

# **WORKING TOO HARD FOR TOO LITTLE**

*A Plan for Restoring the Value of  
Work in America*

United States Senator Sherrod Brown

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## EXECUTIVE SUMMARY

- Despite an increase in median wages and a drop in poverty in 2015, wages and benefits have declined or stagnated for U.S. workers for decades. U.S. workers are doing more but earning less in each hour of work than before. This is because the value of work has declined for the U.S. workforce, and the dignity of work is disappearing.
- Work is less valuable for workers because businesses are no longer investing in their workforces as a critical component to the long-term success of their companies. Instead, employers are focused on cost-cutting, short-term profits, and leaner business models.
- These business decisions to reduce costs come at the expense of workers' wages, benefits, and their ability to advocate for improvements in the workplace. In short, these business priorities have marginalized workers.
- One way companies reduce workforce costs is to use alternative work arrangements, including temporary workers, subcontractors, and independent contractors. This shift away from traditional employer-employee relationships began decades ago and has grown steadily.
- Workers in alternative work arrangements earn lower wages and benefits and have less job security and legal protections. Even workers directly employed by companies are marginalized through wage theft, irregular schedules, and anti-unionizing efforts.
- This trend of increasingly squeezed workers who earn less for the work they perform is unsustainable. Marginalizing workers shrinks the middle class, which is imperative for a strong and competitive U.S. economy.
- To build a strong economy, this downward trend for U.S. workers' wages and benefits needs to be reversed.
- Wages and benefits must be increased for all workers, including those in alternative work arrangements. Hard work must provide a path to the middle class for the U.S. economy to grow.
- Specific recommendations to fix the declining value of work include:
  - Strengthening key labor standards, including raising the minimum wage, increasing the overtime salary threshold, requiring paid sick days and paid family leave, cracking down on wage theft, requiring advanced notice for employee schedules, expanding and strengthening collective bargaining rights, strengthening enforcement of worker misclassification, and redefining the independent contractor status;
  - Expanding retirement and savings programs to ensure all workers are able to save for retirement and achieve greater economic stability; and
  - Establishing a Corporate Freeloader Fee for employers whose workforces disproportionately rely on federal government assistance programs due to their low wages.

## **I. Introduction**

The American Dream has always been based on the premise that hard work leads to prosperity, but for too many U.S. workers the connection between hard work and the middle class has been severed. No longer does full-time work guarantee economic stability, much less a middle class income. Instead, a growing number of U.S. workers, particularly women and minorities, find themselves struggling to get by despite working more than 40 hours a week or having more than one job. At the heart of this economic insecurity are stagnating or declining wages and benefits, which have not kept pace with worker productivity since the 1970s. Put simply, the value of work is declining for workers.

Work itself and the U.S. workforce have seen many changes in the last several decades. Workers are more diverse in terms of gender, ethnicity, and age. Technology has altered how and what tasks are performed. There has also been a sizeable shift from manufacturing to services employment as the economy has become more globalized, and unions now represent fewer employees.

In addition, the nature of employment has changed. As a result of cost-reducing business decisions and a focus on short-term profits over long-term investments, employers are increasingly marginalizing their workforce as a way of reducing outlays. Worker marginalization refers to the effects of business decisions that focus on cutting workforce costs at workers' expense, and it can take many forms.

An example of workforce cost-cutting is the shift by companies from workforces primarily comprised of direct, full-time employees to workforces made up of workers in alternative work arrangements, including independent contractors, temporary workers, subcontractors, involuntarily part-time workers, and multiple job-holders. But even workers who are employed directly face concerted efforts to marginalize them in the workplace. Workers' loss of leverage applies downward pressure on their wages and benefits and undermines their job security. With the expanding use of alternative work arrangements and increased marginalization of workers, it is no surprise that the middle class is shrinking.

Many discussions of these issues have been focused recently on the "gig" economy, which has raised questions about relationships between employers and employees and the future of work. Under deeper inspection, however, it is clear that app-based companies may have invented new ways consumers buy services or products, but they have not discovered new employer-employee relationships. "Gig" economy companies are relying on the same alternative work arrangements that have contributed to the declining value of work for decades. Alternative work arrangements can be legitimate, but they should not preclude workers from achieving prosperity, much less economic stability.

Comprehensive policies are needed to address the marginalization of workers across all employment relationships and to ensure that different types of employment do not prevent workers from reaching the middle class. These policies are designed to achieve three specific goals: raise labor standards; facilitate the accrual and portability of benefits for all workers; and secure reimbursement from companies that use government programs to subsidize their workforce costs.

Higher labor standards that raise wage and benefit requirements will improve the economic security of workers. Specifically, laws should be passed that increase the federal minimum wage; mandate paid sick days and paid family leave; strengthen workers' rights to organize; crack down on wage theft and worker misclassification; and give workers' adequate notice of their schedules. Collective bargaining rights should be extended to all workers, and the definition of independent contractor must be changed. Enacting this package of proposals will make each hour of work more valuable for workers.

After labor standards have been improved, additional policies must target the connection between the growing number of workers in alternative work arrangements and their economic insecurity. Retirement and savings programs must be made more accessible and portable for workers, particularly part-time and low-wage workers and independent contractors. The myRA program must be fully authorized, and employers should be prohibited from excluding part-time workers from retirement programs. Independent contractors must be allowed to join Open Multiple Employer Programs to expand their retirement savings opportunities. State-led efforts to launch Automatic IRA plans should be encouraged. And the Saver's Tax Credit should be converted into a refundable tax credit to match individuals' contributions and increase retirement savings amounts. Through these proposals, retirement and savings benefits will become more available and effective for workers in low-wage and alternative work arrangements, and more workers will be able to achieve economic security.

Finally, employers should be prevented from shifting workforce costs to the taxpayers. A reimbursement fee should be established for employers with employees that live below 200 percent of the federal poverty level and are therefore eligible for federal aid programs, such as the Supplemental Nutrition Aid Program and Medicaid. This amounts to a taxpayer subsidization of an employer's workforce costs. The fee will be assessed on large businesses, and it will be prorated based on the percentage of workers who live below the poverty threshold. By assessing a fee on large employers whose wages and benefits do not lift their employees above that threshold, companies may reconsider the cost-reducing value of paying low-income wages and benefits. In turn, they may raise wages and benefits for their workforces and make work more valuable for their workers.

If the future of work is going to be defined by a multitude of employer-employee relationships, including nontraditional ones, policies must be updated to reverse the marginalization of workers and to ensure all workers are able to access the middle class. The proposals will restore the value and dignity of work, reestablish the connection between hard work and prosperity, and revive the viability of the American Dream for all U.S. workers.

## **II. Work and Workforce Changes in the U.S.**

Work and workers in the U.S. have changed significantly over the last several decades. Compared to 50 years ago, different people are doing different jobs in different ways. Our workforce is more diverse in terms of gender, age, and race. The type of work performed by workers is different as the economy has become increasingly globalized and shifted from a primarily manufacturing-oriented economy to a services-oriented one. In addition, technology has transformed the nature of our economy and tasks. Combined with evolving employer-employee relationships, these demographic, technological, and global marketplace changes have redefined work and the U.S. workforce.

Demographics: The makeup of the U.S. workforce has been transformed over the last several decades. More women are working, for example. Immediately after World War II, under a third of women participated in the workforce.<sup>1</sup> That number grew to 60 percent in 1999<sup>2</sup> and has leveled off around 57 percent in the last few years.<sup>3</sup> Women make up just under half of all employed individuals, up from 30 percent in 1950.<sup>4</sup>

The U.S. workforce is also becoming increasingly diverse, with the fastest growth among Hispanic and Asian worker populations.<sup>5</sup> The number of foreign-born civilian workers in the U.S. increased to 16.7 percent of the U.S. labor force in 2015,<sup>6</sup> up from 12.6 percent in 2000.<sup>7</sup> These trends of increased diversification are likely to persist in the next several decades. Women will continue to make up nearly half of the workforce.<sup>8</sup> The U.S. Asian labor force will more than double over the next 40 years, and between 2010 and 2050, U.S. Hispanic workers will increase by 37.6 million and account for 80 percent of the total labor force growth.<sup>9</sup>

Individuals are working longer, too. Between 2004 and 2014, the number of workers aged 55 or over in the civilian workforce grew by 47 percent.<sup>10</sup> These workers accounted for approximately 21.7 percent of the workforce in 2014, and that number is expected to grow to 25 percent by 2024.<sup>11</sup>

Globalization and Technology: Global economic integration and technology have had major implications for work as well. Globalization has expanded the potential marketplace, both for exports and imports. While export-supported jobs have increased in the U.S. since the early 1990s,<sup>12</sup> recent research estimates that increased imports from China between 1999 and 2011 led to the net loss of as many as two million U.S. jobs, approximately half of which were in the

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<sup>1</sup> Bureau of Labor Statistics, Department of Labor, *Women in the Labor Force: A Datebook*, BLS Reports 1 (May 2014). Retrieved from [http://www.bls.gov/opub/reports/cps/womenlaborforce\\_2013.pdf](http://www.bls.gov/opub/reports/cps/womenlaborforce_2013.pdf).

<sup>2</sup> Id.

<sup>3</sup> Women's Bureau, Department of Labor, *Data & Statistics: Women in the Labor Force* (2016). Retrieved from: [https://www.dol.gov/wb/stats/stats\\_data.htm](https://www.dol.gov/wb/stats/stats_data.htm).

<sup>4</sup> Mitra Toosi, Bureau of Labor Statistics, Department of Labor, *A Century of Change: The U.S. Labor Force, 1950-2050*, U.S. Monthly Labor Review 15 (May 2002). Retrieved from <http://www.bls.gov/opub/mlr/2002/05/art2full.pdf>. See also: Women's Bureau, Department of Labor, *Data & Statistics Facts Over Time* (2016). Retrieved from [https://www.dol.gov/wb/stats/facts\\_over\\_time.htm](https://www.dol.gov/wb/stats/facts_over_time.htm).

<sup>5</sup> Id., 16.

<sup>6</sup> Press Release, Bureau of Labor Statistics, Department of Labor, Labor Force Characteristics of Foreign-born Workers Summary (May 19, 2016). Retrieved from <http://www.bls.gov/news.release/forbrn.nr0.htm>.

<sup>7</sup> Abraham T. Mosisa, Bureau of Labor Statistics, Department of Labor, *The Role of Foreign-born Workers in the U.S. economy*, U.S. Monthly Labor Review 5 (May 2002). Retrieved from <http://www.bls.gov/opub/mlr/2002/05/art1full.pdf>.

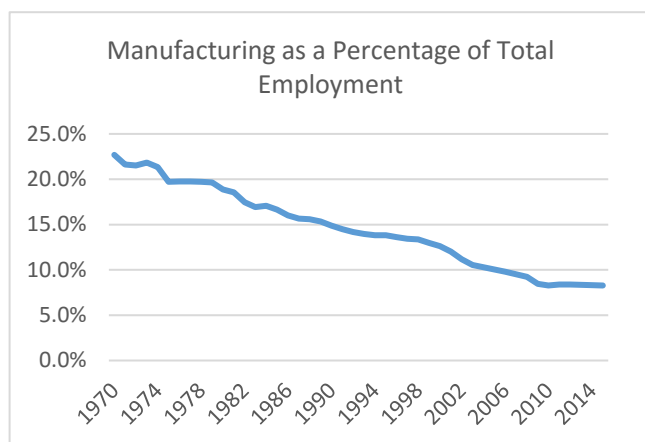
<sup>8</sup> Mitra Toosi, Bureau of Labor Statistics, Department of Labor, *Projections of the labor force to 2050: A visual essay*, U.S. Monthly Labor Review 10 (October 2012). Retrieved from <http://www.bls.gov/opub/mlr/2012/10/art1full.pdf>.

<sup>9</sup> Id., 14.

<sup>10</sup> Mitra Toosi, Bureau of Labor Statistics, Department of Labor, *Labor force projections to 2024: the labor force is growing, but slowly*, U.S. Monthly Labor Review (December 2015). Retrieved from <http://www.bls.gov/opub/mlr/2015/article/labor-force-projections-to-2024.htm>.

<sup>11</sup> Id.

<sup>12</sup> Chris Rasmussen & Martin Johnson, International Trade Administration, Department of Commerce, *Jobs supported by exports, 1993-2011*, Manufacturing and Services Economics Brief, 3 (October 2012). Retrieved from [http://www.trade.gov/mas/ian/build/groups/public/@tg\\_ian/documents/webcontent/tg\\_ian\\_003978.pdf](http://www.trade.gov/mas/ian/build/groups/public/@tg_ian/documents/webcontent/tg_ian_003978.pdf). See also: Chris Rasmussen, International Trade Administration, Department of Commerce, *Jobs supported by exports 2015: An update 2* (April 8, 2016). Retrieved from [http://www.trade.gov/mas/ian/build/groups/public/@tg\\_ian/documents/webcontent/tg\\_ian\\_005500.pdf](http://www.trade.gov/mas/ian/build/groups/public/@tg_ian/documents/webcontent/tg_ian_005500.pdf).



Source: Bureau of Labor Statistics

manufacturing sector.<sup>13</sup> Manufacturing workers, as a percentage of all employed U.S. workers, have fallen from 22.7 percent in 1970 to eight percent in 2014.<sup>14</sup> In contrast, service sector workers accounted for 82 percent of all employed U.S. workers in 2015, up from 62 percent in 1970.<sup>15</sup> Globalization has also put technology within the reach of more consumers and businesses, which has created new jobs but also rendered some jobs unnecessary.<sup>16</sup>

Technology has changed the skills needed in the workplace. In the manufacturing sector, for example, technology has altered production lines to make them more efficient, and it has changed the nature of work performed and the skills needed to fill positions.<sup>17</sup> A 2009 report found that jobs with routine tasks, regardless if they are manual or cognitive, are disappearing largely because of technological advances.<sup>18</sup>

Technological changes have altered not only the specific tasks done by workers but also the structure of businesses, from a model of vertical integration to one of more complex supply chains. Work can be performed in different locations or by different companies without compromising production schedules or product delivery. In 1995, 42 percent of U.S. adults had never heard of the internet, and 21 percent had only a vague understanding of it.<sup>19</sup> Now six in 10

<sup>13</sup> Daron Acemoglu, et al., *Import Competition and the Great US Employment Sag of the 2000s*, Journal of Labor Economics, Vol. 34, No. S1 (2016): s173-s174. Retrieved from <http://economics.mit.edu/files/9811>.

<sup>14</sup> Bureau of Labor Statistics, Department of Labor, Current Employment Statistics, last accessed October 2016. Retrieved from <http://www.bls.gov/ces/#data>. See also Bureau of Labor Statistics, Department of Labor, Current Population Statistics, last accessed October 2016. Retrieved from <http://www.bls.gov/cps/#data>. See Appendix II. Manufacturing employment as a percentage of employment over time was calculated by using the Current Employment Statistics Database to produce the number of workers employed in the manufacturing sector since 1970. Next, the Current Population Survey Database was used to produce the total number of employed workers in the labor force. Then the manufacturing employment statistics were divided by total employment for each year from 1970 to the present to calculate manufacturing employment as a percentage of total employment.

<sup>15</sup> Bureau of Labor Statistics, Department of Labor, Current Employment Statistics, last accessed October 2016. Retrieved from <http://www.bls.gov/ces/#data>. See also Bureau of Labor Statistics, Department of Labor, Current Population Statistics, last accessed October 2016. Retrieved from <http://www.bls.gov/cps/#data>. See Appendix III. Services employment as a percentage of employment over time was calculated by using the Current Employment Statistics Database to produce the number of workers employed in the services sector in 1970. Next, the Current Population Survey Database was used to produce the total number of employed workers in the labor force. Then the services employment statistics were divided by total employment for each year from 1970 to the present to calculate services employment as a percentage of total employment.

<sup>16</sup> The Economist Intelligence Unit, Society for Human Resources Management, "Evolution of work and the worker," February 2014, 18. Retrieved from <https://www.shrm.org/hr-today/news/hr-magazine/Documents/2-14%20theme%201%20paper-final%20for%20web.pdf>.

<sup>17</sup> Craig Giffi et al., Deloitte Consulting LLP, Boiling point? The skills gap in U.S. manufacturing 6 (n.d.). Retrieved from <http://www2.deloitte.com/us/en/pages/manufacturing/articles/boiling-point-the-skills-gap-in-us-manufacturing.html>.

<sup>18</sup> McKinsey Global Institute, Changing the fortunes of America's workforce 36 (June 2009). Retrieved from [http://www.mckinsey.com/~media/McKinsey/Global%20Themes/Employment%20and%20Growth/Changing%20the%20fortunes%20of%20US%20workforce/MGI\\_Changing\\_the\\_fortunes\\_of\\_Americas\\_workforce\\_full\\_report.ashx](http://www.mckinsey.com/~media/McKinsey/Global%20Themes/Employment%20and%20Growth/Changing%20the%20fortunes%20of%20US%20workforce/MGI_Changing_the_fortunes_of_Americas_workforce_full_report.ashx).

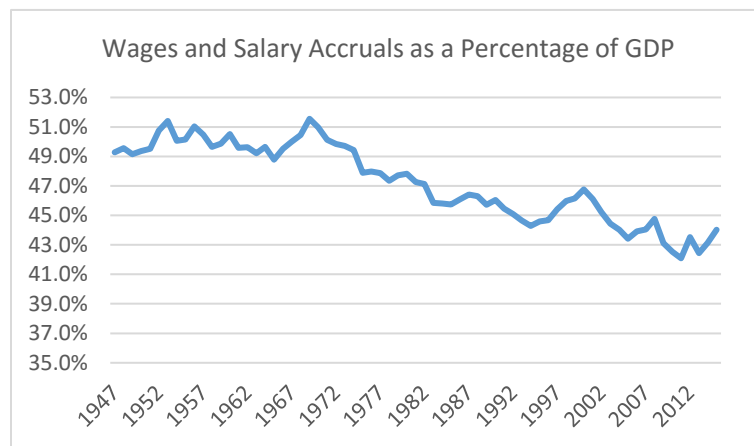
<sup>19</sup> Susannah Fox and Lee Rainie, Pew Research Center, The Web at 25 in the U.S. 10 (February 14, 2014). Retrieved from <http://www.pewinternet.org/2014/02/27/part-1-how-the-internet-has-woven-itself-into-american-life/>.

Americans that use the internet say that email is “very important” for doing their jobs.<sup>20</sup> Internet and email mean work can be done remotely, either from home or from a different country.<sup>21</sup>

### **III. Stagnating and Declining Wages and Benefits**

Unfortunately a more diverse workforce doing more complex jobs with greater efficiency and advanced technology has not led to better earnings. Wages have not kept pace with productivity. Benefits are less generous, and even full-time workers can remain in poverty. Workers are working harder and longer for less compensation. Work has become less valuable, particularly for women and minorities who represent an increasing share of the workforce.

Wages: Although the median household income increased by 5.2 percent in 2015,<sup>22</sup> wages for U.S. workers have lagged behind productivity for decades.<sup>23</sup> From 1948-1973, productivity increased 96.7 percent, and wages increased 91.3 percent.<sup>24</sup> In contrast, between 1973 and 2013 productivity increased 74.4 percent, but hourly compensation increased only 9.2 percent.<sup>25</sup> Analysis of hourly wages of all workers between 1979 and 2013 reveals that the only years in which all U.S. workers saw wage increases were between 1995 and 2000.<sup>26</sup> And between 2000 and 2013, all workers below the 50<sup>th</sup> wage percentile experienced wage declines or wage stagnation.<sup>27</sup>



Source: St. Louis Federal Reserve Bank

This disconnect between wages and productivity has driven down wages as a share of the overall economy. In 2015, wages accounted for 44 percent of U.S. gross domestic product, down from a historic high of 51 percent in 1969.<sup>28</sup> Declining wages, however, have not affected all workers equally. Wealth has concentrated in the upper-income households, and, as a result, the number of middle-income families has declined.

<sup>20</sup> Kristen Purcell and Lee Rainie, Pew Research Center, Email and the internet are the dominant technological tools in American workplaces, 6 (December 30, 2014). Retrieved from <http://www.pewinternet.org/2014/12/30/email-and-the-internet-are-the-dominant-technological-tools-in-american-workplaces/>.

<sup>21</sup> The Economist Intelligence Unit, *supra* note 16, at 18.

<sup>22</sup> Bernadette D. Proctor, Jessica L. Semega, and Melissa A. Kollar, U.S. Census Bureau, *Income and Poverty in the United States: 2015*, Current Population Reports 5 (September 2016). Retrieved from <https://www.census.gov/content/dam/Census/library/publications/2016/demo/p60-256.pdf>.

<sup>23</sup> Susan Fleck, John Glaser, and Shawn Sprague, Bureau of Labor Statistics, Department of Labor, *The Compensation-Productivity Gap: a visual essay*, Monthly Labor Review 57, 59 (January 2011). Retrieved from <http://www.bls.gov/opub/mlr/2011/01/art3full.pdf>.

<sup>24</sup> Lawrence Mishel, Elise Gould, and Josh Bivens, Economic Policy Institute, Wage Stagnation in Nine Charts 4 (January 6, 2015). Retrieved from <http://www.epi.org/files/2013/wage-stagnation-in-nine-charts.pdf>.

<sup>25</sup> *Id.*

<sup>26</sup> Josh Bivens, et al., Economic Policy Institute, Raising America's Pay 11 (2014). Retrieved from <http://www.epi.org/files/pdf/65287.pdf>.

<sup>27</sup> *Id.*

<sup>28</sup> Federal Reserve Bank of St. Louis, Analysis of U.S. Bureau of Economic Data, Compensation of Employees: Wages and Salary Accruals (2016). Retrieved from FRED. <https://research.stlouisfed.org/fred2/graph/?g=2Xa>.



The decline of the U.S. middle class has been underway for years. In each decade since 1971, a smaller percentage of U.S. adults has lived in middle-income households.<sup>29</sup> In Ohio, which reflects these national trends, the state's median income has dropped from \$57,748 in 2000 to \$49,308 in 2014.<sup>30</sup> That's due to the large loss – 350,000 in Ohio – of manufacturing jobs and the corresponding collectively bargained middle class incomes and benefits.<sup>31</sup> These declines have been felt across the country. Between the years of 2000 and 2013, the middle class grew smaller in all 50 states.<sup>32</sup> Stagnant and decreasing wages explain the shrinking of the middle class and reveal the declining value of work for the U.S. workforce.

Union Membership: Given the strong connection between unions and the middle class, it is no coincidence that the reduction of union membership among U.S. workers has tracked closely with the shrinking of the middle class. Union representation of all U.S. workers declined from 20.1 percent in 1983 to 10.7 percent in 2016.<sup>33</sup> Unions are tied to higher wages for their members.<sup>34</sup> They have also been shown to increase the wages of union members' children,<sup>35</sup> and they reduce wage inequality across the labor market, including non-union members.<sup>36</sup> Declining union membership is directly linked to the declining value of work.

Retirement Benefits: Like their wages, workers' retirement benefits have flattened or decreased in the last several decades. In 2005, 22 percent of private industry workers had access to defined benefit retirement plans.<sup>37</sup> By 2016, that number had fallen to 18 percent.<sup>38</sup> Two thirds (66 percent) of private sector workers have access to retirement benefits through work, but largely in the form of defined contribution 401k plans.<sup>39</sup> In addition, retirement savings have become more concentrated at upper income levels. The shift to defined contribution plans has come at the expense of lower-income workers, as data on the concentration of retirement wealth reveal, because defined contribution plans disproportionately benefit the wealthy. In 2010, the top quartile of workers accounted for 51.6 percent of the total defined contribution wealth but only 35.1 percent of defined benefit wealth.<sup>40</sup> In addition, there is a large discrepancy in access to retirement plans between lower-income and higher-income workers. Only 33 percent of

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<sup>29</sup> Pew Research Center, *The American Middle Class is Losing Ground* 7 (December 9, 2015). Retrieved from [http://www.pewsocialtrends.org/files/2015/12/2015-12-09\\_middle-class\\_FINAL-report.pdf](http://www.pewsocialtrends.org/files/2015/12/2015-12-09_middle-class_FINAL-report.pdf).

<sup>30</sup> Tim Henderson, *Many Americans Are Rising Out of the 'Middle Class' -But Are They Better Off?*, Stateline, The Pew Charitable Trusts, February 12, 2016, <http://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2016/02/12/many-americans-are-rising-out-of-the-middle-class-but-are-they-better-off?>.

<sup>31</sup> Id.

<sup>32</sup> Tim Henderson, *The Shrinking Middle Class, Mapped by State*, Stateline, The Pew Charitable Trusts, March 19, 2015, <http://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2015/3/19/the-shrinking-middle-class-mapped-state-by-state>.

<sup>33</sup> Press Release, Bureau of Labor Statistics, Department of Labor, *Union Members Summary* (January 28, 2016). Retrieved from <http://www.bls.gov/news.release/union2.nr0.htm>.

<sup>34</sup> George I. Long, Bureau of Labor Statistics, Department of Labor, *Differences between union and nonunion compensation, 2001-2011*, Monthly Labor Review, 17-20 (April 2013). Retrieved from: <http://www.bls.gov/opub/mlr/2013/04/art2full.pdf>.

<sup>35</sup> Richard Freeman, et al, *How Does Declining Unionism Affect the American Middle Class and Inter-generational Mobility?* 13 (March 9, 2015). Retrieved from: <https://www.stlouisfed.org/~media/Files/PDFs/Community%20Development/Econ%20Mobility/Sessions/FreemanPaper508.pdf>.

<sup>36</sup> Bruce Western and Jake Rosenfeld, *Unions, Norms, and the Rise in American Wage Inequality*, 34 (March 2011). Retrieved from: [http://faculty.uml.edu/mduffy/wls240/documents/selectionsfromUnions\\_Norms\\_and\\_Wage\\_Inequality.pdf](http://faculty.uml.edu/mduffy/wls240/documents/selectionsfromUnions_Norms_and_Wage_Inequality.pdf).

<sup>37</sup> Stephanie L. Costo, Bureau of Labor Statistics, Department of Labor, *Trends in retirement plan coverage over the last decade*, Monthly Labor Review 60 (February 2006). Retrieved from <http://www.bls.gov/opub/mlr/2006/02/art5full.pdf>.

<sup>38</sup> Bureau of Labor Statistics, Department of Labor, *National Compensation Survey, Employee Benefits Survey Table 2* (2016). Retrieved from: <http://www.bls.gov/ncs/ebs/benefits/2016/ownership/private/table02a.htm>.

<sup>39</sup> Id.

<sup>40</sup> Alicia Munnell, et al., Center for Retirement Research at Boston College, *Pension Participation, Wealth, and Income: 1992-2010* 8 (July 2016). [http://crr.bc.edu/wp-content/uploads/2016/07/wp\\_2016-3.pdf](http://crr.bc.edu/wp-content/uploads/2016/07/wp_2016-3.pdf).

private industry employees in the 10<sup>th</sup> percentile of wage earners had access to employer-provided retirement benefits, while 88 percent of the 90<sup>th</sup> percentile of private industry wage earners had access to them.<sup>41</sup>

Even though two-thirds of all private sector U.S. workers have access to retirement benefits, it is significant that one-third does not.<sup>42</sup> And not all the workers who do have access are able to take advantage of retirement benefits<sup>43</sup> due to declining wages. More than half of workers do not participate in a plan,<sup>44</sup> and, among households where the primary wage earner is aged 55 or older, 29 percent have saved nothing for retirement.<sup>45</sup> Similar low-levels of retirement savings are seen among all workers. In 1989 the median household held \$0 in retirement accounts, and by 2010 that number had increased to only \$2,500.<sup>46</sup> The median plan balance for all workers is only \$22,000.<sup>47</sup> Because of these low-levels of savings, for long-career, low-wage workers, Social Security will make up as much as 84 percent of their income in retirement.<sup>48</sup>

Paid Family Leave: Paid family leave benefits remain scarce for the vast majority of U.S. workers. In the early 1990s, only two percent of private industry workers had access to paid maternity leave.<sup>49</sup> Overall access to paid family leave has improved, but only 12 percent of all workers in the private sector have access to the benefit.<sup>50</sup> Paid leave is even less available for part-time workers: only four percent of part-time workers had paid family leave benefits in 2012.<sup>51</sup> This is a small increase – 20 years earlier only one percent had access to paid maternity leave – but it represents a shockingly low level of paid family leave benefits for U.S. workers.<sup>52</sup>

Paid Sick Days: Paid sick days are more available than paid family leave benefits, but they are still lacking for large portions of the U.S. workforce. Sixty-four percent of private industry workers have paid sick days,<sup>53</sup> up from 50 percent in 1992 to 1993.<sup>54</sup> But more than 44 million

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<sup>41</sup> Press Release, Bureau of Labor Statistics, Department of Labor, Retirement benefits: Access, participation, and take-up rates (July 22, 2016). Retrieved from <http://www.bls.gov/news.release/ebs2.t01.htm>.

<sup>42</sup> The Pew Charitable Trusts, Employer-Sponsored retirement Savings Accounts, Uptake and Savings (September 14, 2016). Retrieved from <http://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2016/09/employer-sponsored-retirement-plan-access-uptake-and-savings>.

<sup>43</sup> Bureau of Labor Statistics, Department of Labor, National Compensation Survey, Employee Benefits Survey, Table 2a (March 2016). Employee Benefits Survey. Retrieved from <http://www.bls.gov/ncs/ebs/benefits/2016/ownership/private/table02a.htm>.

<sup>44</sup> Id.

<sup>45</sup> U.S. Government Accountability Office, Retirement Security: Most Households Approaching Retirement Have Low Savings 8 (May 2015). Retrieved from <http://www.gao.gov/assets/680/670153.pdf>.

<sup>46</sup> Natalie Sabadish and Monique Morrissey, Economic Policy Institute, Retirement Inequality Chartbook, Fig. 11. (September 6, 2013). Retrieved from <http://www.epi.org/publication/retirement-inequality-chartbook/>.

<sup>47</sup> The Pew Charitable Trusts, *supra* note 42.

<sup>48</sup> Michael Lind, et al., New America Foundation, Expanded Social Security: A plan to increase retirement security for all Americans 3 (April 2013). Retrieved from [https://na-production.s3.amazonaws.com/documents/LindHillHiltonsmithFreedman\\_ExpandedSocialSecurity\\_04\\_03\\_13.pdf](https://na-production.s3.amazonaws.com/documents/LindHillHiltonsmithFreedman_ExpandedSocialSecurity_04_03_13.pdf).

<sup>49</sup> Robert Van Geizen, Bureau of Labor Statistics, Department of Labor, *Paid leave in private industry over the past 20 years* Beyond the Numbers (August 2013). Retrieved from <http://www.bls.gov/opub/btn/volume-2/paid-leave-in-private-industry-over-the-past-20-years.htm>.

<sup>50</sup> U.S. Department of Labor, DOL Factsheet: Paid Family and Medical Leave (June 2015). Retrieved from [https://www.dol.gov/wb/resources/paid\\_leave\\_fact\\_sheet.pdf](https://www.dol.gov/wb/resources/paid_leave_fact_sheet.pdf).

<sup>51</sup> Van Geizen, *supra* note 49.

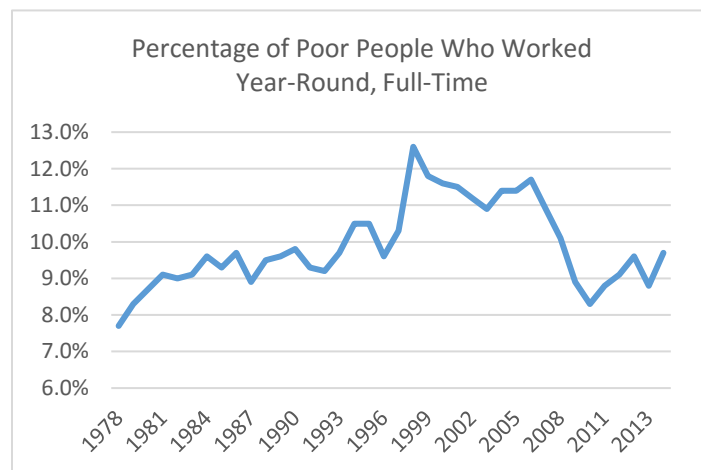
<sup>52</sup> Id.

<sup>53</sup> Press Release, Bureau of Labor Statistics, Department of Labor, Selected paid leave benefits: Access (July 2016). Retrieved from <http://www.bls.gov/news.release/ebs2.t06.htm>.

<sup>54</sup> Van Geizen, *supra* note 49.

workers in the private industry still do not have access to the benefit.<sup>55</sup> Only 30 percent of part-time workers in private industry have paid sick days,<sup>56</sup> which is up from 16 percent in 1992 to 1993.<sup>57</sup> In addition, paid sick day benefits are heavily skewed toward higher-paying jobs. Only 15.2 percent of the bottom quintile of workers has paid sick days, compared with 78.5 percent of the top quintile of workers.<sup>58</sup> Similarly fewer hourly workers (46.1 percent) have access to paid sick days than salaried workers (72.4 percent).<sup>59</sup>

**Paid Vacation:** Paid vacation benefits, while more available than paid sick days, are similarly skewed toward the highest paid workers. Paid vacation benefits are included here, not because they are considered a basic worker right like paid leave and paid sick days, but because they are a metric of whether employment provides workers access to the middle class. By this measure, access to the middle class is declining and non-existent for millions of U.S. workers. Seventy-six percent of all workers in the private sector have access to paid vacation days,<sup>60</sup> but access to the benefit has declined slowly from 79 percent in 1999, the last year for which data are available.<sup>61</sup> In addition, the benefit is concentrated among full-time and higher-wage workers. Only 36 percent of part-time private industry workers have paid vacation,<sup>62</sup> which is a decrease



Source: Census Bureau

from 43 percent in 1999.<sup>63</sup> Among the highest paid 10 percent of workers, 92 percent have access to paid vacation; however, only 41 percent of the lowest paid 10 percent of workers have access to the benefit.<sup>64</sup>

**Working Poor:** The stagnation and decline of wages and benefits have taken their toll on U.S. workers. Perhaps most telling is the statistic that 9.7 percent of all individuals living below the poverty line and above the age of 16 worked full-time in 2014.<sup>65</sup> This

<sup>55</sup> Bureau of Labor Statistics, *supra* note 53. (Sixty-four percent of private industry have access to paid sick leave benefits. According to the U.S. Bureau of Labor Statistics Current Employment Survey July 2016 data, there were 122,255,000 total private industry employees in the U.S.)

<sup>56</sup> *Id.*

<sup>57</sup> Van Giezen, *supra* note 49.

<sup>58</sup> Sarah Jane Glynn, Heather Boushey, and Peter Berg, Center for American Progress, *Who Gets Time Off? Predicting Access to Paid Leave and Workplace Flexibility* 12 (April 2016). Retrieved from <https://cdn.americanprogress.org/wp-content/uploads/2016/04/20131209/WhoGetsTimeOff-report-04.20.16.pdf>.

<sup>59</sup> *Id.*

<sup>60</sup> Press Release, Bureau of Labor Statistics, Department of Labor, *Employee Benefits in the United States – March 2016*, 15 (July 22, 2016). Retrieved from <http://www.bls.gov/news.release/pdf/ebs2.pdf>.

<sup>61</sup> Bureau of Labor Statistics, Department of Labor, *National Compensation Survey, Employee Benefits Survey*. Retrieved from <http://www.bls.gov/ncs/ebs/#data>. See Appendix IV. Data on paid vacation benefits was retrieved from the Employee Benefits Survey through the One-Screen Data Search and by selecting “Percent of All Workers With Access to Paid Vacations” as the benefit category and “All Private Industry” as the sector of the economy. Data are available from 1999 to 2006.

<sup>62</sup> Bureau of Labor Statistics, *supra* note 53.

<sup>63</sup> Bureau of Labor Statistics, *supra* note 61. Data on paid vacation benefits was retrieved from the Employee Benefits Survey by selecting “Percent of Part-time Workers With Access to Paid Vacations” as the benefit category and “All Private Industry” as the sector of the economy. Data are available from 1999 to 2006.

<sup>64</sup> Bureau of Labor Statistics, *supra* note 60.

<sup>65</sup> U.S. Census Bureau, *Historical Poverty Data*, Table 18 (2015). Retrieved from <http://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-people.html>.

number is not as high as the peak in 1998, but it represents an overall increase since 2009 and a return to the levels seen in the 1980s.<sup>66</sup> The percentage of working poor dropped in 2015 to 8.6 percent.<sup>67</sup> It is unclear whether or not that decrease will continue or if the number of working poor will increase again as it has before. Looking at this data another way, in 2013, 4.1 percent of workers who worked full-time for at least 27 weeks were classified as working poor.<sup>68</sup> Among part-time workers that number was 15.8 percent.<sup>69</sup> In other words, millions of Americans who work full-time and millions more who work part-time live below the poverty threshold.

In addition, millions of U.S. workers experience significant income volatility. Between the 1970s and the 2000s, the share of households that experienced a more than 50 percent decrease in income over a given two-year period increased by 40 percent.<sup>70</sup> Millions more workers do not have any financial safety net.

In May 2016 the Federal Reserve Board released its annual report on the economic well-being of U.S. households for 2015. The Board found that 46 percent of adults could not cover an emergency expense of \$400, or they would have to sell something or borrow money to pay for it.<sup>71</sup> Digging deeper into the report exposes why nearly half of adults are on the precipice of economic crisis: 32 percent report that their income varies<sup>72</sup>; 31 percent of adults are either “struggling to get by” or “just getting by<sup>73</sup>,” and 22 percent of surveyed adults said they are working multiple jobs or doing informal work in addition to their main job to increase their income.<sup>74</sup> Individuals working multiple jobs are “just getting by” because the value of work has declined.

Impact of Declining Value of Work on Women and Minorities: Women and minorities are disproportionately the ones “just getting by.” On top of facing stagnating and declining wages, women continue to face a significant pay gap. In 2014, median annual earnings for full-time working women were 79 percent of the median annual earnings for full-time men.<sup>75</sup> The problems of inadequate retirement savings are worse among women and minorities, who typically have not saved as much for retirement as white men.<sup>76</sup> And only five percent of low-

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<sup>66</sup> Id.

<sup>67</sup> Id.

<sup>68</sup> Bureau of Labor Statistics, Department of Labor, *A profile of the Working Poor, 2013*, BLS Reports 1 (July 2015). Retrieved from <http://www.bls.gov/opub/reports/working-poor/archive/a-profile-of-the-working-poor-2013.pdf>.

<sup>69</sup> Id., 7.

<sup>70</sup> Karen Dynan, Douglas Elmendorf, and Daniel Sichel, *The Evolution of Household Income Volatility*, The B.E. Journal of Economic Analysis & Policy (December 2012). Retrieved from <http://www.degruyter.com/view/j/bejeap.2012.12.issue-2/1935-1682.3347/1935-1682.3347.xml?format=INT>. Abstract available at <https://www.brookings.edu/research/the-evolution-of-household-income-volatility-3/>.

<sup>71</sup> Board of Governors of the Federal Reserve System, Report on the Economic Well-Being of U.S. Households in 2015 22 (May 2016). Retrieved from <https://www.federalreserve.gov/2015-report-economic-well-being-us-households-201605.pdf>

<sup>72</sup> Id., 18.

<sup>73</sup> Id., 1, 135.

<sup>74</sup> Id., 10-11.

<sup>75</sup> The American Association of University Women, *The Simple Truth about the Gender Pay Gap* 5 (Spring 2016). Retrieved from [http://www.aauw.org/files/2016/02/SimpleTruth\\_Spring2016.pdf](http://www.aauw.org/files/2016/02/SimpleTruth_Spring2016.pdf).

<sup>76</sup> Advisory Council on Employee Welfare and Pension Benefit Plans, Report on Disparities for Women and Minorities in Retirement Savings (2010). Retrieved from <https://www.dol.gov/ebsa/publications/2010acreport3.html>.

wage workers – primarily represented by women<sup>77</sup> – have access to paid family leave.<sup>78</sup> Hispanic workers are the least likely to have access to paid sick days, and white women and black men have less access to paid sick days than white men.<sup>79</sup> Statistics on the working poor follow the same pattern: in 2012 women and minorities represented a greater percentage of the working poor than men, and Hispanics and black workers were twice as likely to live below the poverty line as Asians and white workers.<sup>80</sup> It is no surprise then that black and Hispanic families face disproportionate economic insecurity.<sup>81</sup> In sum, the declining value of work has come at a very steep cost for women and minorities.

Globalization and technology alone do not explain downward trajectory in wages and benefits. Technology influenced the type of work and the number of jobs in certain sectors over the last several decades, leading employers to demand higher skills from their workers. Higher skill levels should have been, but were not, accompanied by a corresponding increase in workers' pay. Millions of jobs have been offshored as a result of globalization, which has also reduced the leverage of workers whose jobs were not sent overseas by forcing them to compete against the possibility of having their jobs offshored. But moving overseas is not an option for all employers. In the services industry, for example, workers are increasingly marginalized even though many of their jobs cannot be easily offshored, if at all. There are other contributing sources for the declining value of work that can and should be addressed.

#### **IV. Outdated Labor Policies Have Disadvantaged Workers**

Outdated federal labor laws have also contributed to the declining value of work. In particular, the federal minimum wage has not kept pace with inflation, and the National Labor Relations Act (NLRA) has not been updated to strengthen its enforcement provisions or accommodate changes in employer-employee relationships.

Federal Minimum Wage: The federal minimum wage law has not been changed since 2007, and it no longer ensures families live above the poverty line. A worker who works full-time, 52 weeks a year earning the federal minimum wage makes \$15,080, which is more than the 2017 federal poverty level for a household of one (\$12,060), but below the poverty level for a household of two (\$16,240).<sup>82</sup> Adjusted for inflation, the federal minimum wage had the most purchasing power in 1968,<sup>83</sup> when it was sufficient to keep a family of three out of poverty.<sup>84</sup> Because the federal minimum wage has not been increased or indexed to inflation, low-wage

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<sup>77</sup> Katherine Gallagher Robbins and Julie Vogtman, National Women's Law Center, Low-wage jobs held primarily by women will grow the most over the next decade 1 (April 2016). Retrieved from <https://nwlc.org/wp-content/uploads/2016/04/Low-Wage-Jobs-Held-Primarily-by-Women-Will-Grow-the-Most-Over-the-Next-Decade.pdf>.

<sup>78</sup> Department of Labor, The Cost of Doing Nothing 8 (September 4, 2015). Retrieved from <https://www.dol.gov/featured/paidleave/cost-of-doing-nothing-report.pdf>.

<sup>79</sup> Jenny Xia, et al., *Institute for Women's Policy Research*, Paid sick days access and usage rates vary by race/ethnicity, occupation, and earnings 2 (February 2016). Retrieved from <https://iwpr.org/publications/paid-sick-days-access-and-usage-rates-vary-by-raceethnicity-occupation-and-earnings/>.

<sup>80</sup> Bureau of Labor Statistics, *supra* note 68, at 2.

<sup>81</sup> Molly Cain and Sunny Frothingham, Center for American Progress, Economic Security for Black and Hispanic Families 5 (June 2016). Retrieved from <https://cdn.americanprogress.org/wp-content/uploads/2016/06/20092206/EconSecurityFOC.pdf>.

<sup>82</sup> Office of the Assistant Secretary For Planning and Evaluation, Department of Health and Human Services, 2017 HHS Poverty Guidelines (January 26, 2017). Retrieved from <https://aspe.hhs.gov/poverty-guidelines>.

<sup>83</sup> Drew Desilver, *5 facts about the minimum wage*, Pew Research Center, July 23, 2015, <http://www.pewresearch.org/fact-tank/2015/07/23/5-facts-about-the-minimum-wage/>.

<sup>84</sup> Drew Desilver, *Minimum wage hasn't been enough to lift most out of poverty for decades*, Pew Research Center, February 18, 2014, Retrieved from <http://www.pewresearch.org/fact-tank/2014/02/18/minimum-wage-hasnt-been-enough-to-lift-most-out-of-poverty-for-decades/>.

U.S. workers are not earning the wages necessary to maintain economic stability and security for their families.

Overtime Salary Threshold: On May 23, 2016, under President Obama, the Department of Labor issued a final rule to increase the overtime salary threshold for white collar workers whose duties and salaries exempt them from overtime pay.<sup>85</sup> Unfortunately, a federal judge issued an injunction blocking implementation of the final rule, which was intended to take effect on December 1, 2016.<sup>86</sup> The Department of Labor has appealed the injunction,<sup>87</sup> but, if the final rule is blocked, the overtime salary threshold for white collar workers will remain inadequate. Only seven percent of full-time salaried workers will be protected, compared to the 62 percent of full-time salaried workers the overtime salary threshold protected in 1975.<sup>88</sup>

Rights of Workers to Organize: The NLRA, the federal law that provides and protects collective bargaining rights, is also outdated. It is telling that the findings and recommendations of the Commission on the Future of Worker-Management Relations – created by Secretary of Commerce Ronald Brown and Secretary of Labor Robert Reich in 1993 – are still relevant today.

For example, the Commission noted that unfair labor practices by employers against workers seeking to form unions had increased in part due to the NLRA's ineffectiveness. Specifically, the Commission found that the NLRA's "remedies...do not provide a strong enough disincentive to deter unfair labor practices of some employers during certification elections and first contract campaigns."<sup>89</sup> The NLRA was enacted in 1935. Since that time, Congress has enacted other labor standards laws, including the Fair Labor Standards Act, the Family and Medical Leave Act, the Occupational Safety and Health Act, and Title VII of the Civil Rights Act, which provides protection against workplace discrimination. The NLRA's remedies for labor rights violations are much weaker than the remedies in these newer statutes and are particularly inadequate given the changes in the workforce and the nature of work the U.S. has seen in the last 80 years.

The Commission also found that the supervisory and management exclusions of the NLRA had not kept pace with the "diffusion of supervisory and managerial decision-making power throughout the workforce."<sup>90</sup> This is still true and is attributable in part to the fact that the NLRA has not been amended for decades. In addition, Supreme Court decisions have altered the interpretation of the law and changed how it is implemented.<sup>91</sup> *NLRB v. Kentucky River*, in particular, further weakened the law when it overturned the NLRB's determination on the definition of supervisor as it pertains to registered nurses.<sup>92</sup>

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<sup>85</sup> Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales and Computer Employees, 81 Fed. Reg. 32391 (May 23, 2016) (to be codified at 29 CFR Part 541).

<sup>86</sup> State of Nevada et al v. United States Department of Labor et al, No: 4:16-CV-00731 (E.D. Tex. 2016).

<sup>87</sup> State of Nevada et al v. United States Department of Labor et al, No: 4:16-CV-00731 (E.D. Tex. 2016), appeal docketed, No. 16-41606 (5<sup>th</sup> Cir. Dec. 1, 2016).

<sup>88</sup> Department of Labor, Overtime for White Collar Workers: Overview and Summary of Final Rule, 1 (2016). Retrieved from <https://www.dol.gov/sites/default/files/overtime-overview.pdf>.

<sup>89</sup> U.S. Commission on the Future of Worker-Management Relations, Final Report 43 (1994). Retrieved from [digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1004&context=key\\_workplace](http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1004&context=key_workplace).

<sup>90</sup> Id., 28.

<sup>91</sup> Julius G. Getman, *The Courts and Collective Bargaining- The Kenneth M. Piper Lectures*, 59 Chicago-Kent Law Review 969 (October 1983). Retrieved from <http://scholarship.kentlaw.iit.edu/cgi/viewcontent.cgi?article=2503&context=cklawreview>.

<sup>92</sup> *NLRB v. Kentucky River*, 532 U.S. 706 (2001).

The Commission also pointed to the increasingly popular use of contingent workers<sup>93</sup> and recommended that the definition of employee in federal statute, including labor law, be amended so it is “based on the economic realities underlying the relationship between the worker and the party benefiting from the workers’ services.”<sup>94</sup> The question of independent contractors’ coverage under the NLRA is a good example of the law’s inadequacy in handling contingent workers. The fact that numerous cases<sup>95</sup> have been filed to settle this issue illustrates the lack of clarity surrounding the statute’s scope of coverage. Similar questions have been raised and cases have been filed regarding the question of teaching assistants’ coverage under the law.<sup>96</sup>

No changes have been made to the NLRA since the Commission issued its report, and, as the teaching assistant and independent contractor cases illustrate, the law’s employee definition and penalties remain inadequate. These statutory weaknesses are exacerbated by the changing nature of employer-employee relationships and have contributed to the declining value of work. Updating the NLRA will ensure that U.S. workers eligible for collective bargaining rights are able to exercise them, and, in doing so, reverse the declining value of work and grow the middle class.

**Other Policies:** Other policies, such as those regarding independent contractors, have not been updated to reflect the current workforce and employment trends. Some laws, such as wage theft laws, are insufficient and do not provide sufficient deterrents to employers or wage recovery for workers. In other cases, it is the lack of policies that have contributed to the declining value of work. For example, there is no federal policy requiring employers in certain service sectors to give workers advanced notice of their schedules, which has led to employer practices that disadvantage workers. Nor is there a federal requirement for employers to provide paid sick days and paid family leave, which leaves workers few options when they or a family member are sick. Without updating or establishing these policies, the value of work will continue to decline for U.S. workers.

## **V. Marginalization of U.S. Workers**

The declining value of work is intrinsically tied to the marginalization of workers. Marginalization is used here to refer to the loss of workers’ agency and voice in the workplace. When worker marginalization occurs, workforce priorities are moved to the margins of overall business’ priorities. Instead of viewing a workforce as a long-term asset key to a company’s long-term success, workers are seen as a disposable, short-term source of productivity. As a result, marginalization transforms workers from individuals who contribute to the company’s overall worth to a line item on a budget sheet. Although it can take many forms, worker marginalization often manifests itself through companies choosing alternative work arrangements to reduce employment expenses or to shift them to another entity entirely. Worker

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<sup>93</sup> U.S. Commission on the Future of Worker-Management Relations, *supra* note 89, at 61.

<sup>94</sup> *Id.*, 63.

<sup>95</sup> In 2005, the Board decided that newspaper carriers were independent contractors (*St. Joseph News-Press*, 345 NLRB 474, 477-478). In 2011, it found that the Lancaster Symphony Orchestra’s musicians were employees under the NLRA (*Lancaster Symphony Orchestra*, 361 NLRB No. 101 (2011)). And it found that FedEx Home Delivery drivers in Hartford, Connecticut were employees (*FedEx Home Delivery*, 361 NLRB No. 55 (2014)).

<sup>96</sup> In 2001 the Board issued a decision that teaching assistants, research assistants, and proctors are employees under the NLRA (New York University, 332 NLRB 1205 (2000)). Three years later, the Board overturned that decision and ruled that teaching assistants were not considered statutory employees (*Brown University*, 342 NLRB 483 (2004)). In 2016, the Board’s interpretation was reversed again, when the Board extended NLRA coverage to teaching assistants at Columbia University by finding that they are considered employees under the law (*Columbia University*, 364 NLRB No. 90 (August 2016)).

marginalization, including among direct employees, always leads to lower wages and benefits and increased job insecurity. This is because employers marginalize employees by minimizing workforce costs and liabilities to the greatest extent possible.

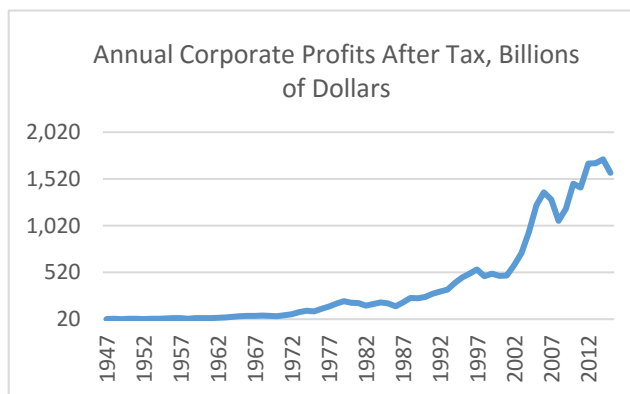
The marginalization of workers is best understood through examples. Workers are marginalized when classified as independent contractors even though they are employees. Workers are marginalized when they are hired as temps through a staffing agency instead of as direct employees. Workers are marginalized when they are denied training or promotions and when their wages are stolen and schedules are irregular. They are also marginalized when they face opposition, intimidation, and retaliation by their employers for trying to form a union.

In all instances of marginalization, workers experience less job stability, less power in the workplace, and greater economic vulnerability. The employer does not invest in the workforce through long-term employment, complete with opportunities for skills training and job advancement. Instead, the employer reduces its workforce-related risks as much as possible by creating a short-term, low-cost, replaceable workforce with lower wages and benefits. And in the case of union-opposition, the employer prevents workers from increasing their power and voice in the workplace, through which they could improve their employment status, wages, and benefits. Worker marginalization is the product of business choices and is a significant contributor to the declining value and disappearing dignity of work.

## **VI. Business Decisions and the Marginalization of U.S. Workers**

The marginalization of U.S. workers has been achieved through business decisions that reflect changed corporate goals. Businesses now make maximizing shareholder value and core competencies their exclusive priorities. These objectives are achieved by extreme cost-cutting, which has led to the declining value of work and worker marginalization.

Shareholder Value Focus: An in-depth report, “The Price of Profits,” describes the corporate culture among publicly traded companies as the Shareholder Value Economy, in which companies respond to increased foreign competition by reducing workforce costs, laying off workers, and restructuring their businesses to “maximize shareholder value.”<sup>97</sup> In the Shareholder Value Economy, business leaders favor short-term profits over long-term investments.<sup>98</sup> Quarterly earnings and stock value are considered top priorities at the expense of everything else. A 2005 survey of financial executives from public companies found that 78 percent of those surveyed would sacrifice economic value of their company to meet



Source: St. Louis Federal Reserve Bank

<sup>97</sup> Marketplace, The Price of Profits (June 2016). Retrieved from <http://features.marketplace.org/priceofprofits/>.

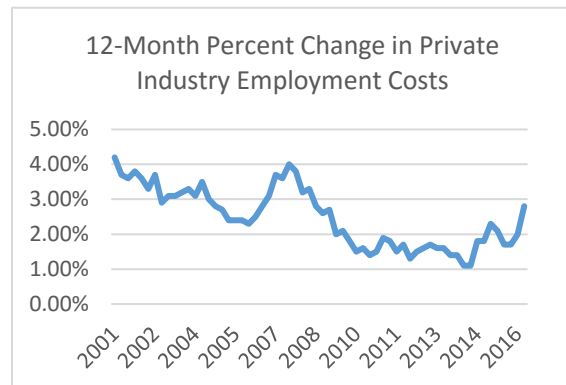
<sup>98</sup> The Aspen Institute, Overcoming Short-termism: A call for a more responsible approach to investment and business management 2 (September 9, 2009). Retrieved from [https://assets.aspeninstitute.org/content/uploads/files/content/docs/pubs/overcome\\_short\\_state0909\\_0.pdf](https://assets.aspeninstitute.org/content/uploads/files/content/docs/pubs/overcome_short_state0909_0.pdf).



financial reporting targets.<sup>99</sup> Long-term investments, such as workforce benefits, that will not yield short-term stock value increases are not pursued. In fact, in a Shareholder Value Economy, companies seek to reduce wages, benefits, and worker liabilities whenever possible to increase profits and satisfy shareholder demands.<sup>100</sup> These decisions lead to the marginalization of the companies' employees and the declining value of work.

**Corporate Reorganization:** Corporate reorganization, which is directly tied to the Shareholder Value Economy, has also contributed to the marginalization of workers and the declining value of work. Companies in many industries are moving away from vertical integration to leaner business models with more complex supply chains.<sup>101</sup> In a vertically integrated business, the company owns all or part of its own supply chain. When businesses decide to abandon the vertically integrated model, they pare production or services down to only the areas where they have the most expertise or strongest competitive advantage. All other parts of the supply chain are contracted out to other companies.

When companies break up their production and move to a supply chain model, they also break up their workforces. This is what former Department of Labor Wage and Hour Administrator David Weil calls the fissured workplace. In a fissured workplace, “employment is no longer the clear relationship between a well-defined employer and a worker.”<sup>102</sup> Unlike in traditional



Source: Bureau of Labor Statistics

employment settings, in the fissured workplace the very basics of employment, such as hiring, firing, wages, training, and supervision, are the responsibility of many different parties. This maze of obligations “creates downward pressure on wages and benefits,” and it can have serious consequences for labor standards.<sup>103</sup> In addition, the fissured workplace makes it more difficult for workers to organize. As a result, corporate reorganization and extensive supply chains have contributed to the marginalization of U.S. workers.

Shareholder Value Economics and corporate restructuring have successfully limited workforce costs and increased profitability. Growth in employment costs slowed between 2001 and 2016.<sup>104</sup> In contrast, corporate profits grew more

<sup>99</sup> John R. Graham, Campbell R. Harvey, and Shiva Rajgopal, *The Economic Implications of Corporate Financial Reporting* 24 (January 11, 2015). Retrieved from [https://faculty.fuqua.duke.edu/~charvey/Research/Working\\_Papers/W73\\_The\\_economic\\_implications.pdf](https://faculty.fuqua.duke.edu/~charvey/Research/Working_Papers/W73_The_economic_implications.pdf).

<sup>100</sup> Paul R. La Monica, *You're fired. Stock rises. Wall Street loves layoffs*, CNN Money, The Buzz, October 1, 2013, <http://buzz.money.cnn.com/2013/10/01/layoffs-stocks/>. Another article emphasizes just how shareholder pressure and demands can influence workforce decisions: Danielle Burger, *Zoetis to cut 300 million in costs after pressure from Ackman*, Bloomberg, May 5, 2015, <http://www.bloomberg.com/news/articles/2015-05-05/zoetis-to-cut-300-million-in-costs-after-pressure-from-ackman>.

<sup>101</sup> Ronald J. Gilson, Charles F. Sabel, and Robert E. Scott, *Contracting for Innovation: Vertical Disintegration and Interfirm Collaboration* 2, 5-7 (December 2008). Retrieved from <http://www2.law.columbia.edu/sabel/papers/contracting%20for%20innovation.pdf>. See also David Weil, *The Fissured Workplace: Why Work Became So Bad for So Many and What Can Be Done to Improve It* 49-50 (2014).

<sup>102</sup> Weil, *supra* note 101, at 7.

<sup>103</sup> *Id.*, 8.

<sup>104</sup> Bureau of Labor Statistics, Department of Labor, *Employment Cost Index*. Retrieved from <http://www.bls.gov/ect/#data>. To identify the percent change in private employment costs over time, staff used the Employment Cost Index one-screen data search. For the Ownership category staff selected “Private industry workers,” and “Total compensation” was chosen for the Component

than 3,000 percent between January 1970 and December 2014.<sup>105</sup> These business shifts have also increased employers' reliance on alternative work arrangements,<sup>106</sup> which have been a key factor in the marginalization of workers and the declining value of work.

## **VII. Changing Employer-Employee Relationships**

An examination of data on alternative work arrangements<sup>107</sup> supports Weil's conclusion that there has been a fundamental shift in employer-employee relationships that has hurt workers. Despite the intense media coverage on new companies like Uber, however, this shift is not just about the so-called "gig" economy. The trends cited by Weil began long before Uber was established. The gig economy is likely to be part of the future of employment, but its implications for workers are not unique. The troubling trends seen in the gig economy workforce are rampant throughout alternative workforce arrangements and have been for decades. Nor are these trends unique to nontraditional employment. The same business decisions also lead to marginalized workers and depressed wages in traditional employment relationships.

As a result, for decades millions of workers have not been accruing the benefits typically associated with work, and the value of their work has been undermined. These problems merit a policy response that will reverse worker marginalization and the declining value of work across all employment relationships.

Gig Economy: The gig economy refers to short-term, contingent employment provided by workers. It is also called the "on-demand" and the "sharing" economy, meaning that a service or product is provided or shared when demanded by a consumer. Much of the conversation about the gig economy has focused on app-based companies whose services and products are requested by consumers electronically. Uber, for example, reinvented taxi services by creating a mobile-device-based application that enables individuals to request rides from anywhere in the geographical area served by the company. Airbnb allows individuals to rent out their homes or rooms in their homes through a platform that connects renters with leasers. Through Handy, another mobile device-based application, consumers can obtain house cleaning services. TaskRabbit uses the same type of platform but offers services for household chores and repairs.

The proliferation and ubiquity of app-based companies have led some to believe that they represent a large percentage of U.S. workers and are redefining work. Research by Lawrence Katz and Alan Krueger, however, concludes that the gig economy represents a "relatively small" percentage of contingent work, though it is growing quickly.<sup>108</sup> Regardless of their size, gig

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category. "All workers" was chosen for the Occupation category. "All workers" was selected for the Industry category, followed by "All workers" for the Subcategory. "United States (National)" was chosen for the Area category, and "12-month percent change" for the Periodicity category. The data are available from 2001 to 2016. See Appendix V.

<sup>105</sup> Federal Reserve Bank of St. Louis, Analysis of US. Bureau of Economic Data, Corporate Profits after Tax (2016). Retrieved from <https://fred.stlouisfed.org/series/CP>. 1970 Q1 was \$51.9 billion. 2014 Q4 was \$1.771 trillion.

<sup>106</sup> Lynn A. Karoly and Constantijn Panis, RAND Corporation, The 21st Century at Work: Forces Shaping the Future Workforce and Workplace in the United States xxxiii-xxxiv (2004). Retrieved from <http://www.rand.org/pubs/monographs/MG164.html>.

<sup>107</sup> This paper classifies anything that is not traditional, direct employment as an alternative work arrangement. The category encompasses contingent work, independent contractors, subcontractors, temporary work, certain part-time work and temporary work. The "gig" economy is also included in alternative work, though, as this paper explains below, it is not a new category of work.

<sup>108</sup> Lawrence F. Katz and Alan B. Krueger, The Rise and Nature of Alternative Work Arrangements in the United States, 1995-2015 3 (March 29, 2016). Retrieved from [http://krueger.princeton.edu/sites/default/files/akrueger/files/katz\\_krueger\\_cws\\_-\\_march\\_29\\_20165.pdf](http://krueger.princeton.edu/sites/default/files/akrueger/files/katz_krueger_cws_-_march_29_20165.pdf).

economy employment models are far from unique. There has always been informal, short-term, and contract-oriented work in the U.S. economy. In addition, most gig economy workers are classified by employers as independent contractors,<sup>109</sup> a job category that has been used in various sectors, namely the construction sector, for decades. The gig economy by itself does not represent a new paradigm for employment or work, but it is part of a greater shift to contingent and alternative employment arrangements that is undermining the value of work and marginalizing workers.

Contingent Work: Contingent work, which encompasses the gig economy, is the description some apply to work that is not expected to be long-term. This is one way of measuring work that is either freelance, temporary, or contract-dependent, including work in the gig economy. Although broad, it is a useful metric for evaluating some workers in non-traditional or alternative work arrangements. The Bureau of Labor Statistics previously completed five Contingent Workforce Surveys (CWS) between 1995 and 2005. The data are old and not helpful for understanding the current size of the U.S. contingent workforce, but they illustrate the fact that millions of American workers have had contingent jobs for at least two decades. For example, 8.3 million workers (6.7 percent of total U.S. employment) were independent contractors in 1995.<sup>110</sup> That same year, as many as six million (or 4.9 percent) were contingent workers.<sup>111</sup> Ten years later, the last year the survey was completed, independent contractors had grown to 7.4 percent of total employment, and total contingent workers had dropped slightly to 4.1 percent.<sup>112</sup>

Since the last CWS survey, attempts to measure the number of contingent workers have produced varying estimates. For example, the Government Accountability Office (GAO) found that 35.3 percent of employed workers in 2006 and 40.4 percent in 2010 were contingent workers.<sup>113</sup> Another report found that 22 percent of the adult population has worked or offered services in the on-demand economy.<sup>114</sup> A survey conducted for the Freelancers Union in 2015 found that 54 million Americans, or 34 percent of the U.S. workforce, work as freelancers.<sup>115</sup> Among those 54 million, 19 million were found to be independent contractors, and 4.6 million were identified as temporary workers.<sup>116</sup>

Different definitions of contingent work have led to significant variability among the surveys' conclusions, which is why an updated, more consistent, and official measure is needed to

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<sup>109</sup> A class action lawsuit filed by Uber drivers in California demonstrates that the future of Uber driver's independent contractor status remains unsettled. *O'Connor et al v. Uber Technologies, Inc. et al*, C13-3826, N.D. Cal (August 18, 2016). Retrieved from <http://www.cand.uscourts.gov/EMC/OConnorvUberTechnologies>. Similar cases have been challenged in other jurisdictions as well. Depending on the results of these cases, they could have implications for the status of workers in the "gig" economy more broadly. See also Tracey Lien, *Uber sued again over drivers' employment status*, LA Times, May 2, 2016, <http://www.latimes.com/business/technology/la-fi-tn-uber-nationwide-class-action-20160502-story.html>.

<sup>110</sup> Press Release, Bureau of Labor Statistics, Department of Labor, Contingent and Alternative Employment Arrangements (August 7, 1995). Retrieved from [http://www.bls.gov/news.release/history/conemp\\_082595.txt](http://www.bls.gov/news.release/history/conemp_082595.txt).

<sup>111</sup> *Id.*

<sup>112</sup> Press Release, Bureau of Labor Statistics, Department of Labor, Contingent Worker Supplement Survey 2-3 (July 27, 2005). Retrieved from <http://www.bls.gov/news.release/pdf/conemp.pdf>.

<sup>113</sup> U.S. Government Accountability Office, Contingent Workforce: Size, Characteristics, Earnings, and Benefits 12 (April 20, 2015). Retrieved from <http://www.gao.gov/assets/670/669766.pdf>.

<sup>114</sup> Press Release, Burson-Marsteller, Fort-five Million American Say They Have Worked in the On-Demand Economy, While 86.5 Million Have Used It (January 6, 2016). Retrieved from <http://www.burson-marsteller.com/press-release/fifty-five-million-americans-say-they-have-worked-in-the-on-demand-economy-while-86-5-million-have-used-it-according-to-new-survey/>.

<sup>115</sup> Freelancers Union & Upwork, A National Survey of the New Workforce, 3 (2015). Retrieved from [https://fu-web-storage-prod.s3.amazonaws.com/content/filer\\_public/59/e7/59e70be1-5730-4db8-919f-1d9b5024f939/survey\\_2015.pdf/](https://fu-web-storage-prod.s3.amazonaws.com/content/filer_public/59/e7/59e70be1-5730-4db8-919f-1d9b5024f939/survey_2015.pdf/).

<sup>116</sup> *Id.*, 6.

understand the exact size and significance of contingent work in the U.S.<sup>117</sup> Despite their disparities, these estimates all indicate that millions of U.S. workers have been performing contingent work for decades.

#### Alternative Work Arrangements:

Even when contingent work data is updated, it will tell only part of the story of employment in the U.S. A more inclusive category of employment, identified as alternative work arrangements here, is needed to understand the multitude of employment relationships that are contributing to the declining value of work. There is overlap between categories from the CWS and the larger category of alternative work, and some of those categories are reexamined below to get a better sense of their size and impact on the U.S. workforce. The combined data for alternative work support the conclusion that millions of U.S. workers have had alternative work arrangements for decades, millions have alternative work arrangements now,<sup>118</sup> and millions more are likely to in the near future.

#### *Independent contractors*

Independent contractors have become a high profile form of alternative work, in part because the classification is widely used in the gig economy and has been challenged in several recent class action lawsuits. Employer-employee relationships are defined in law by the tax status of each worker. For most workers, this means being classified as an official employee (associated with the W-2 tax form), but for a growing number of workers it means being labeled as an independent contractor, which is distinguished by the filing of a 1099 form with the IRS. Independent contractors are not considered employees of the company for which they are doing work. They are not covered by the Fair Labor Standards Act, and they are responsible for paying all of the Social Security and Medicare payroll taxes associated with their employment, taxes that are typically split with the employer. Some workers are legitimately independent contractors for whom the 1099 form is appropriate, but others are misclassified as a way to reduce employer workforce costs.

Recent IRS data show an increase in the number of independent contractors between 2000 and 2012, the only period for which data are available. Specifically, the data show that 15.4 million U.S. workers received 1099 forms in 2000 and 17.7 million received them in 2012, an increase of 12 percent.<sup>119</sup> Although that is an increase of more than two million workers, independent contractor tax filings increased at a rate similar to that of individual tax return filings.<sup>120</sup> In other words, the number of independent contractors has increased, but their proportion of the U.S. workforce has remained largely the same.

We do not have IRS data from more recent years, but Uber and other companies were founded within the range of the data and classify their employees as independent contractors. Despite the fast growth of the gig economy, the establishment of these companies was not accompanied by a

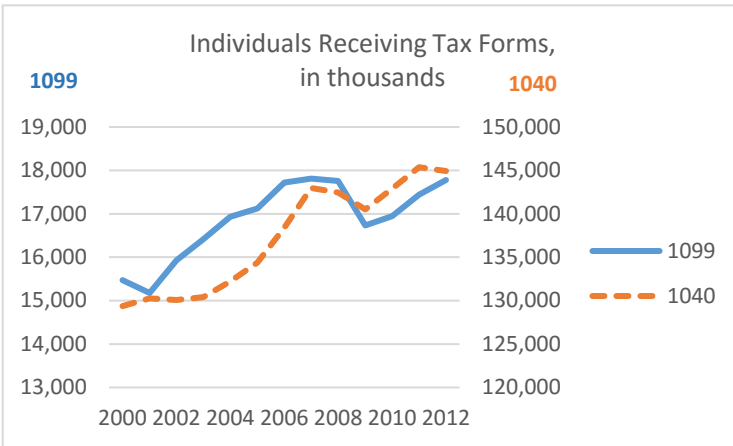
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<sup>117</sup> Fortunately, the CWS is on track to be completed again in 2017, which will provide the first official estimate of contingent workers in 12 years.

<sup>118</sup> The recent Katz and Krueger study found that alternative work arrangements had increased from 10.1 percent of U.S. workers in 2005 to 15.8 percent of U.S. workers in 2015. Katz and Krueger, *supra* note 108 at 7.

<sup>119</sup> Analysis provided by the Internal Revenue Service to Sen. Brown's office.

<sup>120</sup> *Id.*



Source: Internal Revenue Service

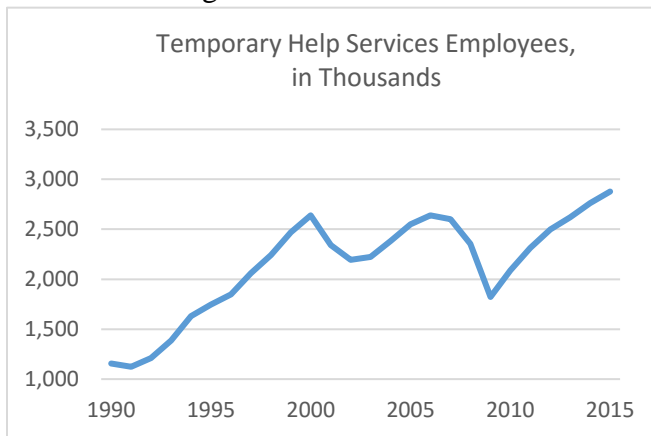
sharp increase in the number of independent contractors in the U.S. workforce, which is consistent with Katz and Krueger's findings.

Still, the number of independent contractors is significant and increasing, and that has meaningful consequences for wages and benefits. Independent contractors do not have to be paid minimum wage. They do not get overtime and are not paid benefits by the employer. Although some work may warrant the independent contractor

classification, companies' inappropriate use of it to reduce their employee tax liabilities and overall worker costs contributes to the declining value of work.

### *Temporary workers*

Another category of alternative work is temporary work. Temporary workers are employees whose jobs are not expected to last longer than a year and typically have a specific end date. Temporary employees are often hired through staffing agencies that are selected by employers to fill short-term positions, accommodate a temporary change in production or services, or provide seasonal or irregular work.



Source: Bureau of Labor Statistics

BLS data on temporary workers represent one of the starkest changes in the U.S. workforce in the last few decades. Temporary workers have increased to 1.9 percent of total employment, or 2.9 million workers in July 2016, up from 1.0 percent of total employment (approximately 1.1 million workers) in January 1990.<sup>121</sup> Companies of all sizes, including in the high-skilled and manufacturing sectors, have expanded their use of temporary workers.<sup>122</sup> In fact, temporary job growth has exceeded GDP and nonfarm

<sup>121</sup> U.S. Department of Labor, Bureau of Labor Statistics, Current Employment Statistics for Temporary Help Services Employment. Retrieved from <http://www.bls.gov/ces/#data>. See Appendix VI. To obtain the number of temporary help services employees, staff accessed the Current Employment Statistics survey through the one-screen data search. "All Employees, Thousands" was selected for Data Type. "Professional and business services" was selected for the Super Sector. And "Temporary help services" was selected for the Industries. Next, the Current Population Survey Database was used to produce the total number of employed workers in the labor force. Then the temporary help services employment statistics were divided by total employment for each year from 1990 to the present to calculate temporary help services employment as a percentage of total employment. See also Jessica R. Nicholson, Economics and Statistics Administration, Department of Commerce, *Temporary Help Workers in the U.S. Labor Market*, ESA Issue Brief (July 1, 2015). Retrieved from <http://www.esa.doc.gov/sites/default/files/temporary-help-workers-in-the-us-labor-market.pdf>.

<sup>122</sup> Tian Luo, Amar Mann, and Richard Holden, Bureau of Labor Statistics, Department of Labor, *The Expanding Role of Temporary Help Services From 1990 to 2008*, Monthly Labor Review 6 (August 2010). Retrieved from <http://www.bls.gov/opub/mlr/2010/08/art1full.pdf>.

employment growth since 2010.<sup>123</sup> In 2014, U.S. staffing companies hired 14.6 million temporary and contract employees (meaning contract employees whose work is temporary), a level that indicates employers are planning to continue to rely on temporary work despite the economic recovery.<sup>124</sup> Temporary staffing firms believe “high use of temporary employment is the new normal.”<sup>125</sup>

This new normal for temporary work is cause for concern. Temporary workers are being provided by staffing firms to perform full-time jobs so employers can avoid directly hiring employees. Temporary workers have higher rates of injuries than traditional employees,<sup>126</sup> and earn lower wages and benefits.<sup>127</sup> In short, temporary work is another example of an alternative work arrangement that is undermining the value of work for U.S. workers.

### *Subcontracting*

Similar conclusions can be drawn about subcontractors. Subcontracting refers to the employment arrangement when an employer purchases the services of another company to complete certain tasks. Subcontracted workers are paid by the contracting or secondary company, not the primary company, even though in some circumstances the primary company may exercise significant authority over the workers on a day-to-day basis. There are no comprehensive or official statistics on subcontracting, but numerous studies have shown the prevalence of subcontracting in specific sectors.

For example, a University of California Berkeley study found in 2014 that 70 percent of security officers in California were employed by subcontractors.<sup>128</sup> A National Employment Law Project (NELP) study cited industry analysts that estimated 93 percent of all janitorial services nationwide are independent contractors or franchisees.<sup>129</sup> A ProPublica investigation concluded that cell tower work has been widely outsourced by cell carriers.<sup>130</sup> And an industry survey of 1,393 companies across sectors found that 81 percent outsourced domestic transportation, and 73

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<sup>123</sup> Cynthia Poole, American Staffing Association, *Steady Growth Continues: Staffing and recruiting grows faster than the economy and the labor market*, Staffing Success 6 (2015). Retrieved from <https://americanstaffing.net/wp-content/uploads/2015/10/StaffingSuccess-Special15-CoverReprint.pdf>.

<sup>124</sup> *Id.*, 7.

<sup>125</sup> Max Mihelich, *Special Report: Staffing Still Soaring*, Workforce, October 1, 2014, <http://www.workforce.com/2014/10/01/special-report-staffing-still-soaring/>. Two other articles explore the increasing reality of temporary work status becoming long term. See also: Martha C. White, *For many Americans, ‘temp’ work becomes permanent way of life*, NBC News, April 21, 2014, <http://www.cnbc.com/2014/04/21/for-many-americans-temp-work-becomes-permanent-way-of-life.html>. Elizabeth G. Olson, *The rise of the permanently temporary worker*, Fortune, May 5, 2011, <http://fortune.com/2011/05/05/the-rise-of-the-permanently-temporary-worker/>.

<sup>126</sup> CK Smith, et al., *Temporary workers in Washington State*, American Journal of Industrial Medicine 135-45 (February 2010). Abstract available at <http://www.ncbi.nlm.nih.gov/pubmed/19618410>.

<sup>127</sup> Nicholson. (2015). Temporary Help Workers in the U.S. Labor Market. U.S. Department of Commerce Economics and Statistics Administration. P. 6-7. Retrieved from <http://www.esa.doc.gov/sites/default/files/temporary-help-workers-in-the-us-labor-market.pdf>. See also: Dietz. (2012). Temporary Workers in California are twice as likely as Non-Temps to live in Poverty: Problems with Temporary and Subcontracted Work in California. *UC Berkeley Labor Center*. P. 12. Retrieved from [http://laborcenter.berkeley.edu/pdf/2012/temp\\_workers.pdf](http://laborcenter.berkeley.edu/pdf/2012/temp_workers.pdf).

<sup>128</sup> Sara Hinkley, Annette Bernhardt, and Sarah Thomason, University of California, Berkeley, Center for Labor Research and Education, *Race to the Bottom: How Low-Road Subcontracting Affects Working Conditions in California’s Property Services Industry* 8 (March 8, 2016). Retrieved from <http://laborcenter.berkeley.edu/pdf/2016/Race-to-the-Bottom.pdf>.

<sup>129</sup> Catherine Ruckelshaus, et al., National Employment Law Project, *Who’s the Boss: Restoring Accountability for Labor Standards in Outsourced Work* 9 (May 2014). Retrieved from <http://www.nelp.org/content/uploads/2015/02/Whos-the-Boss-Restoring-Accountability-Labor-Standards-Outsourced-Work-Report.pdf>.

<sup>130</sup> Ryan Knutson and Liz Day, *In Race For Better Cell Service, Men Who Climb Towers Pay With Their Lives*, ProPublica and PBS Frontline, May 22, 2012, <https://www.propublica.org/article/cell-tower-fatalities>.

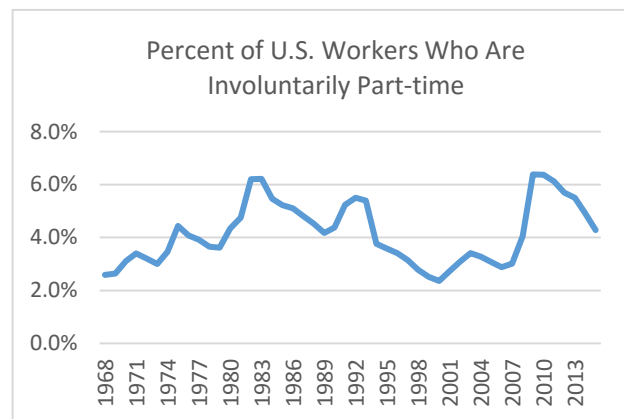
percent outsourced warehousing to third party logistic companies.<sup>131</sup> The *Wall Street Journal* looked into contracting at numerous companies, including Virgin America, Walmart, and Google, and concluded “never before have American companies tried so hard to employ so few people.”<sup>132</sup>

Former DOL Wage and Hour Administrator David Weil identifies the consequences of subcontracting for workers: “by shifting work out, lead firms no longer face a wage determination problem for that work, but rather a pricing problem in selecting between companies vying for it. That change is critical because it results in fewer gains going to the workers who undertake those activities. It instead shifts those gains to investors.”<sup>133</sup> Weil presents the example of a hotel that has decided that hotel operations are not a core business and opts to subcontract out the cleaning, valets, and landscapers. The hotel asks other companies to bid on the hotel operations work. Once it sets up a competition for performing the hotel operations, the hotel simply evaluates the total price companies will charge for completing these services. Labor costs are no longer a unique factor in the hotel’s consideration, which is focused solely on filling the contract at the lowest cost. And the companies bidding on the work have an incentive to set labor costs as low as possible to more competitively bid for the hotel operations.<sup>134</sup>

Although there is no national data on the number of subcontracted workers, the shift toward a focus on core competencies and horizontally organized companies with subcontracted work has been well documented.<sup>135</sup> As Weil and the sector-specific data indicate, subcontracted work is an increasingly significant part of the economy and a cause of the eroding value of work.

### *Involuntarily Part-time Workers*

This paper also considers part-time work to be an alternative form of work for workers who are part-time for economic reasons, called “involuntarily part-time workers” here. DOL defines economic reasons as either slack work or business conditions or when workers can find only part-time work. The number of workers who work part-time for non-economic reasons, which is consistently larger than the number of workers who are involuntarily part-time, has increased steadily since 1968, with some variations occurring during economic downturns.<sup>136</sup> And their



Source: Bureau of Labor Statistics

<sup>131</sup> John Langley and Capgemini Consulting, 2014 Third-Party Logistics Study: The State of Logistics Outsourcing 12 (2014). Retrieved from [https://www.capgemini.com/resource-file-access/resource/pdf/3pl\\_study\\_report\\_web\\_version.pdf](https://www.capgemini.com/resource-file-access/resource/pdf/3pl_study_report_web_version.pdf).

<sup>132</sup> Lauren Weber, *The End of Employees*, Wall Street Journal, February 2, 2017, <https://www.wsj.com/articles/the-end-of-employees-1486050443>.

<sup>133</sup> Weil, *supra* note 101, at 76-77.

<sup>134</sup> *Id.*, 88-90.

<sup>135</sup> Gilson, Sabel, and Scott, *supra* note 101.

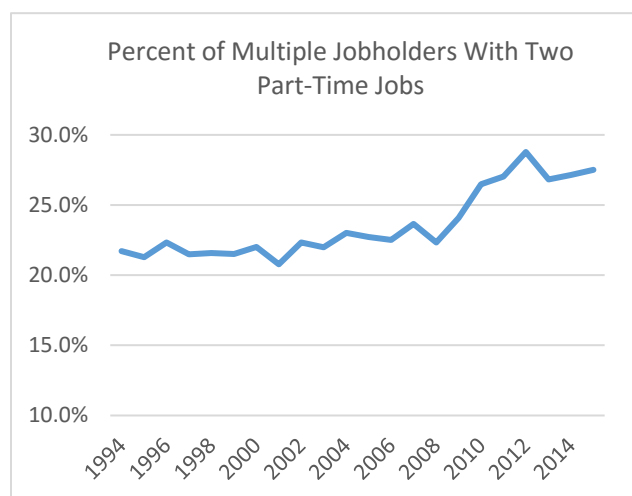
<sup>136</sup> Bureau of Labor Statistics, Department of Labor, Current Population Survey, Table A-8. Data accessed from <http://www.bls.gov/webapps/legacy/cpsatab8.htm>. See Appendix VII. To examine the number of part-time employees over time, staff used the Current Population Survey Data Retrieval for Labor Force Statistics, specifically Table A-8. Staff selected data for “Persons at Work Part Time” under “All industries.” Specifically, staff selected seasonally adjusted data for “Part time for



percentage of total employed U.S. workers has remained constant, hovering between 12.5 percent and 14.5 percent of total employed workers. In contrast, the number of involuntarily part-time workers has experienced much larger fluctuations, which also track with economic downturns. Since 1968, involuntarily part-time workers have increased from 2.6 percent to 4.3 percent of total employed workers, with a peak of 6.4 percent during the Great Recession. In December 2015, six million workers could find only part-time work, a number that has declined since a high of nearly nine million in 2009, but which exceeds pre-recession levels by 45 percent.<sup>137</sup> When workers want to work full-time but cannot, either because their employer will not give them enough hours or because they cannot find 40 hours of work a week, the overall employment effect is negative, both in terms of wages and economic security.

### *Multiple Jobholders*

Like part-time workers, multiple jobholders are not necessarily employed in alternative work arrangements, but evidence increasingly suggests they are because more than one job is necessary for economic stability. Since 1994, the percentage of U.S. workers who work multiple jobs has decreased from 5.9 percent to 4.9 percent in 2015, but the number of these workers (approximately seven million) has remained approximately the same over that period of time.<sup>138</sup> In September 2016, 54 percent of those with multiple jobs had one full-time job and one part-time job.<sup>139</sup> Twenty-six percent had two



Source: Bureau of Labor Statistics

part-time jobs, and 13 percent had hours that varied on their primary or secondary job.<sup>140</sup> Perhaps most notably, the percentage of multiple jobholders that have two part-time jobs has increased consistently over the last 22 years from 22 percent to 27 percent and has not returned to pre-recession levels.<sup>141</sup> When combined with the data on part-time workers who cannot find full-time work, it is clear that multiple jobholders are often in alternative work arrangements –

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economic reasons” and Part time for noneconomic reasons.” Retrieving that data provides both graphs and spreadsheets of the number of part time workers in both categories. Using the “Change Output Options,” staff selected 1968 as the starting year to observe trends among part time workers. The percentage of part-time workers of total employment was calculated using the part-time data and dividing it by the total employed data.

<sup>137</sup> Id. In December 2015 6.022 million workers were part-time for economic reason. The annual average number of workers who were part-time for economic reasons in 2009 was 8.916 million workers. The annual average number of workers who were part-time for economic reasons in 2006 was 4.162 million. The percentage change between 6.022 million workers in December 2015 and 4.162 million in 2006 is 44.69%.

<sup>138</sup> Bureau of Labor Statistics, Department of Labor, Current Population Survey, Table A-16. Retrieved from <http://www.bls.gov/webapps/legacy/cpsatab16.htm>. See Appendix VIII. To examine the number of multiple jobholders, staff accessed the Current Population Survey Data Retrieval for Labor Force Statistics, specifically Table A-16. Under the category of “Multiple Jobholders,” staff selected “Total multiple jobholders.”

<sup>139</sup> Press Release, Bureau of Labor Statistics, Department of Labor, Table A-16. Persons not in the labor force and multiple jobholders by sex, not seasonally adjusted (October 6, 2016). Retrieved from [https://www.bls.gov/news.release/archives/empsit\\_11042016.htm](https://www.bls.gov/news.release/archives/empsit_11042016.htm). Total number of multiple jobholders in September 2016 was 7.846 million. 4.298 million had one full-time job and one part-time job. 2.087 million had two part-time jobs. 1.065 million had hours that varied on primary or secondary job.

<sup>140</sup> Id.

<sup>141</sup> Bureau of Labor Statistics, *supra* note 138. To examine the number of multiple jobholders with primary and secondary part-time jobs, staff accessed the Current Population Survey Data Retrieval for Labor Force Statistics, specifically Table A-16. Under the category of “Multiple Jobholders,” staff selected “Primary and secondary jobs both part time.”



and not by choice. This data, like that of full-time workers who live below the poverty line, encapsulates the declining value of work. If employment led to wages and benefits that allowed workers to live above the poverty line and support their families, more than one job would not be necessary.

These data show us that alternative work arrangements have represented millions of U.S. workers for decades, and they are increasing across the board. The number of independent contractors is growing. Temporary work is expanding and is becoming a new standard for some employers. Subcontracting now dominates certain sectors of the economy. More workers can find only part-time jobs, and an increasing number of workers need two jobs to make ends meet. Increases in some of these nontraditional, alternative employment arrangements are easy to track, but other changes are more elusive without better federal data or surveys. Still, it is clear that there has been a shift away from a traditional employer-employee full-time model, but it is not certain if one specific, different model will emerge. More likely, the U.S. workforce will continue to be represented by multiple employer-employee arrangements, including alternative work arrangements. To prevent the value of work from declining further, it is incumbent upon policymakers to ensure that these alternative work arrangements do not necessarily result in lower wages and benefits, or less job security for workers.

#### *Marginalized Direct Employees*

Many traditional employees are marginalized in the workplace as well. Workers' marginalization is reflected in major corporations' use of unpredictable schedules, worker misclassification, wage theft, and aggressive anti-union efforts. These realities are not limited to full-time workers – in fact many of them are worse among part-time employees – but they signify the results of employers' business decisions that reduce the leverage of their employees. As a result of this marginalization, even full-time employees have experienced the declining value of work.

Schedules: Giving workers unpredictable or varying schedules is one way employers marginalize their employees. Doing so prevents workers from getting a second job, meeting family responsibilities such as child care, and obtaining economic security.<sup>142</sup> One study found that 35 percent of early career, full-time workers received their hours within a week or less before they were scheduled to work.<sup>143</sup> Fifty percent of early career, hourly workers have a schedule determined entirely by the employer, and 32 percent have a schedule that is decided by the employer with workers'

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<sup>142</sup> Liz Watson, et al., National Women's Law Center, Collateral Damage: Scheduling Challenges for Workers in Low-Wage Jobs and Their Consequences 3-4 (June 2015). Retrieved from [http://nwlc.org/wp-content/uploads/2015/08/collateral\\_damage\\_fact\\_sheet\\_june\\_2015.pdf](http://nwlc.org/wp-content/uploads/2015/08/collateral_damage_fact_sheet_june_2015.pdf).

<sup>143</sup> Susan J. Lambert, Peter J. Fugiel, and Julia R. Henly, University of Chicago, Schedule Unpredictability among Early Career Workers in the US Labor Market: A National Snapshot 7 (August 27, 2014). Retrieved from [https://ssascholars.uchicago.edu/sites/default/files/work-scheduling-study/files/lambert.fugiel.henly\\_precarious\\_work\\_schedules.august2014\\_0.pdf](https://ssascholars.uchicago.edu/sites/default/files/work-scheduling-study/files/lambert.fugiel.henly_precarious_work_schedules.august2014_0.pdf). The study's analysis of early career workers is based on data collected by the Bureau of Labor Statistics National Longitudinal Survey, NLSY97, which surveys a nationally representative sample of approximately 9,000 individuals who were 12 to 16 years old as of December 1, 1996. More information about the NLSY97 can be found on the Bureau of Labor Statistics website here: <https://www.bls.gov/nls/nlsy97.htm>

input.<sup>144</sup> Only 16 percent of early career hourly workers decide their schedule.<sup>145</sup> Irregular and split schedules are most common among the lowest income workers and in the services,

<b>Schedule Types of Workers in Low-Wage, Hourly Jobs</b>		
	Standard Hours	Nonstandard Hours
Full-time	86.5%	56.5%
Part-time	13.5%	43.5%

Source: Workplace Flexibility 2010

entertainment, and retail sectors, among others.<sup>146</sup> In fact 56.5 percent of full-time workers in low-wage jobs have non-standard hours.<sup>147</sup> And for those full-time, low-wage workers with non-standard hours, 13.9 percent work a rotating shift, and 12.9 percent work a split, flexible, or other kind of shift.<sup>148</sup> Unpredictable, varying, or last minute work

hours have significant consequences for employees, and using these scheduling techniques is another way workers are marginalized in the workplace.

**Worker Misclassification:** Although some workers are legitimate independent contractors, some employers misclassify employees as independent contractors instead of traditional employees to reduce labor costs and labor law compliance requirements.<sup>149</sup> Misclassifying employees as independent contractors marginalizes workers and has significant advantages for businesses. It reduces employers' tax liabilities and creates a workforce that is not covered by wage and hour laws. Workers that are designated as independent contractors are also unlikely to be eligible for unemployment insurance or workers compensation. In addition, independent contractors are required to pay the full amount of their mandatory payroll taxes, which are typically split with an employer. As a result, the independent contractor classification can cost a worker thousands of dollars in wages, labor law protections, and a safety net in the event a worker gets laid off or injured on the job.<sup>150</sup>

Although there are some estimates on the number of U.S. independent contractors, unfortunately, it is hard to measure how many workers are misclassified in the same category. A 2009 report by the GAO included two older estimates of misclassified workers because more recent ones do not exist. For one estimate, GAO used a 1984 IRS study that found that 15 percent of employers misclassified 3.4 million workers.<sup>151</sup> GAO also relied on a 2000 study of nine states commissioned by DOL, which found that 9.15 percent of audited employers in New Jersey

<sup>144</sup> Id., 13.

<sup>145</sup> Id.

<sup>146</sup> Lonnie Golden, Economic Policy Institute, Irregular Work Scheduling and Its Consequences 11-12 (April 9, 2015). Retrieved from <http://www.epi.org/publication/irregular-work-scheduling-and-its-consequences/>.

<sup>147</sup> Liz Watson and Jennifer Swanberg, Flexible Workplace Solutions for Low-Wage Hourly Workers: A Framework for a National Conversation 12 (May 2011). Retrieved from <http://workplaceflexibility2010.org/images/uploads/whatsnew/Flexible%20Workplace%20Solutions%20for%20Low-Wage%20Hourly%20Workers.pdf>.

<sup>148</sup> Id.

<sup>149</sup> Department of Labor Administrator's Interpretation No. 2015-1. (July 15, 2015). Retrieved from [https://www.dol.gov/whd/workers/misclassification/ai-2015\\_1.htm](https://www.dol.gov/whd/workers/misclassification/ai-2015_1.htm).

<sup>150</sup> Sarah Leberstein and Catherine Ruckelshaus, National Employment Law Project, Independent Contractor vs. Employee: Why independent contractor misclassification matters and what we can do stop it 3 (May 2016). Retrieved from <http://www.nelp.org/content/uploads/Policy-Brief-Independent-Contractor-vs-Employee.pdf>.

<sup>151</sup> United States Government Accountability Office, Employee Misclassification: Improved Coordination, Outreach, and Targeting Could Better Ensure Detection and Prevention 10-11 (August 2009). Retrieved from <http://www.gao.gov/assets/300/293679.pdf>. The IRS has committed to conducting another estimate, but it has not yet been published. See also: Treasury Inspector General for Tax Administration. (2013). Employers Do Not Always Follow Internal Revenue Service Worker Determination Rulings. Retrieved from <https://www.treasury.gov/tigta/auditreports/2013reports/201330058fr.pdf>.

misclassified workers, the lowest level among all states in the study.<sup>152</sup> In California 29 percent of audited employers misclassified employees.<sup>153</sup> Other states where partial data were provided had even higher rates of misclassification.<sup>154</sup> As part of its report, GAO interviewed state officials, who identified worker misclassification as a growing problem in recent years.<sup>155</sup> Misclassifying employees as independent contractors marginalizes workers and decreases the value of work.

Wage Theft: Employees are also marginalized when they do not receive their full pay. Wage theft can take many different forms, including forcing workers to clock out before they stop working, not paying workers overtime, or failing to pay full wages for the hours worked. It can occur in any industry at any pay scale, but recent studies have found that wage theft is five times more likely to occur in low-wage jobs. A 2011 DOL study of wage violations found that wage theft occurred in 2.7 percent of all California jobs each week and in 11.8 percent of low-wage jobs each week.<sup>156</sup> New York workers experienced similar levels of violations: wage theft occurred in 2.3 percent of all jobs and in 11.1 percent of low-wage jobs.<sup>157</sup> The study also found that part-time workers were more likely to experience wage theft than full-time workers, but wage violations were documented for both categories of employees.<sup>158</sup>

NELP conducted a 2008 study of more than 4,000 low-wage workers and found that 25.9 percent of those surveyed had been paid below the minimum wage.<sup>159</sup> Nineteen percent had not been paid overtime, and 16.9 percent had not been paid for work done off the clock.<sup>160</sup> Both the DOL and the NELP studies identified two significant consequences of wage theft: millions of dollars of lost income and a corresponding increase in individuals and families living in poverty. More workers are alleging they have experienced wage theft,<sup>161</sup> in large part due to changing employer-employee relationships.<sup>162</sup>

Union Opposition: Fighting workers' efforts to unionize also marginalizes workers and reduces the value of work. In some cases, companies employ concerted, long-term, anti-union strategies to prevent workers from organizing. Recent reports describe Amazon's "union avoidance" efforts, which include tactics such as describing the consequences of joining a union and

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<sup>152</sup> Planmatics, Inc., Department of Labor, Independent Contractors: Prevalence and Implications for Unemployment Insurance Programs 57 (February 2000). Retrieved from <http://wdr.doleta.gov/owsdrr/00-5/00-5.pdf>.

<sup>153</sup> Id.

<sup>154</sup> Id.

<sup>155</sup> United States Government Accountability Office, *supra* note 151, at 12.

<sup>156</sup> Eastern Research Group, Inc., Department of Labor, The Social and Economic Effects of Wage Violations: Estimates for California and New York 23-26 (December 2014). Retrieved from <https://www.dol.gov/asp/evaluation/completed-studies/WageViolationsReportDecember2014.pdf>.

<sup>157</sup> Id.

<sup>158</sup> Id., 40.

<sup>159</sup> Annette Bernhardt, et al., National Employment Law Project, Broken Laws, Unprotected Workers: Violations of Employment and Labor Laws in America's Cities 20 (September 2009). Retrieved from <http://www.nelp.org/content/uploads/2015/03/BrokenLawsReport2009.pdf?nocdn=1>

<sup>160</sup> Id.

<sup>161</sup> Steven Greenhouse, *More Workers Are Claiming 'Wage Theft'*, The New York Times, August 31, 2014, [http://www.nytimes.com/2014/09/01/business/more-workers-are-claiming-wage-theft.html?\\_r=0](http://www.nytimes.com/2014/09/01/business/more-workers-are-claiming-wage-theft.html?_r=0).

<sup>162</sup> Ruckelshaus, et al., *supra* note 129. See also: Weil, *supra* note 101, at 132 for a look at wage violations in the janitorial services sector specifically.

surveying employees about their thoughts on unions.<sup>163</sup> In some cases, workers alleged they were fired for encouraging union organizing.<sup>164</sup>

Other reports have documented Walmart's virulent opposition to workers organizing in their stores. New employees are required to watch a video that criticizes unions as looking out only for themselves and not workers.<sup>165</sup> Managers' training materials include instructions to call Walmart's Labor Relations hotline if they observe any union activity.<sup>166</sup> In some cases the company has retaliated against union organizers by firing them.<sup>167</sup> The NLRB ruled last year that Walmart had illegally fired employees who were participating in strike activities with OUR Walmart, an association backed by the United Food and Commercial Workers.<sup>168</sup> Walmart was forced to reinstate them and pay back wages.<sup>169</sup>

Data from the NLRB show that these are not isolated instances of union-opposing activities by employers. In cases where the NLRB finds that an employee was illegally terminated for protected activity, the Board's General Counsel will seek to obtain an offer of reinstatement for that employee. In fiscal year 2007, the NLRB secured 1,772 offers of reinstatement.<sup>170</sup> Each year since then, more than 1,200 offers of reinstatement have been secured, including 3,240 in fiscal year 2014.<sup>171</sup> Monetary remedies in the form of back pay and fees or fines are often sought from employers in the case of illegally fired employees. In fiscal year 2007, \$125.7 million in back wages were paid and \$7.0 million in fines were received from employers, the highest levels in the last 10 years.<sup>172</sup> In fiscal year 2015, \$94.3 million in back pay was received, and \$1.6 million in fines was collected.<sup>173</sup>

As these statistics reveal, anti-union efforts are used regularly by employers who do not want workers to gain leverage in the workplace through union representation. By preempting, opposing, and retaliating against union organizing, employers deny workers a voice in the workplace and an opportunity to improve wages and benefits.

### **VIII. Case Studies: the Declining Value of Work Through Worker Marginalization**

The declining value of work through worker marginalization can be seen throughout the U.S. economy. The following case studies examine three types of work arrangements – subcontracting, independent contractors, and full-time employees – in three different sectors and describe the ways in which workers are marginalized in each. The case studies reveal how

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<sup>163</sup> Nick Wingfield, *Amazon Proves Infertile Soil for Unions, So Far*, The New York Times, May 16, 2016, <http://www.nytimes.com/2016/05/17/technology/amazon-proves-infertile-soil-for-unions-so-far.html>

<sup>164</sup> Id.

<sup>165</sup> Susan Berfield, *How Walmart Keeps an Eye on Its Massive Workforce: The retail giant is always watching*, Bloomberg Businessweek, November 24, 2015, <http://www.bloomberg.com/features/2015-walmart-union-surveillance/>.

<sup>166</sup> Id.

<sup>167</sup> Steven Greenhouse, *How Walmart Persuades Its Workers Not to Unionize*, The Atlantic, June 8, 2015, <http://www.theatlantic.com/business/archive/2015/06/how-walmart-convinces-its-employees-not-to-unionize/395051/>.

<sup>168</sup> Decisions and Orders of the National Labor Relations Board, *Walmart Stores, Inc.* 16-CA-096240 (2016).

<sup>169</sup> Hadley Malcolm, *Judge Rules Walmart unlawfully fired workers on strike*, USA Today, January 22, 2016, <http://www.usatoday.com/story/money/2016/01/22/judge-rules-walmart-unlawfully-fired-workers-on-strike/79160730/>.

<sup>170</sup> National Labor Relations Board, Reinstatement Offers (accessed October 2016) <https://www.nlr.gov/news-outreach/graphs-data/remedies/reinstatement-offers>.

<sup>171</sup> Id.

<sup>172</sup> National Labor Relations Board, Monetary Remedies (accessed October 2016) <https://www.nlr.gov/news-outreach/graphs-data/remedies/monetary-remedies>.

<sup>173</sup> Id.

different employment relationships can lead to the marginalization of workers and how that marginalization contributes to the declining value of work.

### Subcontracting in the Airline Industry

The negative effects of subcontracting are well-documented in the airline industry. U.S.-based airlines have increased their use of outsourcing to subcontractors in the last several decades, particularly among the lowest-wage workers. The COO of easyJets has said “we outsource everything we can outsource...as long as we can manage it and control it, it gets outsourced.”<sup>174</sup> EasyJets is not alone. United Airlines announced in 2015 that it would outsource 1,100 positions at 16 airports across the country.<sup>175</sup> Approximately 1,100 jobs at United had been outsourced over the previous two years.<sup>176</sup> And American Airlines announced in 2012 that it needed to cut labor costs by \$1.25 billion, or 20 percent, as part of its bankruptcy proceedings.<sup>177</sup> More and more airlines are turning to their workforces as a way of reducing costs and increasing profits.

By 2011, 26 percent of employment across the air-transport sector had been outsourced, up from 16 percent in 1991.<sup>178</sup> Bellhops and baggage porters have seen the largest increase in outsourcing, with 84 percent subcontracted out in 2012, up from 25 percent in 2002.<sup>179</sup> These employees have also seen a 45 percent decrease in wages during the same period.<sup>180</sup> In the same decade, airport operations wage growth lagged behind all other industries, falling 14 percent between 1991 and 2011.<sup>181</sup> Wages have also declined for transportation attendants and vehicle and equipment cleaners, all of which have been largely shifted to subcontractors.<sup>182</sup> Both professions paid a median wage less than \$10 an hour in 2012, which was less than the federal poverty threshold for a family of four.<sup>183</sup>

Airline companies have not stopped at the lowest wage jobs for subcontracting. In 2014, American Airlines moved the publication of its in-flight magazine to a British publisher after 48 years of in-house production.<sup>184</sup> In addition, Delta made plans to outsource the piloting of flights

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<sup>174</sup> Jane Wild, *Airlines turn to outsourcing to keep lid on costs*, Financial Times, April 21, 2014, <https://www.ft.com/content/4a6ead0e-c54f-11e3-89a9-00144feabdc0>.

<sup>175</sup> Michael Sasso, *United Reaches Accord to Cut Airport-Job Outsourcing 40%*, Bloomberg Business, February 13, 2015, <http://www.bloomberg.com/news/articles/2015-02-13/united-reaches-labor-accord-to-cut-airport-job-outsourcing-40->.

<sup>176</sup> Susan Carey, *United to Outsource Jobs at 12 U.S. Airports*, Wall Street Journal, July 7, 2014, <http://www.wsj.com/articles/united-to-outsource-jobs-at-12-u-s-airports-1404765449>. In 2014, United announced it would outsource jobs at 12 airports, which affected about 635 workers. The year before, United “turned to vendors” at nine airports, including six in the U.S., which affected nearly 500 jobs.

<sup>177</sup> Susan Carey and Jack Nicas, *AMR Seeks to Cut 15% of Jobs*, Wall Street Journal, February 2, 2012, <http://www.wsj.com/articles/SB10001424052970204740904577197122405984872>.

<sup>178</sup> Miranda Dietz, Peter Hall, and Ken Jacobs, University of California, Berkeley, Center for Labor Research and Education, *Reversing Wage Erosion to Restore Good Jobs at American Airports 5* (October 2013). Retrieved from [http://laborcenter.berkeley.edu/pdf/2013/restore\\_good\\_jobs\\_american\\_airports.pdf](http://laborcenter.berkeley.edu/pdf/2013/restore_good_jobs_american_airports.pdf).

<sup>179</sup> Id., 10.

<sup>180</sup> Id., 10.

<sup>181</sup> Id., 8.

<sup>182</sup> Id., 10.

<sup>183</sup> Id., 13. See also Office of the Assistant Secretary For Planning and Evaluation, Department of Health and Human Services, *2012 HHS Poverty Guidelines* (December 1, 2012). Retrieved from <https://aspe.hhs.gov/2012-hhs-poverty-guidelines>. Median wages for transportation attendants was \$9.05 an hour, and median wages for cleaners of vehicles and equipment was \$9.89 an hour. According to the Department of Health and Human Services, the poverty threshold for a family of four in 2012 was \$23,050.

<sup>184</sup> Terry Maxon, *American Airlines outsources publication of its in-flight magazines*, The Dallas Morning News, August 2014, <http://www.dallasnews.com/business/airlines/2014/08/19/american-airlines-outsources-publication-of-its-in-flight-magazines>.

to London and reversed them only after pressure from the pilots union.<sup>185</sup> From the bellhops to the baggage porters to the pilots, airlines are looking to move workers off their balance sheets and onto those of subcontractors as a way of cutting costs and boosting profits. The results are lower wages, fewer benefits, and more economic insecurity for airline industry workers.

### Trucking Industry

In addition to subcontracting work to other companies, employers have been shifting workers off their payrolls to independent contractor status, which, as explained above, reduces workforce costs. The truck driving sector, for example, has seen a dramatic shift from full-time employees to independent contractors over the last three decades. The cost of this transition has been significant for the workers.

Owner-operator truck drivers make \$7,000 less a year than their full-time employee counterparts.<sup>186</sup> A survey of port truck drivers, 82 percent of which are classified as independent contractors, found that independent contractor drivers earn 18 percent less than direct employee drivers.<sup>187</sup> There have been successful challenges to port drivers' classification, resulting in large back pay payments to workers<sup>188</sup> and changes to state classification laws.<sup>189</sup> And while the number of legal challenges regarding misclassification appears to be growing in trucking, a large portion of trucking industry workers and about half of new truck drivers are still classified as independent contractors.<sup>190</sup>

Another high profile example of independent contracting in the trucking sector is FedEx Ground drivers. FedEx Ground long classified its workers as independent contractors.<sup>191</sup> As a result, FedEx's delivery workers earned up to 50 percent less than full-time UPS drivers, who are UPS employees with union representation.<sup>192</sup>

In 2015, FedEx settled a class action lawsuit brought by 2,300 California-based FedEx drivers that challenged the classification of drivers as independent contractors. As part of the settlement, the company agreed to pay \$228 million, part of which will be used to pay back wages for the workers.<sup>193</sup> In response to the California case and other lawsuits, FedEx is shifting to an

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<sup>185</sup> Michael Sasso, *Delta Strikes Pilot Deal to Keep Jobs from Outsourcing to Virgin*, Bloomberg, December 31, 2014, <http://www.bloomberg.com/news/articles/2014-12-31/delta-strikes-pilot-deal-to-keep-jobs-from-outsourcing-to-virgin>.

<sup>186</sup> Lydia DePillis, *Trucking used to be a ticket to the middle class. Now it's just another low-wage job*, Wonkblog, The Washington Post, April 28, 2014, <https://www.washingtonpost.com/news/wonk/wp/2014/04/28/trucking-used-to-be-a-ticket-to-the-middle-class-now-its-just-another-low-wage-job/>.

<sup>187</sup> Rebecca Smith, Paul Alexander Marvy, and Jon Zerolnick, National Employment Law Project, *The Big Rig Overhaul: Restoring Middle-Class Jobs at America's Ports through Labor Law Enforcement* 12, 29 (February 2014). Retrieved from <http://www.nelp.org/content/uploads/2015/03/Big-Rig-Overhaul-Misclassification-Port-Truck-Drivers-Labor-Law-Enforcement.pdf>.

<sup>188</sup> James Rufus Koren, *Port drivers win millions in back pay from trucking firm*, Los Angeles Times, December 22, 2015, <http://www.latimes.com/business/la-fi-trucker-back-wages-20151223-story.html>.

<sup>189</sup> Press Release, New York Department of Labor, *Department of Labor Announces New Standards for Classifying Commercial Truck Drivers* (April 30, 2014). Retrieved from <http://www.labor.ny.gov/pressreleases/2014/april-30-2014.shtm>.

<sup>190</sup> Deborah Lockridge, *Five Trends Affecting Today's Owner-Operators*, Truckinginfo, May 2013, <http://www.truckinginfo.com/article/story/2013/05/five-trends-affecting-today-s-owner-operators.aspx>.

<sup>191</sup> Josh Eidelson, *FedEx Ground Says Its Drivers Aren't Employees. The Courts Will Decide*, Bloomberg, October 17, 2014, <http://www.bloomberg.com/news/articles/2014-10-16/fedex-ground-says-its-drivers-arent-employees-dot-the-courts-will-decide>.

<sup>192</sup> Lydia DePillis, *How FedEx is trying to save the business model that saved it millions*, The Washington Post, October 23, 2014, from <https://www.washingtonpost.com/news/storyline/wp/2014/10/23/how-fedex-is-trying-to-save-the-business-model-that-saved-it-millions/>.

<sup>193</sup> Robert W. Wood, *FedEx Settles Independent Contractor Mislabeling Case for \$228 Million*, Forbes, June 16, 2015, <http://www.forbes.com/sites/robertwood/2015/06/16/fedex-settles-driver-mislabeling-case-for-228-million/>.

independent service provider model, in which the company contracts with smaller companies made up of independent contractor drivers.<sup>194</sup> This altered business model may address some of the legal concerns raised in the class action lawsuits, but it will not address the comparatively lower wages and benefits offered to independent contractor drivers.

The trucking industry is just one example where independent contracting has become part of the typical business model, but the reductions in truckers' pay and benefits for drivers are illustrative of the declining value of work faced by most workers who are classified as independent contractors instead of direct employees. This case study also illustrates how independent contractor classification can be used illegally by employers to reduce their workforce costs and the inadequate tools available for misclassified workers to seek relief.

### Walmart and McDonald's

Even in instances when companies have kept employees on the payroll, however, workers are not guaranteed good wages and benefits or a life above the poverty line. Walmart, as the nation's largest employer, is a good example of a company whose workforce-related decisions have marginalized employees. In the last few years, Walmart has taken action to reverse some of these company policies that have eroded the value of work for its workforce. For example, Walmart announced an increase in the company's minimum wage to \$10 an hour.<sup>195</sup> The company is also implementing changes to their scheduling practices that will create more certainty and stability for its workforce, which for years faced unpredictable schedules.<sup>196</sup>

These policies are a step toward making work more valuable for Walmart's employees, but recent reports suggest Walmart made these changes only because the company viewed it as necessary to reverse declining sales.<sup>197</sup> In addition, many problems persist for the company's workers. For example, workers will earn the \$10 minimum wage but only after completing a six-month training program.<sup>198</sup> In a sector with high employee turnover, many employees may not earn the increased wage rate. The company also has been accused and found guilty of wage theft, requiring Walmart to pay hundreds of millions of dollars in back pay.<sup>199</sup> And, as noted above, ongoing anti-union efforts continue. In addition, half of Walmart's workers are part-time<sup>200</sup> and not always by choice.<sup>201</sup> Some workers saw their hours reduced to offset the costs

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<sup>194</sup> DePillis, supra note 192.

<sup>195</sup> Press Release, Walmart, More Than One Million Walmart Associates to Receive Pay Increase in 2016 (January 20, 2016). Retrieved from <http://news.walmart.com/news-archive/2016/01/20/more-than-one-million-walmart-associates-receive-pay-increase-in-2016>.

<sup>196</sup> Lydia DePillis, *Walmart is rolling out big changes to worker schedules this year*, Wonkblog, The Washington Post (February 17, 2016), <https://www.washingtonpost.com/news/wonk/wp/2016/02/17/walmart-is-rolling-out-big-changes-to-worker-schedules-this-year/>.

<sup>197</sup> Neil Irwin, *How Did Walmart Get Cleaner Stores and Higher Sales? It Paid Its People More*, The New York Times (October 15, 2016). Retrieved from [http://www.nytimes.com/2016/10/16/upshot/how-did-walmart-get-cleaner-stores-and-higher-sales-it-paid-its-people-more.html?\\_r=1](http://www.nytimes.com/2016/10/16/upshot/how-did-walmart-get-cleaner-stores-and-higher-sales-it-paid-its-people-more.html?_r=1).

<sup>198</sup> Alexia Elejalde-Ruiz, *Wal-Mart hikes pay minimum to \$10, rolls out scheduling changes*, Chicago Tribune, February 22, 2016, <http://www.chicagotribune.com/business/ct-walmart-pay-raises-schedule-changes-0223-biz-20160222-story.html>.

<sup>199</sup> Jane M. Von Bergen, *Supreme Court refuses to hear Wal-Mart case; Pa. workers owed \$224M*, Philly.com, April 5, 2016, [http://www.philly.com/philly/business/20160405\\_Supreme\\_Court\\_refuses\\_to\\_hear\\_Wal-Mart\\_case\\_Pa\\_workers\\_owed\\_187M.html](http://www.philly.com/philly/business/20160405_Supreme_Court_refuses_to_hear_Wal-Mart_case_Pa_workers_owed_187M.html).

<sup>200</sup> Media Call Transcript, Walmart, Walmart's Fiscal Year 2015 Q4 Earnings Result (February 19, 2015). Retrieved from <http://cdn.corporate.walmart.com/b5/c2/51e31e624ebcbe63b6ff7a4ff9/walmarts-fiscal-year-2015-q4-earnings-results-media-call-transcript.pdf>.

<sup>201</sup> Claire McKenna, *Data Points: A Look at Involuntary Part-Time Work in Retail*, National Employment Law Project Blog (March 4, 2015). Retrieved from <http://www.nelp.org/blog/data-points-a-look-at-involuntary-part-time-work-in-retail/>.

associated with the pay raise announcement,<sup>202</sup> and stores have been understaffed.<sup>203</sup> Consequently, a large percentage of Walmart workers live in poverty and turn to government assistance programs to supplement their income. Good Jobs First compiled reports from 24 states and found that Walmart consistently accounted for the largest number of workers using state assistance programs such as Food Stamps and Medicaid.<sup>204</sup>

Workers at McDonald's have been similarly marginalized and face economic instability due to the low value of their work. Like Walmart, McDonald's is also identified as a major corporate beneficiary of federal assistance programs. In October 2013, a recording surfaced of the McDonald's employee assistance line telling an employee that she should register for food stamps and Medicaid, as well as other government programs, based on her low wages.<sup>205</sup> The data suggest that many other McDonald's employees have had to follow the same advice. Researchers at the University of California Berkeley and the University of Illinois at Urbana-Champaign found that it costs an average of \$7 billion annually to provide federal assistance to fast food workers and their families.<sup>206</sup> And NELP found that the cost of providing federal assistance to McDonald's employees alone totaled \$1.2 billion each year.<sup>207</sup> In addition, workers have filed lawsuits alleging wage theft in multiple states.<sup>208</sup> Other McDonald's workers alleged, and the NLRB agreed, that they were fired for advocating for improved wages and working conditions.<sup>209</sup>

These case studies illustrate the connection between declining wages and benefits and worker marginalization. The shift away from traditional employment has had real costs for workers. They lose employment security. They see a decline in their wages and benefits. They are kept at part-time status or forced to fight wage theft or anti-unionizing tactics. In the worst cases they are forced to rely on government programs to supplement their incomes. Whether it is subcontractors in the airline industry, independent contractors in the trucking industry, or employees at Walmart or McDonald's, it is clear that worker marginalization, both in alternative work arrangements and direct employment relationships, is directly related to the declining value of work.

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<sup>202</sup> Shannon Pettypiece, *Wal-Mart Cuts Some Workers' Hours after Pay Raise Boosts Costs*, Bloomberg, August 31, 2015, <http://www.bloomberg.com/news/articles/2015-08-31/wal-mart-cuts-some-workers-hours-after-pay-raise-boosts-costs>.

<sup>203</sup> Renee Dudley, *Customers Flee Wal-Mart Empty Shelves for Target, Costco*, Bloomberg, March 26, 2013, <http://www.bloomberg.com/news/articles/2013-03-26/customers-flee-wal-mart-empty-shelves-for-target-costco>.

<sup>204</sup> Good Jobs First, *Hidden Taxpayer Costs: Disclosures of Employers Whose Workers and Their Dependents are Using State Health Insurance Programs*, Good Jobs First Blog (July 24, 2013). Retrieved from <http://www.goodjobsfirst.org/corporate-subsidy-watch/hidden-taxpayer-costs>.

<sup>205</sup> Hayley Peterson, *McDonald's Hotline Caught Urging Employee to Get Food Stamps*, Business Insider, October 24, 2013, <http://www.businessinsider.com/mcdonalds-mcresources-hotline-tells-nancy-salgado-to-get-on-food-stamps-2013-10>.

<sup>206</sup> Sylvia Allegretto, et al., *Fast Food, Poverty Wages: The Public Cost of Low-Wage Jobs in the Fast-Food Industry*, University of California, Berkeley, Center for Labor Research and Education 2, 7 (October 15, 2013). Retrieved from [http://laborcenter.berkeley.edu/pdf/2013/fast\\_food\\_poverty\\_wages.pdf](http://laborcenter.berkeley.edu/pdf/2013/fast_food_poverty_wages.pdf).

<sup>207</sup> National Employment Law Project, *Super-Sizing Public Costs: How Low Wages at Top Fast-Food Chains Leave Taxpayers Footing the Bill 2* (October 2013). Retrieved from <http://www.nelp.org/content/uploads/2015/03/NELP-Super-Sizing-Public-Costs-Fast-Food-Report.pdf>.

<sup>208</sup> Steven Greenhouse, *McDonald's Workers File Wage Suits in 3 States*, The New York Times, March 13, 2014, [http://www.nytimes.com/2014/03/14/business/mcdonalds-workers-in-three-states-file-suits-claiming-underpayment.html?\\_r=0](http://www.nytimes.com/2014/03/14/business/mcdonalds-workers-in-three-states-file-suits-claiming-underpayment.html?_r=0).

<sup>209</sup> Press Release, National Labor Relations Board, NLRB Office of the General Counsel Issues Consolidated Complaints Against McDonald's Franchisees and their Franchisor McDonald's, USA, LLC as Joint Employers (December 19, 2014). Retrieved from: <https://www.nlrb.gov/news-outreach/news-story/nlrb-office-general-counsel-issues-consolidated-complaints-against>. See also: Steven Greenhouse, *McDonald's Ruling Could Open Door for Unions*, The New York Times, July 29, 2014, [https://www.nytimes.com/2014/07/30/business/nlrb-holds-mcdonalds-not-just-franchisees-liable-for-worker-treatment.html?\\_r=0](https://www.nytimes.com/2014/07/30/business/nlrb-holds-mcdonalds-not-just-franchisees-liable-for-worker-treatment.html?_r=0).



## **IX. Long-term Consequences of the Declining Value of Work**

There is an economic imperative to restoring the value of work for U.S. workers. The value of work is tied to the size of the middle class, and increased erosion of the value of work will accelerate the hollowing out of the middle class. A growing middle class is crucial to economic growth because of its ability to consume more goods and services. If the middle class' ability to purchase goods and services declines, particularly in the U.S. consumption-driven economy,<sup>210</sup> overall economic growth will slow.

Numerous studies have found that a healthy middle class and increased incomes are key to overall economic performance. The IMF, in a study involving dozens of countries, found that increasing the disposable incomes of the poor and middle class led to higher growth.<sup>211</sup> David Madland reaches the same conclusion in his book, *Hollowed Out*.<sup>212</sup> Heather Boushey and Adam Hersh in their 2012 report "The American Middle Class, Income Inequality, and the Strength of Our Economy" found that a strong middle class leads to economic growth through consistent demand, entrepreneurship, and strong political and economic institutions.<sup>213</sup>

The solution to growing the U.S. middle class, and driving economic growth, is implementation of policies that reverse the declining value of work and the marginalization of workers. It will require employer-employee relationships that lead workers to the middle class, not away from it. Only when the value of work is restored will workers be able to reach and stay in the middle class and contribute to economic growth.

## **X. Solutions**

Expanding the American middle class by increasing the value of work will require a three-part solution. First, we must improve federal labor standards in several ways, including raising wages and benefits, expanding collective bargaining rights, redefining what it means to be an independent contractor, and addressing the misclassification of employees. These changes must be implemented first because they are the most efficient and effective way of improving the value of work and reversing marginalization for the greatest number of workers. Second, we must increase economic stability for workers in alternative work arrangements by expanding access to and portability of savings and retirement opportunities. And third, we must ensure that companies that subsidize their workforces through federal assistance programs reimburse the taxpayers for their reliance on these programs.

### **Improving Workplace Standards**

Improved workplace standards will increase the value of work by raising wages and benefits. In addition, the proposed policies will give workers more advance notice and input into their schedules, and they will improve efforts to fight wage theft. They will also allow all workers to collectively bargain and increase penalties for employers who violate the NLRA by interfering in

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<sup>210</sup> Federal Reserve Bank of St. Louis, Analysis of US. Bureau of Economic Data, Personal Consumption Expenditures/Gross Domestic Product (2016). Retrieved from <https://research.stlouisfed.org/fred2/graph/?g=hh3>. Data from the Federal Reserve Bank of St. Louis demonstrate the significant and increasing percentage personal consumption expenditures for the U.S. Gross Domestic Product.

<sup>211</sup> Era Dabla-Norris, et al., International Monetary Fund, Causes and Consequences of Income Inequality: A Global Perspective 7, 23 (June 2015). Retrieved from <http://www.imf.org/external/pubs/ft/sdn/2015/sdn1513.pdf>.

<sup>212</sup> David Madland, *Hollowed Out: Why the Economy Doesn't Work without a Strong Middle Class* (2015).

<sup>213</sup> Heather Boushey and Adam S. Hersh, Center for American Progress, *The American Middle Class, Income Inequality, and the Strength of Our Economy* (May 2012). Retrieved from [https://cdn.americanprogress.org/wp-content/uploads/issues/2012/05/pdf/middleclass\\_growth.pdf](https://cdn.americanprogress.org/wp-content/uploads/issues/2012/05/pdf/middleclass_growth.pdf).

workers' right to organize. Finally, the policies will redefine what it means to be an independent contractor and strengthen enforcement against misclassification of employees. Taken together they represent a comprehensive way of making work valuable for workers again.

### Improving Wages, Benefits, and Schedules

The declining value of work can be reversed in part by raising wages and benefits so that each hour of work is literally more valuable for workers. These enhanced earnings must be protected from wage theft by strengthening penalties and enforcement. Additionally, workers will be better able to achieve work-life balance or get a second job if necessary if they have predictable schedules on which they are given input. To achieve these improvements, the following policies should be implemented:

- raising the federal minimum wage to \$15<sup>214</sup>;
- raising the white collar overtime salary threshold to \$47,476 and index it for inflation<sup>215</sup>;
- requiring employers to allow employees to earn a minimum of seven paid sick days<sup>216</sup>;
- establishing a 12-week paid family and medical leave standard, administered through a national paid leave fund<sup>217</sup>;
- creating stronger penalties for wage theft<sup>218</sup>; and
- requiring key service sectors to provide advance notice and an opportunity to request changes to hourly schedules.<sup>219</sup>

These policies are not new, but they are critical to enhancing the value of work and reversing the marginalization of U.S. workers. These policies have far-reaching economic advantages beyond their direct effects. Economic analysis shows that increasing the minimum wage can reduce poverty.<sup>220</sup> An updated overtime threshold will extend labor protections to millions of workers.<sup>221</sup> Paid sick days not only allow workers to get the rest and health care they need, but they also increase job security by ensuring workers can take time off for illness without losing their jobs.<sup>222</sup> Establishing a paid family leave program will reduce the inequality experienced by low-wage workers and women, who disproportionately lack access to such benefits and face increased economic insecurity.<sup>223</sup> Strengthening laws to better fight wage theft could increase workers' wages by an estimated \$20 billion a year<sup>224</sup> and reduce the number of workers in

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<sup>214</sup> The Pay Workers a Living Wage Act, S. 1832, 114<sup>th</sup> Congress (2015).

<sup>215</sup> If the final overtime rule issued by the Obama Administration on May 23, 2016 is blocked, as discussed above, then the white collar overtime salary threshold should be statutorily increased to \$47,476 and indexed for inflation. *State of Nevada et al v. United States Department of Labor et al*, supra note 86.

<sup>216</sup> The Healthy Families Act, S. 497, 114<sup>th</sup> Congress (2015).

<sup>217</sup> The Family and Medical Insurance Leave Act, S. 337, 115<sup>th</sup> Congress (2017).

<sup>218</sup> The Wage Theft Prevention and Wage Recovery Act, S. 2697, 114<sup>th</sup> Congress (2016).

<sup>219</sup> The Schedules that Work Act, S. 1772, 114<sup>th</sup> Congress (2015).

<sup>220</sup> Arindrajit Dube, Minimum Wages and the Distribution of Family Incomes, University of Massachusetts, Amherst 34 (July 4, 2014). Retrieved from <http://sites.utexas.edu/chasp/files/2015/04/MinimumWagesandDistributionofFamilyIncomes.pdf>.

<sup>221</sup> Wage and Hour Division, Department of Labor, Overtime Final Rule: Summary of the Economic Impact Study 2 (May 2016). Retrieved from <https://www.dol.gov/whd/overtime/final2016/overtimeFinalRule.pdf>.

<sup>222</sup> National Partnership for Women & Families, Paid Sick Days Lead to Cost Savings for All (September 2015). Retrieved from <http://www.nationalpartnership.org/research-library/work-family/psd/paid-sick-days-lead-to-cost-savings-savings-for-all.pdf>.

<sup>223</sup> Liz Ben-Ishai, Center for Law and Social Policy, Access to Paid Leave: An Overlooked Aspect of Economic & Social Inequality 1-3 (April 14, 2014). Retrieved from [http://www.clasp.org/resources-and-publications/publication-1/2014-04-09-Inequities-and-Paid-Leave-Brief\\_FINAL.pdf](http://www.clasp.org/resources-and-publications/publication-1/2014-04-09-Inequities-and-Paid-Leave-Brief_FINAL.pdf).

<sup>224</sup> Ross Eisenbrey, New Legislation Could Help End Wage Theft Epidemic. Working Economics Blog, Economic Policy Institute (March 16, 2016), <http://www.epi.org/blog/new-legislation-could-help-end-wage-theft-epidemic/>.

poverty.<sup>225</sup> Predictable scheduling practices will reduce turnover.<sup>226</sup> The enactment of these policies will have an immediate and direct benefit for low-wage workers and is critical to restoring the value of work.

### Enforcing and Expanding Collective Bargaining Rights

Expanding collective bargaining rights is key to restoring the value of work for all workers. Updating the NLRA in several specific ways will ensure the law reflects not only the modern workforce but also responds to employer trends to deny workers their collective bargaining rights.

There are multiple reasons for the diminishing presence of unions, including the enactment of so-called Right to Work laws and increasingly concerted employer efforts to block workers from choosing union representation. A shrinking manufacturing sector, which traditionally has had the highest union density, has also contributed to union membership decline. In addition, the fissured workplace and changes in employer-employee relationships to alternative work arrangements have created additional challenges to organizing efforts.<sup>227</sup>

Two recent decisions by the NLRB may help more workers in alternative work arrangements collectively bargain. In the 2015 *Browning-Ferris Industries* decision,<sup>228</sup> the Board updated its definition of a joint employer, finding that two or more entities are joint employers if both have authority over terms and conditions of employment.<sup>229</sup> As a result, temporary workers and workers in subcontracting employment, for example, may now find it more possible to collectively bargain with an employer that has control over their employment.

In the *Miller & Anderson, Inc.* case, the Board reversed a 2004 decision that required employer consent for collective bargaining units that include jointly employed and solely employed employees.<sup>230</sup> Employees supplied by temporary agencies may now be able to bargain alongside permanent employees over their terms and conditions of employment. These cases take important steps toward updating labor law to better fit the modern workplace, but non-traditional employer-employee relationships will continue to create formidable impediments to forming unions.

Several changes to the NLRA will help to address these obstacles to collective bargaining. The Workplace Action for a Growing Economy (WAGE) Act addresses many of the law's weaknesses and should be passed to provide needed enhancements to NLRA protections.<sup>231</sup>

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<sup>225</sup> Eastern Research Group, *supra* note 156, at 48.

<sup>226</sup> Golden, *supra* note 146. See also: Liz Ben-Ishai, Center for Law and Social Policy, *Job Schedules that Work for Businesses* (November 26, 2014). Retrieved from <http://www.clasp.org/resources-and-publications/publication-1/Job-Schedules-that-Work-for-Businesses.pdf>.

<sup>227</sup> Ben Beach and Kathleen Mulligan-Hansel, Roosevelt Institute, *Metropolitan Coalitions: Creating Opportunities for Worker Organizing 3-5* (October 7, 2015). Retrieved from <http://rooseveltinstitute.org/wp-content/uploads/2015/10/Metropolitan-Coalitions-Creating-Opportunities-for-Worker-Organizing.pdf>.

<sup>228</sup> NLRB, *Browning-Ferris Industries of California, Inc.* 32-RC-109684 (2015). Retrieved from <https://www.nlr.gov/news-outreach/news-story/board-issues-decision-browning-ferris-industries>.

<sup>229</sup> Lydia DePillis, *In landmark case, labor board lets more workers bargain with their employer's employer*, Wonkblog, The Washington Post (August 27, 2015), <https://www.washingtonpost.com/news/wonk/wp/2015/08/27/labor-board-moves-to-make-businesses-accountable-for-their-subcontractors/>.

<sup>230</sup> NLRB, *Miller & Anderson, Inc.* 05-RC-079249 (2016). Docket Activity retrieved from <https://www.nlr.gov/case/05-RC-079249>.

<sup>231</sup> The WAGE Act, S. 2042, 114<sup>th</sup> Congress (2015).

Specifically, the WAGE Act increases penalties against employers who discriminate against employees for their efforts to form a union or improve conditions in the workplace. It increases back pay owed to workers to two times the amount of back pay and liquidated damages equal to two times the back pay amount, regardless of whether the worker earned other income during that same period. And it creates civil penalties up to \$50,000 that can be levied against employers who commit unfair labor practices and doubles them for employers who have committed other unfair labor practices within the preceding five years. It also includes a provision that ensures that employers who supply labor for another employer are jointly or severally liable for NLRA violations.

Importantly, the WAGE Act also addresses employers' efforts to delay collective bargaining while they challenge the NLRB's election certification in court. It amends the NLRA to provide for streamlined enforcement of Board orders by establishing a 30-day window for employers to challenge a Board order. If employers do not challenge an order within that window, the order will take effect and continue indefinitely or for the time specified, unless or until the Board or a court enters a superseding order. And it requires the NLRB to issue a bargaining order if employer interference has prevented a fair union election, the Board does not believe interference has affected the election results, and a majority of workers have signed authorization cards in the last year. Enacting the WAGE Act will ensure the NLRA's enforcement provisions are on par with other labor and workplace laws and reduce employers' ability to block workers' efforts to form unions.

To fully protect workers' rights to organize, however, there are two other NLRA improvements that must be signed into law as well. First the NLRA's definition of employee is inadequate and must be updated to accommodate the increasing reliance on alternative work arrangements. The statute should include a presumption of employee status unless otherwise proved by the employer. This change will ensure that workers are not deprived of their collective bargaining rights simply because their employer has classified them as an independent contractor.

Second, the definition of the term "supervisor" in the statute should be narrowed and limited to employees who are engaged in supervisory activities more than half of the time.<sup>232</sup> These changes will update the NLRA and ensure erroneous exemptions from the law do not inappropriately deny millions of workers their collective bargaining rights. Allowing more workers to collectively bargain will reduce worker marginalization, restore the value of work, and grow the middle class.

#### Addressing Misclassification and Redefining Independent Contractors

The number of independent contractors is growing. While some of that increase is attributable to the growing workforce, some of it is due to misclassification. Some employers use the independent contractor classification to reduce employment costs and payroll taxes and avoid federal labor standards, even when the classification does not accurately reflect the nature of the employer-employee relationship. High-profile employers, such as Uber, Lyft, and FedEx, have established business models that treat nearly all their employees as independent contractors. To ensure that the independent contractor status is reserved only for those workers who are true

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<sup>232</sup> Re-empowerment of Skilled and Professional Employees and Construction Tradesworkers Act, S. 2168, 112<sup>th</sup> Congress (2012).

independent contractors and to prevent large employers' reliance on independent contractors for their entire workforces, two policy changes must be made.

First, loopholes that enable employers to misclassify employees as independent contractors must be closed. The most expedient way to address the issue of misclassification is the enactment of legislation that would allow the IRS to take action against employers that wrongly treat workers as independent contractors instead of employees. The Fair Playing Field Act gives the IRS the authority to order the reclassification of workers erroneously categorized as independent contractors, and imposes penalties for employers who misclassify workers.<sup>233</sup> In addition, the bill requires employers to inform workers of their status so they can better determine whether they are misclassified and take action accordingly. With these tools, the IRS will be more empowered to ensure employees are not improperly given the independent contractor classification.

Second, the independent contractor status needs to be redefined to ensure that large companies do not rely on a business model that classifies their entire, large workforces as independent contractors. The independent contractor status was not created to be used by companies as a way of avoiding taxes, labor standards, and workers' rights. Congress intended for the category to distinguish between those "who work...under supervision" and those who "decide how the work will be done [and] usually hire others to do the work."<sup>234</sup> To deter companies from adopting this business model, employers with more than \$7.5 million in annual receipts and 500 independent contractors, including independent contractors working for affiliates, subsidiaries, and subcontractors, will be required to pay half of payroll taxes for those workers.<sup>235</sup> Splitting the payroll taxes between workers and companies will increase the cost of classifying workers as independent contractors and, ideally, lead large companies to rethink choosing a business model that relies on a workforce of independent contractors in lieu of employees. Creating this safeguard against abuse will redefine the independent contractor status as a classification for workers who are truly independent and truly contractors.

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<sup>233</sup> The Fair Playing Field Act, S. 2252, 114<sup>th</sup> Congress (2015).

<sup>234</sup> House Report No. 80-245 18 (1947). In 1947 the House passed the Labor-Management Relations Act (H.R. 3020), which made changes to the NLRA. This bill became law the same year (P.L. 80-101). H.R. 3020 included several changes to the NLRA's definition of employee. One change, which became law in P.L. 80-101, added an explicit exclusion of independent contractors from the NLRA and was specifically intended to overturn *National Labor Relations Board v. Hearst Publications Inc.* (332 U.S. 11 (1944)), in which the Supreme Court ruled that newspaper merchants were employees under the NLRA. House Committee on Education and Labor Chairman Hartley, in the committee report accompanying H.R. 3020, spelled out the reason for this provision: "Employees' work for wages under direct supervision. 'Independent contractors' undertake to do a job for a price, decide how the work will be done, usually hire others to do the work, and depend for their income not upon wages, but upon the difference between what they pay for goods, materials, and labor and what they receive for the end result, that is, upon profits."

<sup>235</sup> The SBA distinguishes small firms from large firms both by average annual receipts and number of employees. For nonmanufacturing industries, the standard for large businesses is a firm with more than \$7.5 million in average annual receipts. The other widely used standards for manufacturing and mining industries is 500 employees. This proposal requires an employer in question to meet both thresholds to ensure that large employers with large independent contractor workforces cannot use independent contractors to circumvent federal standards and requirements for employees. The annual receipts and number of employees is a cumulative total for the primary company, its affiliates, its subsidiaries, and its subcontractors to ensure that this new tax requirement cannot be evaded by simply restructuring the business. See: 13 CFR 121.201 and <https://www.sba.gov/contracting/getting-started-contractor/make-sure-you-meet-sba-size-standards/summary-size-standards-industry-sector>.

As a package of policies, these proposals will benefit the economy by establishing a new, higher standard for work in the U.S. Increased wages will raise living standards.<sup>236</sup> An updated overtime threshold will increase pay for up to 1.7 million workers.<sup>237</sup> Paid sick days will improve worker productivity and lower health risks in the workplace.<sup>238</sup> Paid family medical leave will allow workers to raise families or care for a loved one without having to lose their job, adding stability to the workforce.<sup>239</sup> Wage theft enforcement will restore billions of dollars in wages to low-wage workers.<sup>240</sup> Addressing scheduling issues will reduce work-family conflicts.<sup>241</sup> Ensuring more workers can organize will increase wealth-sharing,<sup>242</sup> which is key to increasing consumption, and growing the U.S. middle class. Strengthening enforcement efforts against worker misclassification will raise billions in lost tax revenue.<sup>243</sup> Implementing these policies should be the first step toward increasing the value of work and growing the middle class.

### **Expanding Savings and Retirement Opportunities for All Workers**

Raising federal standards is key to increasing the number of middle class U.S. workers, but these policies are only part of the solution for restoring the middle class and the value of work. The future of employment in the U.S. will likely include a mix of alternative work arrangements, such as independent contractors, subcontractors, and temporary employees, among others. And it is imperative that these non-traditional employment relationships do not deprive workers of economic stability. Enacting the above-mentioned policies will increase the value of work for workers, but they may not fully address the economic security gap between different employer-employee relationships. To ensure all workers are able to create their own financial safety net, several key savings and retirement programs need to be changed.

The U.S. retirement system consists primarily of employer-sponsored, tax-preferred, private savings accounts. Employees contribute pretax dollars, and an employer's matching contributions are tax deductible. The alternative for workers without an employer-sponsored plan is to save on their own through tax-deductible contributions to an Individual Retirement Account (IRA). Numerous factors, however, including low-wages, job insecurity, and rising living costs make it difficult for workers to save. For a woman who made \$30,000 a year, it will cost an estimated \$446,809 to retire at age 65 and purchase an annuity to replace 70 percent of her income,<sup>244</sup> but, as detailed above, only a small percentage of the U.S. workforce will meet that

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<sup>236</sup> Michael Reich, et al., *The Effects of a \$15 Minimum Wage in New York State* 16-17, 30-32 (March 2016). Retrieved from <http://www.irle.berkeley.edu/cwed/briefs/2016-01.pdf>.

<sup>237</sup> Wage and Hour Division, Department of Labor, *supra* note 221 at 6.

<sup>238</sup> National Partnership for Women & Families, *Paid Sick Days: Good for Business, Good for Workers* (August 2012). Retrieved from: <http://www.nationalpartnership.org/research-library/work-family/psd/paid-sick-days-good-for-business-and-workers.pdf>. For state-specific benefits, see also: National Partnership for Women & Families, *Paid Sick Days: Low Cost, High Reward for Workers, Employers and Communities* (November 2015). Retrieved from <http://www.nationalpartnership.org/research-library/work-family/psd/paid-sick-days-low-cost-high-reward.pdf>.

<sup>239</sup> The Council of Economic Advisers, The White House, *The Economics of Paid and Unpaid Leave* 7-8, 16-17 (June 2014). Retrieved from [https://obamawhitehouse.archives.gov/sites/default/files/docs/leave\\_report\\_final.pdf](https://obamawhitehouse.archives.gov/sites/default/files/docs/leave_report_final.pdf).

<sup>240</sup> Brady Meixell and Ross Eisenbrey, Economic Policy Institute, *An Epidemic of Wage Theft is Costing Workers Hundreds of Millions of Dollars a Year* 1 (September 11, 2014). Retrieved from <http://www.epi.org/files/2014/wage-theft.pdf>.

<sup>241</sup> Ben-Ishai, *supra* note 226, at 2.

<sup>242</sup> Lawrence Mishel and Matthew Walters, Economic Policy Institute, *How Unions Help all Workers* 10-11 (August 26, 2003). Retrieved from <http://www.epi.org/files/page/-/old/briefingpapers/143/bp143.pdf>.

<sup>243</sup> Joint Committee on Taxation, *Updated Score of Fair Playing Field Act*, S. 1706, 113<sup>th</sup> Congress (2014). This was a confidential document provided to Sen. Brown's office based on modified legislative text S. 1706, which was then introduced as the Fair Playing Field Act, S. 2252, 114<sup>th</sup> Congress (2015).

<sup>244</sup> James W. Russell, *Social Insecurity: 401(k)s and the Retirement Crisis* 83 (2014).

level of economic security in retirement. Systemic challenges of access, participation, portability, and adequacy mean the U.S. savings and retirement infrastructure is not effectively addressing the economic security needs of a large number of workers.

Workers must to be able to access plans in which they are able to realistically participate and save for retirement. In addition, the retirement savings system must be updated to reflect the needs of the modern workforce, which relies less on employer-provided retirement plans due to alternative work arrangements. Specifically, participation barriers to savings and retirement plans must be removed for part-time and low-wage workers and independent contractors, and these workers should be able to continue to save even when they change jobs.

Part-time Workers: The most common way workers are found ineligible for an employer-sponsored plan is part-time status. Employers may offer retirement benefits to part-time workers, but they are not required to do so. As a result, less than 20 percent of part-time workers (16.2 percent) participate in their employer-sponsored plan.<sup>245</sup> Legislation must be passed that will require employers to make employees who have worked at least 500 hours per-year for at least three years eligible to participate in the employers' retirement plan.<sup>246</sup> This change is estimated to provide an additional one million people with access to retirement plans.<sup>247</sup>

Low-wage Workers: For long-career, low-wage workers, the appropriate, initial savings goal is not a retirement vehicle but rather a safety net. The Corporation For Economic Development found that in 2016, nearly 44 percent of households remain "liquid asset poor," meaning that they do not have three months of poverty-level cash savings in the event of a financial shock.<sup>248</sup> A tax-preferenced retirement savings vehicle is not useful for these workers since retirement accounts carry steep penalties for early withdrawal designed to discourage workers from prematurely drawing down savings. "Liquid Asset Poor" households need the ability to save through their employer, maintain the ability to withdraw their funds in the case of an emergency, and receive a better return on their investment than a savings account interest rate.

President Obama's myRA plan expands savings opportunities to low-wage worker households and should be formally authorized by Congress. myRA allows savers to open an account with as little as \$25 and contribute \$5 or more every paycheck through an automatic payroll deduction.<sup>249</sup> These plans have no fees and are invested in Treasury Securities. Workers can withdraw from the account without penalty, and multiple employers can contribute to it initially. Once a worker's myRA balance reaches \$15,000, however, the account is rolled over into a private-sector retirement account and employers can no longer make contributions. Like Roth IRAs, myRA's contributions are not a pre-tax benefit (the program's tax benefits are deferred

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<sup>245</sup> The Pew Charitable Trusts, *supra* note 42.

<sup>246</sup> Press Release, The White House, Fact Sheet: Building a 21<sup>st</sup> Century Retirement System (January 26, 2016). Retrieved from <https://obamawhitehouse.archives.gov/the-press-office/2016/01/26/fact-sheet-building-21st-century-retirement-system>. Sen. Robert P. Casey, Jr. (D-PA) introduced this proposal as an amendment to the Retirement Enhancement and Savings Act of 2016 in the Senate Finance Committee Markup on September 21, 2016. The filed amendment description can be found on page 35 of the Master List of Amendments for the hearing, which can be accessed here: [https://www.finance.senate.gov/imo/media/doc/Retirement\\_Master.pdf](https://www.finance.senate.gov/imo/media/doc/Retirement_Master.pdf)

<sup>247</sup> *Id.*

<sup>248</sup> Kasey Wiedrich, et al., Corporation for Enterprise Development, *The Steep Climb to Economic Opportunity for Vulnerable Families 7* (January 2016). Retrieved from [http://assetsandopportunity.org/assets/pdf/2016\\_Scorecard\\_Report.pdf](http://assetsandopportunity.org/assets/pdf/2016_Scorecard_Report.pdf).

<sup>249</sup> U.S. Department of the Treasury, *MyRA: A Simple, Safe, Affordable Retirement Savings Account* (January 2014). Retrieved from <https://www.treasury.gov/connect/blog/Documents/FINAL%20myRA%20Fact%20Sheet.pdf>.

until withdrawal), but this feature ensures “liquid asset poor” workers can access their savings at any time without penalty. Formally authorizing the myRA program will ensure that low-wage workers have access to a portable, low-cost safety net program and will increase their economic security.

Independent Contractors: Independent contractors, like most part-time and low-wage workers, do not have access to employer-provided retirement savings. Companies that classify workers as independent contractors will not sponsor a retirement plan because it is an important indicator to the IRS and the Courts of an employer-employee relationship.<sup>250</sup> Increasing access to a tax-preferenced savings program for workers who file 1099 tax forms will help to address the economic insecurity that often accompanies the independent contractor status.

Specifically, independent contractors should be allowed to join Open Multiple Employer Plans (Open MEPs). The Senate Finance Committee’s Working Group on Savings and Investment co-chaired by Senators Brown and Crapo proposed the expansion of Open MEPS to small businesses. Joining MEPs will help smaller enterprises to achieve the same economies of scale as large retirement plan sponsors by pooling together and reducing administrative costs, thereby increasing their access to high-quality investment and management options and expanding retirement options for their workers.<sup>251</sup> This plan could also allow independent contractors to join Open MEPs, which would create access, and, crucially, portability for workers in independent contractor relationships.

State Auto IRA Plans: Another important initiative for expanding access, participation, and portability is happening at the state level where 30 states have established, are in the process of creating, or have initiated studies on state automatic IRA accounts.<sup>252</sup> For example, in the California Secure Choice plan, employers with five or more employees who do not offer an employer-sponsored retirement plan will be required to provide employees with access to the state IRA plan.<sup>253</sup> The default contribution will be three percent of a worker’s salary with an annual escalation of one percent and a ceiling of eight percent.<sup>254</sup> Workers can opt out at any time, and for the next three years, the plan, like myRA, will invest workers’ savings in risk-free, but low-return Treasury bonds.<sup>255</sup>

Under the Obama Administration, the Department of Labor supported states’ efforts by promulgating a final rule that clarifies that any state automatic IRA program must remove the

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<sup>250</sup> Joint Committee on Taxation, Present Law and Background Relating to Worker Classification for Federal Tax Purposes 3-5 (May 7, 2007). Retrieved from <https://www.irs.gov/pub/irs-utl/x-26-07.pdf>.

<sup>251</sup> United States Senate Committee on Finance, The Savings & Investment Bipartisan Tax Working Group Report 6-10 (July 2015). Retrieved from <http://www.finance.senate.gov/imo/media/doc/The%20Savings%20&%20Investment%20Bipartisan%20Tax%20Working%20Group%20Report.pdf>.

<sup>252</sup> Angela M. Antonelli, *State Retirement Savings Programs: Current Status, Lessons Learned and Future Prospects*, Georgetown University Center for Retirement Initiatives Blog, April 2016, <http://cri.georgetown.edu/state-retirement-savings-programs-current-status-lessons-learned-and-future-prospects/>.

<sup>253</sup> California Office of the State Treasurer, California Secure Choice: Making Workplace Retirement Savings Possible for 7.5 Million Californians 2 (n.d.). Retrieved from: <http://www.treasurer.ca.gov/scib/fact.pdf>.

<sup>254</sup> Id.

<sup>255</sup> Id.



operational burden of running a retirement plan from participating small businesses.<sup>256</sup> Congressional efforts to roll back the rule are advancing, which may slow the implementation of state plans.<sup>257</sup> Without the rule, the difference between state-run automatic IRAs and employee pension benefit plans will no longer be clear. If business participation in a State Auto IRA could be considered the same as offering an employee pension benefit plan, companies would have to comply with all applicable federal laws and rules governing pension plans. Businesses that have decided not to provide their own employee pension plans may shy away from these obligations and choose not to participate in State Auto IRA plans.

State Auto IRA plans will expand workers' access and participation in savings programs. Although they will not allow employers to make contributions to workers' accounts, they should be supported and encouraged to increase access to savings opportunities for workers.

Increasing Contributions to Retirement Plans: Employer matches to retirement accounts are critical to ensuring that workers leave the workforce with enough savings to retire. Policies discussed above, such as expanding collective bargaining rights, fighting worker misclassification, and increasing the minimum wage, will help workers to achieve greater economic security. But an employee match is necessary to enable working families to accrue a sufficient account balance to provide for a secure retirement. To increase contributions to workers' savings and retirement accounts, the Saver's Tax Credit should be converted to a refundable credit that would match workers' contributions to myRA or a qualified retirement plan on a dollar-for-dollar basis.

The Saver's Tax Credit is a non-refundable retirement savings contribution credit that can be claimed by taxpayers for contributions to traditional or Roth IRA and any form of employer-sponsored defined contribution account. The credit cannot be used for rollover contributions or employers' contributions, but it can be claimed for a percentage of taxpayers' retirement contributions up to \$2,000 (\$4,000 if married and filing jointly) depending on taxpayers' income levels. For single filers with income up to \$18,500, the credit matches 50 percent of retirement contributions. The match percentage phases out as taxpayers' income increases and is not available for taxpayers with income over \$31,000 who are not the head of household or married and filing jointly.<sup>258</sup> The problem with the tax credit's current eligibility, however, is that workers with that little income are very unlikely to have taxable income against which they can take a non-refundable credit. Without taxable income the credit is worthless.

In addition to the expansion of Open MEPS, Senators Brown and Crapo's Tax Working Group proposed converting the Saver's Tax Credit into a directly deposited match that is tied to income and savings. Called the Saver's Match, the match would be \$500 initially and increase to \$1,500

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<sup>256</sup> Savings Arrangements Established by States for Non-Governmental Employees, 81 Fed. Reg. 59464-59464-59477 (August 31, 2016) (to be codified at 29 C.F.R. pt 2510). Retrieved from <https://www.gpo.gov/fdsys/pkg/FR-2016-08-30/pdf/2016-20639.pdf>.

<sup>257</sup> On February, 15, 2017, the House of Representative passed H.J. Res 66 by a vote of 231 to 193. The resolution used authority granted under the Congressional Review Act to disapprove of the rule submitted by the Department of Labor relating to "Savings Arrangements Established by States for Non-Governmental Employees." At the time of publication of this paper, the Senate is expected to take up this resolution soon. Once the resolution passes the Senate and is signed by the president, the DOL regulation will be nullified.

<sup>258</sup> Internal Revenue Service, Department of the Treasury, Retirement Savings Contribution Credit (Saver's Credit), <https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-savings-contributions-savers-credit> (last accessed October 10, 2016).

over 10 years.<sup>259</sup> The maximum eligible income level for the first year would be \$65,000 for joint filers (\$48,750 for head-of-household and \$32,500 for single or married taxpayers filing separately).<sup>260</sup> The match is phased out for an individual over the next \$20,000 of adjusted gross income for joint filers (\$15,000 for head-of-household and \$10,000 for single or married taxpayers filing separately).<sup>261</sup> The match would be doubled to 100 percent of contributions up to the eligible contribution limit and would be contributed directly to an IRA or tax-favored employer-sponsored retirement plan.<sup>262</sup> In effect, when the match credit is contributed to an employer-sponsored plan, the credit amount is treated as an employer contribution. Saver's Match will enhance the effectiveness of retirement savings opportunities by increasing the value of workers' contributions and expanding their safety net.

Through these proposals, workers in part-time, low-wage, or independent contractor positions will be able to achieve greater economic security. Increased savings and economic stability will expand access to the middle class for more workers in many alternative work arrangements. Combined with the proposals discussed above, these enhancements to retirement and savings policies will help to restore the value of work.

### **Benefits Bank**

It is worth taking time to discuss the creation of a so-called "Benefits Bank," which has been touted as a means to reinstate the social contract between companies and their workers. Some proponents argue that this type of Bank is necessary to enhance economic stability in an economy with fewer traditional jobs.<sup>263</sup> The Benefits Bank idea has also been endorsed by corporate leaders whose companies are part of the gig economy and have alternative work arrangements.<sup>264</sup>

The importance of benefits portability across alternative employment relationships is not new.<sup>265</sup> And expanding the portability of benefits is a critical component of restoring the value of work, particularly if the U.S. workforce will increasingly be defined by alternative work arrangements and multiple job holders. But focusing on the creation of a Benefits Bank at this time is premature. A Benefits Bank will provide more economic stability for workers only if they have adequate access to and participate in benefit programs that can be made portable through the Bank. But access and participation to benefits programs, as noted above, are insufficient.

Creating a Benefits Bank to increase access to and portability of benefits without first updating federal labor laws or expanding benefit programs will simply exacerbate the economic security gap between workers in traditional employment relationships and those in alternative work arrangements. To that end, the savings and retirement proposals outlined above are the

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<sup>259</sup> Senate Finance Committee, The Savings & Investment Bipartisan Tax Working Group Report 12-13 (July, 2015). Retrieved from <http://www.finance.senate.gov/imo/media/doc/The%20Savings%20&%20Investment%20Bipartisan%20Tax%20Working%20Group%20Report.pdf>

<sup>260</sup> Id.

<sup>261</sup> Id.

<sup>262</sup> Id.

<sup>263</sup> Nick Hanauer and David Rolf, *Shared Security, Shared Growth*, Democracy: A Journal of Ideas (Summer 2015). Retrieved from <http://democracyjournal.org/magazine/37/shared-security-shared-growth/>.

<sup>264</sup> Byron Auguste, et al., Portable Benefits, Common Ground for Independent Workers, What's the Future of Work? Blog (November 9, 2015). Retrieved from <https://medium.com/the-wtf-economy/common-ground-for-independent-workers-83f3fbcf548f#.de3rfoc7h>.

<sup>265</sup> Karoly and Panis, *supra* note 106, at 204.

immediate steps that need to be taken to increase the portability and accrual of economic benefits for workers.

Once these retirement-expansion policies are implemented, a Benefits Bank could help ensure that workers accrue and maintain benefits regardless of their type of employment, but only if it is structured so that it confers benefits on workers. Proposals that rely solely on workers to contribute to retirement or paid sick leave accounts, for example, do not increase economic security and intensify the vulnerabilities for workers in alternative work arrangements. Moreover, a Benefits Bank should not be used by employers whose business models take advantage of alternative work arrangements to inoculate themselves from criticism, or even lawsuits, for their cost-cutting employment strategy.

### Corporate Workforce Investment

For workers in traditional employment arrangements who remain marginalized at work, the proposals outlined so far may not be sufficient to increase the value of work. Their employers provide their wages and benefits directly, even though in the worst cases those wages and benefits do not afford a life above the federal poverty line. Some forms of employee marginalization, such as wage theft, anti-unionizing efforts, and unpredictable schedules will be

Corporate Freeloader Fee Structure	
% Employees Below 200% FPL	Fee as % of Total Payroll
Less than or equal to 25%	25 basis points
Greater than 25% up to 50%	50 basis points
Greater than 50% up to 75%	75 basis points
Greater than 75%	100 basis points
Health and Retirement Offset	25 basis points

addressed by the improved labor standards described above. Raising the minimum wage to \$15 an hour will help lift millions of American out of poverty, and requiring part-time workers to get the same access to retirement plans as full-time employees could increase savings for millions of workers. But it is possible that through the denial of hours or other means, employers may maintain policies that keep their employees impoverished. In these instances, the companies are not investing in their employees and instead are relying on taxpayers to subsidize the cost of their workforces.

Taxpayers should be reimbursed for subsidizing a company's workforce through a fee, called the Corporate Freeloader Fee here. The fee would be based on the percentage of staff earning wages less than 200 percent of the federal poverty rate for an

individual person, or \$23,760 for 2016. The fee would be assessed only on employers that have paid \$100,000 in payroll taxes a day for 180 days in the last year,<sup>266</sup> and it would be scaled based on the percentage of a company's workers below the poverty threshold. For example, a fee of 25 basis points of total payroll would be levied on employers with 25 percent or less of their workforce earning wages at the poverty level or lower. The fee would increase to 50 basis points for companies with between 25 percent and 50 percent of their workers earning less than poverty

<sup>266</sup> The IRS distinguishes tax deposit schedules based on businesses' tax liabilities. Businesses that meet a higher tax liability threshold must deposit taxes daily, instead of monthly or semiweekly. Specifically, all businesses must deposit their taxes the next day if they reach \$100,000 or more of tax liabilities on any day. This Workforce Subsidization Reimbursement Fee would apply only to businesses that met that tax liability threshold for half of the preceding year. See Internal Revenue Service, Department of the Treasury, Deposit Requirements for Employment Taxes, Notice 931 3 (October 2016). Retrieved from <https://www.irs.gov/pub/irs-pdf/n931.pdf>.

level wages. The fee would be 75 basis points for employers with between 50 percent and 75 percent of employees earning less than poverty level wages and 100 basis points for more than 75 percent of employees and above. Companies could reduce their fees by 25 basis points if they provide healthcare benefits and make employer contributions to retirement.

Conversely, companies that are already providing decent wages to their employees and are dedicated to staying in the U.S. should be rewarded. The Patriot Employer Tax Credit Act would establish a tax credit for companies that is equivalent to 10 percent of the first \$15,000 of wages earned by each employee if they meet certain criteria.<sup>267</sup> The legislation's requirements include: maintaining U.S. headquarters and their U.S. workforce; paying workers an hourly wage equal to 156 percent of the federal poverty level for a family of three; and providing 90 percent of employees with adequate retirement options, among other criteria.

The intent of the Corporate Freeloader Fee and the Patriot Employer tax Credit is to create incentives for employers to invest in their workforces and help more of their employees achieve economic security. By charging companies for the government services their employees depend on and rewarding businesses that compensate their workers well, employers are likely to rethink the cost-effectiveness of paying low wages. Combined with the improved labor standards and expanded access and portability of savings and retirement benefits, these policies will increase the value of work and reverse the marginalization of workers, regardless of their employer-employee relationship.

## **XI. Conclusion**

Work is a fundamental building block of any economy because work leads to production and incomes, which leads to consumption. But work is also the building block of individuals' livelihoods. When work's value declines, goods are still made, but incomes and consumption drop; livelihoods are threatened, and economic growth stalls. Economic uncertainty will continue to hollow out the middle class and limit the competitiveness of the U.S. economy unless the value of work is restored.

The value of work has declined because wages and benefits have not kept up with changes to employment relationships. The traditional employer-employee arrangement supported workers' livelihood by providing wages and benefits that corresponded to workers' productivity, in other words, their value to the employer. But over the last several decades as business objectives have become focused on short-term profits and corporate restructuring, workers have become increasingly marginalized, and the connection between earnings and productivity has become more tenuous.

Workers' job security, economic stability, and dignity have suffered in turn. More workers are being hired as temporary, subcontracted, or part-time employees. Millions are classified as independent contractors, some despite the fact that they are actually employees. Even workers in direct employment arrangements face challenges of scheduling unpredictability, wage theft, and anti-unionizing efforts that deprive them of agency and leverage in the workplace. Across the board, U.S. workers face stagnant and declining wages and inadequate benefits.

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<sup>267</sup> Patriot Employer Tax Credit Act, S. 1486, 114<sup>th</sup> Congress (2015).

Diverse employment arrangements are not necessarily bad, but the decades-old, growing trend of employers using alternative work arrangements to reduce workforce costs has come at workers' expense and has long-term implications for U.S. economic growth. Combined with effective efforts to marginalize direct employees, these trends are preventing workers, even if they work full-time, from joining the middle class. Without a middle class, U.S. economic growth stalls. A consumption driven economy needs individuals with disposable income to purchase the goods and services. Instead nearly half of U.S. adults are unable to meet the basic needs of their families and cannot manage an unplanned expense of \$400.

Policies must be updated to ensure different employer-employee relationships do not preclude workers from achieving the economic security associated with the middle class. It is not sufficient to look at the gig economy and determine how to accommodate cutting edge companies. A comprehensive restructuring of all employer-employee relationships, including all alternative work arrangements, is needed.

The solution includes raising labor standards and wages, expanding collective bargaining rights, and redefining what it means to be an independent contractor. Through these proposals, the marginalization of workers will be reversed, and fewer workers will remain in poverty despite working full-time. Expanded access to and participation in savings and retirement plans will reduce the economic uncertainty of alternative work arrangements. Finally, establishing a new incentive structure for large employers to invest in their workforce will address the role those companies have played in reducing the value of work.

These policies will strengthen the connection between workers' employment and their livelihoods. In doing so, they will shore up the economic cornerstone of work and expand access to the middle class to millions more workers. Without these solutions, workers will continue to be marginalized, and the middle class will continue to shrink. But if these policies are implemented, the dignity and value of work will be restored, and the American Dream will remain intact.

## **APPENDIX I**

### **Complete List of Proposals to Restore the Value of Work**

#### Existing Legislation

S. 1832, The Pay Workers a Living Wage Act, 114<sup>th</sup> Congress

S. 497, The Healthy Families Act, 114<sup>th</sup> Congress

S. 337, The Family and Medical Insurance Leave Act, 115<sup>th</sup> Congress

S. 2697, The Wage Theft Prevention and Wage Recovery Act, 114<sup>th</sup> Congress

S. 1772, The Schedules that Work Act, 114<sup>th</sup> Congress

S. 2042, the Workplace Action for a Growing Economy (WAGE) Act, 114<sup>th</sup> Congress

S. 2168, RESPECT Act, 112<sup>th</sup> Congress

S. 2252, The Fair Playing Field Act, 114<sup>th</sup> Congress

Sen. Casey Amendment offered in the Finance Committee Hearing on September 21, 2016 that would require employers to make employees who have worked at least 500 hours per-year for at least three years eligible to participate in the employers' retirement plan, 114<sup>th</sup> Congress.

S. 1486, the Patriot Employer Tax Credit Act, 114<sup>th</sup> Congress

#### New Proposals

NLRA amendment to include presumption of employee status unless otherwise proved by the employer.

Requirement for employers with more than \$7.5 million in average annual receipts and 500 independent contractors to pay half of payroll taxes for independent contractors

Authorization of the myRA program

Conversion of the Saver's Tax Credit into a refundable credit that would match workers' contributions to myRA or a qualified retirement plan on a dollar-for-dollar basis.

Corporate Freeloader Fee

## APPENDIX II

### MANUFACTURING EMPLOYMENT AS A PERCENTAGE OF TOTAL EMPLOYMENT

Manufacturing employment as a percentage of employment over time was calculated by using the Current Employment Statistics Database to produce the number of workers employed in the manufacturing sector since 1970. Next, the Current Population Survey Database was used to produce the total number of employed workers in the labor force. Then the manufacturing employment statistics were divided by total employment for each year from 1970 to 2015 to calculate manufacturing employment as a percentage of total employment. The two data sets plus the calculations are included below.

#### DATA ON MANUFACTURING EMPLOYMENT OVER TIME

**Series Id:** CES3000000001  
**Seasonally Adjusted**  
**Series Title:** All employees, thousands, manufacturing, seasonally adjusted  
**Super Sector:** Manufacturing  
**Industry:** Manufacturing  
**Data Type:** ALL EMPLOYEES, THOUSANDS  
**Years:** 1970 to 2016

<b>Year</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Annual Avg.</b>
<b>1970</b>	18424	18361	18360	18207	18029	17930	17877	17779	17692	17173	17024	17309	17847
<b>1971</b>	17280	17216	17154	17149	17225	17139	17126	17115	17154	17126	17166	17202	17171
<b>1972</b>	17283	17361	17447	17508	17602	17641	17556	17741	17774	17893	18005	18158	17664
<b>1973</b>	18276	18410	18493	18530	18564	18606	18598	18629	18609	18702	18773	18820	18584
<b>1974</b>	18788	18727	18700	18702	18688	18690	18656	18570	18492	18364	18077	17693	18512
<b>1975</b>	17344	17004	16853	16759	16746	16690	16678	16824	16904	16984	17025	17140	16913
<b>1976</b>	17287	17384	17470	17541	17513	17521	17524	17596	17665	17548	17682	17719	17538
<b>1977</b>	17803	17843	17941	18024	18107	18192	18259	18276	18334	18356	18419	18531	18174
<b>1978</b>	18593	18639	18699	18772	18848	18919	18951	19006	19068	19142	19257	19334	18936
<b>1979</b>	19388	19409	19453	19450	19509	19553	19531	19406	19442	19390	19299	19301	19428
<b>1980</b>	19282	19219	19217	18973	18726	18490	18276	18414	18445	18506	18601	18640	18732
<b>1981</b>	18639	18613	18647	18711	18766	18789	18785	18748	18712	18566	18409	18223	18634
<b>1982</b>	18047	17981	17857	17683	17588	17430	17278	17160	17074	16853	16722	16690	17364
<b>1983</b>	16705	16706	16711	16794	16885	16960	17059	17118	17255	17367	17479	17551	17049
<b>1984</b>	17630	17728	17806	17872	17916	17967	18013	18034	18019	18024	18016	18023	17921
<b>1985</b>	18009	17966	17939	17886	17855	17819	17776	17756	17718	17708	17697	17693	17819
<b>1986</b>	17686	17663	17624	17616	17593	17530	17497	17489	17498	17477	17472	17478	17552
<b>1987</b>	17465	17499	17507	17525	17542	17537	17593	17630	17691	17729	17775	17809	17609

<b>1988</b>	17790	17823	17844	17874	17892	17916	17926	17891	17914	17966	18003	18025	17905
<b>1989</b>	18057	18055	18060	18055	18040	18013	17980	17964	17922	17895	17886	17881	17984
<b>1990</b>	17797	17893	17868	17845	17797	17776	17704	17649	17609	17577	17428	17395	17695
<b>1991</b>	17330	17211	17140	17093	17070	17044	17015	17025	17010	16999	16961	16916	17068
<b>1992</b>	16839	16829	16805	16831	16835	16826	16819	16783	16761	16751	16758	16769	16801
<b>1993</b>	16791	16805	16795	16772	16766	16742	16739	16741	16769	16778	16800	16815	16776
<b>1994</b>	16855	16862	16897	16933	16962	17010	17026	17081	17115	17144	17186	17217	17024
<b>1995</b>	17262	17265	17263	17278	17259	17247	17218	17240	17247	17216	17209	17231	17245
<b>1996</b>	17208	17229	17193	17204	17222	17226	17223	17255	17252	17268	17277	17284	17237
<b>1997</b>	17297	17316	17340	17349	17362	17387	17389	17452	17465	17513	17556	17588	17418
<b>1998</b>	17619	17627	17637	17637	17624	17608	17422	17563	17557	17512	17465	17449	17560
<b>1999</b>	17427	17395	17368	17344	17333	17295	17308	17287	17281	17272	17282	17280	17323
<b>2000</b>	17284	17285	17302	17298	17279	17296	17322	17287	17230	17217	17202	17181	17265
<b>2001</b>	17104	17028	16938	16802	16661	16515	16382	16232	16117	15972	15825	15711	16441
<b>2002</b>	15587	15515	15443	15392	15337	15298	15256	15171	15119	15060	14992	14912	15257
<b>2003</b>	14866	14781	14721	14609	14557	14493	14402	14376	14347	14334	14316	14300	14509
<b>2004</b>	14290	14279	14287	14315	14342	14332	14330	14345	14331	14332	14307	14287	14315
<b>2005</b>	14257	14273	14269	14250	14256	14227	14226	14203	14175	14192	14187	14193	14226
<b>2006</b>	14210	14209	14214	14226	14203	14213	14188	14159	14125	14075	14041	14015	14157
<b>2007</b>	14008	13997	13970	13945	13929	13911	13889	13828	13790	13764	13757	13746	13878
<b>2008</b>	13725	13696	13659	13599	13564	13504	13430	13358	13275	13147	13034	12850	13403
<b>2009</b>	12561	12380	12208	12030	11862	11726	11668	11626	11591	11538	11509	11475	11848
<b>2010</b>	11460	11453	11453	11489	11525	11545	11561	11553	11563	11562	11585	11595	11529
<b>2011</b>	11621	11654	11675	11704	11713	11727	11746	11764	11769	11780	11770	11802	11727
<b>2012</b>	11836	11859	11899	11915	11929	11942	11967	11961	11952	11959	11948	11960	11927
<b>2013</b>	11980	12001	12003	12004	12002	12002	11983	12014	12029	12050	12076	12086	12019
<b>2014</b>	12094	12115	12125	12139	12146	12171	12189	12205	12217	12243	12272	12294	12184
<b>2015</b>	12311	12315	12318	12316	12324	12325	12336	12318	12309	12311	12314	12320	12318



# DATA ON TOTAL NUMBER OF EMPLOYED

**Series Id:** LNS12000000  
**Seasonally Adjusted**  
**Series title:** (Seas) Employment Level  
**Labor force status:** Employed  
**Type of data:** Number in thousands  
**Age:** 16 years and over  
**Years:** 1970 to 2016

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Avg.
1970	78780	78698	78863	78930	78564	78413	78726	78624	78498	78685	78650	78594	78669
1971	78864	78700	78588	78987	79139	78757	79305	79539	79689	79918	80297	80471	79355
1972	80959	81108	81573	81655	81887	82083	82230	82578	82543	82616	82990	83400	82135
1973	83161	83912	84452	84559	84648	85185	85299	85204	85488	85987	86320	86401	85051
1974	86555	86754	86819	86669	86891	86941	87149	87037	87051	86995	86626	86144	86803
1975	85627	85256	85187	85189	85451	85355	85894	86234	86279	86370	86456	86665	85830
1976	87400	87672	87985	88416	88794	88563	89093	89223	89173	89274	89634	89803	88753
1977	89928	90342	90808	91271	91754	91959	92084	92441	92702	93052	93761	94105	92017
1978	94384	94519	94755	95394	95769	96343	96090	96431	96670	97133	97485	97581	96046
1979	97948	98329	98480	98103	98331	98679	99006	98776	99340	99404	99574	99933	98825
1980	99879	99995	99713	99233	98945	98682	98796	98824	99077	99317	99545	99634	99303
1981	99955	100191	100571	101056	101048	100298	100693	100689	100064	100378	100207	99645	100400
1982	99692	99762	99672	99576	100116	99543	99493	99633	99504	99215	99112	99032	99529
1983	99161	99089	99179	99560	99642	100633	101208	101608	102016	102039	102729	102996	100822
1984	103201	103824	103967	104336	105193	105591	105435	105163	105490	105638	105972	106223	105003
1985	106302	106555	106989	106936	106932	106505	106807	107095	107657	107847	108007	108216	107154
1986	108887	108480	108837	108952	109089	109576	109810	110015	110085	110273	110475	110728	109601
1987	110953	111257	111408	111794	112434	112246	112634	113057	112909	113282	113505	113793	112439
1988	114016	114227	114037	114650	114292	114927	115060	115282	115356	115638	116100	116104	114974
1989	116708	116776	117022	117097	117099	117418	117472	117655	117354	117581	117912	117830	117327
1990	119081	119059	119203	118852	119151	118983	118810	118802	118524	118536	118306	118241	118796
1991	117940	117755	117652	118109	117440	117639	117568	117484	117928	117800	117770	117466	117713

<b>1992</b>	117978	117753	118144	118426	118375	118419	118713	118826	118720	118628	118876	118997	118488
<b>1993</b>	119075	119275	119542	119474	120115	120290	120467	120856	120554	120823	121169	121464	120259
<b>1994</b>	121966	122086	121930	122290	122864	122634	122706	123342	123687	124112	124516	124721	123071
<b>1995</b>	124663	124928	124955	124945	124421	124522	124816	124852	125133	125388	125188	125088	124908
<b>1996</b>	125125	125639	125862	125994	126244	126602	126947	127172	127536	127890	127771	127860	126720
<b>1997</b>	128298	128298	128891	129143	129464	129412	129822	130010	130019	130179	130653	130679	129572
<b>1998</b>	130726	130807	130814	131209	131325	131244	131329	131390	131986	131999	132280	132602	131476
<b>1999</b>	133027	132856	132947	132955	133311	133378	133414	133591	133707	133993	134309	134523	133501
<b>2000</b>	136559	136598	136701	137270	136630	136940	136531	136662	136893	137088	137322	137614	136901
<b>2001</b>	137778	137612	137783	137299	137092	136873	137071	136241	136846	136392	136238	136047	136939
<b>2002</b>	135701	136438	136177	136126	136539	136415	136413	136705	137302	137008	136521	136426	136481
<b>2003</b>	137417	137482	137434	137633	137544	137790	137474	137549	137609	137984	138424	138411	137729
<b>2004</b>	138472	138542	138453	138680	138852	139174	139556	139573	139487	139732	140231	140125	139240
<b>2005</b>	140245	140385	140654	141254	141609	141714	142026	142434	142401	142548	142499	142752	141710
<b>2006</b>	143150	143457	143741	143761	144089	144353	144202	144625	144815	145314	145534	145970	144418
<b>2007</b>	146028	146057	146320	145586	145903	146063	145905	145682	146244	145946	146595	146273	146050
<b>2008</b>	146378	146156	146086	146132	145908	145737	145532	145203	145076	144802	144100	143369	145373
<b>2009</b>	142152	141640	140707	140656	140248	140009	139901	139492	138818	138432	138659	138013	139894
<b>2010</b>	138438	138581	138751	139297	139241	139141	139179	139438	139396	139119	139044	139301	139077
<b>2011</b>	139250	139394	139639	139586	139624	139384	139524	139942	140183	140368	140826	140902	139885
<b>2012</b>	141596	141877	142050	141916	142204	142387	142281	142278	143028	143404	143345	143298	142472
<b>2013</b>	143249	143359	143352	143622	143842	144003	144300	144284	144447	143537	144555	144684	143936
<b>2014</b>	145092	145185	145772	145677	145792	146214	146438	146464	146834	147374	147389	147439	146306
<b>2015</b>	148104	148231	148333	148509	148748	148722	148866	149043	148942	149197	149444	149929	148839

# CALCULATION OF MANUFACTURING EMPLOYMENT AS A PERCENTAGE OF EMPLOYMENT

<b>Year</b>	<b>Manufacturing Employment Annual Avg.</b>	<b>Total Employment Annual Avg.</b>	<b>Manufacturing Employment as % of Total Employment</b>
<b>1970</b>	17847.08	78668.75	0.227
<b>1971</b>	17171.00	79354.50	0.216
<b>1972</b>	17664.08	82135.17	0.215
<b>1973</b>	18584.17	85051.33	0.219
<b>1974</b>	18512.25	86802.58	0.213
<b>1975</b>	16912.58	85830.25	0.197
<b>1976</b>	17537.50	88752.50	0.198
<b>1977</b>	18173.75	92017.25	0.198
<b>1978</b>	18935.67	96046.17	0.197
<b>1979</b>	19427.58	98825.25	0.197
<b>1980</b>	18732.42	99303.33	0.189
<b>1981</b>	18634.00	100399.58	0.186
<b>1982</b>	17363.58	99529.17	0.174
<b>1983</b>	17049.17	100821.67	0.169
<b>1984</b>	17920.67	105002.75	0.171
<b>1985</b>	17818.50	107154.00	0.166
<b>1986</b>	17551.92	109600.58	0.160
<b>1987</b>	17608.50	112439.33	0.157
<b>1988</b>	17905.33	114974.08	0.156
<b>1989</b>	17984.00	117327.00	0.153
<b>1990</b>	17694.83	118795.67	0.149
<b>1991</b>	17067.83	117712.58	0.145
<b>1992</b>	16800.50	118487.92	0.142
<b>1993</b>	16776.08	120258.67	0.139
<b>1994</b>	17024.00	123071.17	0.138
<b>1995</b>	17244.58	124908.25	0.138
<b>1996</b>	17236.75	126720.17	0.136

<b>1997</b>	17417.83	129572.33	0.134
<b>1998</b>	17560.00	131475.92	0.134
<b>1999</b>	17322.67	133500.92	0.130
<b>2000</b>	17265.25	136900.67	0.126
<b>2001</b>	16440.58	136939.33	0.120
<b>2002</b>	15256.83	136480.92	0.112
<b>2003</b>	14508.50	137729.25	0.105
<b>2004</b>	14314.75	139239.75	0.103
<b>2005</b>	14225.67	141710.08	0.100
<b>2006</b>	14156.50	144417.58	0.098
<b>2007</b>	13877.83	146050.17	0.095
<b>2008</b>	13403.42	145373.25	0.092
<b>2009</b>	11847.83	139893.92	0.085
<b>2010</b>	11528.67	139077.17	0.083
<b>2011</b>	11727.08	139885.17	0.084
<b>2012</b>	11927.25	142472.00	0.084
<b>2013</b>	12019.17	143936.17	0.084
<b>2014</b>	12184.17	146305.83	0.083
<b>2015</b>	12318.08	148839.00	0.083

**APPENDIX III**  
**SERVICES EMPLOYMENT AS A PERCENTAGE OF TOTAL EMPLOYMENT**

Services employment as a percentage of employment over time was calculated by using the Current Employment Statistics Database and the Current Population Survey Database. The Current Employment Statistics Database was used to produce the number of workers employed in the services sector since 1970. The Current Population Survey Database was used to produce the total number of employed workers in the labor force. Next, the services employment statistics were divided by total employment for each year from 1970 to 2015 to calculate services employment as a percentage of total employment. The two data sets plus the calculations are included below.

**Series Id:** CES0700000001  
**Seasonally Adjusted**  
**Series Title:** All employees, thousands, service-providing, seasonally adjusted  
**Super Sector:** Service-providing  
**Industry:** Service-providing  
**NAICS Code:** -  
**Data Type:** ALL EMPLOYEES, THOUSANDS  
**Years:** 1970 to 2016

<b>Year</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Annual Avg.</b>
<b>1970</b>	48450	48557	48714	48796	48787	48788	48858	48828	48960	49042	49064	49117	48830
<b>1971</b>	49272	49292	49368	49485	49602	49685	49751	49800	49967	50038	50162	50367	49732
<b>1972</b>	50580	50737	50909	51064	51245	51478	51546	51738	51807	52060	52279	52498	51495
<b>1973</b>	52666	52857	53023	53139	53264	53402	53389	53607	53728	53965	54193	54256	53457
<b>1974</b>	54395	54536	54609	54712	54912	55011	55173	55223	55337	55511	55488	55354	55022
<b>1975</b>	55323	55407	55375	55352	55526	55502	55788	55979	55946	56151	56238	56416	55750
<b>1976</b>	56707	56924	57069	57242	57323	57394	57559	57666	57750	57868	58030	58187	57477
<b>1977</b>	58372	58510	58719	58922	59170	59442	59730	59950	60288	60515	60802	61037	59621
<b>1978</b>	61221	61495	61812	62155	62427	62713	62905	63107	63174	63406	63713	63915	62670
<b>1979</b>	64070	64270	64482	64460	64720	64948	65052	65238	65237	65444	65629	65703	64938
<b>1980</b>	65853	66008	66176	66343	66185	66131	66139	66237	66279	66479	66625	66761	66268
<b>1981</b>	66885	66987	67007	67132	67145	67200	67300	67308	67269	67329	67296	67237	67175
<b>1982</b>	67205	67201	67218	67156	67223	67221	67088	67096	67037	67027	67047	67081	67133
<b>1983</b>	67236	67242	67441	67637	67814	68073	68337	67925	68866	68972	69173	69424	68178
<b>1984</b>	69731	70008	70220	70487	70711	70982	71221	71426	71727	72004	72340	72434	71108
<b>1985</b>	72701	72876	73182	73395	73681	73867	74100	74296	74517	74704	74922	75091	73944
<b>1986</b>	75204	75356	75507	75695	75900	75892	76238	76362	76718	76912	77102	77274	76180
<b>1987</b>	77451	77619	77857	78160	78338	78510	78792	78912	79080	79483	79659	79892	78646

<b>1988</b>	80090	80442	80663	80852	81065	81373	81580	81744	82067	82290	82586	82852	81467
<b>1989</b>	83071	83346	83550	83692	83821	83974	84039	84067	84365	84479	84744	84900	84004
<b>1990</b>	85202	85362	85624	85721	85950	86013	86084	85966	85954	85893	85933	85957	85805
<b>1991</b>	85979	85835	85798	85679	85623	85767	85791	85815	85874	85939	85983	86051	85845
<b>1992</b>	86164	86172	86241	86395	86518	86624	86718	86885	86946	87119	87242	87420	86704
<b>1993</b>	87672	87859	87856	88175	88383	88589	88872	89008	89199	89431	89653	89899	88716
<b>1994</b>	90118	90332	90698	90957	91227	91482	91812	92025	92306	92493	92837	93069	91613
<b>1995</b>	93341	93589	93762	93901	93940	94157	94271	94479	94679	94834	94989	95113	94255
<b>1996</b>	95107	95455	95726	95849	96129	96375	96605	96723	96930	97131	97392	97549	96414
<b>1997</b>	97763	97998	98261	98527	98743	98984	99262	99141	99609	99892	100139	100370	99057
<b>1998</b>	100568	100743	100913	101117	101500	101693	101971	102131	102355	102567	102861	103147	101797
<b>1999</b>	103326	103703	103866	104195	104386	104657	104943	105110	105306	105686	105923	106198	104775
<b>2000</b>	106382	106531	106903	107207	107475	107403	107534	107558	107735	107725	107966	108156	107381
<b>2001</b>	108172	108303	108343	108217	108314	108337	108353	108366	108256	108090	107966	107911	108219
<b>2002</b>	107906	107857	107927	107945	108023	108106	108078	108136	108129	108327	108380	108316	108094
<b>2003</b>	108451	108424	108293	108330	108354	108407	108511	108471	108581	108788	108808	108915	108528
<b>2004</b>	109065	109133	109400	109605	109834	109906	109935	110012	110163	110462	110533	110655	109892
<b>2005</b>	110836	110997	111103	111398	111536	111770	112126	112297	112367	112386	112658	112798	111856
<b>2006</b>	112985	113233	113477	113601	113658	113739	113954	114153	114346	114431	114687	114861	113927
<b>2007</b>	115067	115262	115394	115514	115684	115762	115775	115863	116023	116145	116301	116437	115769
<b>2008</b>	116485	116449	116448	116377	116274	116225	116139	115983	115680	115413	114916	114522	115909
<b>2009</b>	114164	113775	113300	112947	112835	112598	112413	112328	112217	112145	112184	111982	112741
<b>2010</b>	112095	112106	112224	112410	112919	112765	112681	112631	112585	112828	112925	113044	112601
<b>2011</b>	113098	113226	113389	113684	113707	113904	113925	114006	114205	114386	114533	114683	113896
<b>2012</b>	114964	115191	115384	115445	115561	115620	115730	115912	116098	116214	116358	116539	115751
<b>2013</b>	116693	116925	117035	117232	117429	117549	117706	117923	118065	118208	118442	118495	117642
<b>2014</b>	118608	118732	118948	119197	119391	119654	119821	119996	120239	120401	120682	120910	119715
<b>2015</b>	121071	121320	121424	121654	121922	122153	122416	122589	122750	123014	123241	123468	122252

# DATA ON TOTAL NUMBER OF EMPLOYED

**Series Id:** LNS12000000  
**Seasonally Adjusted**  
**Series title:** (Seas) Employment Level  
**Labor force status:** Employed  
**Type of data:** Number in thousands  
**Age:** 16 years and over  
**Years:** 1970 to 2016

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Avg.
1970	78780	78698	78863	78930	78564	78413	78726	78624	78498	78685	78650	78594	78669
1971	78864	78700	78588	78987	79139	78757	79305	79539	79689	79918	80297	80471	79355
1972	80959	81108	81573	81655	81887	82083	82230	82578	82543	82616	82990	83400	82135
1973	83161	83912	84452	84559	84648	85185	85299	85204	85488	85987	86320	86401	85051
1974	86555	86754	86819	86669	86891	86941	87149	87037	87051	86995	86626	86144	86803
1975	85627	85256	85187	85189	85451	85355	85894	86234	86279	86370	86456	86665	85830
1976	87400	87672	87985	88416	88794	88563	89093	89223	89173	89274	89634	89803	88753
1977	89928	90342	90808	91271	91754	91959	92084	92441	92702	93052	93761	94105	92017
1978	94384	94519	94755	95394	95769	96343	96090	96431	96670	97133	97485	97581	96046
1979	97948	98329	98480	98103	98331	98679	99006	98776	99340	99404	99574	99933	98825
1980	99879	99995	99713	99233	98945	98682	98796	98824	99077	99317	99545	99634	99303
1981	99955	100191	100571	101056	101048	100298	100693	100689	100064	100378	100207	99645	100400
1982	99692	99762	99672	99576	100116	99543	99493	99633	99504	99215	99112	99032	99529
1983	99161	99089	99179	99560	99642	100633	101208	101608	102016	102039	102729	102996	100822
1984	103201	103824	103967	104336	105193	105591	105435	105163	105490	105638	105972	106223	105003
1985	106302	106555	106989	106936	106932	106505	106807	107095	107657	107847	108007	108216	107154
1986	108887	108480	108837	108952	109089	109576	109810	110015	110085	110273	110475	110728	109601
1987	110953	111257	111408	111794	112434	112246	112634	113057	112909	113282	113505	113793	112439
1988	114016	114227	114037	114650	114292	114927	115060	115282	115356	115638	116100	116104	114974
1989	116708	116776	117022	117097	117099	117418	117472	117655	117354	117581	117912	117830	117327
1990	119081	119059	119203	118852	119151	118983	118810	118802	118524	118536	118306	118241	118796
1991	117940	117755	117652	118109	117440	117639	117568	117484	117928	117800	117770	117466	117713

<b>1992</b>	117978	117753	118144	118426	118375	118419	118713	118826	118720	118628	118876	118997	118488
<b>1993</b>	119075	119275	119542	119474	120115	120290	120467	120856	120554	120823	121169	121464	120259
<b>1994</b>	121966	122086	121930	122290	122864	122634	122706	123342	123687	124112	124516	124721	123071
<b>1995</b>	124663	124928	124955	124945	124421	124522	124816	124852	125133	125388	125188	125088	124908
<b>1996</b>	125125	125639	125862	125994	126244	126602	126947	127172	127536	127890	127771	127860	126720
<b>1997</b>	128298	128298	128891	129143	129464	129412	129822	130010	130019	130179	130653	130679	129572
<b>1998</b>	130726	130807	130814	131209	131325	131244	131329	131390	131986	131999	132280	132602	131476
<b>1999</b>	133027	132856	132947	132955	133311	133378	133414	133591	133707	133993	134309	134523	133501
<b>2000</b>	136559	136598	136701	137270	136630	136940	136531	136662	136893	137088	137322	137614	136901
<b>2001</b>	137778	137612	137783	137299	137092	136873	137071	136241	136846	136392	136238	136047	136939
<b>2002</b>	135701	136438	136177	136126	136539	136415	136413	136705	137302	137008	136521	136426	136481
<b>2003</b>	137417	137482	137434	137633	137544	137790	137474	137549	137609	137984	138424	138411	137729
<b>2004</b>	138472	138542	138453	138680	138852	139174	139556	139573	139487	139732	140231	140125	139240
<b>2005</b>	140245	140385	140654	141254	141609	141714	142026	142434	142401	142548	142499	142752	141710
<b>2006</b>	143150	143457	143741	143761	144089	144353	144202	144625	144815	145314	145534	145970	144418
<b>2007</b>	146028	146057	146320	145586	145903	146063	145905	145682	146244	145946	146595	146273	146050
<b>2008</b>	146378	146156	146086	146132	145908	145737	145532	145203	145076	144802	144100	143369	145373
<b>2009</b>	142152	141640	140707	140656	140248	140009	139901	139492	138818	138432	138659	138013	139894
<b>2010</b>	138438	138581	138751	139297	139241	139141	139179	139438	139396	139119	139044	139301	139077
<b>2011</b>	139250	139394	139639	139586	139624	139384	139524	139942	140183	140368	140826	140902	139885
<b>2012</b>	141596	141877	142050	141916	142204	142387	142281	142278	143028	143404	143345	143298	142472
<b>2013</b>	143249	143359	143352	143622	143842	144003	144300	144284	144447	143537	144555	144684	143936
<b>2014</b>	145092	145185	145772	145677	145792	146214	146438	146464	146834	147374	147389	147439	146306
<b>2015</b>	148104	148231	148333	148509	148748	148722	148866	149043	148942	149197	149444	149929	148839



# **CALCULATION OF SERVICES EMPLOYMENT AS A PERCENTAGE OF EMPLOYMENT**

<b>Year</b>	<b>Services Employment Annual Avg.</b>	<b>Total Employment Annual Avg.</b>	<b>Services Employment as % of Total Employment</b>
<b>1970</b>	48830.08	78668.75	0.621
<b>1971</b>	49732.42	79354.50	0.627
<b>1972</b>	51495.08	82135.17	0.627
<b>1973</b>	53457.42	85051.33	0.629
<b>1974</b>	55021.75	86802.58	0.634
<b>1975</b>	55750.25	85830.25	0.650
<b>1976</b>	57476.58	88752.50	0.648
<b>1977</b>	59621.42	92017.25	0.648
<b>1978</b>	62670.25	96046.17	0.653
<b>1979</b>	64937.75	98825.25	0.657
<b>1980</b>	66268.00	99303.33	0.667
<b>1981</b>	67174.58	100399.58	0.669
<b>1982</b>	67133.33	99529.17	0.675
<b>1983</b>	68178.33	100821.67	0.676
<b>1984</b>	71107.58	105002.75	0.677
<b>1985</b>	73944.33	107154.00	0.690
<b>1986</b>	76180.00	109600.58	0.695
<b>1987</b>	78646.08	112439.33	0.699
<b>1988</b>	81467.00	114974.08	0.709
<b>1989</b>	84004.00	117327.00	0.716
<b>1990</b>	85804.92	118795.67	0.722
<b>1991</b>	85844.50	117712.58	0.729
<b>1992</b>	86703.67	118487.92	0.732
<b>1993</b>	88716.33	120258.67	0.738
<b>1994</b>	91613.00	123071.17	0.744
<b>1995</b>	94254.58	124908.25	0.755
<b>1996</b>	96414.25	126720.17	0.761

<b>1997</b>	99057.42	129572.33	0.764
<b>1998</b>	101797.17	131475.92	0.774
<b>1999</b>	104774.92	133500.92	0.785
<b>2000</b>	107381.25	136900.67	0.784
<b>2001</b>	108219.00	136939.33	0.790
<b>2002</b>	108094.17	136480.92	0.792
<b>2003</b>	108527.75	137729.25	0.788
<b>2004</b>	109891.92	139239.75	0.789
<b>2005</b>	111856.00	141710.08	0.789
<b>2006</b>	113927.08	144417.58	0.789
<b>2007</b>	115768.92	146050.17	0.793
<b>2008</b>	115909.25	145373.25	0.797
<b>2009</b>	112740.67	139893.92	0.806
<b>2010</b>	112601.08	139077.17	0.810
<b>2011</b>	113895.50	139885.17	0.814
<b>2012</b>	115751.33	142472.00	0.812
<b>2013</b>	117641.83	143936.17	0.817
<b>2014</b>	119714.92	146305.83	0.818
<b>2015</b>	122251.83	148839.00	0.821

#### APPENDIX IV

##### ACCESS TO PAID VACATION BENEFITS, PRIVATE INDUSTRY EMPLOYEES

Data on all workers' access to paid vacation benefits was retrieved from the Employee Benefits Survey through the One-Screen Data Search and by selecting "Percent of All Workers With Access to Paid Vacations" as the benefit category and "All Private Industry" as the sector of the economy. Data are available from 1999 to 2006. The same search was performed for access to paid vacation benefits for part-time workers by selecting "Percent of Part-time Workers With Access to Paid Vacations" as the benefit category. The data are available from 1999 to 2006.

##### DATA ON ACCESS TO PAID VACATION BENEFITS, ALL PRIVATE INDUSTRY WORKERS

**Series Id:** EBUVACINC00000AP  
**Title:** Percent Of All Workers With Access To Paid Vacations  
**Type:** All Private Industry  
**Years:** 1999 to 2006

<b>Year</b>	<b>Percent</b>
1999	79
2000	80
2003	79
2004	77
2005	77
2006	77

##### DATA ON ACCESS TO PAID VACATION BENEFITS, PART-TIME PRIVATE INDUSTRY WORKERS

**Series Id:** EBUVACINCPT000AP  
**Title:** Percent Of Part-time Workers With Access To Paid Vacations  
**Type:** All Private Industry  
**Years:** 1999 to 2006

<b>Year</b>	<b>Percent</b>
1999	43
2000	39
2003	40
2004	35
2005	36
2006	36

## APPENDIX V

### TOTAL COMPENSATION FOR PRIVATE INDUSTRY WORKERS, 12-MONTH PERCENT CHANGE

The percentage change in private employment costs over time were obtained from the Employment Cost Index. Data are available from 2001.

**Series Id:** CIU2010000000000A  
**Not seasonally adjusted**  
**Series Title:** Total compensation for Private industry workers in All industries and occupations, 12-month percent change  
**Ownership:** Private industry workers  
**Component:** Total compensation  
**Occupation:** All workers  
**Industry:** All workers  
**Subcategory:** All workers  
**Area:** United States (National)  
**Periodicity:** 12-month percent change  
**Years:** 2001 to 2016

Year	Qtr1	Qtr2	Qtr3	Qtr4
2001	4.2	4.0	4.0	4.1
2002	3.8	4.0	3.5	3.1
2003	3.6	3.5	3.9	4.0
2004	3.8	3.9	3.8	3.8
2005	3.5	3.1	2.9	2.9
2006	2.6	2.8	3.0	3.2
2007	3.2	3.1	3.1	3.0
2008	3.2	3.0	2.8	2.4
2009	1.9	1.5	1.2	1.2
2010	1.6	1.9	2.0	2.1
2011	2.0	2.3	2.1	2.2
2012	2.1	1.8	1.9	1.8
2013	1.9	1.9	1.9	2.0
2014	1.7	2.0	2.3	2.3
2015	2.8	1.9	1.9	1.9
2016	1.8	2.4	2.3	2.2

## APPENDIX VI

### TEMPORARY HELP SERVICES EMPLOYMENT AS A PERCENTAGE OF TOTAL EMPLOYMENT

Temporary help services employment as a percentage of total employment was calculated by obtaining the number of temporary help services employees through the Current Employment Statistics Database. The Current Population Survey Database was used to produce the total number of employed workers in the labor force. The total number of employed workers was divided by the number of temporary help services employees to calculate temporary help services employment as a percentage of total employment.

#### DATA ON TEMPORARY HELP SERVICES EMPLOYMENT OVER TIME

**Series Id:** CES6056132001  
**Seasonally Adjusted**  
**Series Title:** All employees, thousands, temporary help services, seasonally adjusted  
**Super Sector:** Professional and business services  
**Industry:** Temporary help services  
**NAICS Code:** 56132  
**Data Type:** ALL EMPLOYEES, THOUSANDS  
**Years:** 1990 to 2016

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Avg.
1990	1156.3	1163.1	1168.8	1162.4	1161.6	1163.5	1164.9	1158.9	1163.4	1141.3	1135.6	1128.6	1155.7
1991	1140.9	1125.0	1115.5	1111.8	1109.4	1112.9	1109.9	1120.8	1129.7	1132.8	1133.5	1141.7	1123.7
1992	1150.6	1157.3	1169.9	1183.1	1198.5	1207.7	1212.5	1222.8	1230.3	1248.9	1263.6	1285.4	1210.9
1993	1295.8	1304.7	1318.2	1341.7	1363.8	1378.7	1398.9	1411.6	1427.6	1463.2	1466.9	1483.2	1387.9
1994	1499.9	1527.8	1566.6	1594.1	1601.1	1628.7	1653.1	1664.5	1685.5	1696.2	1716.0	1719.6	1629.4
1995	1735.3	1743.9	1736.5	1728.3	1719.6	1716.9	1716.0	1739.7	1775.7	1773.1	1773.6	1778.6	1744.8
1996	1745.2	1790.0	1794.8	1811.4	1829.4	1849.6	1865.7	1884.3	1890.6	1878.6	1910.6	1927.8	1848.2
1997	1949.2	1974.2	2004.2	2026.3	2045.8	2057.1	2084.6	2066.4	2082.6	2106.6	2138.6	2165.0	2058.4
1998	2178.0	2191.2	2193.2	2202.8	2222.5	2248.4	2247.6	2266.2	2242.9	2280.6	2307.2	2334.8	2243.0
1999	2357.1	2387.4	2403.8	2422.8	2438.8	2450.7	2479.0	2481.3	2474.3	2550.2	2573.0	2605.4	2468.7
2000	2618.9	2623.1	2643.6	2675.9	2649.2	2647.7	2654.2	2639.7	2645.4	2629.6	2637.7	2587.8	2637.7
2001	2564.0	2527.4	2482.4	2397.6	2379.9	2337.0	2323.7	2296.8	2252.1	2214.9	2157.9	2144.9	2339.9
2002	2148.4	2161.0	2188.7	2212.7	2218.1	2220.9	2202.2	2232.2	2200.3	2196.4	2183.3	2173.9	2194.8
2003	2191.9	2177.5	2168.2	2140.0	2182.0	2211.5	2262.6	2248.5	2256.3	2266.1	2276.5	2299.6	2223.4
2004	2290.5	2302.6	2314.0	2346.2	2378.5	2376.7	2394.7	2408.8	2418.1	2473.5	2456.0	2445.1	2383.7
2005	2458.6	2479.5	2492.0	2506.9	2505.3	2530.6	2550.4	2567.3	2604.0	2612.2	2636.6	2634.0	2548.1

<b>2006</b>	2621.4	2631.0	2632.9	2634.2	2649.6	2648.7	2647.9	2657.4	2648.2	2638.8	2636.5	2643.1	2640.8
<b>2007</b>	2647.2	2641.9	2636.4	2627.7	2608.8	2605.4	2596.1	2586.0	2566.6	2573.1	2566.9	2552.5	2600.7
<b>2008</b>	2542.9	2505.3	2479.9	2466.0	2434.1	2402.5	2372.0	2338.0	2312.7	2239.1	2119.5	2045.5	2354.8
<b>2009</b>	1961.0	1913.8	1855.5	1795.8	1773.4	1751.7	1749.2	1747.4	1768.7	1791.5	1849.8	1894.2	1821.0
<b>2010</b>	1952.4	1974.9	2002.6	2031.9	2064.3	2092.5	2079.1	2117.6	2138.7	2175.5	2201.4	2247.2	2089.8
<b>2011</b>	2239.8	2260.2	2293.6	2299.2	2292.5	2285.4	2278.6	2316.2	2343.6	2365.6	2378.5	2390.9	2312.0
<b>2012</b>	2426.5	2466.4	2458.4	2466.6	2483.1	2509.4	2521.0	2527.8	2506.5	2524.3	2533.9	2537.3	2496.8
<b>2013</b>	2546.8	2563.0	2580.1	2594.3	2609.9	2621.9	2631.3	2642.7	2657.8	2652.5	2659.8	2680.0	2620.0
<b>2014</b>	2681.2	2697.8	2712.6	2722.1	2733.2	2748.4	2765.6	2787.9	2806.1	2814.3	2828.6	2848.4	2762.2
<b>2015</b>	2837.0	2826.6	2836.9	2851.5	2863.2	2884.8	2875.5	2883.2	2890.7	2918.5	2919.2	2944.1	2877.6
<b>2016</b>	2900.3	2898.1	2896.3	2906.1	2891.4	2907.1	2922.9	2921.9	2945.1				

#### DATA ON TOTAL NUMBER OF EMPLOYED

**Series Id:** LNS12000000  
**Seasonally Adjusted**  
**Series title:** (Seas) Employment Level  
**Labor force status:** Employed  
**Type of data:** Number in thousands  
**Age:** 16 years and over  
**Years:** 1970 to 2016

<b>Year</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Annual Avg</b>
<b>1990</b>	119081	119059	119203	118852	119151	118983	118810	118802	118524	118536	118306	118241	118796
<b>1991</b>	117940	117755	117652	118109	117440	117639	117568	117484	117928	117800	117770	117466	117713
<b>1992</b>	117978	117753	118144	118426	118375	118419	118713	118826	118720	118628	118876	118997	118488
<b>1993</b>	119075	119275	119542	119474	120115	120290	120467	120856	120554	120823	121169	121464	120259
<b>1994</b>	121966	122086	121930	122290	122864	122634	122706	123342	123687	124112	124516	124721	123071
<b>1995</b>	124663	124928	124955	124945	124421	124522	124816	124852	125133	125388	125188	125088	124908
<b>1996</b>	125125	125639	125862	125994	126244	126602	126947	127172	127536	127890	127771	127860	126720
<b>1997</b>	128298	128298	128891	129143	129464	129412	129822	130010	130019	130179	130653	130679	129572
<b>1998</b>	130726	130807	130814	131209	131325	131244	131329	131390	131986	131999	132280	132602	131476
<b>1999</b>	133027	132856	132947	132955	133311	133378	133414	133591	133707	133993	134309	134523	133501
<b>2000</b>	136559	136598	136701	137270	136630	136940	136531	136662	136893	137088	137322	137614	136901

<b>2001</b>	137778	137612	137783	137299	137092	136873	137071	136241	136846	136392	136238	136047	136939
<b>2002</b>	135701	136438	136177	136126	136539	136415	136413	136705	137302	137008	136521	136426	136481
<b>2003</b>	137417	137482	137434	137633	137544	137790	137474	137549	137609	137984	138424	138411	137729
<b>2004</b>	138472	138542	138453	138680	138852	139174	139556	139573	139487	139732	140231	140125	139240
<b>2005</b>	140245	140385	140654	141254	141609	141714	142026	142434	142401	142548	142499	142752	141710
<b>2006</b>	143150	143457	143741	143761	144089	144353	144202	144625	144815	145314	145534	145970	144418
<b>2007</b>	146028	146057	146320	145586	145903	146063	145905	145682	146244	145946	146595	146273	146050
<b>2008</b>	146378	146156	146086	146132	145908	145737	145532	145203	145076	144802	144100	143369	145373
<b>2009</b>	142152	141640	140707	140656	140248	140009	139901	139492	138818	138432	138659	138013	139894
<b>2010</b>	138438	138581	138751	139297	139241	139141	139179	139438	139396	139119	139044	139301	139077
<b>2011</b>	139250	139394	139639	139586	139624	139384	139524	139942	140183	140368	140826	140902	139885
<b>2012</b>	141596	141877	142050	141916	142204	142387	142281	142278	143028	143404	143345	143298	142472
<b>2013</b>	143249	143359	143352	143622	143842	144003	144300	144284	144447	143537	144555	144684	143936
<b>2014</b>	145092	145185	145772	145677	145792	146214	146438	146464	146834	147374	147389	147439	146306
<b>2015</b>	148104	148231	148333	148509	148748	148722	148866	149043	148942	149197	149444	149929	148839
<b>2016</b>	150544	151074	151320	151004	151030	151097	151517	151614	151968				

**CALCULATION OF TEMPORARY HELP SERVICES EMPLOYMENT AS PERCENTAGE OF TOTAL EMPLOYMENT**

<b>Year</b>	<b>Temporary Help Services Employment Annual Avg.</b>	<b>Total Employment Annual Avg.</b>	<b>Temporary Help Services % of Total Employed</b>
<b>1990</b>	1155.70	118795.67	0.010
<b>1991</b>	1123.66	117712.58	0.010
<b>1992</b>	1210.88	118487.92	0.010
<b>1993</b>	1387.86	120258.67	0.012
<b>1994</b>	1629.43	123071.17	0.013
<b>1995</b>	1744.77	124908.25	0.014
<b>1996</b>	1848.17	126720.17	0.015
<b>1997</b>	2058.38	129572.33	0.016
<b>1998</b>	2242.95	131475.92	0.017
<b>1999</b>	2468.65	133500.92	0.018
<b>2000</b>	2637.73	136900.67	0.019
<b>2001</b>	2339.88	136939.33	0.017
<b>2002</b>	2194.84	136480.92	0.016
<b>2003</b>	2223.39	137729.25	0.016
<b>2004</b>	2383.73	139239.75	0.017
<b>2005</b>	2548.12	141710.08	0.018
<b>2006</b>	2640.81	144417.58	0.018
<b>2007</b>	2600.72	146050.17	0.018
<b>2008</b>	2354.79	145373.25	0.016
<b>2009</b>	1821.00	139893.92	0.013
<b>2010</b>	2089.84	139077.17	0.015
<b>2011</b>	2312.01	139885.17	0.017
<b>2012</b>	2496.77	142472.00	0.018
<b>2013</b>	2620.01	143936.17	0.018
<b>2014</b>	2762.18	146305.83	0.019
<b>2015</b>	2877.60	148839.00	0.019



**APPENDIX VII**  
**PART-TIME EMPLOYMENT**

Data on part-time employment was collected from the Current Population Survey. Using Data Retrieval on the Labor Force Statistics, Part-time for economic reasons and Part-time for noneconomic reasons for All Industry Workers were the categories selected. Seasonally adjusted data were used. Once data for both categories of part-time workers were retrieved, the percentage each category represented of total employment was calculated by dividing the annual average for part-time employment by the corresponding annual average of total employment.

**WORKERS WHO ARE PART-TIME FOR NONECONOMIC REASONS**

**Series Id:** LNS12005977  
**Seasonally Adjusted**  
**Series title:** (Seas) Number At Work 1-34 Hours, Usually Work Part Time Noneconomic Reasons  
**Labor force status:** Employed  
**Type of data:** Number in thousands  
**Age:** 16 years and over  
**Reasons work not as scheduled:** Noneconomic reasons  
**Worker status/schedules:** At work part time, usually work part time  
**Years:** 1970 to 2016

<b>Year</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Annual Avg.</b>
<b>1968</b>	8582	8963	8887	8681	9141	9188	9234	9088	9300	9284	9288	9406	9087
<b>1969</b>	9534	9510	9514	9483	9574	9694	9628	9450	9535	9878	9953	10038	9649
<b>1970</b>	10082	10025	10172	10305	10026	10017	10100	10019	9548	9935	9906	9862	10000
<b>1971</b>	10237	9901	10068	9730	9963	10457	10139	10202	10290	10289	10312	10319	10159
<b>1972</b>	10573	10634	10558	10617	10674	10119	10501	10733	10764	10616	10692	10721	10600
<b>1973</b>	10289	10793	10862	11002	10955	10682	10676	10845	11185	11305	11326	11473	10949
<b>1974</b>	11198	11223	11274	10685	11200	11233	11540	11155	11032	11123	11125	11098	11157
<b>1975</b>	11141	11027	11056	11229	11058	11607	11639	11349	11182	11246	11243	11105	11240
<b>1976</b>	11582	11444	11273	11279	11487	12036	11528	11726	11919	11728	11655	11703	11613
<b>1977</b>	11565	11902	12077	12215	12072	11893	11982	12104	12171	12383	12484	12441	12107
<b>1978</b>	12309	12349	12464	12756	12922	12518	12507	12443	12786	12825	12821	12841	12628
<b>1979</b>	12765	12887	12792	12576	12776	12724	13081	13055	13145	12947	13007	13363	12927
<b>1980</b>	13389	13239	13255	12862	13017	13168	13184	13034	12845	12921	13037	12984	13078
<b>1981</b>	13058	13117	13269	13338	13212	13304	12945	13078	12781	12970	12879	12741	13058
<b>1982</b>	12862	12885	12808	12798	13188	13462	12965	12994	13118	12934	12878	12741	12969
<b>1983</b>	12771	12713	12742	12766	12729	12518	13054	13028	13144	13037	13110	13234	12904

<b>1984</b>	12999	13007	13040	13232	13515	13010	13108	13138	13222	13105	13180	13335	13158
<b>1985</b>	13282	13539	13555	13406	13206	13287	13573	13556	13551	13727	13676	13616	13498
<b>1986</b>	13866	13842	13805	13806	13802	14104	13920	13917	13932	14274	14055	13832	13930
<b>1987</b>	14162	14143	14224	14283	14530	14995	14377	14545	14299	14544	14483	14674	14438
<b>1988</b>	14606	14631	14623	14880	14850	14721	14946	14920	15132	15176	15494	15334	14943
<b>1989</b>	15492	15181	15584	15464	15418	15310	15510	15464	15393	15341	15250	15366	15398
<b>1990</b>	15476	15594	15673	15447	15867	14981	15218	15235	15228	15201	15162	15167	15354
<b>1991</b>	15219	15221	15159	15304	15192	15315	15173	15004	15106	15124	15034	14954	15150
<b>1992</b>	14993	14626	14786	15154	14847	15058	14979	15040	14962	14907	14953	15003	14942
<b>1993</b>	14938	14965	15155	14949	15354	15528	15105	15209	15345	15401	15434	15579	15247
<b>1994</b>	17661	17625	17582	17367	17475	17334	17698	17812	17596	17725	17942	17789	17634
<b>1995</b>	17971	18016	17691	17951	17730	17582	17972	17843	17935	17773	17442	17400	17776
<b>1996</b>	17317	17617	17794	17751	17508	17889	17874	18210	17938	17776	18159	17802	17803
<b>1997</b>	18190	18047	18164	18199	18231	18233	18040	18009	17860	18162	18137	18422	18141
<b>1998</b>	18512	18376	18495	18156	18676	18721	18505	18430	18757	18637	18672	18601	18545
<b>1999</b>	18555	18598	18671	18866	18794	18807	18967	19011	18843	18828	18648	18507	18758
<b>2000</b>	18961	19060	18939	18712	18626	18420	18547	18545	18606	18895	19006	19187	18792
<b>2001</b>	18869	19307	18888	18762	18668	18494	18699	18839	18838	18787	18697	18844	18808
<b>2002</b>	18402	18774	18807	19032	18943	19043	19057	18874	18968	18696	18715	18715	18836
<b>2003</b>	19095	18685	19025	19032	18994	19232	18937	19381	19066	18874	19153	18648	19010
<b>2004</b>	18967	19037	19150	19136	19632	19534	19707	19595	19395	19717	19473	19487	19403
<b>2005</b>	18966	19582	19515	19581	19515	18807	19543	19553	19580	19857	19658	19579	19478
<b>2006</b>	19671	19597	19336	19415	19913	19520	19386	19521	19551	19592	19863	19953	19610
<b>2007</b>	19791	20029	20134	19809	19779	20044	19842	19657	19737	19385	19578	19547	19778
<b>2008</b>	19567	19377	19417	19710	19474	19542	19200	19610	19271	19043	18928	18991	19344
<b>2009</b>	18857	18862	18780	19046	18902	18797	18903	18634	18589	18656	18340	18436	18734
<b>2010</b>	18545	18288	18305	18009	17883	17889	18196	18588	18291	18229	18473	18311	18251
<b>2011</b>	17808	18206	18484	18296	18436	18404	18196	18181	18396	18441	18559	18565	18331
<b>2012</b>	18726	18843	18598	18818	19447	18654	18726	18941	18751	18940	18591	18892	18827
<b>2013</b>	18382	18954	18855	18923	19074	18852	19041	19477	18976	18704	18804	18828	18906
<b>2014</b>	19274	19087	19347	18800	19160	19688	19718	19687	19628	19772	19981	19737	19490

<b>2015</b>	19835	19850	19774	20034	19950	20455	19863	19772	19997	20179	20171	20243	20010
<b>2016</b>	20311	20615	20428	20469	20606	20505	20717	20523	20688				

# **WORKERS WHO ARE PART-TIME FOR ECONOMIC REASONS**

**Series Id:** LNS12032194  
**Seasonally Adjusted**  
**Series title:** (Seas) Employment Level - Part-Time for Economic Reasons, All Industries  
**Labor force status:** Employed  
**Type of data:** Number in thousands  
**Age:** 16 years and over  
**Hours at work:** 1 to 34 hours  
**Reasons work not as scheduled:** Economic reasons  
**Worker status/schedules:** At work part time  
**Years:** 1968 to 2016

<b>Year</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Annual Avg.</b>
<b>1968</b>	1873	2153	1983	1943	1933	2052	1950	1962	1946	1883	1927	1988	1966
<b>1969</b>	1914	1952	2044	1951	1961	2092	2004	2142	2190	2165	2084	2122	2052
<b>1970</b>	2182	2186	2236	2631	2487	2353	2493	2438	2425	2612	2581	2760	2449
<b>1971</b>	2756	2732	2747	2806	2720	2431	2701	2676	2636	2726	2819	2606	2696
<b>1972</b>	2669	2585	2637	2728	2565	2805	2799	2831	2678	2562	2407	2366	2636
<b>1973</b>	2170	2393	2369	2338	2392	2744	2703	2609	2644	2655	2687	2846	2546
<b>1974</b>	2748	2963	2720	2629	2872	2784	2821	2993	3184	3188	3484	3583	2997
<b>1975</b>	4133	3994	4087	4179	3972	3774	3669	3650	3566	3600	3554	3544	3810
<b>1976</b>	3776	3536	3507	3515	3572	3462	3497	3542	3670	3781	3768	3728	3613
<b>1977</b>	3580	3883	3596	3407	3555	3648	3726	3568	3610	3577	3577	3501	3602
<b>1978</b>	3333	3495	3524	3588	3533	3669	3563	3603	3566	3510	3428	3309	3510
<b>1979</b>	3451	3486	3494	3535	3532	3701	3556	3627	3495	3530	3692	3787	3574
<b>1980</b>	3736	3765	3730	4163	4700	4553	4520	4619	4512	4505	4497	4449	4312
<b>1981</b>	4626	4493	4474	4424	4532	4434	4725	4713	4809	5332	5204	5536	4775
<b>1982</b>	5067	5737	5938	6049	6112	5997	6084	6221	6705	6857	6704	6657	6177
<b>1983</b>	6733	6570	6448	6300	6229	6240	6182	6248	6196	6009	6141	5882	6265
<b>1984</b>	5934	5904	5665	5761	5566	5884	5744	5589	5728	5710	5626	5797	5742
<b>1985</b>	5629	5273	5718	5629	5828	5618	5583	5750	5602	5459	5494	5512	5591

<b>1986</b>	5541	5258	5555	5825	5908	5628	5415	5521	5615	5769	5512	5613	5597
<b>1987</b>	5482	5569	5436	5350	5386	5242	5493	5334	5309	5455	5527	5279	5405
<b>1988</b>	5297	5316	5278	5137	4917	5294	5460	5259	5085	5005	5033	5369	5204
<b>1989</b>	5055	4902	4871	5048	4897	4969	4924	4888	4825	4743	4800	4817	4895
<b>1990</b>	4856	4809	4856	4941	4988	5364	5276	5365	5364	5474	5492	5699	5207
<b>1991</b>	5465	5971	6062	6263	6052	6106	6151	6180	6437	6385	6495	6455	6169
<b>1992</b>	6593	6551	6531	6492	6550	6462	6509	6485	6410	6575	6628	6458	6520
<b>1993</b>	6196	6627	6318	6586	6543	6635	6700	6681	6575	6376	6250	6291	6482
<b>1994</b>	4947	4677	4890	4752	4836	4816	4505	4359	4332	4472	4468	4440	4625
<b>1995</b>	4550	4397	4451	4428	4513	4489	4436	4513	4580	4462	4489	4434	4479
<b>1996</b>	4022	4420	4429	4464	4327	4312	4358	4391	4382	4372	4025	4365	4322
<b>1997</b>	4189	4242	4112	4396	4032	3998	4040	4049	4004	3973	3962	3848	4070
<b>1998</b>	3922	3866	3859	3775	3727	3766	3796	3537	3448	3433	3339	3420	3657
<b>1999</b>	3449	3425	3550	3443	3393	3411	3350	3286	3279	3153	3225	3283	3354
<b>2000</b>	3208	3167	3231	3186	3283	3209	3144	3211	3217	3179	3467	3243	3229
<b>2001</b>	3332	3296	3280	3289	3439	3792	3556	3380	4233	4437	4317	4393	3729
<b>2002</b>	4112	4289	4101	4199	4103	4048	4145	4301	4329	4314	4329	4321	4216
<b>2003</b>	4607	4844	4652	4798	4570	4592	4648	4419	4882	4813	4862	4750	4703
<b>2004</b>	4705	4549	4742	4568	4588	4443	4449	4474	4487	4820	4547	4427	4567
<b>2005</b>	4389	4250	4388	4278	4315	4432	4400	4491	4675	4269	4219	4115	4352
<b>2006</b>	4123	4174	3972	3900	4111	4318	4303	4195	4115	4352	4190	4187	4162
<b>2007</b>	4279	4220	4253	4313	4473	4342	4410	4576	4521	4325	4494	4618	4402
<b>2008</b>	4846	4902	4904	5220	5286	5540	5930	5851	6148	6690	7311	8029	5888
<b>2009</b>	8046	8796	9145	8908	9113	9024	8891	9029	8847	8979	9114	9098	8916
<b>2010</b>	8530	8936	9233	9178	8845	8577	8500	8800	9246	8837	8873	8935	8874
<b>2011</b>	8470	8464	8645	8652	8576	8427	8281	8788	9166	8657	8447	8171	8562
<b>2012</b>	8267	8214	7793	7907	8123	8081	8092	7998	8667	8229	8150	7922	8120
<b>2013</b>	8030	8089	7682	7924	7901	8104	8093	7837	8008	8028	7708	7763	7931
<b>2014</b>	7250	7230	7428	7452	7219	7473	7440	7213	7124	7065	6844	6786	7210
<b>2015</b>	6784	6630	6673	6549	6600	6465	6300	6481	6034	5761	6085	6022	6365
<b>2016</b>	5988	5988	6123	5962	6430	5843	5940	6053	5894				

# TOTAL NUMBER OF EMPLOYED

**Series Id:** LNS12000000  
**Seasonally Adjusted**  
**Series title:** (Seas) Employment Level  
**Labor force status:** Employed  
**Type of data:** Number in thousands  
**Age:** 16 years and over  
**Years:** 1968 to 2016

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Avg.
1968	74700	75229	75379	75561	76107	76182	76087	76043	76172	76224	76494	76778	75913
1969	76805	77327	77367	77523	77412	77880	77959	78250	78250	78445	78541	78740	77875
1970	78780	78698	78863	78930	78564	78413	78726	78624	78498	78685	78650	78594	78669
1971	78864	78700	78588	78987	79139	78757	79305	79539	79689	79918	80297	80471	79355
1972	80959	81108	81573	81655	81887	82083	82230	82578	82543	82616	82990	83400	82135
1973	83161	83912	84452	84559	84648	85185	85299	85204	85488	85987	86320	86401	85051
1974	86555	86754	86819	86669	86891	86941	87149	87037	87051	86995	86626	86144	86803
1975	85627	85256	85187	85189	85451	85355	85894	86234	86279	86370	86456	86665	85830
1976	87400	87672	87985	88416	88794	88563	89093	89223	89173	89274	89634	89803	88753
1977	89928	90342	90808	91271	91754	91959	92084	92441	92702	93052	93761	94105	92017
1978	94384	94519	94755	95394	95769	96343	96090	96431	96670	97133	97485	97581	96046
1979	97948	98329	98480	98103	98331	98679	99006	98776	99340	99404	99574	99933	98825
1980	99879	99995	99713	99233	98945	98682	98796	98824	99077	99317	99545	99634	99303
1981	99955	100191	100571	101056	101048	100298	100693	100689	100064	100378	100207	99645	100400
1982	99692	99762	99672	99576	100116	99543	99493	99633	99504	99215	99112	99032	99529
1983	99161	99089	99179	99560	99642	100633	101208	101608	102016	102039	102729	102996	100822
1984	103201	103824	103967	104336	105193	105591	105435	105163	105490	105638	105972	106223	105003
1985	106302	106555	106989	106936	106932	106505	106807	107095	107657	107847	108007	108216	107154
1986	108887	108480	108837	108952	109089	109576	109810	110015	110085	110273	110475	110728	109601
1987	110953	111257	111408	111794	112434	112246	112634	113057	112909	113282	113505	113793	112439
1988	114016	114227	114037	114650	114292	114927	115060	115282	115356	115638	116100	116104	114974
1989	116708	116776	117022	117097	117099	117418	117472	117655	117354	117581	117912	117830	117327
1990	119081	119059	119203	118852	119151	118983	118810	118802	118524	118536	118306	118241	118796

<b>1991</b>	117940	117755	117652	118109	117440	117639	117568	117484	117928	117800	117770	117466	117713
<b>1992</b>	117978	117753	118144	118426	118375	118419	118713	118826	118720	118628	118876	118997	118488
<b>1993</b>	119075	119275	119542	119474	120115	120290	120467	120856	120554	120823	121169	121464	120259
<b>1994</b>	121966	122086	121930	122290	122864	122634	122706	123342	123687	124112	124516	124721	123071
<b>1995</b>	124663	124928	124955	124945	124421	124522	124816	124852	125133	125388	125188	125088	124908
<b>1996</b>	125125	125639	125862	125994	126244	126602	126947	127172	127536	127890	127771	127860	126720
<b>1997</b>	128298	128298	128891	129143	129464	129412	129822	130010	130019	130179	130653	130679	129572
<b>1998</b>	130726	130807	130814	131209	131325	131244	131329	131390	131986	131999	132280	132602	131476
<b>1999</b>	133027	132856	132947	132955	133311	133378	133414	133591	133707	133993	134309	134523	133501
<b>2000</b>	136559	136598	136701	137270	136630	136940	136531	136662	136893	137088	137322	137614	136901
<b>2001</b>	137778	137612	137783	137299	137092	136873	137071	136241	136846	136392	136238	136047	136939
<b>2002</b>	135701	136438	136177	136126	136539	136415	136413	136705	137302	137008	136521	136426	136481
<b>2003</b>	137417	137482	137434	137633	137544	137790	137474	137549	137609	137984	138424	138411	137729
<b>2004</b>	138472	138542	138453	138680	138852	139174	139556	139573	139487	139732	140231	140125	139240
<b>2005</b>	140245	140385	140654	141254	141609	141714	142026	142434	142401	142548	142499	142752	141710
<b>2006</b>	143150	143457	143741	143761	144089	144353	144202	144625	144815	145314	145534	145970	144418
<b>2007</b>	146028	146057	146320	145586	145903	146063	145905	145682	146244	145946	146595	146273	146050
<b>2008</b>	146378	146156	146086	146132	145908	145737	145532	145203	145076	144802	144100	143369	145373
<b>2009</b>	142152	141640	140707	140656	140248	140009	139901	139492	138818	138432	138659	138013	139894
<b>2010</b>	138438	138581	138751	139297	139241	139141	139179	139438	139396	139119	139044	139301	139077
<b>2011</b>	139250	139394	139639	139586	139624	139384	139524	139942	140183	140368	140826	140902	139885
<b>2012</b>	141596	141877	142050	141916	142204	142387	142281	142278	143028	143404	143345	143298	142472
<b>2013</b>	143249	143359	143352	143622	143842	144003	144300	144284	144447	143537	144555	144684	143936
<b>2014</b>	145092	145185	145772	145677	145792	146214	146438	146464	146834	147374	147389	147439	146306
<b>2015</b>	148104	148231	148333	148509	148748	148722	148866	149043	148942	149197	149444	149929	148839
<b>2016</b>	150544	151074	151320	151004	151030	151097	151517	151614	151968				

**CALCULATION OF PART-TIME EMPLOYMENT (FOR NONECONOMIC AND ECONOMIC REASONS) AS A PERCENTAGE OF  
EMPLOYMENT**

<b>Year</b>	<b>Workers Part-time for Noneconomic Reasons</b>	<b>Workers Part-time for Economic Reasons</b>	<b>Total Employed Workers</b>	<b>Workers Part-time for Noneconomic Reasons as % of Total Employed</b>	<b>Workers Part-time for Economic Reasons as % of Total Employed</b>
<b>1968</b>	9086.83	1966.08	75913.00	0.120	0.026
<b>1969</b>	9649.25	2051.75	77874.92	0.124	0.026
<b>1970</b>	9999.75	2448.67	78668.75	0.127	0.031
<b>1971</b>	10158.92	2696.33	79354.50	0.128	0.034
<b>1972</b>	10600.17	2636.00	82135.17	0.129	0.032
<b>1973</b>	10949.42	2545.83	85051.33	0.129	0.030
<b>1974</b>	11157.17	2997.42	86802.58	0.129	0.035
<b>1975</b>	11240.17	3810.17	85830.25	0.131	0.044
<b>1976</b>	11613.33	3612.83	88752.50	0.131	0.041
<b>1977</b>	12107.42	3602.33	92017.25	0.132	0.039
<b>1978</b>	12628.42	3510.08	96046.17	0.131	0.037
<b>1979</b>	12926.50	3573.83	98825.25	0.131	0.036
<b>1980</b>	13077.92	4312.42	99303.33	0.132	0.043
<b>1981</b>	13057.67	4775.17	100399.58	0.130	0.048
<b>1982</b>	12969.42	6177.33	99529.17	0.130	0.062
<b>1983</b>	12903.83	6264.83	100821.67	0.128	0.062
<b>1984</b>	13157.58	5742.33	105002.75	0.125	0.055
<b>1985</b>	13497.83	5591.25	107154.00	0.126	0.052
<b>1986</b>	13929.58	5596.67	109600.58	0.127	0.051
<b>1987</b>	14438.25	5405.17	112439.33	0.128	0.048
<b>1988</b>	14942.75	5204.17	114974.08	0.130	0.045
<b>1989</b>	15397.75	4894.92	117327.00	0.131	0.042
<b>1990</b>	15354.08	5207.00	118795.67	0.129	0.044
<b>1991</b>	15150.42	6168.50	117712.58	0.129	0.052
<b>1992</b>	14942.33	6520.33	118487.92	0.126	0.055

1993	15246.83	6481.50	120258.67	0.127	0.054
1994	17633.83	4624.50	123071.17	0.143	0.038
1995	17775.50	4478.50	124908.25	0.142	0.036
1996	17802.92	4322.25	126720.17	0.140	0.034
1997	18141.17	4070.42	129572.33	0.140	0.031
1998	18544.83	3657.33	131475.92	0.141	0.028
1999	18757.92	3353.92	133500.92	0.141	0.025
2000	18792.00	3228.75	136900.67	0.137	0.024
2001	18807.67	3728.67	136939.33	0.137	0.027
2002	18835.50	4215.92	136480.92	0.138	0.031
2003	19010.17	4703.08	137729.25	0.138	0.034
2004	19402.50	4566.58	139239.75	0.139	0.033
2005	19478.00	4351.75	141710.08	0.137	0.031
2006	19609.83	4161.67	144417.58	0.136	0.029
2007	19777.67	4402.00	146050.17	0.135	0.030
2008	19344.17	5888.08	145373.25	0.133	0.041
2009	18733.50	8915.83	139893.92	0.134	0.064
2010	18250.58	8874.17	139077.17	0.131	0.064
2011	18331.00	8562.00	139885.17	0.131	0.061
2012	18827.25	8120.25	142472.00	0.132	0.057
2013	18905.83	7930.58	143936.17	0.131	0.055
2014	19489.92	7210.33	146305.83	0.133	0.049
2015	20010.25	6365.33	148839.00	0.134	0.043



**APPENDIX VIII**  
**DATA ON MULTIPLE JOBHOLDERS**

The number of multiple jobholders was obtained through the Current Population Survey Data Retrieval for Labor Force Statistics, specifically Table A-16. Under the category of "Multiple Jobholders," the following categories were selected: "Total multiple jobholders," "Percent of total employed," "Primary job full time, secondary part time," "Primary and secondary jobs both part time," "Primary and secondary jobs both full time," and "Hours vary on primary or secondary job." Data is available from 1994 to 2016.

**TOTAL NUMBER OF MULTIPLE JOB HOLDERS**

**Series Id:** LNU02026619  
**Not Seasonally Adjusted**  
**Series title:** (Unadj) Multiple Jobholders  
**Labor force status:** Employed  
**Type of data:** Number in thousands  
**Age:** 16 years and over  
**Multiple jobholders:** Multiple job holders  
**Years:** 1994 to 2016

<b>Year</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Annual Avg.</b>
<b>1994</b>	6756	7026	7176	7300	7316	7110	7172	7079	7525	7648	7475	7539	7260
<b>1995</b>	7156	7740	7610	7710	7952	7853	7779	7565	7666	7970	7617	7700	7693
<b>1996</b>	7127	7861	7905	7500	7846	7692	7642	7525	7808	8369	8494	8219	7832
<b>1997</b>	7572	7869	7862	7874	8197	8214	8053	7583	7838	8139	8156	8108	7955
<b>1998</b>	7702	7877	7987	7930	8126	7712	7643	7462	7906	8234	8307	8220	7926
<b>1999</b>	7897	8044	8027	7648	7895	7492	7636	7298	7584	8014	8057	8037	7802
<b>2000</b>	7704	7784	7759	7785	7751	7336	7589	7127	7522	7599	7505	7791	7604
<b>2001</b>	7195	7651	7665	7340	7540	7377	7500	7029	7325	7176	7152	7336	7357
<b>2002</b>	7018	7463	7466	7336	7247	7305	7247	6879	7305	7320	7261	7650	7291
<b>2003</b>	7180	7620	7385	7181	7338	7313	7304	7221	7160	7515	7302	7260	7315
<b>2004</b>	7123	7235	7377	7239	7258	7361	7521	7368	7672	8034	7648	7834	7473
<b>2005</b>	7225	7667	7621	7437	7348	7667	7595	7223	7705	7813	7586	7665	7546
<b>2006</b>	7428	7437	7589	7360	7641	7285	7463	7233	7792	7865	7863	7950	7576
<b>2007</b>	7527	7753	7808	7846	7693	7538	7636	7221	7621	7852	7791	7577	7655
<b>2008</b>	7398	7610	7499	7630	7653	7694	7743	7706	7724	7817	7539	7432	7620
<b>2009</b>	7258	7676	7723	7781	7265	7067	7282	6772	7098	7224	7222	6886	7271

<b>2010</b>	6751	7161	7063	7105	7261	6899	6579	6515	6681	6817	6816	6884	6878
<b>2011</b>	6621	6882	6809	6887	7084	6861	6724	6649	6946	6989	7083	7030	6880
<b>2012</b>	6830	7116	7052	6947	7174	6707	6741	6635	6818	6976	7235	7081	6943
<b>2013</b>	6738	7435	7192	7029	7123	6990	6897	6776	6952	6989	6973	6934	7002
<b>2014</b>	6685	7163	7143	7162	7305	6960	6787	6819	7100	7773	7549	7308	7146
<b>2015</b>	7289	7221	7264	7000	7081	7025	6997	6901	7297	7620	7596	7855	7262
<b>2016</b>	7314	7454	7592	7383	7472	7059	7190	7234	7846				

#### **MULTIPLE JOB HOLDERS AS A PERCENT OF TOTAL EMPLOYED**

**Series Id:** LNU02026620  
**Not Seasonally Adjusted**  
**Series title:** (Unadj) Multiple Jobholders as a Percent of Employed  
**Labor force status:** Employed  
**Type of data:** Percent or rate  
**Age:** 16 years and over  
**Multiple jobholders:** Multiple job holders  
**Percent/rates:** Percent of employed within group  
**Years:** 1994 to 2016

<b>Year</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Annual Avg.</b>
<b>1994</b>	5.6	5.8	5.9	6.0	6.0	5.7	5.8	5.7	6.1	6.1	6.0	6.0	5.9
<b>1995</b>	5.8	6.3	6.1	6.2	6.4	6.2	6.1	6.0	6.1	6.3	6.1	6.2	6.2
<b>1996</b>	5.8	6.3	6.3	6.0	6.2	6.0	5.9	5.9	6.1	6.5	6.6	6.4	6.2
<b>1997</b>	6.0	6.2	6.1	6.1	6.3	6.3	6.1	5.8	6.0	6.2	6.2	6.2	6.1
<b>1998</b>	6.0	6.1	6.1	6.1	6.2	5.8	5.8	5.6	6.0	6.2	6.3	6.2	6.0
<b>1999</b>	6.0	6.1	6.1	5.8	5.9	5.6	5.7	5.4	5.7	6.0	6.0	6.0	5.9
<b>2000</b>	5.7	5.7	5.7	5.7	5.7	5.3	5.5	5.2	5.5	5.5	5.5	5.7	5.6
<b>2001</b>	5.3	5.6	5.6	5.4	5.5	5.4	5.4	5.1	5.4	5.2	5.2	5.4	5.4
<b>2002</b>	5.2	5.5	5.5	5.4	5.3	5.3	5.3	5.0	5.3	5.3	5.3	5.6	5.3
<b>2003</b>	5.3	5.6	5.4	5.2	5.3	5.3	5.3	5.2	5.2	5.4	5.3	5.2	5.3
<b>2004</b>	5.2	5.3	5.4	5.2	5.2	5.3	5.3	5.3	5.5	5.7	5.4	5.6	5.4
<b>2005</b>	5.2	5.5	5.5	5.3	5.2	5.4	5.3	5.0	5.4	5.5	5.3	5.4	5.3
<b>2006</b>	5.3	5.2	5.3	5.1	5.3	5.0	5.1	5.0	5.4	5.4	5.4	5.4	5.2

<b>2007</b>	5.2	5.4	5.4	5.4	5.3	5.1	5.2	4.9	5.2	5.4	5.3	5.2	5.3
<b>2008</b>	5.1	5.3	5.2	5.2	5.2	5.2	5.3	5.3	5.3	5.4	5.2	5.2	5.2
<b>2009</b>	5.2	5.5	5.5	5.5	5.2	5.0	5.2	4.8	5.1	5.2	5.2	5.0	5.2
<b>2010</b>	4.9	5.2	5.1	5.1	5.2	4.9	4.7	4.7	4.8	4.9	4.9	4.9	4.9
<b>2011</b>	4.8	5.0	4.9	4.9	5.1	4.9	4.8	4.7	4.9	5.0	5.0	5.0	4.9
<b>2012</b>	4.9	5.1	5.0	4.9	5.0	4.7	4.7	4.7	4.8	4.8	5.0	4.9	4.9
<b>2013</b>	4.8	5.2	5.0	4.9	4.9	4.8	4.8	4.7	4.8	4.8	4.8	4.8	4.9
<b>2014</b>	4.7	5.0	4.9	4.9	5.0	4.7	4.6	4.7	4.8	5.3	5.1	5.0	4.9
<b>2015</b>	5.0	4.9	4.9	4.7	4.7	4.7	4.7	4.6	4.9	5.1	5.1	5.2	4.9
<b>2016</b>	4.9	5.0	5.0	4.9	4.9	4.6	4.7	4.8	5.2				

# **MULTIPLE JOBHOLDERS WITH PRIMARY AND SECONDARY JOBS BOTH PART-TIME**

**Series Id:** LNU02026628  
**Not Seasonally Adjusted**  
**Series title:** (Unadj) Multiple Jobholders, Primary and Secondary Jobs Both Part Time  
**Labor force status:** Employed  
**Type of data:** Number in thousands  
**Age:** 16 years and over  
**Multiple jobholders:** Multiple job holders, primary and secondary job both part time  
**Years:** 1994 to 2016

<b>Year</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Annual Avg.</b>
<b>1994</b>	1403	1528	1642	1580	1744	1499	1529	1416	1654	1776	1702	1751	1602
<b>1995</b>	1533	1667	1767	1700	1750	1660	1626	1626	1662	1860	1726	1741	1693
<b>1996</b>	1605	1730	1751	1690	1709	1562	1675	1514	1714	1878	1851	1892	1714
<b>1997</b>	1638	1722	1687	1826	1713	1687	1608	1437	1601	1721	1849	1779	1689
<b>1998</b>	1644	1671	1635	1610	1571	1641	1563	1408	1635	1675	1794	1778	1635
<b>1999</b>	1597	1763	1700	1615	1639	1463	1735	1514	1667	1672	1759	1759	1657
<b>2000</b>	1643	1606	1736	1599	1589	1563	1586	1398	1567	1599	1557	1706	1596
<b>2001</b>	1485	1628	1746	1575	1645	1549	1573	1411	1584	1650	1514	1572	1578
<b>2002</b>	1522	1636	1645	1543	1573	1519	1572	1398	1590	1738	1608	1735	1590
<b>2003</b>	1600	1720	1691	1652	1630	1563	1614	1528	1651	1840	1699	1618	1651

<b>2004</b>	1681	1753	1710	1633	1649	1614	1711	1580	1618	1720	1706	1757	1678
<b>2005</b>	1612	1746	1765	1708	1744	1751	1662	1572	1725	1704	1687	1818	1708
<b>2006</b>	1682	1700	1713	1716	1794	1539	1619	1542	1673	1623	1780	1728	1676
<b>2007</b>	1752	1867	1904	1783	1851	1804	1732	1490	1652	1729	1731	1868	1764
<b>2008</b>	1631	1792	1693	1811	1827	1796	1783	1755	1844	1923	1861	1774	1791
<b>2009</b>	1684	1886	1949	2025	1832	1722	1796	1683	1753	1804	1899	1818	1821
<b>2010</b>	1727	1842	1823	1888	1903	1810	1679	1617	1717	1850	1891	1916	1805
<b>2011</b>	1728	1855	1816	1831	1883	1781	1726	1692	1730	1851	1854	1990	1811
<b>2012</b>	1878	1934	1992	1914	1979	1812	1871	1720	1712	1899	2037	2118	1906
<b>2013</b>	1786	2043	1835	1934	1954	1808	1810	1771	1889	2074	2043	1969	1910
<b>2014</b>	1892	1973	1977	2008	2026	1888	1743	1748	1926	2172	2127	1986	1956
<b>2015</b>	1929	1983	1988	1939	1870	1870	1902	1708	1999	2045	2107	2067	1951
<b>2016</b>	1976	2146	2051	2164	2140	1881	1964	2005	2087				

**MULTIPLE JOBHOLDERS WITH PRIMARY AND SECONDARY PART-TIME JOBS  
AS PERCENTAGE OF TOTAL MULTIPLE JOBHOLDERS**

<b>Year</b>	<b>Total Multiple Jobholders with Primary and Secondary Part-time Jobs</b>	<b>Total Multiple Jobholders</b>	<b>Multiple Jobholders with Primary and Secondary Part-time Jobs as a % of Total Multiple Jobholders</b>
<b>1994</b>	1602.00	7260.17	0.221
<b>1995</b>	1693.17	7693.17	0.220
<b>1996</b>	1714.25	7832.33	0.219
<b>1997</b>	1689.00	7955.42	0.212
<b>1998</b>	1635.42	7925.50	0.206
<b>1999</b>	1656.92	7802.42	0.212
<b>2000</b>	1595.75	7604.33	0.210
<b>2001</b>	1577.67	7357.17	0.214
<b>2002</b>	1589.92	7291.42	0.218
<b>2003</b>	1650.50	7314.92	0.226
<b>2004</b>	1677.67	7472.50	0.225
<b>2005</b>	1707.83	7546.00	0.226

<b>2006</b>	1675.75	7575.50	0.221
<b>2007</b>	1763.58	7655.25	0.230
<b>2008</b>	1790.83	7620.42	0.235
<b>2009</b>	1820.92	7271.17	0.250
<b>2010</b>	1805.25	6877.67	0.262
<b>2011</b>	1811.42	6880.42	0.263
<b>2012</b>	1905.50	6942.67	0.274
<b>2013</b>	1909.67	7002.33	0.273
<b>2014</b>	1955.50	7146.17	0.274
<b>2015</b>	1950.58	7262.17	0.269