

Wage Theft in Nevada: Minimum Wage Underpayment, 2005-2024

Key Findings:

- Over the last twenty years, we estimate that wage theft has cost Nevadans an average of \$122 million a year in unpaid minimum wages—a **total of roughly \$2.4 billion over this period**.
- About **40,000 Nevada workers** lose on average **19% of their income** to minimum wage underpayment each year.
- Workers in **private households** (e.g., housekeepers, childcare workers, personal care attendants) are **5x more likely** to be paid below than the minimum wage than the average Nevada worker: workers in **personal and laundry services** (e.g., hairdressers, cosmetologists) are **3x more likely**.
- **Women of color** who are not U.S. citizens are almost **3x more likely** to be paid below the minimum wage than white male citizens.
- **Young workers, part-time workers, and less educated workers** are also particularly likely to be paid below the Nevada minimum wage.

Since 2005, the Nevada minimum wage has increased incrementally from \$5.15 to \$12.00. [Studies](#) have [shown](#) that such increases lift wages for workers across sectors, reduce racial income inequalities, and have minimal negative effects on employment.

Minimum wage increases, however, do not guarantee that employers will pay workers the full amount they have earned and to which they are legally entitled. A recent [study](#) found that over \$1.5 billion in unpaid wages were recovered by state and federal authorities between 2021 and 2023 through litigation and regulatory enforcement. This figure represents

only the tip of the iceberg, however, as most instances of wage theft still go unreported.

This policy brief uses survey data to examine underlying rates of minimum wage underpayment in Nevada.

We estimate that Nevadans lost more than \$2.4 billion over the last twenty years from being paid below the minimum wage. Approximately 40,000 workers per year were paid below the minimum wage during this period. These workers lost an average of 19% of their earned wages, totaling more than \$120 million per year. The highest-risk workers are those in the private

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households industry (like housekeepers and childcare workers) and the personal and laundry services industry (like hairdressers, cosmetologists, and nail salon workers). Agricultural workers and those in food services also experience especially high rates of minimum wage underpayment.

We further find that young workers, part-time workers, workers without a high school diploma, women of color and those who do not have U.S. citizenship—populations which tend to be disproportionately employed in low-wage service sectors such as those identified here—are particularly likely to be paid below the Nevada minimum wage.

This report draws upon Current Population Survey (CPS) data to develop estimates of minimum wage underpayment by industry, job and worker characteristics.ⁱ For more on our methodology and results, see the [appendices](#) on the Workplace Justice Lab @ RU website.

Industry

The industries with the highest estimated rates of minimum wage underpayment are shown in **Figure 1**. We estimate that workers employed by private households are roughly five times more likely than the average Nevada worker (18.1% vs. 3.4%) to be paid below the state minimum wage, while those in personal and laundry

Figure 1. Industries with Highest Rates of Minimum Wage Underpayment, Nevada, 05-24

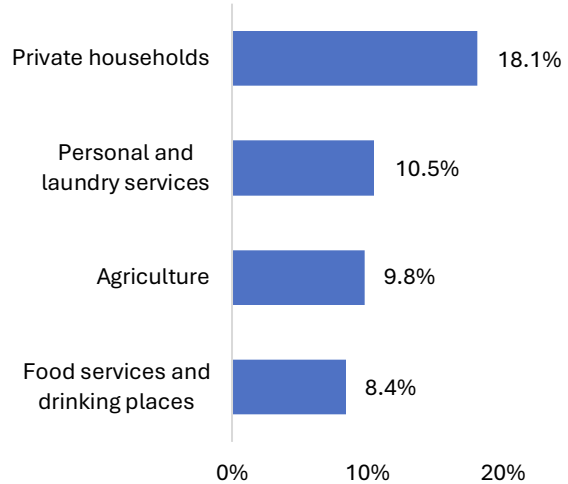


Figure 2. Example Low-Wage Occupations in Industries with High Minimum Wage Underpayment

Private households	Housekeepers Childcare workers Personal care aides
Personal and laundry services	Hairdressers and cosmetologists Manicurists and pedicurists Laundry and dry cleaners Massage therapists Animal caretakers
Agriculture	Farmworkers and laborers Hand Packers and Packagers Nursery and Greenhouse Workers Truck drivers
Food services and drinking places	Waiters and waitresses Chefs and cooks Bartenders Hosts and hostesses Dishwashers

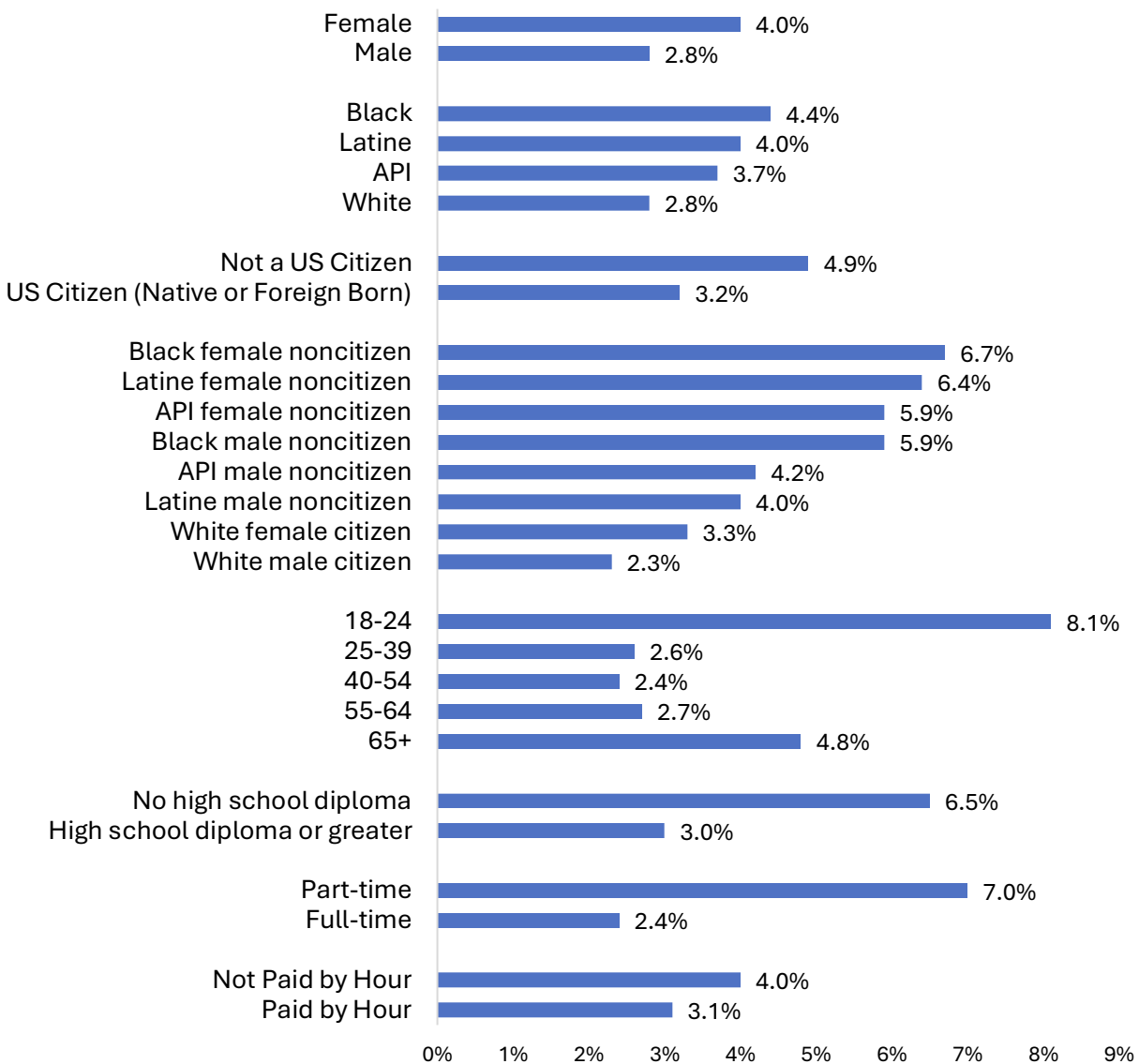
Minimum Wage Underpayment in Nevada

services are around three times more likely (10.5% to 3.4%) to be paid below the minimum. Farmworkers (9.8%) and food service workers (8.4%) are between two and three times as likely as the average Nevada worker to be paid below the minimum wage.ⁱⁱ **Figure 2** lists common low-wage occupations within these industries.

Individual and Job Characteristics

Estimated rates of minimum wage underpayment by individual and job characteristics are shown in **Figure 3**. Women, people of color, and those without U.S. citizenship are all especially likely to be paid below the Nevada minimum wage. The “additive” effect of

Figure 3. Estimated Minimum Wage Underpayment by Worker and Job Characteristics, Nevada, 2005-24



being a woman of color without citizenship is profound: such workers are almost three times as likely as white male citizens to be paid below the minimum wage.

This disparity is not a coincidence. Employers in low-wage service industries have historically recruited immigrants and people of color while excluding them from other industries and occupations. Workers in vulnerable populations—particularly immigrants—are less likely to know their rights under the law and to complain to authorities when their rights are violated. Employers in low-wage service industries with small profit margins may be particularly willing to take advantage of workers’ vulnerabilities by underpaying them, especially given the limited likelihood of investigation or detection by under-resourced enforcement agencies.

Workers at the beginning and end of their careers are also particularly likely to

be paid below the minimum wage: those who are 65 and older are roughly twice as likely—and those 18-24 three times as likely—to be paid below the minimum as compared to mid-career workers. Workers with less education are also more vulnerable: those without a high school diploma are around twice as likely to be paid below the minimum wage as those with a diploma.

Workers who are not paid by the hour (e.g., weekly rate, piece rate, etc.) are also more likely to be paid below the minimum wage than hourly workers, and part-time workers are around three times more likely to be underpaid than full-time workers.

In all, we estimate that Nevadans lost an average of at least \$122 million annually and a total of roughly \$2.4 billion in unpaid wages over the last twenty years (see **Figure 4**). On average, nearly 40,000 workers are paid below the minimum wage annually.

Figure 4. Estimated Minimum Wage Underpayment Summary, Nevada, 2005-24

Average number of underpaid Nevada workers per year	39,238
Average received wage of underpaid Nevada worker	\$6.81
Amount lost per hour	\$1.66
Amount lost per week	\$60.23
Amount lost per year	\$3,132
Share of income lost	19%
Total Estimated Annual Underpayment	\$122,892,291

Conclusion

It's important to note that Nevada's \$12 minimum wage is not a living wage. Research finds that a single adult in Nevada today [must make \\$23.85 an hour to support themselves](#) working full time, yet we find that tens of thousands of Nevadans are still paid below the state minimum wage each year. These workers—many of whom work in low-wage service sectors such as domestic work and personal and laundry services—often lose thousands of dollars in earned wages each year. This vulnerability is compounded by many workers' gender, race, and citizenship status, which leaves them doubly vulnerable to exploitation, discrimination, and retaliation should they complain.

These findings underscore the importance of state labor enforcement agencies that can tailor their practices to specific sectors. [Research has shown](#) that workers are more willing to come forward and participate in the enforcement process when a trusted organization has vouched for a government agency: we recommend for this reason that enforcement agencies [build relationships with community-based organizations](#) that are most connected to low-wage workers in high-violation industries. By building on existing trust between workers and partner organizations, investigators can gain access to the knowledge and information workers possess about labor standards violations.

Unfortunately, the concerning patterns and trends in wage theft in Nevada are likely to persist without active intervention and vigorous enforcement.

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 strengthening labor standards enforcement program, we work to reimagine the public enforcement of workers' rights laws. By proactively targeting the 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 Minimum wage underpayment is based here on the minimum wage rate for workers who are not offered “qualifying health benefits” by their employer. For more on our methodology, see the [online appendices](#).

ⁱⁱ Agricultural employees “working for an employer who did not use more than 500 days of agricultural labor in

any calendar quarter of the preceding calendar year” were exempt from the minimum wage until 2019 but could not be removed from the data. For more, see the [online appendices](#).