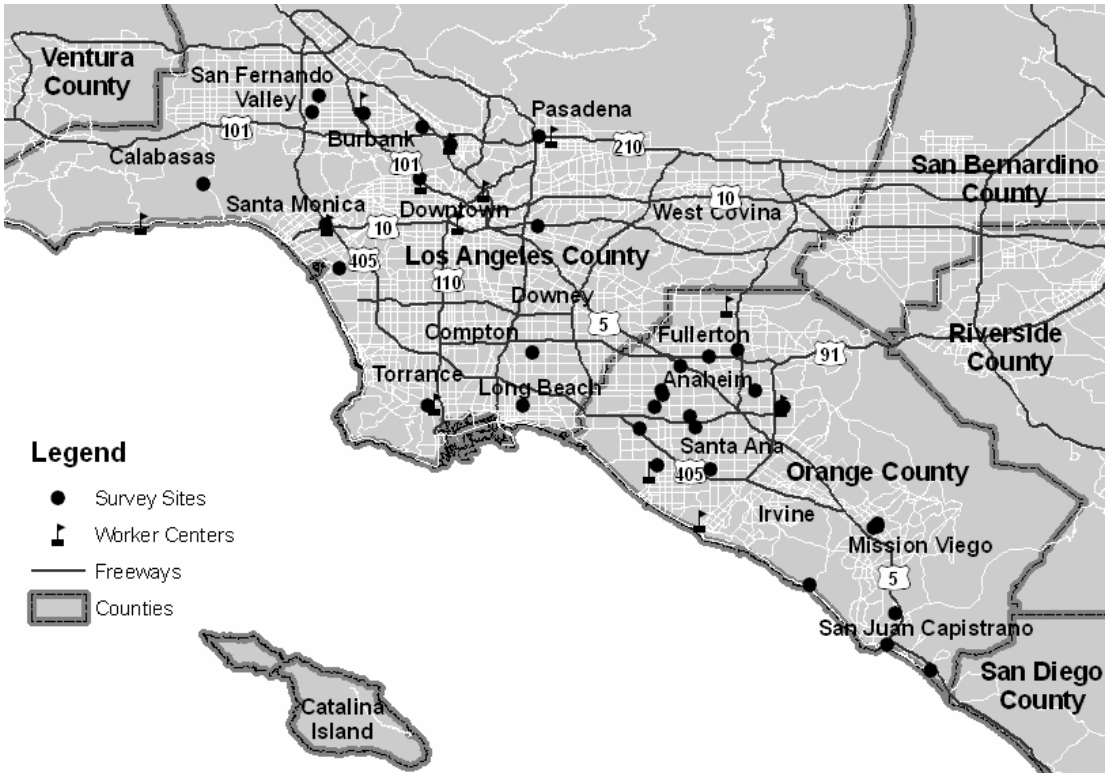


Figure A-1—Surveyed DL Sites in Los Angeles, and Orange County

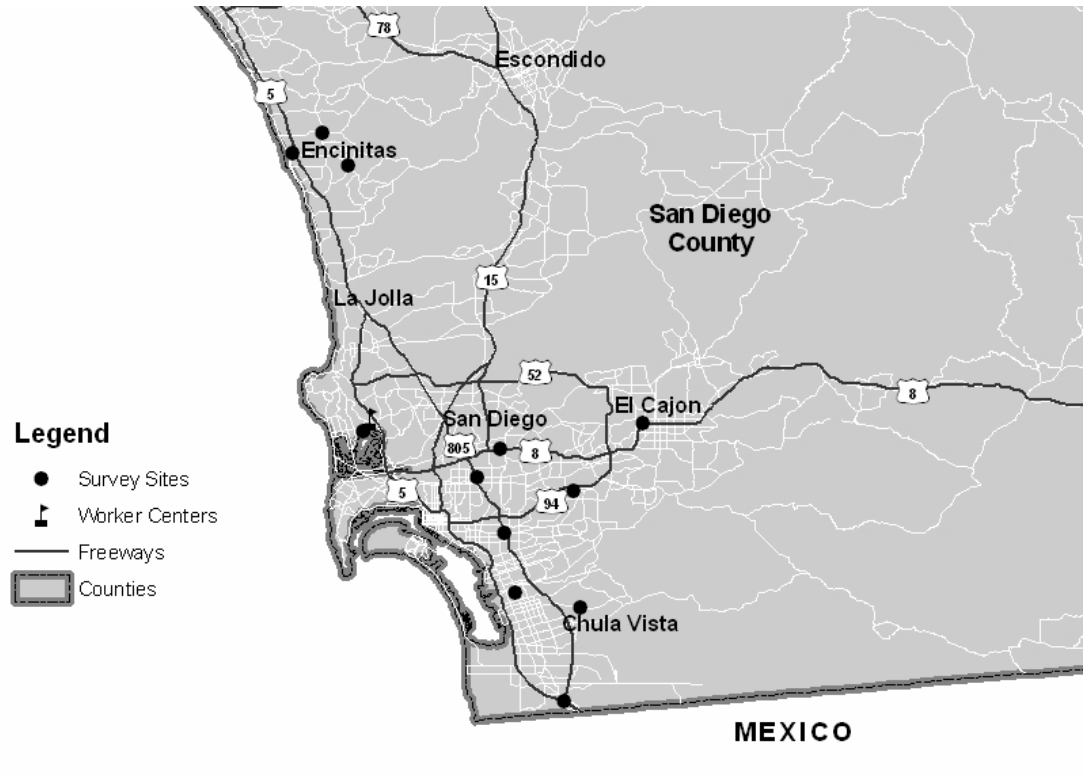


Figure A-2—Surveyed DL Sites in San Diego

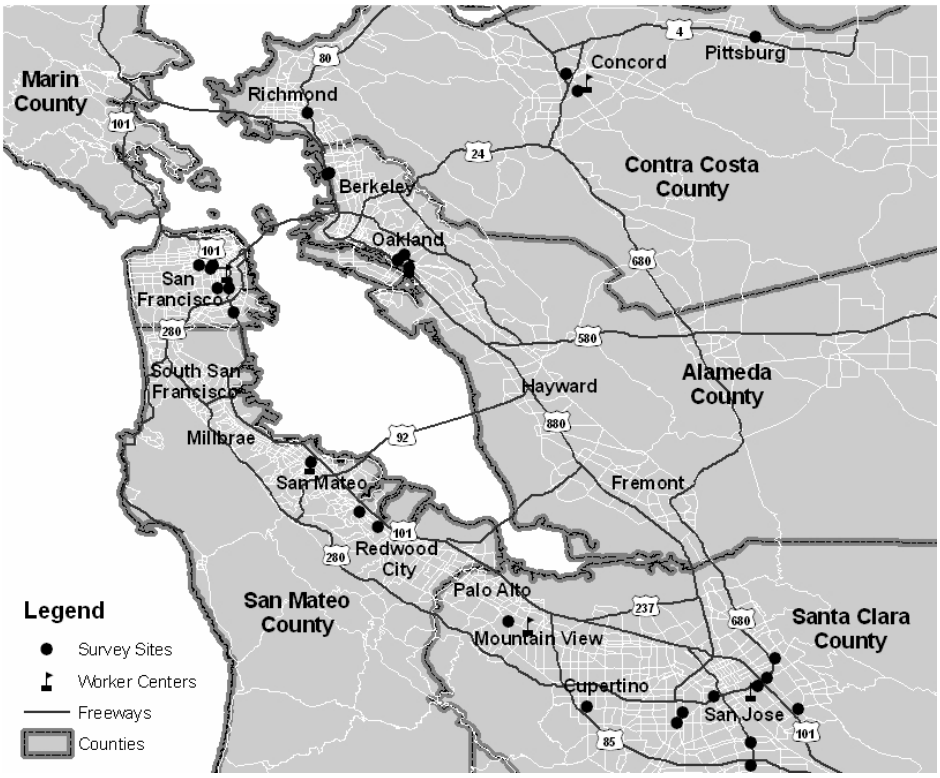


Figure A-3—Surveyed DL Sites in Bay Area

Appendix 3—Detailed Results

	Health care coverage		Seen Dr. in last 5 years?		Place to go for HC?		ER visit?	
	California	Other States	California	Other States	California	Other States	California	Other States
Undocumented	-0.107	-0.113	-0.072	-0.144	-0.224	-0.266	-0.004	-0.045
	(0.015)**	(0.015)**	(0.032)*	(0.050)**	(0.062)**	(0.060)**	(0.023)	(0.027)
Observations	751	1899	751	1899	751	1899	751	1899

Standard errors in parentheses
+ significant at 10%; * significant at 5%; ** significant at 1%

Source: NDLS, 2004

Notes: Marginal Effects are estimated at the means of undocumented status. Estimates are adjusted for survey design effects. Results from logit regression.

Table A-1—Marginal Effect of Undocumented Status for Health Access Variables:

Dependent Variable	Coefficient	Coefficient
Undocumented	-0.173	-0.082
	(0.073)*	(0.024)**
Northern CA	-0.159	-0.103
	(0.074)*	(0.049)*
Undoc*NorthCA	0.170	0.141
	(0.074)*	(0.053)*
Age		-0.002
		(0.004)
Age-squared		0.000
		(0.000)
Married/Living w/Partner		-0.048
		(0.022)*
Elem/JrHigh		0.034
		(0.047)
HS Dip/GED		0.038
		(0.078)
Coll/VocEd		0.062
		(0.042)
Years since first arrived		-0.003
		(0.005)
Years in arrived-squared		0.000
		(0.000)
Speaks English well		0.145
		(0.026)**
Months of DL experience		0.003
		(0.001)**
Experience-squared		-0.000
		(0.000)**
DL Worker Center		0.010
		(0.029)
Constant	2.522	2.368
	(0.073)**	(0.052)**
Observations	508	508
R-squared	0.03	0.11

Standard errors in parentheses
+ significant at 10%; * significant at 5%; ** significant at 1%

Source: NDLS, 2004

Notes: Adjusted for survey design effects. The dependent variable is the log of the DL reservation wage.

Table A-2—Least Squares Regression Results for DL Reservation Wages

Dependent Variable	Coefficient	Coefficient
Undocumented	-0.141	-0.052
	(0.071)+	(0.031)
Southern California	0.011	-0.020
	(0.022)	(0.018)
Age		-0.000
		(0.004)
Age-squared		-0.000
		(0.000)
Married/Living w/Partner		-0.043
		(0.025)+
Elem/Jr High		0.036
		(0.048)
HS Dip/GED		0.037
		(0.078)
Coll/VocEd		0.048
		(0.040)
Years since first arrived		-0.003
		(0.005)
Years since arrival-squared		0.000
		(0.000)
Speaks English well		0.140
		(0.029)**
Months of DL experience		0.003
		(0.001)**
Experience-squared		-0.000
		(0.000)**
DL Worker Center		0.008
		(0.030)
Constant		2.479
		(0.079)**
Observations	508	508
R-squared	0.02	0.11

Standard errors in parentheses
+ significant at 10%; * significant at 5%; ** significant at 1%

Source: NDLS, 2004.

Notes: The dependent variable is log of the average of hourly wage during the week. Also includes controls for country of origin and whether currently has a regular job. Adjusted for survey design effects.

Table A-3—Log Wage Hour Regressions