

Minimum Wage Violations in Oklahoma, 2010-2024

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Key Findings

- Between 2010 and 2024, **an average of 28,000 Oklahomans a year were illegally paid below the minimum wage of \$7.25 an hour.**
- Workers who were paid below the minimum wage during this period **lost an average of more than \$3,800 a year, or 30 percent of their earned wages.** These workers made an average of \$5 an hour.
- In total, we estimate that **working Oklahomans lost an average of roughly \$109 million a year** from being paid below the minimum wage, totaling \$1.6 billion over the 15-year study period.
- **3-in-10** Oklahoma workers who are paid below the minimum wage work in **food services.**
- **Female** workers, **younger** workers, and workers **without a high school diploma** are particularly likely to be paid below the minimum wage, as well as **part-time** and **non-hourly** workers.
- The Oklahoma Department of Labor currently employs just **3 wage and hour investigators, or 1 for every 32,000 Oklahoma businesses and 430,000 Oklahoma workers.**

Introduction

Every year, tens of thousands of Oklahomans go to work and don't get paid what they're owed. We estimate that an average of more than 28,000 Oklahomans a year were illegally paid below the minimum wage between 2010 and 2024. These workers were underpaid more than \$3,800 a year on average, or 30 percent of their earned wages. In total, workers lost an average of \$109 million a year over this 15-year span.

Although Oklahoma has its own minimum wage law, it exempts the vast majority of employers from coverage because it excludes anyone covered under the federal Fair

Labor Standards Act (FLSA).ⁱ This makes the federal minimum wage of \$7.25 per hour—a rate that has not been updated since 2009—the effective floor for most workers in the state. The violations documented in this report represent workers entitled to \$7.25 under either state or federal law who were paid less than that amount. Workers exempt from both laws—meaning they have no legal entitlement under state or federal law to the minimum wage—are not included in the analysis.

The workers most exposed to minimum wage violations are already struggling to support themselves and their families. A full-time worker making \$7.25 an hour makes \$15,080 a year, more than \$6,500 below the 2026 federal

A **minimum wage violation** occurs when an employer pays a worker less than the minimum wage that they are legally entitled to receive, whether under state or federal law.

Table 1. Minimum Wage Violation Summary, Oklahoma, 2010-2024

Average number of underpaid OK workers per year	28,126
Average share of income lost	30%
Average wage of underpaid OK worker	\$5.00
Average amount lost per hour	\$2.25
Average hours worked per week by underpaid OK worker	33.6
Average amount lost per year	\$3,865
Total estimated losses per year	\$108,706,990

poverty guideline for a two-person household.ⁱⁱ Even so, we find that thousands of Oklahomans continue to be illegally paid below the minimum wage each year.ⁱⁱⁱ

Oklahoma employers who don't pay their workers the minimum wage hurt not only the workers they rely on to operate, but also the law-abiding businesses that are forced to compete with artificially low labor costs. Employers who underpay their workers are thus given a competitive advantage while suppressed wages weaken consumer demand.^{iv}

This report first analyzes trends related to minimum wage violations, then turns to policy considerations regarding the structure and enforcement of Oklahoma's minimum wage law.

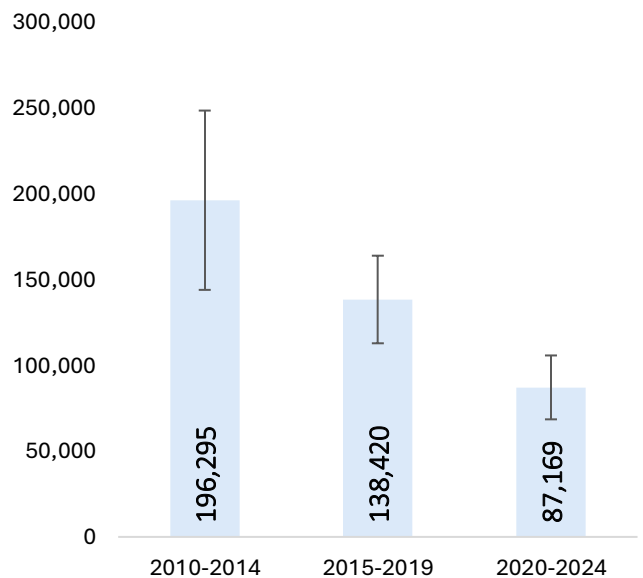
Violations Persist as Minimum Wage Loses Value

Using Current Population Survey (CPS) Outgoing Rotation Group data from the US Bureau of Labor Statistics and US Census Bureau,^v we estimate that Oklahoma workers lost a total of \$1.6 billion between 2010 and 2024 from being paid below the \$7.25 minimum wage. These workers on average were paid only \$5.00 an hour, more than \$2 below the minimum wage rate.

However, these losses were not evenly distributed across the study period. Economic theory suggests that the longer a minimum wage goes without an increase, the fewer workers are paid below it. As inflation rises, market

wages tend to increase as the price of goods and services rise. The longer the minimum wage rate remains fixed, the less valuable it becomes. For example, when the minimum wage was last raised in 2009, a full-time worker making \$7.25 an hour would have been 40% above the federal poverty line; today, a full-time worker making the minimum wage falls below the poverty line for a single-person household. If the minimum wage stays fixed, the legal floor often falls below what many employers are paying, reducing the number of minimum wage violations. As expected, between 2010-2014, nearly 200,000 workers were paid below the minimum wage; by 2020-2024, that number had fallen to around 87,000.

Estimated Workers Paid Below Minimum Wage, Oklahoma, 2010-2024



This decline in violations reflects not progress, but an eroding floor. Oklahoma largely defers to the federal minimum wage, and federal inaction has left workers without a wage floor that keeps pace with inflation or keeps full-time workers out of poverty. Today, the \$7.25 minimum wage is worth less than at any point in the last 69 years.^{vi} Even so, more than 17,000 working Oklahomans a year were paid below \$7.25 an hour between 2020 and 2024.

Minimum Wage Violation Trends

Minimum wage violations fall disproportionately on certain groups of workers. We estimate that women in Oklahoma are 75 percent more likely than men to be paid below the minimum wage. Older (65+) and particularly younger (16-24) workers are more likely to be paid below the minimum wage than mid-career workers. We likewise estimate that workers without a high school diploma are roughly twice as likely as workers with higher levels of education to be paid below the minimum wage.

Oklahomans working in food services are the most likely to be paid below the minimum wage across all major industry groups. An estimated 3-in-10 Oklahoma workers who are paid below the minimum wage work in food services. For example, the U.S. Department of Labor in 2022 recovered more than \$59,000 in back wages for 10 workers at Chile Verde Mexican Grill in Oklahoma City. Operated by Eliseo Enterprises, these workers were paid below the minimum wage, were not paid overtime, and had tips stolen from them.^{vii} This is particularly notable given that restaurant cooks and fast food and counter workers are both projected to be among the 3 fastest growing occupations in Oklahoma between 2022 to 2032.^{viii}

When it comes to job characteristics, part-time workers are more than twice as likely as full-time workers to be paid below the minimum wage. The average number of weekly hours worked for those who have experienced violations is 33.6—compared to 38.7 for other workers—further suggesting that violations are more likely to be experienced by part-time workers. Workers who are not paid by the hour (e.g., piece rate, weekly pay, monthly pay, etc.) are also notably more likely than hourly workers to be paid below the minimum wage.

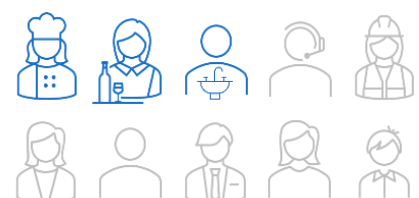
Oklahoma Minimum Wage and its Enforcement

The Oklahoma minimum wage currently does very little to protect working Oklahomans. Our analysis of the CPS data suggests that approximately 10 percent of workers in Oklahoma during the study period were covered by the state minimum wage law.^{ix} Oklahoma state law expressly excludes the remaining 90% of workers from coverage, including a) farmworkers, b) domestic workers, c) executive, administrative and professional employees, d) temporary part-time workers working under 25 hours a week, e) young people enrolled in school and, critically, f) all workers entitled to the federal minimum wage.

Voters in June will decide on State Question (SQ) 832, which would lift wages for many working Oklahomans by a) raising the state minimum wage to \$15 by 2029, b) indexing the minimum wage to ensure it keeps up with inflation, and c) removing most exemptions from the law, thereby extending state minimum wage rights to most Oklahomans.^x

Research by the Workplace Justice Lab has shown that minimum wage violation rates tend to rise alongside minimum wage increases, making robust enforcement

3-in-10 Oklahoma workers who are paid below the minimum wage work in food services.



essential to ensuring that workers actually receive the higher wages the law guarantees.^{xi}

The Oklahoma Department of Labor currently employs just 3 wage and hour investigators.^{xii} In FY 2024, the Wage and Hour Unit recovered \$1.25 million for 414 workers, a notable amount for a unit of its size.^{xiii} But with just one wage and hour investigator for every roughly 32,000 Oklahoma businesses and 430,000 Oklahoma workers,^{xiv} the Unit's capacity will need to grow if SQ 832 is passed. More investigators will be necessary to keep up with the growing number of violations sure to come from a substantial increase in both the minimum wage rate and its coverage.

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Conclusion

According to the Oklahoma law, "It shall be unlawful to employ workers in any industry or occupation within the State of Oklahoma under conditions of labor detrimental to their health or morals and . . . at wages which are not adequate for their maintenance."^{xv} Yet, as this report documents, thousands of Oklahomans are paid below even the current \$7.25 minimum wage each year, a wage that now leaves a full-time worker below the federal poverty line.

SQ 832 would represent a significant shift in Oklahoma's wage landscape. According to the Economic Policy Institute (EPI), minimum wage workers in Oklahoma currently making \$7.25 an hour are paid less than 40% of what they need to live, even in the state's least expensive county (McIntosh).^{xvi} SQ 832 would bring many working Oklahomans closer to a living wage, with the Economic Policy Institute estimating its passage would increase

wages for more than 350,000 working Oklahomans (roughly one-fifth of the state's wage-earning workforce).^{xvii}

What research makes clear is that robust enforcement is critical to fully realizing the promise of a higher minimum wage. As the minimum wage rate and the number of workers covered by state law grows, so too will the demands on the Oklahoma Department of Labor. If SQ 832 is passed, ensuring that businessowners understand their obligations under the new law, and that workers actually receive the wages they have earned, will require additional investment in state enforcement capacity.

About the Authors

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About Workplace Justice Lab

The Workplace Justice Lab (WJL) 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 WJL @ Rutgers University and includes WJL @ Northwestern University as well as 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.

Appendix I. CPS data

The empirical literature on wage theft and its predictors remains limited due to the difficulty of obtaining accurate and reliable data. Employers that intentionally violate are unlikely to provide honest nor complete depictions of their practices. The hesitance of many aggrieved workers to submit a complaint to a public entity—whether due to immigration status, general distrust of government, or otherwise—leaves enforcement agency complaint data also unable to paint an accurate portrait of the complex and varied forms of wage and hour violations. Wage theft must therefore be estimated using survey data. Most useful is the Current Population Survey's Merged Outgoing Rotation Groups (CPS MORG) data, which the U.S. Department of Labor's Wage and Hour Division has used to identify "priority industries" for investigations and which remains the top choice of every social scientist who has sought to develop national or industry-specific estimates of FLSA noncompliance since the 1970s.^{xviii}

The CPS-MORG data has many advantages: it is gathered via extensive interviews with around 60,000 households per month; it is representative at the state and national levels (unlike other survey data, such as the Survey of Income and Program Participation [SIPP]); and its individual-level responses permit us to estimate earnings and minimum wage violations relatively easily. The biggest downside is measurement error, as with any survey.

The methodological approach we have employed here is fully consistent with previous research.^{xix} CPS-MORG data from 2010 through 2024 were used to develop the minimum wage violation estimates presented. Data was limited to respondents who were currently employed at the time of the survey. While Oklahoma's minimum wage law does provide for a state minimum wage, the vast majority of workers subject to the federal rate under the Fair Labor Standards Act (FLSA) are exempt from state protections. Many of the same workers excluded from FLSA protections are also excluded from Oklahoma state law and were removed from the analysis. Workers included in the current analysis thus represent all workers who are entitled to the \$7.25 minimum wage rate under either federal or state law.

When it comes to exemptions from the Oklahoma minimum wage law, we were able to identify and remove from the analysis a) executive, administrative and professional employees, b) outside salesmen, c) children under 18 who do not have a high school diploma, d) those under 22 currently enrolled in school or college, e) farmworkers, f) domestic workers, g) employees of the U.S. government, h) newspaper vendors, i) motor carriers, and j) those subject to FLSA. We were not able to identify and remove from the data a) volunteers, b) individuals employed in feedstores, c) reserve force deputy sheriffs, and d) employees of businesses with less than 10 employees and less than \$100,000 in gross business annually. When it comes to exemptions from FLSA, we were able to identify and remove from the analysis a) executive, administrative and professional employees, b) computer professionals, babysitters on a casual basis, companions for the elderly, federal crime investigators, fishing, newspaper delivery and outside sales, newspaper employees, and switchboard operators. We were not able to identify and remove from the data a) workers on small farms, b) seasonal establishments, c) workers with disabilities, d) border patrol agents, e) seamen on non-American vessels, f) minor league baseball players, and g) homeworkers making wreaths.

For hourly wages, we use variables that include wages earned from overtime, tips, and commissions (OTC) for both hourly and non-hourly workers.^{xx} Wage estimates are therefore conservative over-estimates that effectively

downward-bias the estimated minimum wage violation rates. This is preferable to the alternative, however, which excludes OTC for hourly workers while including it for non-hourly workers (for whom different sources of wages are not distinguished). Efforts to estimate and subtract OTC from non-hourly workers adds unknown quantities of additional measurement error to this key variable, and is not recommended.^{xxi}

measurement error surely exists recommends using caution when working with the point estimates reported.

To correct for measurement error, we follow ERG (2014), Galvin (2016), and Cooper and Kroeger (2017) and exclude all observations of workers not specifying weekly earnings, hourly/non-hourly status, usual hours worked; observations of non-hourly workers with weekly earnings less than \$10; and all observations of workers with hourly wages less than \$1.

Minimum wage violations are dichotomous measures of whether an individual's estimated hourly wage was lower than the applicable legal minimum. We use Oklahoma's applicable statutory minimum wage rate as of the date effective for each respondent. All analyses, including population estimates, use survey weights suggested by Davern et. al (2007), which are necessary given the sampling method of the CPS.^{xxii} There is reason to believe that the measurement error in the CPS may actually bias downward the reported estimates of minimum wage violations.^{xxiii} First, despite going to great lengths to reach them, both Latinx households and undocumented immigrants are underrepresented in the CPS.^{xxiv} Because workers in these groups are at higher risk of experiencing minimum wage violations, the estimates of violations reported here should in this sense be considered conservative estimates.^{xxv} Second, in Bollinger's study of measurement error in the CPS, he finds a "high overreporting of income for low-income men" driven by "about 10% of the reporters who grossly overreport their income," thus potentially biasing estimates downward even further.^{xxvi} Third, CPS data have a shortage of low-wage workers and an excess of high-wage workers relative to comparable survey data like SIPP; one effect of this imbalance could be to underestimate minimum wage violations.^{xxvii} Roemer does find that the CPS reaches more "underground" workers than other large-scale surveys and is less biased than alternatives.^{xxviii} These considerations notwithstanding, the fact that

Endnotes

ⁱ See 40 OK Stat. §40-197.4(d) & (e)(7).

ⁱⁱ Office of the Assistant Secretary for Planning and Evaluation, "Poverty Guidelines," accessed April 2026 from <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>.

ⁱⁱⁱ Bureau of Labor Statistics, U.S. Department of Labor, *Characteristics of Minimum Wage Workers, 2024*, BLS Reports, Washington, DC: U.S. Department of Labor, 2024, <https://www.bls.gov/opub/reports/minimum-wage/2024/>.

^{iv} See Janice Fine and Jenn Round, "Federal, State, and Local Models of Strategic Enforcement and Co-Enforcement across the U.S." In *Worker Centers in Retrospect and Prospect*, Chicago: Center for Urban Economic Development, University of Illinois Chicago, 2021, <https://workercenterlibrary.org/resources/federal-state-and-local-models-of-strategic-enforcement-and-co-enforcement-across-the-u-s/>.

^v Economic Policy Institute, "EPI Microdata Extracts," Accessed March 2026 from <https://microdata.epi.org/>.

^{vi} Economic Policy Institute, "The value of the federal minimum wage is at its lowest point in 66 years," July 14, 2022. <https://www.epi.org/blog/the-value-of-the-federal-minimum-wage-is-at-its-lowest-point-in-66-years/>.

^{vii} U.S. Department of Labor, Wage and Hour Division, "US Department of Labor Recovers \$59K in Back Wages for 10 Oklahoma City Workers Denied Full Tips, Minimum Wage, Overtime by Restaurant Employer," news release no. 22-2164-DAL, December 13, 2022, <https://www.dol.gov/newsroom/releases/whd/whd20221213>.

^{viii} Oklahoma Employment Security Commission, "Industry and Occupational Employment Projections," last modified July 7, 2025, <https://oklahoma.gov/oesc/labor-market/employment-projections.html>.

^{ix} Coverage is so limited because the Oklahoma state law covers employers with more than 10 full-time employees at a single location, or those with fewer than 10 employees but more than \$100,000 in annual gross revenue but expressly excludes any employer and their employees already subject to the federal Fair Labor Standards Act (FLSA). The FLSA applies to businesses with \$500,000 or more in annual revenue or those engaged in interstate commerce, which covers the vast majority of employers in Oklahoma. Most businesses large enough to meet the state law's thresholds will also exceed the FLSA's \$500,000 revenue threshold, and even those that don't are likely subject to the FLSA because courts have interpreted interstate commerce broadly. A local landscaping company with 11 employees at one location and \$400,000 in annual revenue is one such example as it is large enough to meet the state law's thresholds, but likely too small and local to trigger FLSA coverage.

^x House Bill 2230—currently in committee within the state legislature—would also raise the minimum wage if passed, though few details are available at this point regarding how it would be phased in or how it would change coverage of the law. See Oklahoma Legislature, House Bill 2230, 2025 Legislative Session, <http://www.oklegislature.gov/BillInfo.aspx?Bill=hb2230&Session=2500>; Oklahoma House of Representatives, "Oklahoma House Democratic Caucus unveil policy priorities to support everyday Oklahomans," January 29, 2026, https://www.okhouse.gov/posts/news-20260129_1; and Journal Record, "House Dems push for minimum wage increase to \$15/hour," January 30, 2026, <https://journalrecord.com/2026/01/30/oklahoma-minimum-wage-tax-credit-repeal/>.

^{xi} See, e.g., Alexis Davis, Daniel J. Galvin, Janice Fine, and Jenn Round, *Florida Policymakers Need to Reassess How the Minimum Wage is Enforced*, Rutgers CIWO and Florida Policy Institute, https://smlr.rutgers.edu/sites/default/files/Documents/Centers/WJL/F_L_RT_WageTheft.pdf; and Daniel J. Galvin, Hana Shepherd, Jenn Round, Jake Barnes, and Janice Fine. 2026. "Powers and Practices in Labor Standards Enforcement." *Regulation & Governance* 1–21. <https://doi.org/10.1111/rego.70126>.

^{xii} The Oklahoma Department of Labor's Wage and Hour Unit has one additional investigator that focuses exclusively on child labor enforcement, bringing the Unit's total investigator staffing to four.

^{xiii} In FY 2024, OK DOL received 801 total wage claims. 66 of these workers also received liquidated damages in addition to back pay. See Oklahoma Department of Labor, "ODOL Recovers Over \$1.25 Million in Unpaid Wages for FY 2024," press release, July 29, 2025, <https://oklahoma.gov/labor/newsroom/2025/odol-recovers-over--1-25-million-in-unpaid-wages-for-fy-2024.html>.

^{xiv} Census Bureau, U.S. Department of Commerce., "Statistics of U.S. Businesses: 2022 Annual Data Tables by Establishment Industry," 2022, <https://www.census.gov/data/tables/2022/econ/susb/2022-susb-annual.html>.

^{xv} 40 OK Stat. §40-197.2.

^{xvi} Elise Gould and Emma Cohn, "EPI's updated Family Budget Calculator shows that higher minimum wage are needed in states like Oklahoma to afford the cost of living," Working Economics Blog, March 4, 2026, <https://www.epi.org/blog/epis-updated-family-budget-calculator-shows-that-higher-minimum-wages-are-needed-in-states-like-oklahoma-to-afford-the-cost-of-living/>.

^{xvii} Sebastian Martinez Hickey, "More Than 350,000 Oklahoma Workers Will Get a Raise if Voters Approve a \$15 Minimum Wage This Summer," *EPI Working Economics Blog*, March 30, 2026, <https://www.epi.org/blog/more-than-350000-oklahoma-workers-will-get-a-raise-if-voters-approve-a-15-minimum-wage-this-summer/>.

^{xviii} Orley Ashenfelter and Robert S. Smith, "Compliance with the Minimum Wage Law," *Journal of Political Economy* 87, no. 2 (1979); Ronald G. Ehrenberg and Paul L. Schumann, "Compliance with the overtime pay provisions of the Fair Labor Standards Act," *The Journal of Law and Economics* 25, no. 1 (1982); Brigitte Sellekaerts and Stephen W. Welch, "Noncompliance with the Fair Labor Standards Act: Evidence and Policy Implications," *Labor Studies Journal* 8 (1984); Eastern Research Group, *The Social and Economic Effects of Wage Violations: Estimates for California and New York*, Prepared for the U.S. Department of Labor (Lexington: Eastern Research Group, 2014); Daniel J. Galvin, "Deterring Wage Theft: Alt-Labor, State Politics, and the Policy Determinants of Minimum Wage Compliance," *Perspectives on Politics* 14, no. 2 (2016); David Cooper and Teresa Kroeger, "Employers steal billions from workers' paychecks each year," Economic Policy Institute, May 10, 2017, <https://www.epi.org/publication/employers-steal-billions-from-workers-paychecks-each-year/>.

^{xix} In particular, Galvin (2016); Eastern Research Group (2014); and Cooper and Kroeger (2017).

^{xx} <http://ceprdata.org/cps-uniform-data-extracts/cps-outgoing-rotation-group/>.

See also Cooper and Kroeger's 2017 preference for this method of estimating wages.

^{xxi} U.S. Department of Labor 2014.

^{xxii} Davern, Michael, et al, "Estimating Regression Standard Errors with Data from the Current Population Survey's Public Use File," *Inquiry* 44: 211-224 (Summer 2007).

^{xxiii} For an excellent discussion of the advantages and limitations of using the CPS data to estimate minimum wage violations given the existence of measurement error and other issues, see Eastern Research Group (2014), Appendix B.

^{xxiv} As Bernhardt et al. (2009) write: “. . . standard surveying techniques—phone interviews or census-style door-to-door interviews—rarely are able to fully capture the population that we are most interested in: low-wage workers who may be hard to identify from official databases, who may be vulnerable because of their immigration status, or who are reluctant to take part in a survey because they fear retaliation from their employers. Trust is also an issue when asking for the details about a worker’s job, the wages they receive, whether they are paid off the books or not, and their

personal background.” Annette Bernhardt et al., *Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America’s Cities* (New York: National Employment Law Project), 56.

^{xxv} Bernhardt et al. (2009); Eastern Research Group (2014).

^{xxvi} Christopher R. Bollinger, "Measurement error in the Current Population Survey: A nonparametric look," *Journal of Labor Economics* 16, no. 3 (1998).

^{xxvii} Marc Roemer, *Using administrative earnings records to assess wage data quality in the March Current Population Survey and the Survey of Income and Program Participation* (Washington, DC: Center for Economic Studies, US Census Bureau, 2002); Eastern Research Group (2014).

^{xxviii} Roemer 2002.