Congress of the United States House of Representatives

Washington, DC 20515-4706

December 17, 2019

The Honorable Bobby Scott
Chairman
House Education and Labor Committee
2176 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Scott,

As Members of the New Democrat Coalition (NDC), we have been working to understand how our economy and the nature of work is changing, and what that means for workers. Generations of labor advocates, forward looking business leaders, policymakers, and thought leaders fought for the benefits, worker protections, and social safety net enjoyed by many working Americans, building the strong middle class that turned America into an economic superpower. Today, however, many American workers live in two different worlds: while many still enjoy the stability of a strong social contract, a growing number of workers find themselves left out of employment protections, benefits, and the financial security that comes with them. As lawmakers, we must promote greater access to economic opportunity that is shared by all as our economy evolves. We believe our Coalition's perspective is valuable in finding innovative solutions to our shared priority of ensuring all Americans have the opportunity to earn a good life and therefore respectfully request we be involved in discussions around legislative action on these topics.

As the American economy evolves, the NDC believes we must update the laws and regulations governing work and the social contract. Our nation is facing a moment of immense economic change driven, in part, by rapid technological advancements that are reshaping entire industries and creating new ones, and changing the nature and structure of work, including a growth in independent work. This is in part due to increased employer power by dominant firms in the labor market, amplified by attacks on organized labor and other tectonic shifts occurring in the economy over the last several decades, as well as a trend toward workers seeking more flexible models of primary and supplementary work.

The growth of the companies in the gig economy has led to new opportunities and challenges for millions of Americans. The gig economy offers the ability for Americans to monetize their time and assets and provide services on their own terms at all skill levels as a primary form of work, or in many cases, to supplement their income.² It also carries unique employment risks, like a lack of full access to

¹ The New Democrat Coalition has explored future of work issues in-depth for the last two Congresses, conducting research and hosting a series of meetings with policy experts, labor leaders, educational institutions, and industry stakeholders to better understand how work in the modern economy is changing, culminating in the release of our report Economic Opportunity Agenda: A Future that Works. In brief, our report outlined the impact of technological and structural changes on the economy and workforce, making several policy recommendations to close the skills and opportunity gap, create a 21st Century social contract, empower workers and spur entrepreneurship. For more information, please visit https://newdemocratcoalition.house.gov/policy/issues/a-future-that-works
² The Hamilton Project (2018) https://www.hamiltonproject.org/blog/independent workers and the modern labor market

workforce has also led to increased consumer choice and on-demand access to products and services previously unaffordable or geographically unavailable for millions of consumers. At its best, this kind of platform-enabled work, often referred to as the gig economy, provides a new stream of flexible income for workers to perform work on their own terms and time; and facilitates direct connection between workers and consumers. The gig economy can give workers low barrier to entry opportunities to earn and manage unexpected expenses like medical bills; expanded opportunities for the unemployed, vulnerable, or overlooked workers such as those formerly incarcerated for non-violent crimes; and significantly increased consumer choice. While studies indicate that a large majority of independent workers engage in that work by choice,³ it is important that we address emerging concerns with disingenuous misclassifications, the risk of varying levels of net hourly pay, and the lack of full access to the social safety net and benefits.

As policymakers, we must find the balance that preserves choice for workers and consumers: to allow flexible opportunities for workers within the gig economy to grow, and to provide every worker with decent wages, guaranteed fundamental protections, and access to a basic set of benefits that provide financial and structural security, such as retirement savings contributions or health care benefits. We applaud efforts already begun to understand the future of work and expand protections for all workers by the House Committee on Education and Labor. As the House of Representatives continues this work, we respectfully request that you collaborate with the New Democrat Coalition to craft innovative solutions providing all workers the right to organize and access to benefits and worker protections, while also preserving flexibility, value, and autonomy.

We stand ready to work with our colleagues and build on the labor advancements of the 20th Century in a way that addresses the unique opportunities and challenges of the 21st Century economy and workforce.

Sincerely,

Rep. Derek Kilmer

Chair

New Democrat Coalition

Rep. Sydan DelBene

Vice Chair

New Democrat Coalition

Rep. Jim Kimes
Chair Emeritus

New Democrat Coalition

Rep. Bill Foster

Co-Chair, Future of Work Task Force

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³ Freelancers Union (2018) https://assets.freelancersunion.org/media/documents/freelancinginamericareport-2018.pdf

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