



# Working Across America

2015 ANNUAL REPORT

# Letter from the Executive Director



Christine Owens testified for workers' rights before the House Subcommittee on Workforce Protections on December 9, 2015.

"Whenever there's an issue affecting the rights and needs of workers, I know that NELP will be there on the front lines with their indispensable expertise and advocacy."

Senator Patty Murray, Ranking Member, Senate Committee on Health, Education, Labor & Pensions

#### Friends,

The year 2015 found NELP working hard across America to raise wages, improve labor standards and their enforcement, make hiring policies fairer for all jobseekers, strengthen crucial supports for the unemployed, and tackle complex employment challenges facing workers in the subcontracted and on-demand economies.

The politics were often harsh, and the rhetoric even harsher. Nonetheless, with energy and urgency from the *Fight for \$15* and the *Black Lives Matter* movements fueling grassroots activism and demands for change, advocates across America succeeded in winning meaningful reforms benefiting millions of workers and their families. NELP was in the vanguard of many of these fights, joining with partners to help win:

- Historic minimum wage increases in states and cities across the country, ranging from \$15 or more in three major cities to first-ever city-level minimum wages in states like Alabama, Kentucky, and Iowa;
- Innovative wage board orders in New York State requiring higher pay for tipped workers and a \$15 minimum wage for fast-food workers;
- **"Ban the box" hiring policies in 6 states and 25 localities**, ensuring that jobseekers with past convictions have a fair chance at employment;
- A court ruling upholding wage-and-hour protections for two million home care workers and an NLRB "joint employer" decision boosting corporate accountability in contract employment; and
- Proposed reforms to **expand eligibility for overtime pay,** potentially benefiting up to 13.5 million workers now subject to mandatory overtime *with no pay at all.*

The wind at our backs from these and other victories will help us surmount the headwinds facing us this year.

Make no mistake: 2016 presents exciting opportunities, including momentous minimum wage ballot campaigns, an expanded push to help people with records get jobs, and heightened awareness of the need to level the playing field in the online economy. But there are threats too, posed by the potential outcomes of November's elections and by key cases before the Supreme Court, including those involving union rights for public sector workers and the ability of all workers to act collectively in challenging wage violations. That's why our work this year will move on two tracks—advancing the ball where we can, holding the line where we must.

As always, we are grateful for your support of NELP, and look forward to continuing to partner with you in the important work ahead.

Warmly,

Thris Quens

Christine L. Owens Executive Director

# We Have Important Work Ahead



Source: NELP analysis of May 2009 and 2014 Occupational Employment Statistics. Note: Ranges shown represent the median hourly wage of the lowest- and highest-paid occupations within each quintile.



Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012-2014.



Source: NELP calculations from Current Population Survey Merged Outgoing Rotation Group files 2012–2014. Note: Wages used in calculation do not include overtime, tips or commission.

Number of Jurisdictions Adopting Fair-Chance Reforms is Growing Rapidly



unemployed workers (27%) received jobless aid in 2015 a record low.

42% of U.S. workers make less than \$15 an hour.

**2**<sub>in</sub>**3** low-wage workers experienced at least one wage violation in their previous work week.

**70** million people in the United States (nearly 1 in 3 adults) have arrest or conviction records, according to recent estimates.



# **Mapping Our Impact Across America**

## **RAISING THE MINIMUM WAGE** More than 33 cities and counties have

#### raised the minimum wage locally. With Washington and many states gridlocked, cities and counties have begun to fight income inequality on their own by raising

the minimum wage locally. Since 2014, at least 25 cities and counties have enacted minimum wages—nearly triple the number from all prior years combined.

## **ENSURING A** FAIR CHANCE TO WORK 21 states and more than 100 cities and

counties now have adopted "ban the box" policies. Seven states' policies cover private as well as public employers. By deleting the conviction-history check-box from job applications and delaying background checks until later in the hiring process, they are helping qualified jobseekers with records get a fair shot at a job.

# **ADVANCING HOME CARE WORKERS' RIGHTS**

## Home care workers in 29 states now have minimum wage and overtime protections for the first time. After four decades of being excluded from the protections of the Fair Labor Standards Act, our nation's two million home care workers are now finally covered by the law, as new rules adopted by the U.S. Labor Department cleared their final legal hurdle and took effect in 2015.

# **AVERTING LAYOFFS. SAVING JOBS**

28 states and DC have enacted laws to implement or expand work-sharing-an unemployment program that saves jobs. Work-sharing gives employers the flexibility

of reducing employee hours instead of cutting staff during a business downturn, while compensating workers with prorated unemployment benefits. The program has helped save more than half a million jobs since the recession.



# **2015 Select Highlights**

NELP is committed to ensuring that all work provides opportunity, economic security, and dignity to all of America's workers. We advocate at the federal, state, and local levels and partner with campaigns on the ground, providing cutting-edge policy, legal, communications, and coalition-building support to improve job quality and expand opportunity for low-wage workers and the unemployed.

# **RAISING WAGES**

# **Minimum Wage Victories** from Coast to Coast

During 2015, NELP played a pivotal role in winning historic raises for New York's 229,000 tipped workers (to \$7.50 an hour, up from \$5) and 180,000 fast-food workers (to \$15 by 2018 in NYC and by 2021 statewide). We also helped campaigns in Los Angeles, CA (\$15), Birmingham, AL (\$10.10), Johnson County, IA (\$10.10), Louisville and Lexington, KY (\$9/\$10), and elsewhere raise wages in 2015.

# "The low-wage business model imposes significant costs on the public as a whole."

NELP's Sarah Leberstein in The New York Times, April 12, 2015

#### The \$15 Movement

Last year, eight cities, counties, and states approved a \$15 minimum wage—and 10 more mayors and governors ordered \$15 wages for public employees. They joined Seattle, San Francisco, and SeaTac, WA in the vanguard of the \$15 movement.

million workers will get raises thanks in part to NELP's state/ local minimum wage advocacy in 2015.

#### **Overtime Rules Reform**

NELP helped advance the U.S. Labor Department's proposed overtime reforms, which would expand OT eligibility and raise wages for up to 13.5 million workers.

### **EXPANDING WORK OPPORTUNITY**

#### Spreading Fair-Hiring Reforms

Six states—GA, NY, OH, OR, VA, VT and at least 25 cities and counties, including New York City, adopted policies in 2015 to help ensure fair hiring of people with criminal records. NELP provided core policy, legal, and communications support for campaigns around the country, including publishing a comprehensive "ban the box" advocates' toolkit to facilitate reform efforts nationwide.

L78million people—56% of the U.S. populationlive in a state or locality with a ban-the-box/fairchance hiring policy.

**Cleaning Up Faulty FBI Records** NELP issued a report highlighting the need for legislation to clean up faulty FBI criminal background checks that prejudice the employment prospects of an estimated 600,000 workers every year. Nearly half of FBI background checks fail to include crucial information on the outcome of a case after an arrest.

# "It's about giving people a fair shot at proving they're qualified for the job."

NELP's Michelle Natividad Rodriguez in the Los Angeles Times, November 17, 2015

Fighting for Federal Fair-Chance NELP helped lead a federal fairchance hiring initiative, proposals from which President Obama adopted in a November 2015 "ban the box" order regulating federal agencies.

## STRENGTHENING WAGE ENFORCEMENT

#### **Convening the Field**

NELP hosted conferences in New York and California that brought together advocates for strong enforcement of state and local labor standards. Participants brainstormed strategies for improving enforcement and directly engaging affected communities.

#### **Upholding Labor Standards** in Home Care

Following the historic federal appeals court decision upholding new wage-and-hour protections for home care workers, NELP issued a comprehensive report that is the first to examine the myriad, complex employment structures in the home care industry. The report focuses on how those structures facilitate evasion of labor standards and what should be done to ensure labor law compliance.

million home care workers gained federal minimum wage and overtime protections in 2015.

# **Designing Robust Enforcement Standards**

NELP published two guides to building strong labor standards enforcement regimes in cities and counties-a crucial and growing need as more localities around the country adopt higher local minimum wages and other worker protections.

# FIXING THE SAFETY NET

#### **Tackling the Long-Term Unemployment Crisis**

In our report, The Job Ahead, NELP laid out vital policy solutions—many echoed in the president's budget proposal—to strengthen economic security and reemployment prospects of America's unemployed and underemployed workers.



million people have been kept out of poverty since the Great Recession thanks to unemployment insurance.

Improving Access to Benefits Culminating several years of NELP advocacy, the Labor Department issued a new directive requiring states to address major gaps in access to jobless aid.

# "What unemployed workers don't count on is their state government blocking the door."

NELP's George Wentworth in the SunSentinel, October 1, 2015

# **Exposing UI Barriers in Florida**

NELP doubled down on efforts to expose Florida's obstacle course of a jobless aid program, which now serves fewer than 1 in 8 unemployed Floridians-lowest rate in the nation. Our report, Ain't No Sunshine, inspired many news stories and editorials, and the report's findings were addressed during several legislative hearings.

# **DEFENDING WORKERS IN AN EVOLVING ECONOMY**

## **On-Demand Workers' Rights**

In 2015, NELP came out swinging against the notion that the rules governing employment don't apply to the online economy. Our report, *Rights on Demand*, presented a roadmap for policymakers wishing to ensure fair pay and good working conditions for people who work for online and app-based companies often for very little money, with no labor protections. A series of op-eds published in prominent national media made a compelling case for strengthening these workers' rights.

# "On-demand companies are turning the Internet into a street-corner hiring site."

NELP's Rebecca Smith in CNN.com, February 10, 2015

# **Holding Employers Accountable**

NELP defended and helped usher in important legal advances, e.g., strengthening the joint-employer standard in the face of widespread outsourcing in our economy. We authored an influential amicus brief in the NLRB's Browning-Ferris case, which revived a reality-based test for employer accountability where multiple employers share worksite authority.

# "If the employer requires it, the work should be paid."

NELP's Catherine Ruckelshaus in *USA Today*, May 11, 2015



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