

## J. UNREGULATED WORK IN THE LAUNDRY AND DRY CLEANING INDUSTRY IN NEW YORK CITY

The laundry and dry cleaning industry has seen significant restructuring over the last two decades. The core production work – washing and dry cleaning of clothing, uniforms, bed linens and tablecloths – is increasingly being done in industrial plants owned by corporations. On the laundry front, a primary driver has been the contracting out of laundry services by institutions such as hospitals and hotels, with the goal of lowering labor costs. On the dry cleaning front, the economics of the industry and environmental regulation are squeezing out family-owned neighborhood shops doing their own dry cleaning on premises.

Unions have had some success in organizing large industrial plants, but in the non-union parts of the industry, it is not an overstatement that the trend is toward a new form of sweatshop. In addition to being paid very low wages with no overtime, workers sort, clean, iron, fold and pack laundry under conditions that are consistently dangerous and unhealthy. In the words of one organizer, “Laundry is the dirtiest, lowest paid industry.”

### HOW THE INDUSTRY WORKS

The **laundry** industry is divided into two pieces. Best known are the coin-op laundromats scattered throughout the city, which serve individual customers and provide washing machines as well as drop-off service. The coin-op business is becoming dominated by chain stores, driving out the smaller mom-and-pop shops. Meanwhile, institutional customers such as hospitals, hotels, restaurants, cafeterias, and other industries are increasingly subcontracting out their cleaning to “industrial laundries,” plants which can range from large operations employing several hundred workers, to “sweatshop laundries” with 10 or 20 workers. Corporations such as Aramark and Cintas occupy a growing share of the market, with specialization in different niches (hospitals, hotels, uniforms) that also carry different profit margins.

The **dry cleaning** industry is also divided into two pieces. Best known are the neighborhood dry cleaners,

which have traditionally done their own cleaning with their own equipment but are increasingly shipping their orders to large dry cleaning plants. These plants are in turn beginning to squeeze out the small locally-owned operations – for example, by setting up their own retail “feeder” shops (e.g. Symphony Cleaners). In addition, growing environmental regulations have made owning and operating a stand-alone dry cleaning store more expensive. But margins for all segments are extremely tight, and the industry experiences seasonal fluctuations every year and is highly sensitive to the business cycle (since dry cleaning is a relative luxury).

### THE JOBS & THE WORKERS

In the industrial laundry plants, the jobs look very much like an assembly line: linens are sorted, washed, ironed, packed, and then delivered back to the hospital or hotel client. All of the jobs are difficult and low-wage, with exception of the better-paid drivers. Dry cleaning plants are similarly structured, with the exception that the workers who press the clothes are almost always paid by the piece. In the retail stores (coin-ops and local dry cleaners), workers will do all of the cleaning and pressing jobs as well as customer service and tailoring. In both the plants and the retail stores, there is effectively no potential for upward mobility, even though some of the jobs (pressers and tailors) are skilled positions. In the end, said a dry cleaning association member, “These are the jobs that really nobody wants because of the working conditions. You know, if it’s 90 degrees outside it’s 115 degrees in the back of a dry cleaning shop.”

This is an immigrant industry (but not entirely so, with significant numbers of African American workers), with about 5,000-10,000 workers in the city. As industrial laundries in particular have grown, they have found a ready labor supply in immigrant women displaced from the rapidly-shrinking garment industry. Still, there is a strong division of labor by gender. Drivers, pressers, and cleaners/spotters are almost always men, while fold-

ers, sorters, and costumer service jobs are largely filled by women – with the latter jobs typically paid less.

## WORKING CONDITIONS & VIOLATIONS

Outside of the unionized plants, working conditions and wages in both laundries and dry cleaning are extremely poor (see Table J). Minimum wage and overtime violations are the norm – particularly overtime violations, since work days and weeks are very long and virtually nobody pays time and a half. A staff member of a government regulatory agency sees these practices as the prevailing business model: “There’s an industry-wide problem about failure to pay the minimum wage, and these workers are almost never paid time and a half. When we ask owners why they’re paying so little, they say, ‘That’s what everybody else pays.’”

The wage and hour violations are matched by working conditions that range from very poor to explicitly dangerous. Dry cleaning workers inhale the cleaning fluid Perchloroethylene, which is a carcinogen and has been shown to cause other health problems. Summertime heat exposure is also physically taxing, and pressers suffer

year-round from burns. Workers in industrial laundries deal with many of the same heat exposure issues. They also struggle with exposure to toxic chemicals as well as dangerous bio-hazards when handling linens from hospitals. “They have blood, needles, body parts, bits of fingers, everything in those bags,” reports a worker in one of our focus groups.

Other health and safety violations include failure to provide hepatitis vaccinations and proper protective equipment. For example, industrial laundries have cylindrical tunnel washers, with a safety switch that should stop the cylinder from moving when workers open the side door. But in many laundries the switch doesn’t work (or is over-ridden), inviting serious injuries. The worst incidents can result in fatalities. Fixing these kinds of safety issues is a constant battle for union organizers: “That’s an egregious kind of violation, but those kinds of problems exist. Companies are dealing with narrow margins. The company gets fined, and then sues the (equipment) manufacturer.” Not surprisingly, with such dangerous workplaces, employers do their best to evade workers’ compensation claims, actively discouraging employees from filing claims.

TABLE J.  
CHARACTERISTICS OF UNREGULATED WORK IN THE LAUNDRY AND DRY CLEANING INDUSTRY  
IN NEW YORK CITY

INDUSTRY SEGMENTS WHERE WORKPLACE VIOLATIONS ARE COMMON	
Industry segments	<p><b>Laundry:</b> Coin-ops that provide self-service laundry and drop-off service for individual customers, and non-union industrial plants that provide washing and folding for institutions.</p> <p><b>Dry cleaning:</b> Retail stores where customers drop off and pick up their clothes, and dry cleaning plants that do most of the actual cleaning in the industry.</p>
Ownership and size	<p><b>Laundry:</b> Plants are increasingly owned by corporations, and can range from 150-300 workers. Chain coin-ops have about 8-10 workers, but independent coin-ops are much smaller.</p> <p><b>Dry cleaning:</b> Typical plants have 20-30 employees and are still largely independent. Retail neighborhood stores have 2-5 workers, and are predominantly owned by immigrant families who do much of the work themselves.</p>
Union density	About 70-80% of industrial laundry plants in the New York City area are unionized. There is virtually no union density in the other industry segments.
THE JOBS WHERE WORKPLACE VIOLATIONS ARE COMMON	
Occupations	<p><b>Laundry:</b> Folders, sorters, pressers, drivers, and customer service workers (in coin-ops).</p> <p><b>Dry cleaning:</b> Cleaners/spotters, pressers, tailors, customer service, and markers/baggers.</p>
Typical wages	<p><b>Laundry:</b> Non-union plants generally pay the minimum wage or just above (except drivers who earn more). Coin-ops often pay below minimum wage, sometimes as low as \$3 per hour (without considering time-and-a half pay for overtime hours).</p> <p><b>Dry cleaning:</b> Wages at plants average around \$300 per week; wages at retail stores range from \$250-\$400, up to \$500. Both are highly seasonal.</p>
Typical hours	<p><b>Laundry:</b> The default work week is 40 hours, but individual shifts can go significantly longer than 8 hours depending on the order being filled. Weekly hours at coin-ops are longer, at least 12 hours a day, 6 days a week.</p> <p><b>Dry cleaning:</b> Usually 60 hours a week in both plants and retail stores, but high seasonal variability.</p>
Payment method	Almost all workers are paid off the books, except in chain coin-ops and large industrial laundries. Workers at dry cleaning plants are generally paid by the piece, as are pressers and tailors at retail cleaners.
Benefits	Health benefits and vacation and sick days virtually non-existent (except in unionized plants).
THE WORKERS MOST AFFECTED BY WORKPLACE VIOLATIONS	
Demographics	Workers are largely immigrant (Mexican, South and Central American, Caribbean, as well as Asian), with some African American workers. The workforce is about 70-80% women; men and women are segmented into different jobs.
Immigration status	Significant portion of undocumented workers in almost all segments, except chain coin-ops, which are more likely to hire documented as well as U.S.-born workers.
INTERMEDIARIES PLACING WORKERS IN UNREGULATED JOBS	
Large temp agencies are frequently used by non-union industrial laundries.	
INDUSTRY-SPECIFIC LAWS AND REGULATIONS	
Most workers are covered by core employment and labor laws. Strong environmental regulations govern emissions and the types of cleaning machines and cleaning fluids that are used.	

## COMMON WORKPLACE VIOLATIONS

Minimum wage and overtime	<p><b>Minimum wage:</b> Violations are routine in all segments (except in unionized laundry plants). Coin-op laundries consistently pay below the minimum wage. In dry cleaning plants, weekly wages often work out to \$5 an hour, with reports as low as \$3 an hour (without considering time-and-a half pay for overtime hours).</p> <p><b>Overtime:</b> Failure to pay overtime is routine in all segments (except in unionized laundry plants).</p>
Non-payment of wages	Workers who are on payroll report being required to shave minutes from the beginning and end of shifts.
Meal breaks	Workers report being required to work through meal breaks in all non-union segments.
Employer taxes	Employer taxes on cash wages are either underpaid or not paid at all.
Misclassification	Delivery drivers may be misclassified as sales staff in order to avoid paying overtime.
OSHA	OSHA violations are a chronic problem in non-union industrial laundries (e.g. not providing proper protective equipment or hepatitis vaccinations). Heat in excess of regulations is a common violation in coin-ops, dry cleaning plants and retail dry cleaners. Laws that govern hazardous chemicals in dry cleaning machines, and bio-hazard materials in industrial laundries servicing hospitals, are also often violated.
Workers' Compensation	Some employers fail to carry workers' compensation, and workers report being discouraged from filing claims when injured.
Discrimination	Workers report discrimination against pregnant women, and verbal, physical and sexual abuse in coin-ops.
Retaliation & the right to organize	Workers report pre-emptive retaliation for union organizing in industrial laundries, including immigration threats (especially after 9/11).

*Note:* All violations were assessed using legal standards in effect when interviews were conducted, and in particular, wage rates are from 2004-2005.

*Sources:* Original data gathered by authors during fieldwork from 2003 through 2006 in New York City, as well as the following secondary sources: Greenhouse (2003a), Greenhouse (2003b), Greenhouse (2004g), Kelley (2003), Lee (2003), New York State Department of Labor (2007b), New York State Department of Labor (2007c), O'Connor and Sweeney (2005).