To Help U.S. Workers, We Need Labor Standards Enforcement, Not Mass Deportations

workplace justice lab

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Key Findings

- As of May 2025, the U.S. Wage and Hour Division (WHD) employs just 611 investigators nationwide—**the lowest number since at least 1973**, the earliest year from which consistent data on investigator employment is available.
- The number of investigators is **now less than half of what it was at its 1978 peak**, yet WHD's investigative staff is now tasked with protecting nearly 3 times as many workers and overseeing more than 4 times as many establishments.
- In 2024, the budget for U.S. Immigration and Customs Enforcement's "enforcement and removal operations" was $4.5 billion— nearly **15 times the budget for WHD**. If WHD had 15 times its current resources, it is possible the agency could recover more than $4 billion for workers per year.

Across the United States, millions of workers report low wages, poor working conditions, a sense of economic precarity, and a loss of dignity. Some politicians have blamed undocumented immigrants for this degradation of work and proposed mass deportations as the solution. There is little evidence, however, that mass deportations will help American workers and scarcely any consideration of whether alternative strategies might be more effective.

In this data brief, we review recent research showing that deportations *hurt* U.S. born workers and present new evidence demonstrating that more attention to labor standards enforcement can *help* U.S. workers. Zeroing in on the practice of "wage theft"—the failure of employers to pay workers the full amount they have earned and to which they are entitled—we show that workers in states with stronger labor laws and more vigorous enforcement practices are significantly better off than those in states with weaker labor standards enforcement.

Labor enforcement agencies at all levels of government are woefully under-resourced—especially in comparison to immigration enforcement agencies. The federal government's budget and policy priorities, in short, are not aligned with the problem it ostensibly wants to solve.

If we really want to help U.S. workers, we should prioritize labor standards enforcement, not mass deportations.

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Driving Low-wage Immigrant Workers Out of the Labor Market Hurts Everyone

Between 2008 and 2020, over 760,000 immigrants were removed from the country as part of the federal government's Secure Communities (SC) program.[i] Recent scholarship has leveraged variation in the local enforcement of this program to examine its effects. This research finds that:

- Deportations decreased employment and reduced wages for U.S.-born workers
- Deportations reduced the labor market participation of college-educated U.S.-born mothers with young children and increased the cost of household services
- Workplace raids in residential construction created labor shortages that increased the price of new homes by an average of 18%
- Deportations increased workplace injuries and led to a 127% increase in minimum wage violations suffered by Hispanic workers and a 52% increase in violations suffered by non-Hispanic workers.

Mass deportations, moreover, have been proposed without sufficient consideration of their effects on the broader economy. But the likely impacts are many:

- As our population ages, a homecare crisis looms. With 10,000 Americans turning 65 every day, the need for home health and personal care aides is expected to skyrocket. The Bureau of Labor Statistics expects that 820,000 new home care aides will be needed over the next eight years. It is no secret that many undocumented immigrants fill these roles. Mass deportations could remove over 345,000 of these workers just when they are needed most.
- We are also in the midst of a major housing crisis in the U.S. There are currently over 230,000 job openings in the construction industry and we face a national housing shortage of 3.7 million units. If the construction industry loses a significant share of the 1.5 million undocumented workers it relies on—30 percent of workers in major construction trades—the housing crisis will only deepen.
- The economy depends on a healthy U.S. agriculture industry. Mass deportation could lead to the removal of over 220,000 agricultural workers in jobs that American workers have demonstrated they do not want and will not take.
- Mass deportations are estimated to cost the economy up to $1.7 trillion, or 6.8% of GDP. For reference, U.S. GDP shrank by 4.3% during the Great Recession of 2007-09.[ii]

Mass deportations have serious consequences not just for immigrants, but for U.S.-born workers, employers, and consumers alike.

Across the country, at all levels of government, labor enforcement agencies are woefully under-resourced—especially in comparison to immigration enforcement agencies. The federal government's budget and policy priorities, in short, are not aligned with the problem it ostensibly wants to solve.

The Problem is Not Undocumented Immigrants, but Flagrant Violations of Labor and Employment Laws

Mass deportations are not the answer—because undocumented immigrants are not the problem. The problem, we argue, is the government's inadequate response to structural shifts in the economy that have undermined worker power and allowed employers to establish unlivable work standards and commit flagrant violations of the nation's labor and employment laws.[iii]

We focus on wage theft – the underpayment of an employee's earned wages by their employer – to illustrate this point. Wage theft can happen in many ways, including not being paid for all hours worked, not being paid overtime, being paid below the applicable minimum wage, and more. In his recent book *Alt-Labor and the New Politics of Workers' Rights*, WJL@NU Director Daniel J. Galvin estimated minimum wage underpayment using Current Population Survey data (collected by the Bureau of Labor Statistics) and found that:

- Between 2010 and 2021, over 50 million American workers lost a total of $155 billion from being paid below their state's minimum wage
- Over 4 million workers lost an average of nearly $13 billion each year
- Workers who were paid below the minimum wage lost an average of over $3,000 over the course of a year
- The amount that workers were underpaid per year more than doubled from $9.1 billion in 2010 to $19.8 billion in 2021
- Workers across multiple industries were susceptible to wage theft, but service-sector workers were hit hardest
- Over three-quarters of the workers who were underpaid supported at least one child, with the average victim falling well below the poverty threshold for a two-person household.

To put these numbers in context, consider that in 2019,[iv] the FBI reported that property theft—including robberies, burglaries, larceny theft, and motor vehicle theft—cost Americans a total of over $15 billion. According to Galvin, minimum wage violations in 2019 cost American workers over $18 billion.

Wage theft also drains public treasuries. Underpaying workers can significantly lower the taxes a business owes, creating a further incentive to cheat workers while diverting crucial revenue away from the state. A study prepared for the federal Department of Labor estimated that, in 2010, minimum wage violations reduced payroll taxes by $71 million in New York and $167 million in California, and resulted in an estimated $113 million lost in federal income taxes between the two states.[v]

Employers who commit wage theft effectively force their workers to subsidize their business operations with their unpaid labor. This way of doing business puts responsible employers who treat workers fairly and pay their fair share of taxes at a competitive disadvantage. This can trigger a race to the bottom that is difficult to reverse. Labor violations thus degrade working conditions across entire industries or regions; these "spillover" effects make the full impact of wage theft significantly greater than most realize.

Wage theft drives millions into poverty while lowering government revenues and making it harder for law-abiding businesses to compete.

The Resources for Labor Standards Enforcement Don't Fit the Scale of the Crime

These shocking statistics reflect a massive failure of law enforcement. The U.S. Department of Labor's Wage and Hour Division (WHD) is responsible for enforcing the nation's wage and hour laws, including the federal minimum wage, overtime, child labor, family and medical leave, record-keeping, and more. Though the Division is staffed with dedicated civil servants, enforcement of federal wage and hour laws has never been adequately resourced. One way to measure each agency's level of staffing is by calculating the ratio of investigative staff to the covered workforce. As a benchmark, consider staffing levels at the U.S. WHD in 1939. At that time, the WHD employed 669 investigators and was responsible for protecting 12.3 million workers—a ratio of 1 investigator for roughly every 18,000 workers.[vi] The number of active investigators peaked at 1,232 in 1978. This number would begin to fall the next year and, despite noteworthy increases in staffing during the Clinton and Obama administrations, has continued its overall downward trend.

As of May 2025, WHD employs just 611 investigators nationwide—the lowest number since 1973, the earliest year from which consistent data on investigator employment is available.[vii] The number of investigators is now less than half of what it was at its 1978 peak, yet WHD's investigative staff is now tasked with protecting nearly 3 times as many workers and overseeing more than 4 times as many establishments.[viii]

The number of labor investigators continues to decline as the U.S. economy continues to grow.

The number of investigators employed by the U.S. Department of Labor's Wage and Hour Division is now less than half of what it was at its 1978 peak, yet nearly 3 times as many workers and over 4 times as many establishments today are subject to laws enforced by WHD.

	1978	2025	% Change
WHD Investigators	**1,232**	**611**	**-50%**
Employees Covered by WHD	57,572,000	165,000,000	+ 187%
Establishments Covered by WHD	2,513,000	11,000,000	+ 338%

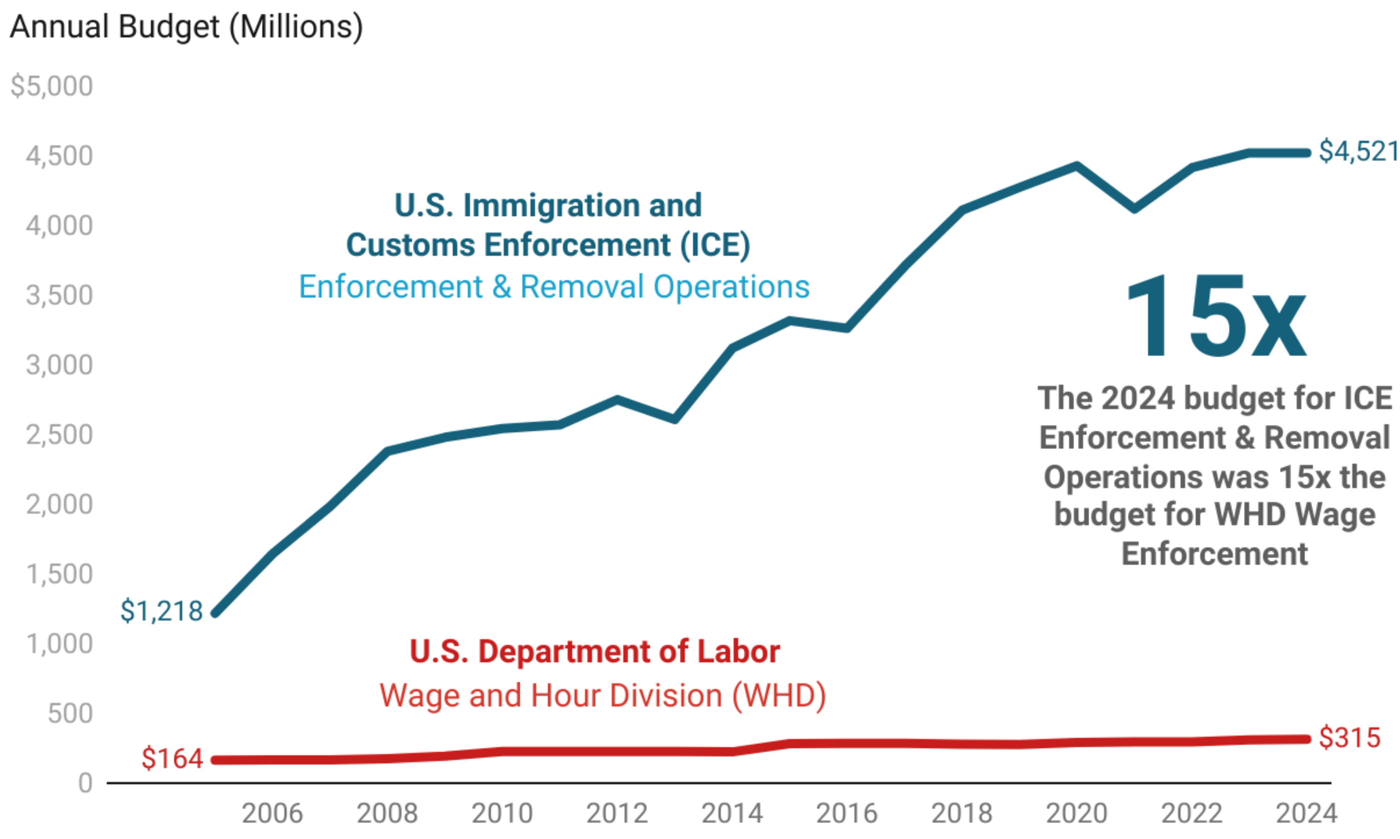
Source: Workplace Justice Lab • Created with Datawrapper

Each WHD investigator today must enforce a larger set of wage and hour laws for roughly every 278,000 workers and every 20,000 U.S. establishments.[ix] This notably does not account for the impact of the Department of Labor's deferred resignation program, which 20% of DOL staff reportedly accepted.[x] If this percentage holds true for the WHD inspectorate, the number of working investigators is currently closer to 490.[xi]

> ***. . . the number of WHD investigators as of May 2025 is down to just 611 nationwide . . . this notably does not account for the impact of the Department of Labor's deferred resignation program, which 20% of DOL staff reportedly accepted . . . If this percentage holds true for the WHD inspectorate, the number of working investigators is currently closer to 490 . . .***

Despite the inadequate size of its staff, in 2024, WHD managed to recover $273 million in back wages and damages for nearly 152,000 workers. If the federal budget funded WHD operations on the scale it does immigration enforcement, the agency would be able to recover an amount much closer to what's stolen every year. In 2024, the budget for U.S. Immigration and Customs Enforcement's "enforcement and removal operations" was $4.5 billion—nearly 15 times the budget for WHD.[xii] If WHD had 15 times its current resources, it is possible the agency could recover more than $4 billion for workers per year.

It is impossible for the federal government to effectively enforce the nation's wage and hour protections with its current resources.



Source: Workplace Justice Lab • Created with Datawrapper

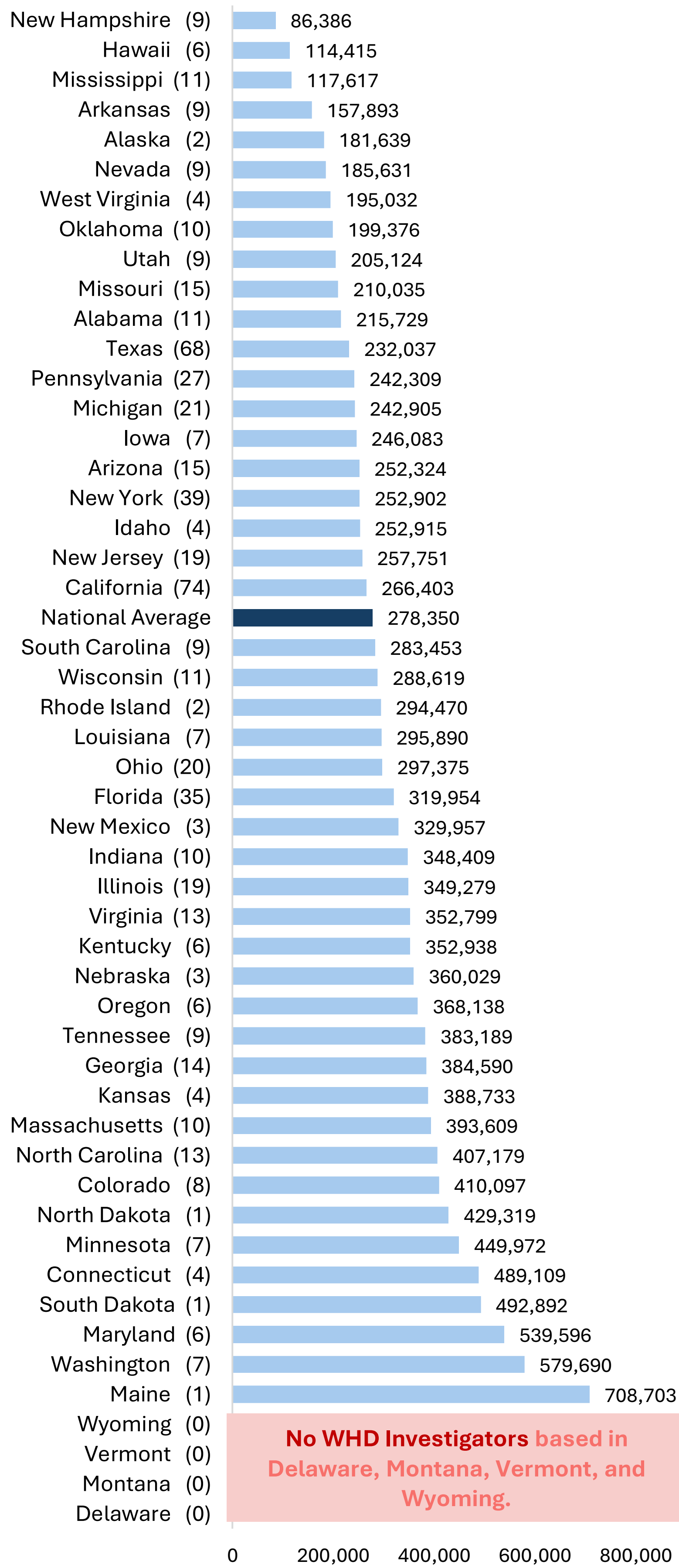
Enforcement Across States is Uneven

WHD's inspectorate is unevenly employed throughout the 50 states relative to each state's population. The chart to the right shows the average number of workers in each state's labor force for each employed WHD investigator as of May 2025:

- New Hampshire is the only state to have a ratio lower than 1 investigator per 100,000 workers (86,386).
- Three states—Maryland, Washington, and Maine—have less than 1 WHD investigator per 500,000 workers.
- There are no WHD investigators based in four states: Delaware, Montana, Vermont, and Wyoming.[xiii]

Workers per WHD Investigator, May 2025

(Number of WHD Investigators listed next to state)



State governments also play a critical role in enforcing labor and employment laws, yet states vary greatly in the number of full-time investigators they have. For example, WJL previously surveyed all 50 states and found that, in 2018:

- *Eleven state governments had a ratio of less than 1 investigator for every 500,000 workers.*
- *Three state governments had a ratio of less than 1 investigator for every 1,000,000 workers.*
- *Five state governments— Alabama, Florida, Georgia, Louisiana, and Mississippi —had no state wage and hour enforcement whatsoever.*

The result is that millions of workers continue to fall through the cracks. Here are some more detailed examples of gaps in state enforcement:

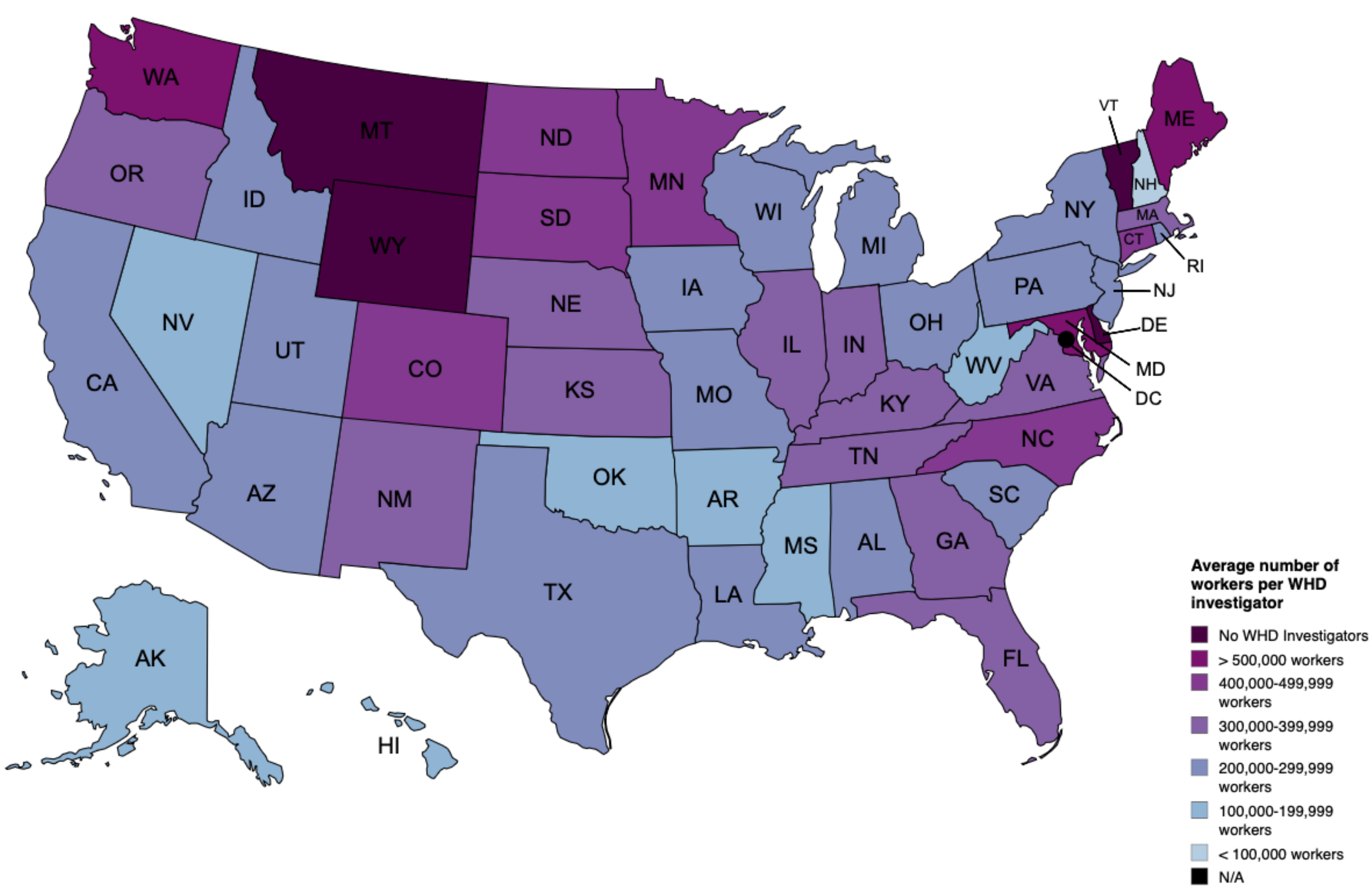
- Five states in the U.S.–Alabama, Louisiana, Mississippi, South Carolina, and Tennessee–still do not have their own minimum wage laws, which means the federal government is workers' only source of recourse for minimum wage underpayment in these states.[xiv] We estimate that workers in these states lost an average of nearly $600 million a year between 2005 and 2024 from being paid below the federal minimum wage, or nearly $12 billion over the entire period. Yet during this same 20-year period, we find that the federal WHD recovered a total of just $38 million in back wages across these states related to FLSA minimum wages.[xv]

- North Carolina has a Department of Labor and a minimum wage law ($7.25). Statutory limitations embedded in North Carolina's Wage and Hour Act, however, mean that North Carolina's minimum wage protections do not apply to approximately 80% of workers in the state.[xvi] Most workers must therefore rely on the overburdened federal WHD to investigate minimum wage violations. We estimate that workers in North Carolina on average lose $238 million per year from being paid below the state (and federal) minimum wage.

- Florida abolished its State Department of Labor in the early 2000s, yet Florida voters have increased the state minimum wage twice since. The only recourse for public enforcement for those paid below the state minimum wage is to file a complaint with the State Attorney General's Office. Between 2010 and 2021, an average of 250,000 Floridians were paid below the state minimum wage each year; yet, at least as of 2022, the state has failed to meaningfully address a single minimum wage complaint.

- Texas has its own labor department–the Texas Workforce Commission (TWC)–as well as its own state minimum wage law ($7.25). As in North Carolina, however, the Texas law exempts the vast majority of working Texans. Texas also has its own law protecting against certain types of wage theft, known as the Texas Payday Law. Yet even with enforcement and protections at the state level, WJL found that Texas workers lose over $870 million a year to minimum wage theft and over 80% of the back wages TWC ordered to be paid have yet to be recovered by the TWC.

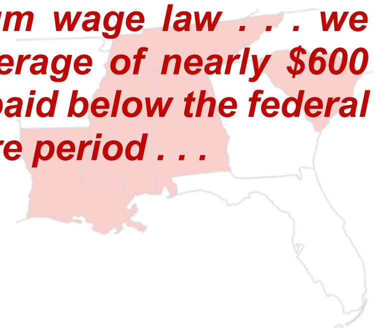
Workers per Federal WHD Investigator, 50 States, May 2025



A recent Workplace Justice Lab academic study of the impact of statutory powers and enforcement practices in U.S. states found that moving from a state with no enforcement agency (such as Alabama) to a state with a full slate of statutory enforcement powers and vigorous enforcement practices (such as Massachusetts or California) is associated with a 61% decline in the likelihood of experiencing a minimum wage violation.

In short, enforcement of labor and employment law matters. If labor standards enforcement agencies were funded sufficiently to keep up with the growing workforce and capable of addressing the scale of the problem, millions of workers across the country would benefit.

Five states in the U.S.–Alabama, Louisiana, Mississippi, South Carolina, and Tennessee–still do not have a state minimum wage law . . . we estimate that workers in these states lost an average of nearly $600 million a year between 2005 and 2024 from being paid below the federal minimum wage–or nearly $12 billion over the entire period . . .



Conclusion

The problem of job degradation in the U.S. cannot be addressed through mass deportations. What is needed is a surge of resources and attention to the enforcement of labor and employment standards at the national and state levels.

About Us

The Workplace Justice Lab is a multi-institutional partnership that conducts research on workers' rights and economic inequality and collaborates with state and local government agencies as well as worker centers, unions and legal nonprofits. It is anchored by the Workplace Justice Lab @ Rutgers University and includes the Workplace Justice Lab @ Northwestern University and the Pilipino Workers Center of Southern California.

At the lab, we go beyond talking about what government should do, to focusing on how government should do it. Through our program on strengthening labor standards enforcement, we work to reimagine the public enforcement of workers' rights laws. By proactively targeting sectors with the worst problems and involving those directly impacted in enforcement, we help agencies realize the intended impact of innovative labor standards legislation.

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[i] Undocumented workers and families that remained in the U.S. were pushed deeper into the shadows, often feeling unable to interact with government in any way due to fears of deportation. For example, research has found that SC led to a significant decrease in the reporting of crimes by Hispanics–which lead to increases in their overall victimization–as well as decreased use of federal safety net programs by Hispanic households. Reports from labor agencies, worker organizations, and legal nonprofits across the country indicate that unscrupulous employers have been emboldened to steal wages from undocumented workers as they have become less willing to come forward and file complaints with government agencies.

[ii] The AIC also finds that mass deportation would "deprive federal, state, and local governments of billions in local tax contributions" from undocumented households. "In 2022 alone," according to AIC, "undocumented immigrant households paid $46.8 billion in federal taxes and $29.3 billion in state and local taxes. After taxes, they were left with $256.8 billion in spending power, money that could be spent in local communities." Among the other findings from this study are that mass deportation plan such as this would lead the federal government to lose $22.6 billion in contributions to Social Security and $5.7 billion in contributions to Medicare each year.

[iii] Ruth Milkman similarly argues in her 2020 book *Immigrant Labor and the New Precariat* that immigrant workers are not to blame for economic inequality, but rather that the influx of immigrant labor over recent decades has been a consequence of concerted efforts by businesses to weaken unions and limit government regulation.
[iv] The most recent year for which data is available at the time of writing.
[v] The study further found that the two states lost a combined $22 million in income tax revenues from minimum wage violations, and workers lost a combined $5.6 million in Earned Income Tax Credits from underpayment.
[vi] Willis J. Nordlund, 1997, *The Quest for a Living Wage: The History of the Federal Minimum Wage Program* (Westport, CT: Greenwood Press), 195, 212.
[vii] Data on number of employed WHD investigators is available from Costa and Martin 2023 for the years 1973-2022. Before this period, the only regular data available on WHD investigators is from Nordlund, *The Quest for a Living Wage,* p. 195. However, Nordlund's count instead focuses on *budgeted investigator positions*, rather than the true number of employed investigators each year. Based on Nordlund's data, it is possible that today's number of 611 investigators is in fact the lowest number of employed investigators since 1955.
[viii] The number of workers covered by WHD laws at this time (57,572,000) was retrieved from Nordlund, *The Quest for a Living Wage,* p. 220. The number of establishments in 1978 (2,513,000) is an estimate based on 2.6 million covered establishments at the end of 1979—see Sellekaerts & Welch 1983, p. 126.
[ix] Based on the number of covered workers and establishments reported by WHD in FY 2025 budget documents.
[x] The U.S. Office of Personnel Management has made clear that workers who accepted deferred resignation are not expected to work during the deferred action period.
[xi] Because deferred resignation information is personnel information and thus not public, we likely won't know the true extent of how many people took this offer until after the deferred resignation period ends on September 30th, 2025.
[xii] The total budget for ICE and U.S. Customs and Border Protection (CBP) in 2024 was over $29 billion. In its most recent budget cycle for 2021-27, the European Union budgeted an average of $2.6 billion per year for "migration management."
[xiii] It should be noted that, according to the WHD, investigators employed in other areas may travel to these states as needed.
[xiv] This also means that workers in these states are at most entitled to the federal minimum wage of $7.25, which now has not been updated in over 15 years. According to the MIT Living Wage Calculator, the living wage in these states today for a full-time worker ranges from $20.50 per hour (Alabama) to $22.15 (South Carolina).
[xv] Authors' calculations based on WHD Compliance Action Data
[xvi] Specifically, G.S. 95-25.14(a)(1) includes an exemption for workers who are covered by the Fair Labor Standards Act (FLSA). According to WJL calculations based on CPS-MORG data, we estimate that roughly 80% of North Carolina Workers are covered by FLSA.