

8-31-2015

## Hispanic Immigrant Workers in Paradise: Malibu Day Laborers in a Time of Insecurity

Luisa Blanco  
*Pepperdine University*

Daniel Morrison  
*Pepperdine University, daniel.ray.morrison@gmail.com*

George Carlsen  
*Pepperdine University, george.carlsen@pepperdine.edu*

Lila Carlsen  
*Pepperdine University, lila.carlsen@pepperdine.edu*

Ashley Chaparro  
*Pepperdine University, ashley.chaparro@pepperdine.edu*

*See next page for additional authors*

Follow this and additional works at: <https://digitalcommons.pepperdine.edu/sppworkingpapers>



Part of the [Economics Commons](#), and the [Public Affairs, Public Policy and Public Administration Commons](#)

---

### Recommended Citation

Blanco, Luisa; Morrison, Daniel; Carlsen, George; Carlsen, Lila; Chaparro, Ashley; and Molina, Erick, "Hispanic Immigrant Workers in Paradise: Malibu Day Laborers in a Time of Insecurity" (2015). Pepperdine University, *School of Public Policy Working Papers*. Paper 59. <https://digitalcommons.pepperdine.edu/sppworkingpapers/59>

This Article is brought to you for free and open access by the School of Public Policy at Pepperdine Digital Commons. It has been accepted for inclusion in School of Public Policy Working Papers by an authorized administrator of Pepperdine Digital Commons. For more information, please contact [bailey.berry@pepperdine.edu](mailto:bailey.berry@pepperdine.edu).

---

**Authors**

Luisa Blanco, Daniel Morrison, George Carlsen, Lila Carlsen, Ashley Chaparro, and Erick Molina

# Pepperdine University

---

School of Public Policy  
Seaver – Social Science Division  
Seaver – International Studies and Languages Division

---

8-31-2014

## Hispanic Immigrant Workers in Paradise: Malibu Day Laborers in a Time of Insecurity

Luisa Blanco

*Pepperdine University, School of Public Policy*  
*luisa.blanco.raynal@pepperdine.edu*

Dan Morrison

*Pepperdine University, Seaver – Social Science Division*  
*daniel.ray.morrison@gmail.com*

George Carlsen

*Pepperdine University, Seaver – International Studies and Language Division*  
*george.carlsen@pepperdine.edu*

Lila Carlsen

*Pepperdine University, Seaver – International Studies and Language Division*  
*lila.carlsen@pepperdine.edu*

Ashley Chaparro

*Pepperdine University, School of Public Policy*  
*ashley.chaparro@pepperdine.edu*

Erick Molina

*Pepperdine University, School of Public Policy*  
*erick.molinaalmazan@pepperdine.edu*

**Pepperdine University**

**Hispanic Immigrant Workers in Paradise: Malibu Day  
Laborers in a Time of Insecurity**

**by Luisa Blanco, Dan Morrison, George Carlsen, Lila Carlsen,  
Ashley Chaparro, and Erick Molina**

**August 2015**

## **Hispanic Immigrant Workers in Paradise: Malibu Day Laborers in a Time of Insecurity**

Luisa Blanco

Associate Professor of Public Policy  
luisa.blanco.raynal@pepperdine.edu

Dan Morrison

Assistant Professor of Sociology  
daniel.ray.morrison@gmail.com

George Carlsen

Assistant Professor of Hispanic Studies  
george.carlsen@pepperdine.edu

Lila Carlsen

Associate Professor of Hispanic Studies  
lila.carlsen@pepperdine.edu

Ashley Chaparro

MPP 2016  
ashley.chaparro@pepperdine.edu

Erick Molina

MPP 2016  
erick.molinaalmazan@pepperdine.edu

Pepperdine University School of Public Policy  
Seaver – Social Science Division  
Seaver – International Studies and Languages Division

Malibu, CA 90263

August 2015

Keywords: Hispanics, day labor, labor exchange

**Funded by Pepperdine University Office of the Provost  
Research and Strategic Initiatives - Community-Based Research Program**

## **Abstract**

Taking a multidisciplinary approach, we conducted a study consisting of written surveys, focus groups, and individual interviews with men and women who were seeking employment through the MCLE at the time of the study and who were predominantly Hispanic immigrants. The results of this study offer insight into the ways in which this population benefits from the services of the MCLE, their labor conditions, financial and saving behavior, and overall wellbeing. Our findings clarify how this population in Malibu negotiates short-term labor relationships in the context of continuing economic instability, where we provide a better understanding of the intersecting inequalities that face this population, their financial behaviors under insecure circumstances, and the function of the MCLE in the informal labor market.

## **Acknowledgements**

We thank the Office of the Provost for providing funding for this project through the Research and Strategic Initiatives from the Community-Based Research Program. We are also thankful to Pepperdine School of Public Policy for providing funding for this study. We thank Katy Carr for her help with the project and Erin Runingen for her research assistance. We also thank the Malibu Community Labor Exchange President Kay Gabbard and Center Director Oscar Mondragon for their collaboration and support of this project. We are also thankful to the following students who assisted conducting the interviews: Joy Brown, Natasha Frazier, Nancy Kannampuzha, Christine Kim, Jordan McKenna, Briana Rusin, Alexandra Sagona, Rebecca Strehlow, and Ashley Thurmond.

## **1. Introduction**

What would possess someone to board the Los Angeles Metro bus at 4:30 A.M. and ride for over two hours for the chance to find work? This is the circumstance for many men and women of the Greater Los Angeles community who commute daily to Malibu, CA, in hopes of a job. Malibu, known primarily for its celebrity residents, warm sunny climate, and dramatic ocean views, is one of the wealthiest towns in the United States. However, the workers that travel to Malibu on a daily basis are some of the most low-income residents in the region, many of whom are immigrants to the U.S. (both documented and undocumented) from Mexico and Central America in search of work and better opportunities. The Malibu Community Labor Exchange (MCLE), located less than a mile from the beach, is a non-profit organization that serves as a marketplace for the informal labor economy and draws workers to Malibu six days per week to seek temporary jobs in the areas of construction, landscaping, house cleaning, and childcare. The MCLE attracts potential workers who are unable to find permanent work due to lack of skills, education, and/or legal status and matches them with employers at no cost to either party. This study sets out to better understand the intersecting inequalities that face this population, their financial behaviors under insecure circumstances, and the function of the MCLE in the informal labor market.

We conducted a study consisting of written surveys, focus groups, and individual interviews with Hispanic men and women who were seeking employment through the MCLE. The results offer insight into the ways in which this population benefits from the services of the MCLE, their labor conditions, their financial and saving behavior, and overall wellbeing. Our findings clarify how this population in Malibu negotiates short-term labor relationships in the context of continuing economic instability, including the recent economic recession and slow

recovery, resulting in wage stagnation and job scarcity. Our qualitative study is particularly timely given the recent law enacted in the City of Los Angeles and in unincorporated areas of Los Angeles County in June of 2015 that will raise the minimum wage from \$9 to \$15 per hour over the next five years (Wattles, 2015). This is of relevance since many of the study's participants mentioned having been offered and accepted, in some instances, wages below the current minimum wage.

Our findings indicate that workers in this labor market did not purposefully choose to seek temporary work, but economic and social restraints, such as lack of legal documentation, lack of English skills, and low education levels eliminate them as candidates for most steady jobs. Many workers continue to seek temporary jobs despite their low pay and poor working conditions because they see no other options within their reach. Also our data supports the conclusion that workers' lack of job security, job scarcity, and wage stagnation prevents most individuals from maintaining their finances with any sort of long-term perspective. Instead of living paycheck to paycheck, a precarious yet somewhat predictable cycle, these workers are living from temporary job to temporary job, with each job lasting as little as a few hours. This extreme financial insecurity leads to poor personal, emotional, and physical wellbeing. Our study also identifies the system of the cash economy as the primary force that limits worker's opportunities to save and maintain their finances beyond the immediate short-term. Finally, the interview and focus group subjects rely on the MCLE above other employment-seeking centers for many reasons. Our study provides insights on the important role that a labor exchange plays helping Hispanic immigrant workers. The MCLE aids these workers as they navigate the temporary work sector, it functions as a safety net to which they can return when a job ends, and it is a place where they find community and solidarity with others.



In this article, we contextualize our study within the current literature on day laborer's economic and social circumstances, and we present a description of our interdisciplinary methodology, which draws on each of the authors' experience in economics, Hispanic cultural studies, and sociology. Next, we present and discuss the results of the study. Finally, based on our analysis, we conclude with an overview of the issues that related to improving the overall wellbeing of this population and the role that the MCLE plays as a broker in the informal labor market.

## **2. Literature review**

Other studies have focused on labor market conditions among Hispanics and have found that one solution to avoiding poverty is having a consistent job. However, the Hispanic experience in the labor market tends to be volatile, and predisposes them to lay offs more quickly during an economic downturn (Gutierrez and Zavella, 2009). Even though wage issues are commonplace, having consistent work means that they will generate a steady income they can use to pay for needed expenses. An avenue for a steady income is work in the formal labor market, which tends to be more stable and desirable. For Hispanics involved in the temporary/day labor market, the work is unstable, the potential for abuse from employers is high, and securing a job is sporadic (Gutierrez and Zavella, 2009). Hispanics who are not of legal status are more vulnerable than their legal counterparts, and with limited options in the formal labor market, tend to join the day labor market.

Undocumented immigrants working in day labor and temporary work have severely constrained civil and labor rights. This hampers their ability to bargain with their employers for the improvement of their wages or working conditions in comparison with documented

employees (Kerstin and Douglas, 2011). The bargaining for job security is at times met by threats from employers. This also hampers their eagerness to bargain for better wages or working conditions because of the fear of losing their jobs (Gleeson, 2015). This fear is strong since undocumented Hispanics have limited labor market options.

Not all Hispanics have identical experiences in the labor market. The experiences of women in comparison to men is a telling example. On the one hand, women immigrants experienced more negative and less secure employment conditions than men since 1986. On the other hand, both women and men that are without documents tend to seek work in the informal sector (Donato et al., 2008). Men and women have different preferences to what jobs they want to do in the informal labor market. Many immigrant women from Mexico and Central America tend to seek domestic work. Domestic work tends to not be regarded as a job by both employers and employees, leading to its inclusion in the informal labor market. Consequently, it can lead to problematic relations between employer and employee and uncertain terms of employment, including pay and job specifications (Pierrette, 2011). Although women and men's job preferences might vary, they both tend to fall victims to low job security and labor rights violations. Nevertheless, there may be a way for the improvement of these poor working conditions.

Undocumented day laborers face a lack of resources, emotional pain, low pay and unfair treatment. Day labor centers ameliorate some of these issues by providing a safe place for workers to gather while they wait for work, surrounded by other immigrant workers facing a similar situation; however, until documentation is acquired, a sense of insecurity will still exist (Cheung et al., 2011). Indeed, some day labor agencies have also been found to exploit workers as they keep them in a state of uncertainty through manipulative control of temporal jobs. Many

require workers to wait for jobs daily, without pay, while profiting immensely themselves when employers hire from their agency (Purser, 2006).

Studies comparing wage rates of documented and undocumented workers performing the same kind of labor have shown that there are huge disparities between the two. Since the Immigration Reform and Control Act of 1986, discrimination has grown towards undocumented workers immensely, but for those Mexican and Central American legalized men that were granted amnesty through the measure, wage benefit for legalization was approximately 6% (Kossoudji and Cobb-Clark, 2002). Delving deeper into the subject, on top of receiving lower wages, it has been found that undocumented workers also face lower returns from human capital, lower returns to labor market experience, and slower wage growth (Hall et al., 2010). Discrimination also exists when workers are segregated by language and ethnicity in the workplace. It was found that wage penalties were suffered from those employed in a workplace with a large share of Hispanic workers, and even further when there was a poor English language proficiency (Hellerstein and Neumark, 2002).

Wages of Hispanic immigrant workers are very much connected to the economic situation at hand. The unstable labor market for day laborers has fluctuated immensely with both the recession of 2007 and California's increasing minimum wage. It has been discovered that the Great Recession reduced labor demand precisely in economic sectors that have traditionally employed Mexican immigrants (i.e. construction). Those most affected were economically active young Hispanic men with low education (Villarreal, 2014). In general, the Great Recession has most strongly affected men, black and Hispanic workers, youth, and low-education workers, as these groups are most likely to work "cyclical industries" (construction and manufacturing) that will see decreased demand in bad economic times (Hoynes et al., 2012). Increases in the

minimum wage affect the immigrant worker's labor market as studies have shown that immigrants tend to move to states in which firms increase employment due to lower minimum wages (Orrenius and Zavodny, 2008). It is unclear what this will mean for Malibu immigrant workers as California continues to increase its minimum wage.

This study seeks to contribute to the study of Hispanic day laborers and the barriers that prevent them from being economically stable. The sample of Hispanic day laborers surveyed and interviewed are those who come to Malibu to work, but travel to the MCLE from different parts of Los Angeles County. Information on the experience of day laborers' financial and work conditions may help government and corporate agencies to support legislation and provide the services necessary for the financial improvement of Hispanic day laborers.

### **3. Methodology**

This study utilized multiple qualitative research methods. Our interdisciplinary team collected data for this study through interviews, focus groups and a written survey. The study was approved by Pepperdine Graduate and Professional Schools and Seaver Institutional Review Boards (IRB).<sup>1</sup> Participants were recruited at Malibu Community Labor Exchange (MCLE) during March and April of 2015. Our inclusion criteria for the study were: 1) participants must be Spanish-speaking Hispanics (individuals self-identified themselves), and 2) participants came to the MCLE to search for a job. We had a total of four focus groups with 6-11 participants per group. We had 39 individuals fill out the survey, though 3 participants found a job at the time the focus groups were taking place and decided to leave the group discussion. Thus, for the focus

---

<sup>1</sup> The focus groups and survey portion of the study was approved by the Graduate and Professional Schools IRB since the researcher who led in this part of the study belongs to a Professional School. The interview portion of the

groups we had a total of 36 participants. We held two focus groups with women only, one with men only, and one with women and men together.

For the focus groups, oral informed consent was required and participants were informed about issues regarding the confidentiality of the information they shared in group discussion. We applied a survey to each focus group participant to obtain information about participants' demographic characteristics (SES), financial situation (access to finance, saving, and debts), basic needs, and wellbeing. This survey provided us with a deeper understanding of the characteristics of the individuals that come to the MCLE. Some questions in the focus group discussion and the survey were adjusted from previous studies, where they have been revised by a group of researchers, which validates our survey as a research tool. Some questions from the survey also come directly from other national and international surveys, further validating the questions. The focus groups duration was approximately 90 minutes, discussion was in Spanish and was conducted by a bilingual facilitator. Focus groups were audio recorded and transcribed, and each focus group had between 6 and 11 participants. The discussion questions for the focus groups were directed to three categories of inquiry: labor market experiences, financial behavior, and wellbeing.

In addition, advanced undergraduate students in a sociology course conducted thematic, interviews with 19 MCLE day laborers during the course of a service-learning project. The interviews focused on worker experiences at the MCLE, the availability of work, rates of pay, and satisfaction with the MCLE, including positive and negative experiences with employers. These English-speaking students were paired with translators from advanced Spanish language classes. Undergraduate students translated English-language questions into Spanish and then

translated answers from Spanish to English. Interviews were audiotaped and transcribed by a private transcription service.

In relation to the focus groups and interviews data analysis, we coded all the transcriptions derived from the audio recording using the codebook shown in Table A1 in the Appendix. The focus group transcriptions were all in Spanish. All researchers who helped coding and analyzing the focus group data, which was all in Spanish, were bilingual. The research codebook was developed inductively from focus group data, with slight modifications that captured aspects of laborer experience that were less well-covered in the interviews.

The discussion questions for the focus groups and interviews were developed from previous qualitative studies conducted in the Los Angeles area related to access to finance, savings, and retirement planning among Hispanics. We use *Scissor-and-Sort* and *Content Analysis* techniques to code the data from the focus groups and interviews.<sup>2</sup> Two researchers coded all the data, and two senior researchers reviewed the coded data to ensure consistency (one senior researcher reviewed all the coding of the data from the focus groups data and another one all the coding of the data from the interviews). For the purpose of consistency, the two researchers responsible for the coding of the data had to code 30 pages of the same transcription, and then met with a senior researcher to discuss similarities and discrepancies. There were some discrepancies, around 15 percent of the time, which were discussed in order to ensure that the coding of the remaining data would be done consistently. After all coded data was checked by the senior researchers, the coded data was cut and pasted according to the categories and subcategories denoted in the codebook (Table A1). From the focus groups two documents that contained all the coded data were created: 1) only female participants focus groups, and 2)

---

<sup>2</sup> See Krueger and Casey (2015) for a discussion on these methodologies to code qualitative data.

female and male participant focus groups.<sup>3</sup> From the interviews one document that contained all the coded data was created, which included data from female and male participants labeled by gender.

We analyze the coded data from the focus groups and the interviews in the following way. The three documents that contain the coded data were reviewed by at least two senior researchers, which allow for consistency and reliability of the analysis of the data. One bilingual senior researcher reviewed the two documents with the coded data from the focus groups, and two other senior bilingual researchers reviewed one of the documents of the focus groups each (focus group documents in Spanish). Two senior researchers reviewed coded interviews. Senior researchers also created one document with the major trends found in the data they analyzed and met to discuss the major findings, which are discussed in the results section.<sup>4</sup>

## **4. Results**

### **4.1 Survey Results**

We applied a short survey among the focus groups participants to collect information about the participants' socio-economic and demographic characteristics, financial behavior, and wellbeing.<sup>5</sup> The survey data complements the qualitative data collected from the focus groups and interviews and provides a picture of the socio-economic status (SES) of the Hispanic population that seeks employment in Malibu. We had 23 and 15 participants who identified themselves as females and males, respectively (61 percent females, one participant did not want

---

<sup>3</sup> The female group document contains the data collected from two focus groups of only female participants. The female and male groups contain the data collected from one focus group with only male participants and one with male and female participants together. In these two documents, differences in color were kept to denote data from the different groups.

<sup>4</sup> The documents that contain the coded data and the senior researcher notes with the major findings are available upon request.

<sup>5</sup> Survey available upon request.

to answer that question). The average age for the full sample was 49, where the age range was between 24 and 74. The majority of participants were Spanish speaking Hispanic immigrants of whom 85 percent only speak Spanish at home and 97 percent were born abroad (all participants were self-identified Hispanics). Among the full sample, we found that 34 percent were married or cohabitating, where only 22 percent of females had this marital status in comparison to 57 percent of males. A large majority had dependent children (69 percent of the full sample, 74 percent of females, 60 percent of males).

Most participants belong to a low SES, where 85 percent of participants have incomes below the poverty level (less or equal to \$13,000). Only 27 percent graduated from high school (or had attained more education), and only 8 percent owned their home among the full sample.<sup>6</sup> In relation to socio-economic characteristics, we do not find stark differences by gender. Less women seem to fall below the poverty level (81 percent women have an income below or equal to \$13,000 versus 95 percent of men), but women show lower levels of education (only 18 percent of women graduated from high school, while 40 percent of men did). We find that the average hours worked in the previous week were 15 for women, 13 for men, and 14 for the full sample. Average hours worked on a regular basis were 19, 21 and 14 for the full sample, females, and males, respectively. Thus, our participants in average are able to work between one third and one half of a 40 hour work week, which is likely to be reflected in their financial behavior and wellbeing.

Table 2 presents information related to participants' financial behavior from the survey, where we found that most participants do not participate in the formal financial sector and are unable to save. Among the full sample, 81 percent of participants do not own a checking account,

---

<sup>6</sup> We use \$13,000 as a poverty threshold for simplicity, where the 2014 threshold for a single individual under 65 is \$12,316 (U.S. Census Bureau, 2014).



where lack of ownership of a checking account was higher among men (92 men versus 72 percent of women). We also found that a larger share do now own a debit and credit card among the full sample (78 and 89 percent, respectively), though lack of ownership of a debit and credit cards were higher among male participants. With regard to saving, we find that 86 and 58 percent of participants are unable to save on a regular basis or for retirement, respectively, and these percentages were stable across gender. We also found that among the full sample, 44 percent spend more than their income, 42 percent have an outstanding debt, and 24 have an unpaid medical bill. While the percentage of men and women that spend more than their income and have an outstanding debt is similar (around 40 percent), we find that a larger share of men have an unpaid medical bill (36 percent for males versus 18 percent for females).

In relation to the wellbeing of participants, we asked questions related to basic needs. We find that in the past 12 months close to half of the full sample had accessed medicine or medical treatment (48 and 47 percent, respectively). We also find that more than two thirds of the full sample had not gone without food or shelter in the past 12 months (69 and 79 percent, respectively). In relation to these basic needs (medicine, medical treatment, food, and shelter), male participants seemed to fare slightly better than females. Interestingly, we find that while 73 percent of participants are not satisfied with their personal financial condition, only 18 percent are not satisfied with their life-as-a-whole. A similar pattern is shown among men and women, where there seems to be less satisfaction with their personal financial condition than with their life as a whole for both groups.

## 4.2 Focus Groups and Interview Results

### *The Malibu Community Labor Exchange: Bringing Order to Disorganized Labor*

Unlike more informal sites where day laborers congregate to seek work, the Malibu Community Labor Exchange (MCLE) and its staff work to bring a sense of order and stability to this part of the labor market. Since day labor is by definition uncertain, precarious, and vulnerable to exploitation, even modest support can have a significant impact for laborers. The agency's on-site director, Oscar Mondragón registers new day laborers, gathering personal and work experience information. He then uses this information to pair employers in the Malibu area with day laborers who have the skills and experience required to complete required tasks. While Mondragón does not negotiate day laborer's pay rates, he does act as an informal guide for new employers and new day laborers in their negotiations. Mondragón offers advice to both employers and employees upon request. Based upon his background knowledge of the labor force he is able to guide employers to the laborer who is most appropriate for the job.

As an organization, the MCLE acts as a broker, facilitating both work and financial exchanges. We think that the MCLE provides a critical form of infrastructure for the organization of efficient and effective, if short-term, labor arrangements. The MCLE's physical location, in a safe and secure indoor and outdoor space near Malibu's City Hall, means that interactions among laborers and between laborers and employers can proceed with a degree of stability. Stability and security are key components of well-functioning marketplaces, where buyers and sellers meet and negotiate on pay rates, job requirements, and the duration of employment.

The MCLE is different from the street corner (Ordóñez 2015) and the parking lots of big-box hardware stores. Both locations tend to be much more informal, and characterized by groups

of laborers rushing to employers and their vehicles. One laborer described the big box stores, “where they come and pick people up for work, that was all different that way because ... [people were] fighting or jump inside the car.” The MCLE is in fact an informal institution because it is explicitly not a day labor agency or an employer. Still, the fact that laborers are registered, and that staff help facilitate employment means that the MCLE is more regularized and routinized compared to these other sites. In addition, office staff at the MCLE track the number of laborers seeking work and how many are hired. They also collect testimonials and satisfaction data from employers, and similar data from workers. This information is then stored in each worker’s file. These records allow MCLE staff to assist workers in the case of a dispute with an employer. The records kept in each worker’s file also help workers to provide potential employers evidence of their abilities and past performance, which can be extremely beneficial to the workers when seeking for temporal jobs.

Interview data from male and female day laborers indicate that many understand, and indeed value, the structure that the MCLE brings to their job search. In the following exchange, an interviewer explores a worker’s perception that the MCLE is well organized, “It’s more organized... They make sure you have all the information stuff and it’s very good. Any problem that they have, Mr. Mondragón helps them with it. They help them find work... It’s better because they have your photo here, everything. It’s not just like a street” (translation). Another laborer discussed the advantages of the MCLE, citing its organization: “...because it’s through an organization, when people come here looking for work, they’re trustworthy and they’re not sketchy people.”

Another feature of the MCLE is its egalitarian ethos, where workers feel that they are given a fair shot at employment without the biases that some employers have at less well

organized day labor sites. One laborer reported, "...there's no racism here. Everyone's treated as equals. Everyone has a fair chance at work... everyone puts... it's like your name is in a hat, or in like a bag or whatever, and then they draw out, that's the person that gets work. So everyone is treated as equals." This describes the random selection process that is used when many laborers are qualified for a certain job. Random selection ensures a degree of fairness and equality that may not characterize other, less organized labor sites.

In addition to organizing laborers and providing a safe and secure place to secure both employment and labor, some workers report that they have developed a sense of community at the MCLE. One woman said, "[I like]... the community and [my] friends and the socializing that [I have] here... if someone is treated unfairly, if they're not paid well enough, then it hurts everyone within the community, and so they don't want that person to come back and be demanding and ask for work that's underpaid." Far from an unorganized informal space of intense competition for work, the stability of the MCLE enables community among laborers, which increases the degree of information exchanged about employers and unfair labor conditions. Of course, these efforts are not as well organized as the formal labor market, and further protections for workers would be beneficial.

In sum, the MCLE is an informal infrastructure that includes both economic and information exchanges. It serves for many laborers as a safety net, with laborers moving in and out of the organization as they gain and lose precarious, short-term jobs in the context of a stagnant economy.

### *Hispanic Immigrant Day Laborers in Malibu and the Stagnant Economy*

A central aim of this study is to develop an understanding of how Spanish-speaking Hispanic immigrant day laborers have fared financially in the aftermath of the economic crisis of 2007. Because we are interested in learning about the financial wellbeing of Hispanic day laborers, the discussion of wages is an important component of this study. The minimum wage is a current policy issue because in May of 2015 there was a 14-to-1 vote to raise the minimum wage in Los Angeles from \$9 to \$15 by 2020 (Medina and Scheiber, 2015). We discuss below the job opportunities and wages that day laborers currently face in Malibu, and how their labor market experiences affect their financial wellbeing.

In relation to their current job opportunities and wages, we observe that the stagnant economy has had a bad effect on the personal financial situation of the participants. In many instances participants noted that the current economic situation is precarious, and that job opportunities have never been the same as those they encountered before the financial crisis of 2007. Participants expressed that they come to Malibu because there are more job opportunities than what would they find in other areas of Los Angeles, however, they note that jobs here have not recovered from the last recession. Male and female participants show similar experiences in relation to finding jobs after the recession. Many male participants, especially those who work in the construction sector, had to transition from permanent work to temporal work due to the lack of permanent jobs available after 2008. One male participant recalls his brother telling him 10 years ago to come to the United States to work in Malibu because there were “a lot of jobs.” One mentioned that he had been coming to Malibu to do work for the last 20 years and that there were always many jobs available, but since the economy went down, he can only find work for two or three days per week. He states, “we are suffering.” A female participant in the focus

groups stated: “before it was easy for me to find work, but now it has become a little more difficult. When I first came, I had work for days, months, years... but then later I lost my job... I just found work... in the last months there have been some jobs, but only from time to time... it is not like it was before.” Another female participant who works in a store also notes that she used to get two days of work, but now she only gets one day of work because the store where she works has slowed down (“se cayó”).

When we discussed the issue of wages, most participants agree that wages have been stagnant, and that finding jobs that pay well has become very difficult. Some participants expressed that they get paid the minimum wage or more sometimes, but others said that they get paid below the minimum wage. While females and males seem to share similar experiences in relation to wages, it seems that female participants have been offered lower wages than men. Some female participants mentioned that they get paid between \$50 and \$70 for a day of work (8 hours, \$6.25-\$8.75 per hour), while others expressed they have been paid between \$15 and \$20 per hour. Female participants also shared their experiences as live-in nannies, where some of them expressed that they feel exploited: “just a little ago I got a call from a lady and she says, I want you to work 6 days as live in nanny, I think this is great, but she wants to pay \$300 [per week] to begin. Can you imagine? I said no thank you. I do not have work, but for \$300 I am not going to take it.”

Several male participants say that they get paid \$10 per hour, but that wages have not improved since the last recession and the price of things, such as transportation and housing has increased: “the problem is that salaries do not want to go up, they are too low, they don’t want to increase them.” One male participant shared how he manages his personal budget based on the availability of work and the going wage: “I have 3 days of work, and my days of work are 6

hours, I earn \$60 per day, 3 days a week, this is \$180. I pay \$500 of rent, and if you calculate \$180 for four weeks is like \$700...and I have only \$200 left to pay for all my personal expenses after I pay the rent, and this is not good, it is not enough.” Another male participant notes that he takes a job even if it doesn’t pay well because a job is better than nothing: “And sometimes, you go even if you are so tired, because \$50, \$100, or \$80, or whatever you get you will have it in your wallet and you will use it for something.” One male mentioned on the other hand that he has a good employer who raises his wage automatically, and that is why he likes to come to Malibu.

Focus group participants also mentioned that employers often try to get extra work out of them for the same amount of pay or for slight bonuses that do not reflect the actual amount of work required to do the task. An employer who wanted all of her patio cushions cleaned would have had to pay a service \$750 dollars, said one female day laborer, but offered her only what she earned per hour for housecleaning. We asked focus group participants what would be a desirable wage based on their skills, the type of work they do, and their budget. Some male participants expressed that they would be content if they were paid \$100 for 8 hours (\$12.5 per hour). Among the female participants, we found that the ideal wage would be \$20-\$25, though some would be satisfied with \$10 or \$15 per hour.

The weakness of the labor market and low wages has affected the financial wellbeing of immigrant day laborers. The topics we discussed in relation to participants’ financial wellbeing were: usage of financial services, saving behavior, and budgeting. One trend that was prevalent in our study was how financially insecure the lives of immigrant day laborers are. Because these are day laborers, their jobs are temporal and unpredictable, which makes it very hard for most participants to manage their finances with a long-term perspective. Most participants expressed

that owning a checking account was difficult because of the high costs associated with it. Most participants also expressed that managing their budget is difficult because housing represents a larger share of their expenses. They are not able to save on a regular basis, and they have not planned for retirement. We also found that a large share of participants send remittances, which also makes it difficult for them to save for the future. Some participants expressed that they have parents or children who depend on the money they send, others had extended family that also depend on them. Many participants agreed that they feel compelled to send money abroad because the situation of their family in other countries is worse than their own. A couple of participants acknowledged that if they did not send remittances, their financial situation would be better because they would be able to save. They are aware of this, but they still feel that the money they send abroad makes a difference in the lives of their family and friends. In relation to knowledge about managing their finances, some participants mentioned that their parents taught them how to save, but others said their parents were not able to save.

We found that their current financial situation has significant negative effects on their health. Many participants expressed that they are stressed most of the time because they worry they would not have enough money to cover the rent. Some mentioned that the stress derived from their financial situation has led them to suffer insomnia, anxiety, and depression. We found that for some participants, religion is used as a coping mechanism, where a couple of participants noted that they “trust God will help them.” Some participants mentioned that their current financial situation has affected their personal relations, where one man said his wife left him because of the lack of financial security, and one woman mentioned that she broke up with her boyfriend because she was too worried about her personal finances.



### *Intersecting Inequalities in Malibu*

Working conditions in Malibu create intersecting inequalities that affect day laborers in the Malibu community. In this section we will highlight the following difficulties that workers described to us in the interviews and focus groups: transportation to the MCLE, age discrimination, gender discrimination, racial discrimination, worker safety, communication in English, and a general sense of dehumanization of the worker.

The physical distance of Malibu from areas where day laborers can find affordable housing is the principal cause of stress related to getting to work. Laborers reported travelling by public bus for up to two hours each way in order to arrive at the MCLE. Some of the workers stated that they come from East LA, LA downtown, Whittier in Orange County, and Van Nuys in the San Fernando Valley each day. A weekly bus pass costs 25 dollars for these workers, a costly sum. Those workers who have access to a car can arrive in a fraction of the time, but then feel greater stress in finding a job as the cost of upkeep for their vehicle and gasoline adds to their expenses. One worker mentioned that she spent about 10 dollars each day on gas in order to arrive at the MCLE. These daily costs dramatically reduce workers' potential earnings. Employers in Malibu can select their workers, and as a result workers reported age and gender discrimination. Older workers report a preference on the part of employers for younger, male workers for most jobs. One worker stated "for the young there is work, but for those of us older..." Indeed, the workers that were available to be interviewed in our focus groups at around 10am were mainly older as younger workers who might have participated in the study had already found work for the day. Gender discrimination is a concern for female workers. They are primarily hired for housekeeping, cleaning and for caring for children, elderly and pets in the community. When employers look for workers for general manual labor (even those tasks that do

not require great strength such as painting), they look for young males, leaving out women and the older men. For female day laborers, the anxieties of supporting and raising children on an uncertain salary are immense. These concerns are not always shared by male workers who were somewhat less likely to have dependents. One of the interview translators stated this for a female participant:

“...when she is at home, sometimes she feels like overwhelmed with anxiety and so she eats a lot or is worried. Like her thoughts run. She said her motive is her children, to take care of them. And she says when she's here (at MCLE), it's almost like therapy, being around people, being able to listen, to learn, to socialize with other people, and she always has the hope that tomorrow I will find work, tomorrow I will find work, even if it doesn't happen today, there's always the motivation of tomorrow that she'll find work.”

There are racial dynamics to the labor marketplace as well that discriminate against new arrivals to the area. Workers reported that Hispanic subcontractors can be the most abusive employers of all. One worker reported that “there is a lot of discrimination among ourselves, and sadly the boss or manager, as a Latino, abuses other Latinos.” Some workers feel that these employers give newer immigrants a hard time because they felt that they suffered and they think the newer people should suffer too. The focus group termed this the “egoísmo” (egoism) of the Hispanic employer and described the logic as “here you have to make the new worker bleed.” These Hispanic work captains are often bilingual subcontractors, who at some point received legal status, and they try to ingratiate themselves with home owners by denying breaks and forcing hard work and unsafe conditions on undocumented laborers.

The safety of working conditions for undocumented day laborers in the Malibu community is at times a concern. Workers are often hired without proper protective equipment,

or are expected to provide their own (which is unreasonable, as few workers can anticipate the what job they may be tasked with when they leave home in the morning for the MCLE). Many workers mentioned facing summer heat doing landscaping work without shade or breaks. A worker said to an interviewer that “she has to clean in high places because the windows, that she has a ladder but it is very shaky and not very secure, but if she does not do it, she won't have work. She thinks she is going to fall, but if she complains, she won't have work so she does it anyways.” Another woman broke her leg helping an employer and then the employer expected her to return to work without covering her medical expenses. A male worker mentioned that he had been clearing brush for an employer in poisonous plants that left him scarred and injured. He was then dropped off without any medical or financial help back at the MCLE and replaced with a new worker. He stated “in this regard, the employers do not feel responsible because they only pay you for the day, they do not take responsibility. [He] has not called me to find out if I am coming back or if I am feeling better.” And finally employers hire day-laborers when they find unhygienic tasks that they would be unwilling to do themselves. A female worker was hired to clean a house that was completely full of animal feces, but the owner chose to pay the standard rate of \$10 per hour as if it were not a special job.

The stress of not speaking English can cause anxiety among day laborers. Also, if they do find a long-term job, often employers have the expectation that the worker will learn English. The employers do not think that they should learn Spanish to better communicate with their workers. One female day laborer lost a long-term job caring for children because her English was not progressing quickly enough for her employer. Some workers take English lessons, but often not enough, and when they are out of work they worry about time and money spent on lessons instead of taking care of their families or finding more work. The workers in the focus groups

generally considered English to be a higher concern to them than even their legal status in the country. And many thought that if they had better English their immediate financial well-being would improve.

## **5. Discussion**

Several factors perpetuate insecurity and could lead to lack of long term planning among participants. Some interesting situations in which individuals were able to manage their personal finances with a longer-term perspective will also be discussed. We also discuss the potential role of the MCLE as a tool to help improving the wellbeing of immigrant day laborers.

We found that financial insecurity in some instances was derived not necessarily from their personal choices but from the inherent structure of the labor market and the financial sector. While most participants expressed that they live day to day because of the current labor market conditions, and they have not been able to find stable jobs, they all agree that living day to day is not what they want to do. Most participants are part of the cash economy, where they get paid in cash or with a personal check, where those who do not have a checking account have to incur significant expenses to cash their checks or would ask the employer to write the check to a family member or a friend who has a checking account. Being part of the cash economy perpetuates the lack of participation in the formal financial sector among some participants. While most participants said that they get paid in cash, very few noted that they pay taxes. For this reason, the majority of participants has not been able to make contributions to Social Security and do not have any type of retirement savings. Thus, we found that by being paid in cash and by employers refusing to pay taxes for day laborers, there is a perpetuation of financial insecurity. One woman mentioned that she has asked her employer with whom she had worked

for several years to pay taxes for her, but the response she got from her employer was that she could find another job.

In relation to the ownership of a checking account, when we asked those participants who do not have a checking account why that was the case, we got a wide spectrum of responses. Some mentioned that they do not see the need to have one since they use cash all the time, others do not trust banks, some had a checking account but could not maintain it because of the lack of money, and others said that having a checking account is too expensive. We found that those that do not own a checking account will have to pay check-cashing business \$12-\$15 per check or 10% of the amount. For those participants that own a checking account, we found that there seem to be different costs. One woman mentioned that she did not have to pay a monthly fee for her checking account if she had least \$300 in her account, but another said she needed at least \$1000 as a minimum balance. One woman says she pays \$12 per month to maintain her checking account and has been out of work since October, so maintaining her checking account has become difficult, but she thinks that keeping it is important (she gets help from her children to cover that expense).

We consulted with the managers of several local banks to determine the relative difficulty for Spanish-speaking immigrants to have a checking account. We found that two major banks in the area offer checking accounts for low-income individuals, but they both require a government issued identification to open an account (identification can be issued by a government other than the United States). One bank offers a checking account with a monthly fee of \$4.95, but this fee is waived if you have direct deposit, and there is no minimum balanced required. Another bank charges a monthly fee of \$10 for a checking account, but if the debit card is used 10 times per month, the fee is waved. We talked to those participants who do not own a checking account

about these options, and while some seemed interested, others expressed that with the lack of stable jobs it will be very difficult for them to maintain a checking account..

Most participants expressed that having more stable jobs would allow them to save and plan for the future. Interestingly, there were a couple of “savings-oriented” participants who are relatively sophisticated with their personal finances since they are aware of their current situation as day laborers and know that if they are able to accumulate some savings they could cover their most important expenses, such as housing, when they are out of work for long periods of time. One female participant from the focus groups said that she has been living on her savings for the past two months because she has struggled to find a permanent job and that her savings are depleted now. A couple of men also mentioned that they save for the time they know they will be out of work. This is an interesting finding because some participants are able to manage their finances in a way that allows them to be prepared for the lack of work, but for most others it is impossible to do so.

Nonprofit groups, like the MCLE, may be an important, and overlooked, institution for documented and undocumented day laborers. Providing a safe, organized, and stable place for day laborers and employers can routinize labor-seeking for workers. While such organizations cannot provide steady work themselves, the modest support of the MCLE seems to significantly improve the job search conditions for workers. The on-site director, Mr. Mondragón., serves as a kind of informal labor broker, matching laborers with employers, monitoring wages, and keeping records that attest to the skills and work experience of day laborers. Altogether, these efforts bring a measure of stability to an inherently unstable sector of the informal economy. Such stability could be a key factor in encouraging saving behavior and the use of financial services.

At the very least, organizations such as the MCLE provide an organizational base for financial services education.

We found three examples in which the MCLE has played an important role in helping Hispanic immigrant workers deal with the insecurities brought by the informal labor market. First, through the MCLE workers can have an identification card they can use for useful purposes such as opening a checking account. Mr. Mondragón shared with us how he was able to get a local bank to let individuals open a checking account using a government issued identification from their country of origin and the MCLE identification. Another instance where the MCLE is useful to day laborers is related to wages, where Mr. Mondragón noted that in the records he keeps at the MCLE workers are currently paid between \$12 and \$15 per hour. Thus, seeking work through this institution might help workers to ensure they get paid at or above the minimum wage. Another benefit of the MCLE is the work of the Language Exchange organized by the Pepperdine University Volunteer Center. In this ongoing volunteer program, Spanish language students receive class credit for giving brief English lessons to workers on an informal basis. Lessons are often based on the specific language needs of the day laborer community, such as vocabulary and grammar for negotiating the terms of short-term employment. Without the stable venue of the MCLE, there would be no safe place in which students and workers could meet.

## **6. Conclusion**

Our study highlights some of the mechanisms that could help immigrant Hispanic day laborers, especially those who are documented, to move away from the cash economy in order to ensure higher financial stability in the long term. By moving away from the cash economy,

individuals would be more likely to contribute for retirement through Social Security and to participate in the formal financial sector. Promoting ownership of a checking account is also important to promote saving among this population. From our study, it is evident that the current labor market does not encourage moving away from the cash economy and there is a lack of adequate financial products for low-income individuals who have temporal jobs. Another finding from our study were the “saving-oriented” participants who are inherently different from the rest and who recognized the temporal and unpredictable nature of their work, and save accordingly. Further research to learn how these individuals are able to plan for the future and how they are different from non-savers will provide important insights to promote better financial planning among this population.

Informal labor markets can carry significant personal and public costs, including increased uncertainty for both employers and workers. Nonprofit organizations dedicated to improving these conditions, like the MCLE, are a public-private solution. They help structure this portion of the labor market, increasing confidence for worker and employer, and providing an important source of stability and social support for workers.

Unfortunately, the future of the MCLE is unclear. Currently on donated land owned by Los Angeles County, the Exchange is losing its lease at the end of 2015. A major institution, Santa Monica College, plans to build an extension campus in Malibu. If the MCLE does not find a space in which to continue their operation, the workers who currently seek refuge from the turbulent informal job market in Malibu will be displaced back to the street corner. The files Mr. Mondragón has collected showing each worker’s skill set and job experience will be lost. Abusive employers looking for temporary laborers will not be kept track of and the collective knowledge of the Malibu day laborer community will be dispersed.



## References

Cheung, Monit, Delavega, Elena, Castillo, Irma, & Walijarvi, Corrine (2011). Practical Insights from Interviews with Day Laborers. *Journal of Ethnic and Cultural Diversity in Social Work*, 20, 1, 77-92.

Donato, Katherine M., Wakabayashi, Chizuko, Hakimzadeh, Shinrin, & Armenta, Amada (2008). Shifts in the Employment conditions of Mexican Migrant Men and Women: The Effect of U.S. Immigration Policy. *Work and Occupations*, 35, 4, 462-495.

Gentsch, Kerstin & Massey, Douglas S. (2011). Labor Market Outcomes for Legal Mexican Immigrants Under the New Regime of Immigration Enforcement. *Social Science Quarterly*, 92, 3, 875-893.

Gleeson, Shannon (2015). Brokered Pathways to Justice and Cracks in the Law: A Closer Look at the Claims-Making Experiences of Low-Wage Workers. *The Journal of Labor & Society*, 18, 77-102.

Gutierrez, Ramon A. & Zavella, Patricia (2009). *Mexicans in California: Transformations and Challenges*. Urbana & Chicago: University of Illinois Press.

Hall, Matthew, Greenman, Emily, & Farkas, George (2010). Legal Status and Wage Disparities for Mexican Immigrants. *Social Forces*, 89, 2, 491-513.

Hellerstein, Judith, Neumark, David, & National Bureau of Economic Research. (2002). *Ethnicity, language, and workplace segregation: Evidence from a new matched employer-employee data set*. Cambridge, MA: National Bureau of Economic Research.

Hondagneu-Sotelo, Pierrette (2007). *Doméstica : Immigrant Workers Cleaning and Caring in the Shadows of Affluence* (2nd Edition). Berkeley & Los Angeles: University of California Press.

Hoynes, Hilary Williamson, Miller, Douglas Lee, Schaller, Jessamyn, & National Bureau of Economic Research. (2012). *Who suffers during recessions?*. Cambridge, Mass: National Bureau of Economic Research.

Kossoudji, Sherrie A., & Cobb-Clark, Deborah A. (January 01, 2002). Coming out of the shadows: Learning about legal status and wages from the legalized population. *Journal of Labor Economics*, 20, 3.

Krueger, Richard, & Casey, Mary Anne. (2015). *Focus groups: a practical guide for applied research* (5th edition). Thousand Oaks, California: SAGE.

- Medina, Jennifer and Scheiber, Noam (2015). Los Angeles Lifts Its Minimum Wage to \$15 Per Hour. The New York Times. Retrieved online:  
<http://www.nytimes.com/2015/05/20/us/los-angeles-expected-to-raise-minimum-wage-to-15-an-hour.html>
- Ordóñez, Juan Thomas (2015). *Jornalero: Being A Day Laborer in the USA*. Oakland, California: University of California Press.
- Orrenius, Pia M., & Zavodny, Madeline (2008). *The effect of minimum wages on immigrants' employment and earnings*. Bonn: IZA.
- Purser, Gretchen. (2006). *Waiting for Work: An Ethnography of a Day Labor Agency*. Institute for the Study of Social Change. UC Berkeley: Institute for the Study of Societal Issues. eScholarship, University of California. Retrieved from:  
<http://www.escholarship.org/uc/item/5vg5d05d>.
- U.S. Census Bureau (2014). 2014 Poverty Thresholds by Family size and Number of children. Retrieved online: <http://www.census.gov/hhes/www/poverty/data/threshld/thresh14.xls>
- Villarreal, Andrés (January 01, 2014). Explaining the decline in Mexico-U.S. Migration: the effect of the Great Recession. *Demography*, 51, 6, 2203-28.
- Wattles, Jackie. (2015). Los Angeles is now largest city in America with \$15 minimum wage. CNN Money. Retrieved from: <http://money.cnn.com/2015/06/14/news/economy/los-angeles-minimum-wage-15-garcetti/>

**Table 1. Socio-Economic and Demographic Characteristics of Focus groups Participants\***

	Full sample	Females	Males
Number of participants	39	23	15
Gender, percentage		61	39
Age, average	49	49	51
Age range, minimum and maximum	24-74	28-68	29-74
Non US Born, Percentage	97	95	100
Only speaks Spanish at home, percentage	85	83	87
Married or cohabitating, percentage	34	22	57
Have dependent children, percentage	69	74	60
High school graduate (or more), percentage	27	18	40
Income in the range 0-\$13,000, percentage	85	81	91
Own Home, percentage	8	10	7
Hours worked last week, average	14	15	13
Hours worked per week usually, average	19	21	14

\*Some questions were not answered by all participants, where percentages and averages, minimums and maximums are estimated using the available data (one participant did not provided gender).

**Table 2. Financial Behavior of Focus groups Participants, Percentages\***

	Full sample	Females	Males
Do not have a checking account	81	72	92
Do not have a debit card	78	70	92
Do not have a credit card	89	86	92
Do not save on a regular basis	86	86	86
Do not save for retirement	58	58	58
Spend more than income	44	43	43
Have an outstanding debt	42	45	40
Have an unpaid medical bill	24	18	36
Have not participated in a finc. educ. workshop	94	91	100

\*Some questions were not answered by all participants, where percentages are estimated using the available data (one participant did not provided gender).

**Table 3. Wellbeing of Focus groups Participants, Percentages\***

	Full sample	Females	Males
Have gone without medicine in past 12 months			
Never	48	44	60
Sometimes	41	44	30
Often	10	11	10
Have gone without medical treatment in past 12 months			
Never	47	42	58
Sometimes	25	32	8
Often	28	26	33
Have gone without food in past 12 months			
Never	69	65	79
Sometimes	23	20	21
Often	9	15	0
Have gone without shelter in past 12 months			
Never	79	79	89
Sometimes	21	21	11
Often	0	0	0
Satisfaction with current personal financial condition			
Not satisfied	73	67	79
Somewhat satisfied	21	28	14
Very satisfied	3	6	7
Completely satisfied	3	0	0
Satisfaction with life-as-a-whole			
Not satisfied	18	21	14
Somewhat satisfied	48	47	50
Very satisfied	15	11	21
Completely satisfied	18	21	14

\*Some questions were not answered by all participants, where percentages are estimated using the available data (one participant did not provide gender).

## Appendix

**Table A1. Codebook categories and subcategories**

---

**Category L: Experiences in the labor market**

- L1. Area of residence, form and time commuting
- L2. Reasons for coming to the MCLE
- L3. Type of work, hours worked, and availability of work
- L4. Form of payment and wage issues
- L5. Employer-employee relationships
- L6. Skills for available jobs

**Category F: Financial and saving behavior**

- F1. Usage of financial services
- F2. Usage of alternative financial services
- F3. Budget and expenses (keeping track of expenses, major expenses, etc..)
- F4. Saving on a regular basis
- F5. Saving for an emergency
- F6. Saving for retirement
- F7. Family experiences in relation to finances, saving and retirement
- F8. Financial decision making

**Category W: Financial wellbeing**

- W1. Overall financial wellbeing
- W2. Impact of financial situation on health and personal relations
- W3. Factors that could help to improve financial wellbeing

**Category S: Scenarios**

- S1. Opening a checking account
  - S2. MyRA program
  - S3. Unexpected health expense
-