



# ADVANCING WORKER RIGHTS IN CALIFORNIA

Where We Began, What We Learned,  
Where We're Going

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The Fair Work Initiative  
June 2023

# WHERE WE BEGAN

When we launched Fair Work in 2018, 5 million workers in California were making less than \$12.50 per hour. In a state with the world's fifth largest economy, workers across critical industries struggled with low wages, lack of basic benefits, and rampant violation of their labor rights.



In 2016, The James Irvine Foundation made a dramatic shift in its strategy and structure. The California-focused funder began culmination of its prior program areas to focus on a singular goal: a California where all low-income workers have the power to advance economically.

The Foundation would pursue this North Star goal through new, time-limited grantmaking initiatives that had specific goals, budgets, timelines, and, importantly, were informed by deep listening to leaders working with and on behalf of Californians paid low wages.

The Fair Work initiative was one of the first two approved by the Irvine board, and the process of developing and implementing the initiative has produced insights that we believe are valuable for nonprofit, public, and private sector leaders seeking to advance equity and opportunity for workers earning low wages.

## THE NEED WE SAW

When we launched Fair Work in 2018, 5 million workers in California were making less than \$12.50 per hour.<sup>1</sup> In a state with the world's fifth-largest economy,<sup>2</sup> workers across critical industries struggled with low wages, lack of basic benefits, and rampant violation of their labor rights. Well over half a million workers in California earning the minimum wage fall victim to wage theft every year, for example, at a cost of \$3,300 per worker annually and approximately \$2 billion out of California's economy each year.<sup>3</sup>

This is not a small workforce. One in three workers in California is considered low wage, and three-quarters paid low wages are people of color.<sup>4</sup> Many work paycheck to paycheck, rely on public assistance, and have historically been excluded from the economic decisions and solutions that impact their lives.

Though workers may earn low wages, they are not low skilled, bringing intelligence, creativity and resourcefulness to their jobs and workplaces.

We launched the Fair Work initiative with the belief that workers could strengthen their economic futures by gaining a greater voice in decisions about their jobs, lives, and communities. The Irvine board approved \$90 million, over seven years, to help worker rights groups engage and support workers at greater scale, connect workers to information and services that reduce wage theft and broaden their access to labor rights and benefits, and assist worker rights groups align as a cohesive network on innovation, policy advocacy and narrative change, among others.

1) Legislative Analyst's Office, [California's New Minimum Wage: Who are California's Low-Wage Workers?](#) [EconTax Blog]; 2) Business Insider, [California Economy Ranks 5th in the World, Beating the UK \(businessinsider.com\)](#)  
3) Economic Policy Institute, [Employers steal billions from workers' paychecks each year](#); 4) University of California, Berkeley, [Labor Center. Low-Wage Work in California Data Explorer](#).

# WHERE WE BEGAN

We chose three main strategies and set impact goals to maintain accountability:

## STRATEGY

### 1. Ensuring workers earning low-wages are informed and engaged:

*Strengthen the capabilities of worker rights groups to organize low-wage workers at greater scale*

### 2. Ensuring workers receive the full wages and benefits they've earned:

*Expand nonprofits' partnership with enforcement agencies to strengthen assessment and collection of wages and implementation of other workplace policies*

### 3. Strong and sustainable nonprofits improve conditions for workers:

*Help worker rights organizations work as a cohesive network, through better use of research, effective revenue models, and alignment on policy advocacy and other needs*

## IMPACT MEASURE

At least 750,000 additional workers in low-wage industries know and exercise their rights on wages, benefits, immigration, and health and safety protections, and grantees politically engage 20% more low-wage workers than they do today

Increase to \$250M the claims for unpaid wages that are identified annually for workers in high-violation industries (agriculture, car wash, construction, garment, janitorial, residential care, and restaurant industries) and to more than \$80M the amount repaid to low-wage workers annually in these industries through strategic enforcement partnerships

Grantees operate as a cohesive network, California's strategic enforcement model is documented, assessed, and proven or disproven, and grantee innovations are piloted and on a path to scale where viable

This was Fair Work's starting point, based on conditions facing low-wage workers and the opportunities and challenges in the worker rights field at the time. Less than two years later, a global pandemic would lay bare the fragility of protections and safety nets for California's essential workers and for those significantly impacted by furloughs or job loss, such as Black and undocumented workers. George Floyd's murder reinforced the need to address structural racism harming workers of color, women, and immigrants.

## The Reality of Wage Theft

Juana González and Lupe Díaz work full time picking berries on a farm in California's Central Coast. They rise early, leaving their youngest children with a babysitter to arrive in the fields before 7 a.m. They pick berries all day. For this work they are paid a piece rate: between \$2 and \$2.50 for each box of strawberries they pick. Workers sometimes carry notebooks in their pockets to keep their own tally of the number of boxes they have picked. When Juana complained that her supervisor was shortchanging her box count, she was immediately fired. She's now a worker advocate supporting Indigenous farmworkers in the region.

# WHAT WE LEARNED

Worker rights groups in California made significant gains in recent years: substantially increasing their engagement and support of workers, leveraging workers' voices to advance dozens of pro-worker policy reforms, and strengthening their capabilities by adding staff, growing operating revenue, and improving internal management systems.



**Formal learning and assessment are central to Irvine's initiative model, informing the work of the organizations we support, and our own investments. We do this through strategic listening with field leaders, grantee reporting, and developmental evaluations of our efforts to expand worker organizing and strengthen enforcement of labor law.**

We assessed our progress after five years and \$108 million in investments since 2018, including organizations receiving multi-year, flexible grants, and project grants focused on research, evaluation, strategic communication, and innovation.

In short, we learned that worker rights groups made significant gains in recent years: substantially increasing their engagement and support of workers, leveraging workers' voices to advance dozens of pro-worker policy reforms at the local, industry and state levels, and strengthening their capabilities by adding staff, growing

operating revenue, and improving internal management systems. Organizations and public enforcement partners also identified more than \$150 million in wages owed to workers since 2018, returning more than \$40 million to workers' pocketbooks.

Philanthropy, including Irvine investments, has played a critical role in these gains and will remain central to progress in the years ahead.

**Toward the goal of strengthening the field to ensure workers are informed and engaged, we found that worker organizations grew measurably in size and capability since 2018 and, accordingly, were able to engage substantially more workers on their rights.**

Grantees of the Foundation reached more than one million workers in 2020 and 2021, and leveraged their organizing gains to lead or contribute to 25 state or local policy changes over the same period, such as:

- Stronger state workplace protections for workers in the agriculture, garment, and warehousing industries
- Including domestic workers in state OSHA protections
- Expansion of paid sick leave, including workers with COVID-19, and those working in businesses with 25 or more employees
- Expanded state investments in worker rights, including millions for COVID-19 outreach to workers and expansion of the anti-retaliation unit at the Labor Commissioner's Office

While organizations' successes in reaching workers and advancing policy wins are significant, the field faces challenges that could impede its growth and impact in the coming years, such as staffing constraints, issues of retention and burnout, and the need to diversify funding. Opportunities for shared learning and alignment on policy and communications are priorities.

# WHAT WE LEARNED

**On the goal of ensuring workers receive their wages due, public and community partners, including the California Strategic Enforcement Partnership, identified more than \$150 million in wages owed to workers since 2018, with nearly \$40 million returned to workers.** The state partnership is a model of public-nonprofit collaboration, informing emerging work at the federal level, and other partnerships in California, including the innovative Public Health Councils program in Los Angeles County. We learned that strategic enforcement cases have the potential to deliver greater financial and other returns to workers than traditional complaint-based approaches.

At the same time, given the scale of the enforcement challenge in California and nationally, partnerships alone are not enough. More resourcing and staffing in public enforcement, reforms that limit the ability of employers to work outside the rules (and better engagement of those complying with the law and deserving of a level playing field), and addressing workers' fear of retaliation are equally important to mitigating wage theft and empowering workers.

## What Is The California Strategic Enforcement Partnership?

*The California Strategic Enforcement Partnership was formed by the California Labor Commissioner's Office to address wage theft in high-violation industries, including agriculture, car wash, construction, garment, janitorial, restaurant, and warehousing. It includes 17 worker and legal aid organizations that collaborate with the agency to pursue wage theft cases with the potential to improve industry behavior.*



## The Power of Alliances

*Organizations supported by Irvine, the Omidyar Network and the Open Society Foundations lead the California Coalition for Worker Power, an alliance of more than 50 worker centers, worker advocates, labor policy experts, and labor unions, formed in 2020 to ensure that every California worker has the power to come together and improve their working conditions and communities. In 2022, the coalition secured millions in new state investments for expanded worker outreach, and stronger anti-retaliation enforcement.*



**On the goal of supporting alignment and collaboration to advance policy and other changes - we learned that nine in 10 organizations supported by Fair Work increased their participation in coalition work in the previous three years, with half engaging in coalitions significantly.** Changes in political conditions, and the COVID-19 pandemic brought about both the opportunity and need for increased scale of collaboration. More favorable political conditions at the state level in recent years have enabled organizations to set their sights on state-level policy, which also requires larger coalitions and aligned strategies.

The California Coalition for Worker Power was one of the major coalitions formed during the pandemic and is today seen as an “organizer of organizers,” working to coalesce worker rights organizations, organized labor, and labor policy experts to bring workers together and improve conditions in their workplaces and communities. Research commissioned by the coalition found that four in 10 California workers say the threat of retaliation is enough to stop them from seeking remedy for unjust or illegal conditions, informing an advocacy campaign to address this root-cause issue impeding worker power in the state.

In summary, formal evaluation tells us that our investment approach is working - though significant field needs remain, efforts to reverse policy gains are constant, and opportunities for future impact are possible.

We see that more workers need to be engaged, efforts need to be strengthened to ensure policy reforms and labor protections are fully enforced, and groups need added capacity to advance and sustain wins at multiple levels — in workplaces, policy arenas, and in the democratic process.

# WHERE WE'RE GOING

As we look ahead to 2030, our vision is shaped by the leaders we support and the workers they represent: working Californians have a meaningful voice on the economic issues that affect them, are fully afforded their labor rights, and have opportunities for advancement that enhance their lives and livelihoods. Successes and challenges to date point to where we should expand, adjust, or add to our investment strategies.

**EXPAND ORGANIZING:** Current investments in organizations to engage, support, and organize more low-income Californians are working, and can take root with better supportive infrastructure for the field. This includes individual and field strategies to diversify revenue sources; greater support for staff recruitment, organizer training, and leadership development; space for collective strategic planning, field learning, and sharing best practices; and, improvements in strategic communications and narrative change.

Fair Work evaluators asked worker rights leaders how philanthropy might best support individual and collective capabilities:

## INDIVIDUAL

- Continue to provide flexible, multiyear funding and support
- Help diversify funding and revenue streams
- Support exploratory work and innovative approaches

## COLLECTIVE

- Facilitate and fund collaboration over the long term
- Don't require collaboration that may not align with organizations' goals
- Invest in capacity and field building

**ADJUST ENFORCEMENT:** State and local partnerships are important for addressing wage theft, but must be combined with a more integrated approach, including adjustments already being made by field leaders today. We and partners in the field see the need to address the source of enforcement challenges, as well as the symptoms. Moving forward, we will work to strengthen enforcement at several critical points:

- **Worker leadership and advocacy** – Efforts to remove barriers to workers identifying and taking action against wage violations, such as the fear of retaliation
- **Policy and resources** – Continued support to address gaps in enforcement policy and make the case for sufficient state and local investments in enforcement
- **Business engagement** – Opportunities to educate and engage employers and business coalitions to mitigate bad actors and level the playing field in key industries
- **Viable state and local partnerships** – Support for public-community partnerships, with an eye to public sector commitment and shared investment, and business engagement as conditions for success

# WHERE WE'RE GOING

From raising the floor to building ladders –  
how worker rights organizations advance job quality:

**ADD JOB QUALITY:** We will seek innovative ways to improve job quality in low-wage, high-violation industries. As worker rights organizations grow, so does the work to move beyond raising the floor for workers, to helping advance ladders to more secure, high-road employment — jobs with equitable compensation, health and retirement benefits, on-the-job training, and collective voice in the workplace. We will support promising innovations, policy solutions, and public-private partnerships that improve job conditions in low-wage industries or increase access to secure employment. This work will complement our Better Careers initiative that is working to inform policy and government practice across California, and work by our Priority Communities initiative at a local and regional level.

Worker rights organizations are expanding work that builds on labor protections to improve job quality for workers within low-wage industries through:

## LOCAL PARTNERSHIPS

- To model pipelines into public sector jobs

## POLICY ADVOCACY

- To improve workforce system

## LEADERSHIP ROLE

- In state H RTP program

## EXPERIMENTING

- With worker-owned cooperatives

# WHERE WE'RE GOING

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## Advancing Racial Equity

Since 2018, Fair Work has, by design, supported leaders and organizations directly engaging low-income workers, and who reflect the diversity of the workers and communities they serve. In short, grantees of Fair Work are a majority people-of-color and woman-led movement. Many leaders elevate the economic and social norms and structures driven by systemic racism, bringing an intentional racial equity lens into their work and advocacy. We can do more.

We will assess areas where our grantmaking may unintentionally exclude particular communities of color, such as Native Americans, and allocate resources to further racial equity in our approach. Leaders in the field have guided equity investments in recent years, including the need to incubate and strengthen organizations supporting Black workers, and to be more intentional in strengthening the worker rights ecosystem in Inland California. We will continue to rely on leaders in the field to inform future investments.





# IMPACTS & OUTCOMES

What does success look like? As we look ahead, we see opportunity to support tangible change across three primary audiences or spheres of influence. Success measures, informed by grantee feedback, include:



## WORKERS

Low-wage workers are informed and civically engaged, and benefit from improvements within industries, through policy change or public practice.

- In the next five to seven years, organizations will engage more of California's 4.3 million low-wage workers as members, worker leaders, and through policy advocacy and civic engagement.
- Low-wage workers will benefit tangibly from nonprofit-led reforms in key industries and in local and state policy.
- Workers impacted by wage theft will benefit from enforcement partnerships and other mechanisms that recover wages, make workplace improvements, and mitigate underlying conditions that enable wage theft.



## WORKER RIGHTS FIELD

Strong and sustainable nonprofits improve conditions for low-wage workers.

- The operations and strategic capabilities of worker rights organizations continue to improve – as individual organizations and collectively as an emerging field.
- Organizational improvements include staffing, revenue, and programs that support and advance conditions for low-wage workers.
- Field-level improvements include strategic planning, policy and narrative change, field learning and knowledge sharing.



## POLICY AND SYSTEMS

Organizations make progress in shifting the underlying conditions that adversely affect low-wage workers.

- Greater public will: knowledge of worker rights issues in California and momentum for change increase.
- Advancing policy: important policy reforms address worker interests at the industry, regional, and state levels
- Effective public-private partnerships: partnerships and governance models strengthen public sector responsiveness to worker needs.
- More resources: Increased capital from public and private sectors support low-wage workers and community organizations that represent them.

COVID-19 taught us that conditions change and the context for our work will likely shift — sometimes dramatically. As such, we will continue to refine goals, review progress and adapt strategies as needs and opportunities arise, guided by Irvine's core values of accountability, curiosity, empathy, equity, nimbleness, partnership, and transparency.

# ACKNOWLEDGMENTS

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Our deepest gratitude goes to the leaders and organizations, including those supported by our partner LeadersTrust, who strive to make California work for all Californians. It remains a privilege to support the critical work you do.

- Asian Americans Advancing Justice - Asian Law Caucus
- Building Skills Partnership
- California Child Care Resource & Referral Network
- California Domestic Workers Coalition
- California Labor Federation
- California Rural Legal Assistance, Inc.
- Campesinas Unidas del Valle de San Joaquin
- CARECEN Day Labor Center
- Center for Empowered Politics Education Fund
- Center on Policy Initiatives
- Central Coast Alliance United for a Sustainable Economy
- Central Valley Empowerment Alliance
- Central Valley Workers Center
- Centro Binacional para el Desarrollo Indígena Oaxaqueño
- Centro Cultural de México
- Centro Laboral de Graton
- Chinese Progressive Association
- CLEAN Carwash Worker Center
- Congregations Organized for Prophetic Engagement
- Coworker.org
- Day Worker Center of Mountain View
- Day Worker Center of Santa Cruz County
- Earthlodge Center for Transformation
- East Bay Alliance for a Sustainable Economy
- Economic Policy Institute
- Employee Rights Center
- Engage R+D, Inc.
- Equitable Food Initiative
- Filipino Advocates for Justice
- Filipino Community Center
- Filipino Migrant Center
- Garment Worker Center
- Gente Organizada
- Golden Gate University
- Haitian Bridge Alliance
- Hand in Hand
- Hmong Innovating Politics
- Hope the Mission
- Informing Change
- Instituto de Educacion Popular del Sur de California
- Jobs With Justice Education Fund
- Koreatown Immigrant Workers Alliance
- La Colectiva de Mujeres de San Francisco
- Legal Aid at Work
- Liberty Hill Foundation
- Los Angeles Alliance for a New Economy
- Los Angeles Black Worker Center
- Maintenance Cooperation Trust Fund
- Malibu Community Labor Exchange
- Mayor's Fund for Los Angeles
- MILPA Collective
- Mixteco Indígena Community Organizing Project
- Monument Impact
- Movimiento Cultural de la Unión Indígena
- Mujeres Unidas y Activas
- National Black Worker Center Project
- National Day Laborer Organizing Network
- National Domestic Workers Alliance
- National Employment Law Project
- National Skills Coalition
- Orange County Communities Organized for Responsible Development
- Organizational Research Services, Inc.
- Partnership for the Advancement of New Americans
- Pasadena Community Job Center
- Pilipino Association of Workers and Immigrants
- Pilipino Workers Center
- Pomona Economic Opportunity Center
- PowerSwitch Action
- Restaurant Opportunities Centers United
- SALVA
- Senior and Disability Action
- Street Level Health Project
- The Coalition for Humane Immigrant Rights
- The LeadersTrust
- Trabajadores Unidos Workers United
- United for Respect Education Fund
- UC Berkeley Labor Center
- UCLA Labor Center
- Valley Forward
- Valley Voices
- Warehouse Worker Resource Center
- Working Partnerships USA