Submitted via: https://www.regulations.gov/document?D=WHD-2020-0007-0001

October 26, 2020

Amy DeBisschop,
Director
Division of Regulations, Legislation and Interpretation
Wage and Hour Division
U.S. Department of Labor

Re: Independent Contractor Status under the Fair Labor Standards Act, RIN: 1235-AA34

Dear Ms. DeBisschop:

The Department of Labor proposes to change standards for determining which workers are independent contractors or employees, making it easier and simpler for an employer to classify workers as independent contractors. Compared to the current baseline, and especially compared to available alternative regulations, this rule will increase the number of independent contractors and decrease the number of future workers in employee-employer relationships. In doing so, it will have a negative effect on workers' wellbeing by allowing employers to use their superior market power to lower workers' standards of living. Workers' standards of living will be lower both because they will be robbed of the protections of the Fair Labor Standards Act (FLSA), such as the minimum wage and overtime protections, and because the rule will result in the loss of other closely associated benefits of being a formal employee, such as access to health insurance, retirement benefits, protections from discrimination and others.

We submit this comment in our capacities as a labor economist and as economic policy practitioners, at the Washington Center for Equitable Growth, a non-profit research and grantmaking organization dedicated to advancing evidence-backed ideas and policies that promote strong, stable, and broad-based economic growth.

We will explain that the economic literature establishes this rulemaking will have harmful effects on workers. Furthermore, this finding is supported by well-established labor market dynamics that the Department failed to consider in its own analysis of the proposal. Finally, we will explain that the Department's economic impact analysis is flawed and incomplete and that the Department erred by choosing not to examine the actual labor market effects their proposal, even though such costs are documented by studies cited by the Department. Instead, the Department invented highly speculative time savings to justify the proposal and did not analyze its effects on the populations the FLSA was meant to protect.

## 1. The DOL fails to consider how classification as an independent contractor harms many workers

Unless they have true control over their work, perform services that are outside of their clients' core business, and are free to select their own costumers, classification as independent contractors hurts workers in general and already-vulnerable workers in particular. Independent contractors are excluded from minimum wage and overtime protections, worker's compensation, paid sick and family leave in many jurisdictions, and from the right to join a union and bargain collectively for better working conditions. While independent contractors have been able to access Unemployment Insurance benefits in much of 2020 through Pandemic Unemployment Assistance, they also are generally ineligible for jobless benefits. Independent contractors are therefore less likely than employees to have any kind of health insurance and are much less likely to make contributions to a retirement account.[1] In addition, independent contractors face a tax filing process that is more time-consuming and difficult to navigate,[2] have more volatile[3] earnings and work schedules and, because of their weak ties to a specific employer, they often have fewer opportunities for career advancement.

That independent contractors do not have access to the same labor rights and protections as employees is often considered a fair trade-off between job security and stability on one hand, and control and flexibility on the other. Some workers certainly benefit from not being part of an employee-employer relationship. Many of them are able to build thriving businesses or careers, and enjoy the freedom of being able to control how, when, and how much they work. Yet making it easier for employers to classify workers as independent contractors will hurt some of the most vulnerable workers in the U.S. economy, limit access to benefits and protections they are entitled to by law, and exacerbate the problem of worker misclassification—a phenomenon that is already widespread in the U.S. labor market.

First, research shows that independent contractors tend to be worse-off than their wage-and-salary counterparts. Using administrative tax data, a team of U.S. Department of the Treasury economists found that workers who make most of their earnings through self-employment have lower average annual earnings than those who make all or most of their earnings through employment relationships, and are much more likely to fall at the very bottom of the income distribution.[4] Similarly, a study by the Center of American Progress estimated that almost 10 percent of independent contractors make less than the federal minimum wage, an outcome the FLSA is clearly meant to prevent.[5]

Second, for many independent contractors being out of a formal employee-employer relationship does not translate into genuine control over their labor. When studying the trucking industry and delivery industries, for instance, researchers have found that drivers classified as independent contractors bear the cost of most vehicle-related expenses, but lack true autonomy since they are often only allowed to make deliveries for a single company and do not have full control over their routes or work hours.[6] More broadly, economists have found that about 75 percent of workers receiving non-employee compensation are tied to one employer, finding that

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[1] Emilie Jackson, Adam Looney, and Shanthi Ramnath, "The Rise of Alternative Work Arrangements: Evidence and Implications for Tax Filing and Benefit Coverage." Working Paper No. 114 (U.S. Department of the Treasury Office of Tax Analysis, 2017), available at https://home.treasury.gov/system/files/131/WP-114.pdf

[2] Alistair Fitzpayne, Shelly Steward, and Ethan Pollack, "Tax Simplification for Independent Workers" (Aspen Institute: 2018), available at https://www.aspeninstitute.org/publications/tax-simplification-for-independent-workers-september-2018/#:~:text=For%20independent%20contractors%2C%20the%20tax,no%20reporting%20of%20income%20earned.&text=They%20also%20must%20track%20and,taxes%20on%20their%20business%20expenses.

[3] Andrew Stettner, Michael Cassidy, and George Wentworth, "A New Safety Net for An Era of Unstable Earnings," (New York: Century Foundation, 2016), available at https://tcf.org/content/report/new-safety-net-for-an-era-of-unstable-earnings/#c5

[4] Emilie Jackson, Adam Looney, and Shanthi Ramnath, "The Rise of Alternative Work Arrangements: Evidence and Implications for Tax Filing and Benefit Coverage."

[5] Karla Walter and Kate Bahn, "Raising Pay and Providing Benefits for Workers in a Disruptive Economy" (Washington: Center for American Progress, 2017), available at https://www.americanprogress.org/issues/economy/reports/2017/10/13/440483/raising-pay-providing-benefits-workers-disruptive-economy/

[6] Françoise Carré, "(In)dependent Contractor Misclassification," (Washington: Economic Policy Institute, 2015), available at https://www.epi.org/publication/independent-contractor-misclassification/

"…it is no more common for wage earners to be tied to a single employer than it is for contractors to be tied to a single payer firm."[7]

Having different responsibilities toward independent contractors than to their employees can create incentives for employers to misclassify workers as a way to reduce payroll costs and avoid legal liability for breaking labor regulations.[8] Research shows that misclassification is especially prevalent in lower-wage industries such as construction,[9] home care,[10] and trucking,[11] hurting already vulnerable workers in the U.S. economy and further exposing them to other labor standards violations such as wage theft.[12] Even though it is difficult to estimate how pervasive misclassification is, a 2000 report for the U.S. Department of Labor found that between 10 percent and 30 percent of employers audited in 9 states misclassified workers as independent contractors,[13] with more recent state-level analyses reaching similar findings.[14]

Worker misclassification as a means to artificially reduce labor costs has now become a core part of the business strategy of many firms,[15] imposing significant costs on workers, other employers, and the federal and state governments. For employers, those who correctly classify workers must compete against other businesses engaging in both labor violations and unfair competition.[16] The federal and state governments also bear the costs of misclassification. Just to cite one example, a study by Harvard Law School's Labor and Worklife program found that between 2013 and 2017, the state of Washington lost $152 million in unemployment taxes and the federal government lost $299 million in payroll taxes due to worker misclassification in the state.[17] The Department fails to consider these costs to state and local governments, as required by the Unfunded Mandates Reform Act.

7 Brett Collins and others. "Is Gig Work Replacing Traditional Employment? Evidence from Two Decades of Tax Returns" (2019), available at https://web.stanford.edu/~emilyj91/19rpgigworkreplacingtraditionalemployment.pdf
8 Sarah Leberstein and Catherine Ruckelshaus, "Independent Contractor vs. Employee: Why independent contractor misclassification matters and what we can do to stop it" (Washington: National Employment Law Project, 2016), available at https://www.nelp.org/wp-content/uploads/Policy-Brief-Independent-Contractor-vs-Employee.pdf
9 Franco Ordonez and Mandy Locke, "IRS' 'safe harbor' loophole frustrates those fighting labor tax cheats" (McClatchy Washington Bureau, 2014), available at https://www.mcclatchydc.com/news/nation-world/national/economy/article24777397.html
10 National Employment Law Project, "Independent contractor classification in home care" (Washington, 2015) available at https://www.nelp.org/wp-content/uploads/Home-Care-MisclassificationFact-Sheet.pdf
11 Rebecca Smith, David Bensman, and Paul Alexander Marvy. "The Big Rig: Poverty, Pollution, and the Misclassification of Truck Drivers at America's Ports," (Washington: National Employment Law Project, 2012), available at https://teamster.org/wp-content/uploads/2018/12/povertypollutionandmisclassification.pdf
12 Janice Fine, Daniel Galvin, Jenn Round and Hana Shepherd, "Maintaining effective U.S. labor standards enforcement through the coronavirus recession" (Washington: Washington Center for Equitable Growth, 2020), available at https://equitablegrowth.org/research-paper/maintaining-effective-u-s-labor-standards-enforcement-through-the-coronavirus-recession/
13 Lalith de Silva, Adrian Millett, Dominic Rotondi, and William F. Sullivan, "*Independent Contractors: Prevalence and Implications for Unemployment Insurance Programs*" Report of Planmatics, Inc., for U.S. Department of Labor Employment and Training Administration (2000), available at https://wdr.doleta.gov/owsdrr/00-5/00-5.pdf
14 Françoise Carré, "(In)dependent Contractor Misclassification."
15 Statement of Seth Harris, Senate Hearing 111-1146, "Leveling the playing field: Protecting workers and businesses affected by misclassification," available at https://www.congress.gov/event/111th-congress/senate-event/LC7151/text
16 Economic Policy Institute, "Misclassification Robs Workers of Pay and Benefits, Hurts Honest Companies," (Washington, 2014), available at https://www.epi.org/press/misclassification-robs-workers-pay-benefits/
17 Lisa Xu and Mark Erlich, "Economic Consequences of Misclassification in the State of Washington," (Harvard Law School Labor and Worklife Program, 2019), available at https://lwp.law.harvard.edu/news/worker-misclassification-washington-state-leads-millions-revenue-losses-new-harvard-report

**2: The DOL ignores empirical research that finds widespread employer market power**

The proposed rule by the Department of Labor also does not consider the labor market structures and dynamics that lead pay for independent contractors to be lower than for similar FLSA-protected employees. The department's contention that "In theory, companies would likely have to pay more per hour to independent contractors than to employees" is not supported by the latest research showing that there is unequal power between companies and workers, allowing companies to lower pay below workers' true value when not bound by laws such as the FLSA.

A prominent phenomenon in the labor market, related to the rise of independent contracting,[18] that has contributed to wage stagnation and increasing economic precarity has been the so-called fissured workplace.[19] Outsourcing work, to either subcontracted firms or independent contractors, has contributed to increased wage inequality in the United States.[20] This restructuring of work has often led to core functions of a business being done by outside contractors, either independent contractors such as last-mile delivery drivers or staffing agencies such as janitorial services, despite monitoring and strict control over services provided by the contracting company, with the most detrimental impacts being borne by low-wage workers. For example, Amazon Flex workers, who are independent contractors, earn as little as between $5 and $11 per hour (depending on deductions), compared to Amazon.com Inc.'s announced $15 per hour for direct employees announced as company policy in 2018.[21] This literature suggests that companies contract out work precisely to lower wages because independent contractors are largely unable to bargain for higher wages vis-a-vis large companies and norms of fairness and equity around earnings don't apply to independent contractors.

Underlying the Department of Labor's proposed rule is the premise that the value of a contract between employer and employee is "fair" is based on the assumption that labor markets function perfectly competitively. Under this faulty assumption, it is purported that independent contractors can accurately measure and bargain for compensating differentials for their lack of benefits and stability. The research does not support this assumption. Broad evidence from empirical labor economics has demonstrated that labor markets do not function competitively.[22] One study published in *Labour Economics* in 2020 by José Azar of Universidad de Navarra, Ioana Marinescu of University of Pennsylvania, Marshall Steinbaum of University of Utah, Salt Lake City, and Bledi Taska of Burning Glass Technologies finds that 60 percent of labor

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[18] Lawrence F. Katz and Alan B. Krueger. "Understanding Trends in Alternative Work Arrangements in the United States," *The Russell Sage Foundation Journal of the Social Sciences*, December 2019, 5 (5) 132-146, available at https://www.rsfjournal.org/content/5/5/132

[19] David Weil, "Understanding the Present and Future of Work in the Fissured Workplace Context," *The Russell Sage Foundation Journal of the Social Sciences*, December 2019, 5 (5) 147-165, available at https://www.rsfjournal.org/content/rsfjss/5/5/147.full.pdf

[20] Elizabeth Weber Handwerker and others. "Increased Concentration of Occupations, Outsourcing, and Growing Wage Inequality in the United States," (2015) available at https://www.semanticscholar.org/paper/Increased-Concentration-of-Occupations%2C-and-Growing-Handwerker-Abraham/f7d0d2c9cfcbf53f961bb07a2542abefe4be84c0?p2df

[21] Olivia Zaleski, "Drivers for Amazon Flex can wind up earning less than they realize," *Seattle Times*, November 10, 2018, available at https://www.seattletimes.com/business/amazon/drivers-for-amazon-flex-can-wind-up-earning-less-than-they-realize/

[22] Anna Sokolova and Todd Sorensen, "Monopsony in Labor Markets: A Meta-Analysis" Working paper. (Washington: Washington Center for Equitable Growth: 2020), available at https://equitablegrowth.org/working-papers/monopsony-in-labor-markets-a-meta-analysis/

markets are highly concentrated, accounting for 16 percent of employment, giving employers significant power to undercut wages for these workers.[23] In the most extreme cases, wages are as much as 95 percent lower than they would be in a competitive labor market.[24]

Increasing evidence of monopsony in the labor market, where employers are unilaterally setting wages at below market clearing levels, also extends to the independent contractor labor market. A study published in the *American Economic Review* in 2020 by Arin Dube of University of Massachusetts Amherst, Jeff Jacobs of Columbia University, Suresh Naidu of Columbia University, and Siddharth Suri of Microsoft Research examined Amazon's Mechanical Turk on-demand labor platform for individual tasks to estimate the degree to which the buyers of labor are setting prices, rather than prices for labor determined through the competitive processes of supply and demand, which would take into account factors such as stability, benefits, and other risks associated with work.[25] They find, despite what one would expect in a highly competitive on-demand labor market, "crowdworkers" are not sensitive to changes in pay, leading to the conclusion that they are accepting suboptimal offers that do not include a compensating differential to account for lack of stability and benefits, not to mention responsibility for Federal Insurance Contribution Act taxes.

The Department's assumption that "in a competitive labor market, any reduction in benefits and increase in taxes is likely to be offset by higher base earnings" is not supported by the latest research on this sector of the labor market, which is not "competitive" in the classical economic definition.

**3: The DOL's Economic Impact Analysis is incomplete and flawed**

The cost-benefit analysis in the Department of Labor's proposed regulation does not properly consider the economic evidence showing this will negatively impact U.S. workers. In order to be meaningful to the public a rulemaking on the FLSA needs to analyze the economic effects on the labor market. Instead of using the ample economic record to analyze and explain the rulemaking's effects on the labor market, such as on wage levels, hours worked, the number of independent contractors this will create, the transfers from this will generate from workers and state governments to businesses, the Department instead contends that the principal economic effect of the rulemaking is a time savings, which is not backed by empirical evidence.

Research cited in this comment and by the WHD rulemaking shows that low-wage independent contractors receive less total compensation (wages plus benefits, minus taxes) than those in employment relationships. It is not clear how the Department can estimate time savings with certainty when there is no research cited on this point, but cannot estimate the negative

[23] José Azar Iona Marinescu, Marshall Steinbaum, and Blendi Taska, "Concentration in US Labor Markets: Evidence from Online Vacancy Data, (2018), available at https://www.sciencedirect.com/science/article/abs/pii/S0927537120300907
[24] Kate Bahn, "A first-time meta-analysis of monopsony demonstrates its breadth across labor markets" (Washington: Washington Center for Equitable Growth, 2020), available at https://equitablegrowth.org/a-first-time-meta-analysis-of-monopsony-demonstrates-its-breadth-across-labor-markets/
[25] Arindrajit Dube, Jeff Jacobs, Suresh Naidu, and Siddharth Suri. "Monopsony in Online Labor Markets." *American Economic Review: Insights*, 2 (1) (2020): 33-46, available at https://www.aeaweb.org/articles?id=10.1257/aeri.20180150

economic impact on workers when research can be used to establish this clearly. In other words, existing evidence does not support the Department's contention that

> "this NPRM is expected to result in cost savings to firms and workers. The Department has quantified only the cost savings from increased clarity and reduced litigation. The other areas of anticipated cost savings were not estimated due to uncertainties or data limitations."

Economic research clearly establishes that a complete economic analysis will show that this rule will harm workers, because the other areas of anticipated costs are knowable and more certain than the time savings. Specifically:

- The Department assumes "this proposed rule could lead to an increase in the number of independent contractor arrangements," which we will take as granted. If the rule increases certainty around independent contracting (as the WHD contends) then some marginally increased number of employers will choose contractor over employee relationships. The Department erred in not estimating the size of this effect.
- As we document in section 1, there are numerous economic disadvantages to workers for being classified as an independent contractor rather than an employee.
- Labor markets are not perfectly competitive as we document in section 2, above.
- In a world of imperfect competition, employers enjoy a power imbalance over workers and benefit from monopsony power, allowing employers to extract economic rents from workers. The FLSA is designed to prevent these transfers and this proposed rule will weaken its applicability to low-wage workers in particular.
- In order for this rule to have a positive economic effect on workers, independent contractors must have an "earnings premium" over traditional workers to make up for the decreased benefits that contractors receive and the additional taxes they must pay.
- But, the studies the Department cites in the rulemaking show no such "earnings premium," and especially do not show that there is an earnings premium in excess of 21 percent, which is the value of employer benefits and taxes that independent contractors must forego outside of their direct wages, according to the WHD.

These economic impacts are knowable and measurable and the Department impedes the public's ability to understand and evaluate the likely effects of this rule by not including them.

*Other possible considerations*

The Department focuses on flexibility as a key non-pecuniary attribute that workers may trade income to have. Workers probably do value flexibility, but workers value many other non-pecuniary attributes of their jobs, which the Department does not attempt to discuss or assess.

For example, workers also value income stability. The Federal Reserve reports that nearly 40 percent of households do not have the savings to cover a $400 expense.[26] For these families, income stability is crucial to keeping their car running, avoiding debt defaults and peace of mind. Contractor relationships are inherently more unstable (or, more "flexible" as some would say)

[26] U.S. Federal Reserve, "Report on the Economic Well-Being of U.S. Households in 2018 - May 2019" (2019), available at https://www.federalreserve.gov/publications/2019-economic-well-being-of-us-households-in-2018-dealing-with-unexpected-expenses.htm

than traditional employer-employee relationships. Research establishes that employment transitions are a leading driver of earnings instability.[27]

*The question of time-savings*

To be clear, the analysis the Department uses to assess the economic impact of this regulation is not evidence-based. The time-use data used to establish to justify the Department's contention that this rule will save businesses 20 minutes on average on compliance time and individuals 5 minutes are not cited in the NPRM, making it impossible for the public to evaluate their accuracy. There is no transparency into what surveys or studies were used to quantify the current amount of time individuals and businesses currently spend on independent contractor regulatory familiarization. Further, there was no attempt to explain with any degree of accuracy how this rule will change that time spent.

The Department also fails to consider relevant time-use data that reflects unfavorably upon the rule. As stated above, Internal Revenue Service data and guidance suggest that any increase in independent contracting will incur a time cost in the complexity of tax filing.[28] Any marginal increase in independent contracting will incur this time cost. Individual business filers (which includes independent contractors who have to file forms such as Schedule C or E) spend on average 13 additional hours per year and an extra $280 on out-of-pocket costs to complete their income taxes, compared to nonbusiness filers (which includes regular employees).

Using a calculation similar to the one the Department employs in this rule (See Table 1) shows that independent contractors spend a marginal increase of $11,365,339,440 on tax preparation through their time and $5,280,240,000 in out-of-pocket costs versus an alternative where they are all employees. These compliance burdens, not considered by the Department, must be additionally subtracted from the earnings of every independent contractor and considered in the effects of this rule, as illustrated below.

[27] Emily Wiemers and Michael Carr, "Earnings instability and mobility over our working lives: Improving short- and long-term economic well-being for U.S. workers" (Washington: Washington Center for Equitable Growth: 2020), available at https://equitablegrowth.org/earnings-instability-and-mobility-over-our-working-lives-improving-short-and-long-term-economic-well-being-for-u-s-workers/

[28] U.S. Internal Revenue Services, "1040 and 1040-SR Instructions" (2019), available at https://www.irs.gov/pub/irs-pdf/i1040gi.pdf

Table 1: Tax Filing Costs for Independent Contractors

| Parameter | Value |
|---|---|
| Independent contractors | 18,858,000 |
| Increase in number of ICs | 5% |
| New independent contractors | 942,900 |
| Total | 19,800,900 |
| Marginal cost per IC above employee time | |
| Time cost (hours) | 13 |
| Filing cost ($) | $280 |
| Value of time: | |
| Independent contractors | $46.36 |
| Costs | |
| Current IC Time costs | $11,365,339,440 |
| Current IC Filing costs | $5,280,240,000 |
| Total | $16,645,579,440 |
| New IC Time costs | $568,266,972 |
| New IC Filing costs | $264,012,000 |
| Total | $832,278,972 |

Further, if this rulemaking were to increase the number of independent contractors by only 5 percent (a total classification shift of only 0.6 percent of the civilian labor force[29]), the time costs would be nearly twice as large ($832,278,972 vs $447,179,822) as the annual time savings the Department estimates from this rulemaking. This calculation assumes that new independent contractors are drawn from existing employees (or people who would have been employees) and so were already required to spend some time and money to file nonbusiness taxes. Any increase in independent contracting will incur time-cost burdens as well as theoretical savings, which the Department must take into account.

### 4. The DOL fails to analyze the knowable and deleterious effects of this rule for low-wage independent contractors

Congress declared the purpose of the FLSA to be "to correct and as rapidly as practicable to eliminate" "labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers." But for a rulemaking on minimum wage, overtime and child labor standards, the Department spends little time analyzing the effect on the populations most affected, namely low-wage workers and families. This is the

[29] Bureau of Labor Statistics, "Table A-1. Employment status of the civilian population by sex and age" (Sept 2020) available at https://www.bls.gov/news.release/empsit.t01.htm

population that needs protections to achieve the “minimum standard of living” to which the FLSA refers in its declaration of policy.

The Department notes that independent contractors are *already* more likely to suffer from pay rates below the minimum wage, and more likely to work overtime than their employee peers. But, the Department does not attempt to discuss or analyze by how much this rule will increase the prevalence or sub-minimum wage pay or uncompensated overtime.

In general, the Department errs by using average earnings to try to compare independent contractors to wage-earning employees (See NPRM Section: 3. Earnings). The population of independent contractors is bimodal, with a large number of low-earners and an upper crust of very well-off professionals, partners, consultants and lawyers. The high average incomes of the 2 million filers with partnership income ($242,859),[30] for instance, tends to skew averages and make it seem like the entire population of independent contractors earn more than they do. But a high-wage consultant faces a fundamentally different labor market and choice between wage employment and independent contracting, than a low-wage driver or construction worker. These high-income contractors generally have more room for entrepreneurial activity and market power to set their own rates and working conditions, for instance. Because the Department’s rulemaking is focused on the applicability of minimum wage and overtime rules, which primarily impact low- and medium-earning workers, it should not primarily use mean income, which is biased in favor of large numbers.

Instead, the Department should properly focus on the population of low-income independent contractors who are most likely to be affected by the minimum wage and overtime rules of the FLSA, and not conflate them with high-earning consultants. The U.S. Treasury research referenced above is a guide for a reconsideration of the rule’s effects, as it shows independent contractors are more likely to be low-income than those who earn income primarily from wages.[31] They find that 42 percent of “gig” or platform workers and 45 percent of “Primarily Self-Employed Sole Proprietors” make less than $20,000 per year. Among tax filers with earnings from both self-employment and wages, 42% earn below $20,000. In contrast only 14% of employees who are paid wages only earn less than $20,000.

Workers earning less than $20,000 are almost by definition those most affected by the FLSA, yet the Department gives them no special regard in this analysis of a proposed change to the FLSA, even when the data exists to make the analysis possible. A properly revised economic analysis of this rule will reconsider the Department’s strong assumption that it is possible that the 42-to-45 percent of workers who rely on independent contracting both make less than $20,000 per year and receive a “wage premium” which boosts their pay above that of normal wage workers. A distribution analysis, or any analysis that attempts to differentiate low wage workers from consultants and lawyers, will inform the public of whether this rulemaking follows the intent of the FLSA to set minimum standards for pay.

For these reasons we respectfully oppose the Department of Labor’s reinterpretation of independent contractor status under the Fair Labor Standards Act. We believe the record shows that this proposal will have negative economic effects, especially for low-wage workers. Further, the Department has not fulfilled its responsibility to complete a full economic analysis of the labor market

[30] Emilie Jackson, Adam Looney, and Shanthi Ramnath, “The Rise of Alternative Work Arrangements: Evidence and Implications for Tax Filing and Benefit Coverage.”
[31] Ibid.

effects of this proposal, and to open that analysis to critique from the public, before proceeding with any rulemaking.

Thank you for the opportunity to submit comments on the NPRM. Please do not hesitate to contact us if you have questions about how to apply the economic record to this rulemaking.

Sincerely,

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