

THE FISSURED WORKPLACE

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WHAT IS THE FISSURED WORKPLACE?

As customers, we experience this....



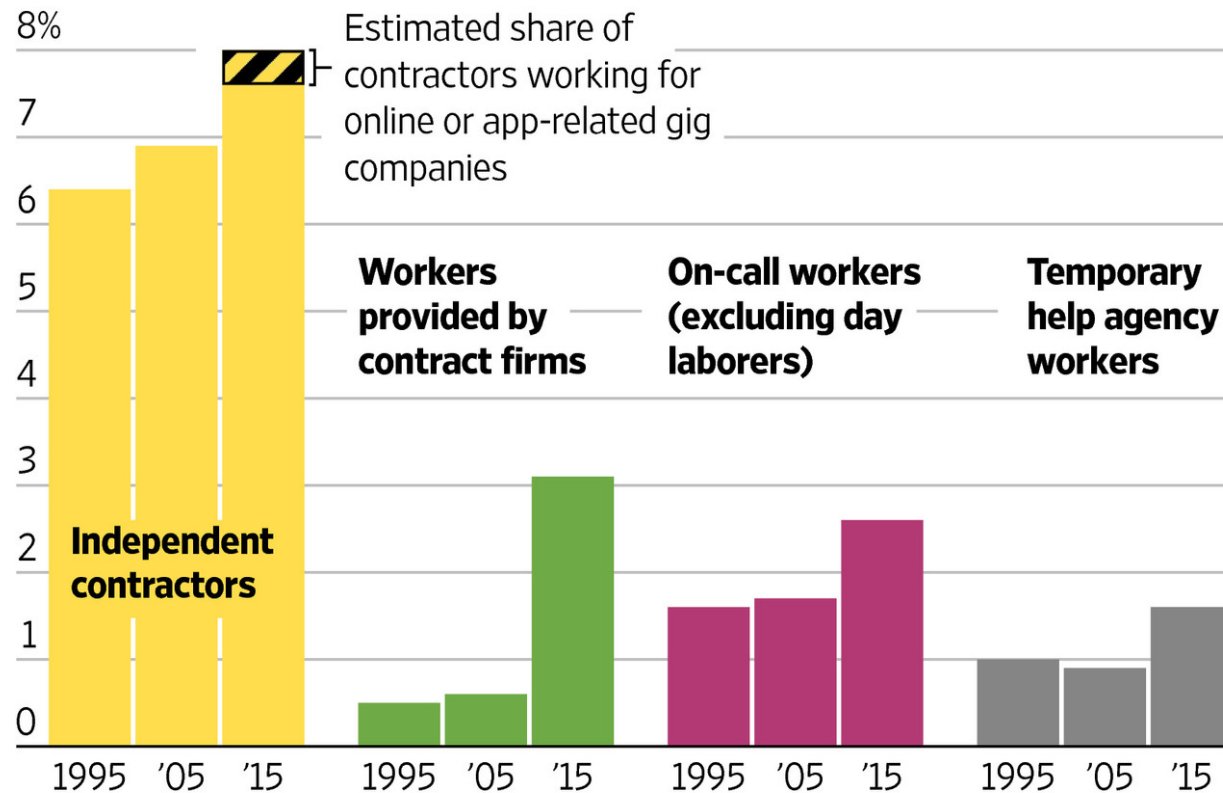
But for workers, it comes from this....

FISSURED HOSPITALITY



GROWTH OF THE FISSURED WORKPLACE

Share of workers in each type of alternate work arrangement

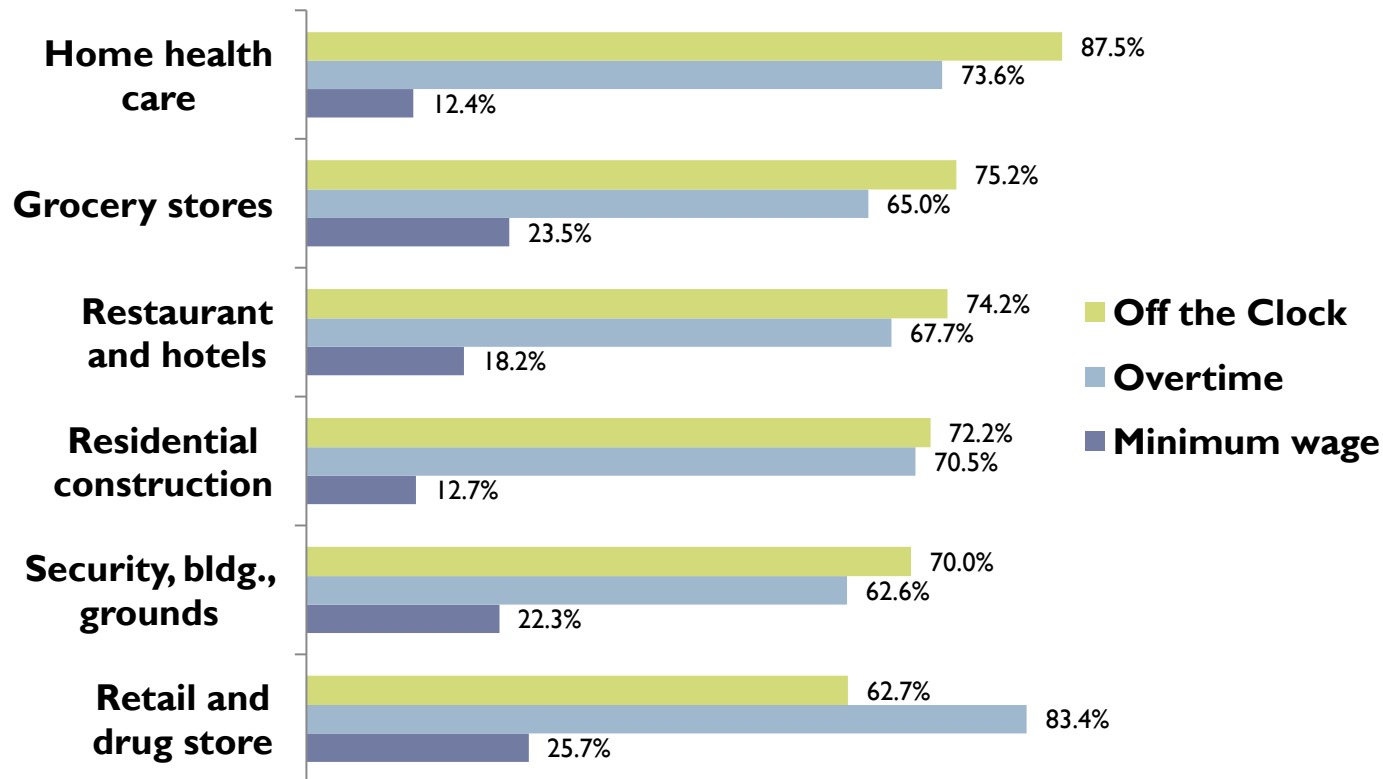


During the decade between 2005 and 2015, around **80-100%** of net employment growth arose in alternative work arrangements – fissured work. (Katz & Krueger 2016)

Sources: Labor Dept. (1995, 2005); Alan Krueger of Princeton U. and Lawrence Katz of Harvard U. (2015)

CONSEQUENCES (I): Labor Standards Violations

Labor standards violations: Three city study of low wage workers



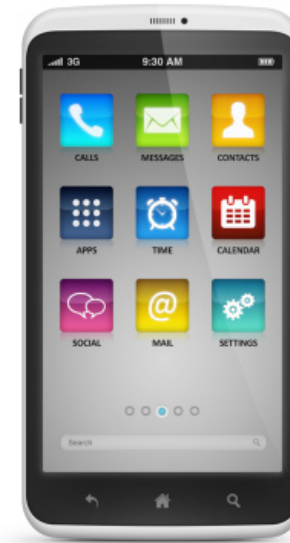
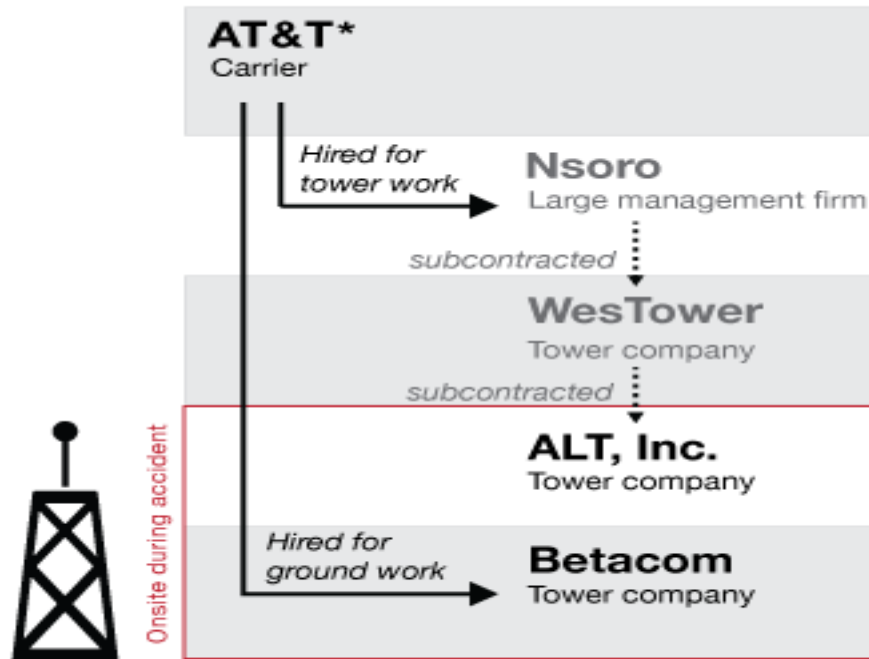
Source: Bernhardt et. al., 2013

Prevalence of minimum wage violations: CA & NY

- 3 to 6 percent of all workers covered by the FLSA experience minimum wage violations.
- Est. 2 million + workers affected nationally.
- 40% of earnings lost among those affected by violations.

Source: ERG for the US DOL, 2014

CONSEQUENCES (II): Health and Safety Risks



* then known as Cingular

Graphic by Dan Nguyen, ProPublica / Cell tower icon by Dima and Christian Hohenfeld from The Noun Project

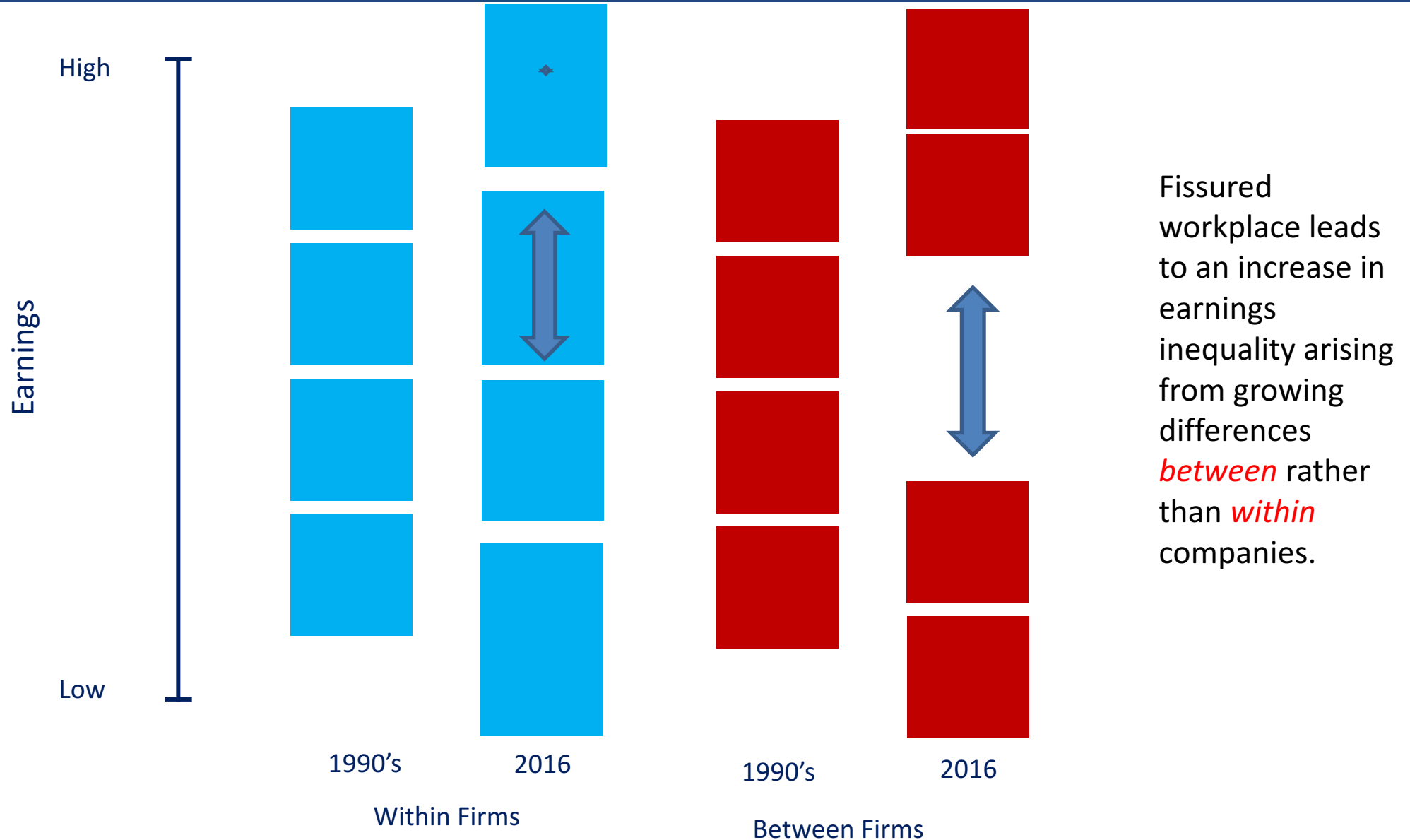
Source: Day and Knutson, 2012,

CONSEQUENCES (II): Other Risks

Pensions, health care, safety net, worker voice

- **Providing pensions and health care benefits**
- **Funding and providing training for the workforce**
- **Safety net: unemployment and workers compensation**
- **Worker representation under the NLRA**

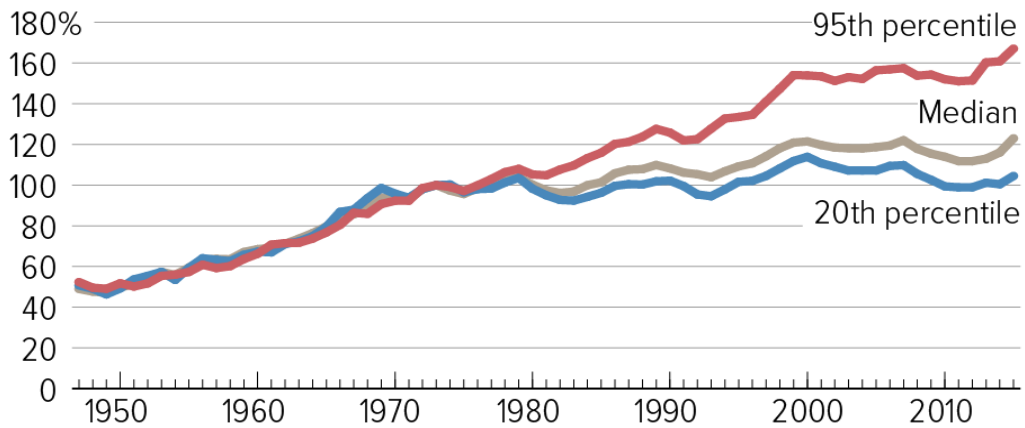
CONSEQUENCES (III): Earnings Inequality



INEQUALITY: A HUGE ISSUE

Income Gains Widely Shared in Early Postwar Decades — But Not Since Then

Real family income between 1947 and 2015, as a percentage of 1973 level



Note: In 2014 Census split its sample of survey respondents into two groups to test a set of redesigned income questions. In 2015 (reporting on 2014 income using the new questions), Census released two estimates of 2013 incomes, one based on the old questions and one on the new. The chart uses the estimate based on the old questions, based on CBPP's judgment that, due in part to sample size, it is likely more accurate for 2013.

Source: CBPP calculations based on U.S. Census Bureau Data

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

UPWARD MOBILITY:

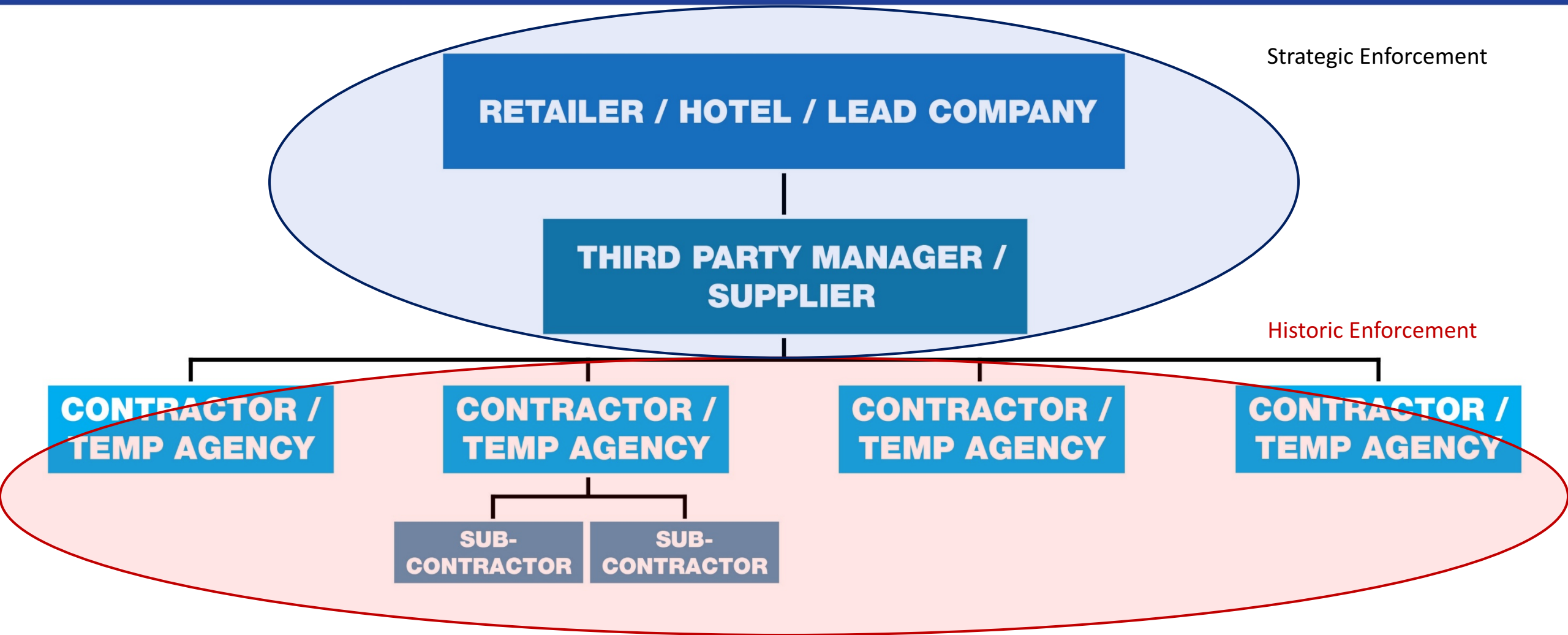
- A child born in a typical US household in 1940 had a **90 percent chance** of earning more than his or her parents.

UPWARD MOBILITY:

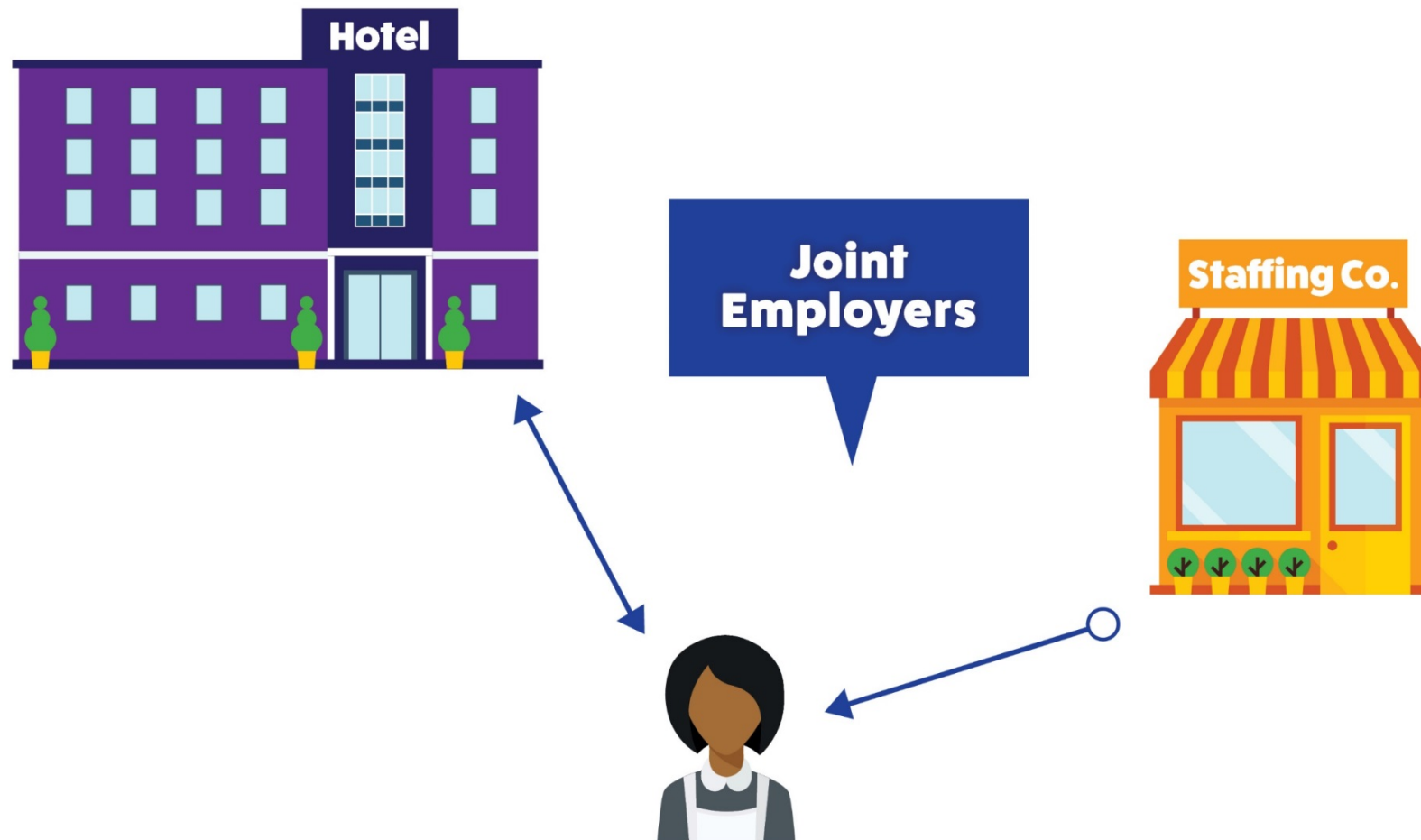
FADING FAST

- Today, a child born to a has about a **50 / 50** chance to earn more than his or her parents

STRATEGIC ENFORCEMENT: FOCUSING AT THE TOP



FOCUSING AT THE TOP: JOINT EMPLOYMENT

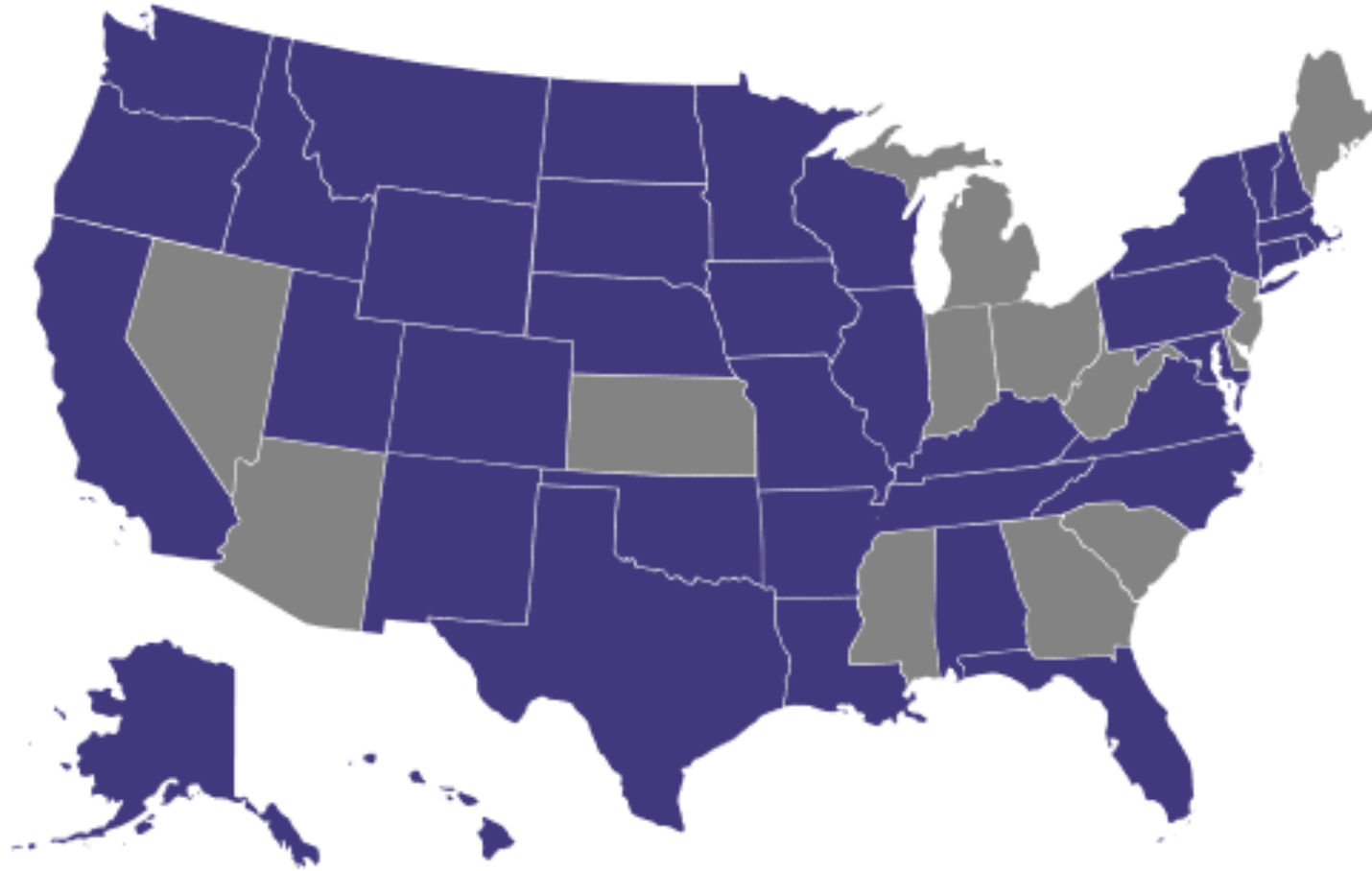


MISCLASSIFICATION



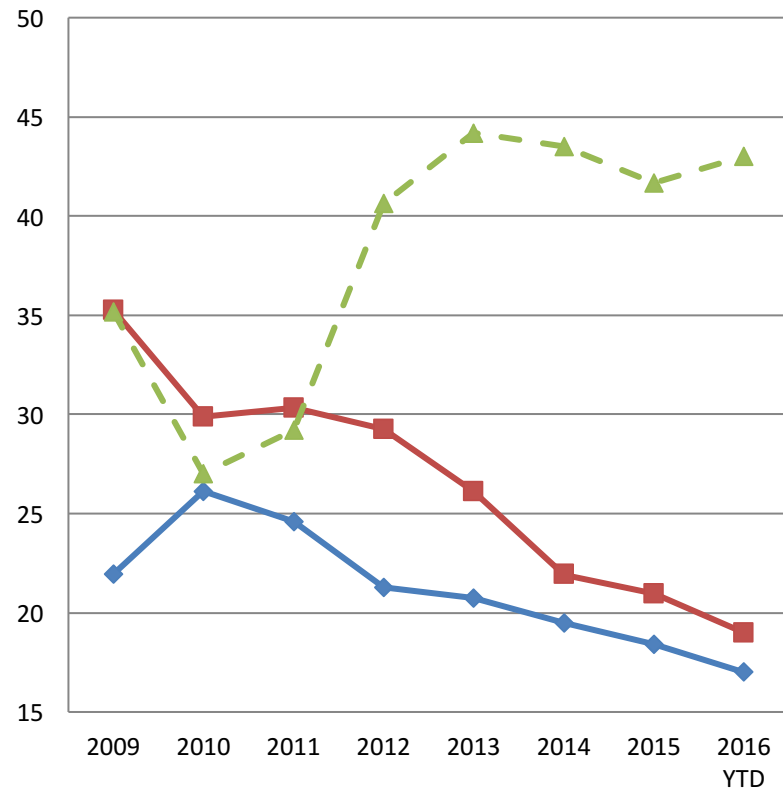
DOL MISCLASSIFICATION INITIATIVE

37 STATE MOUs

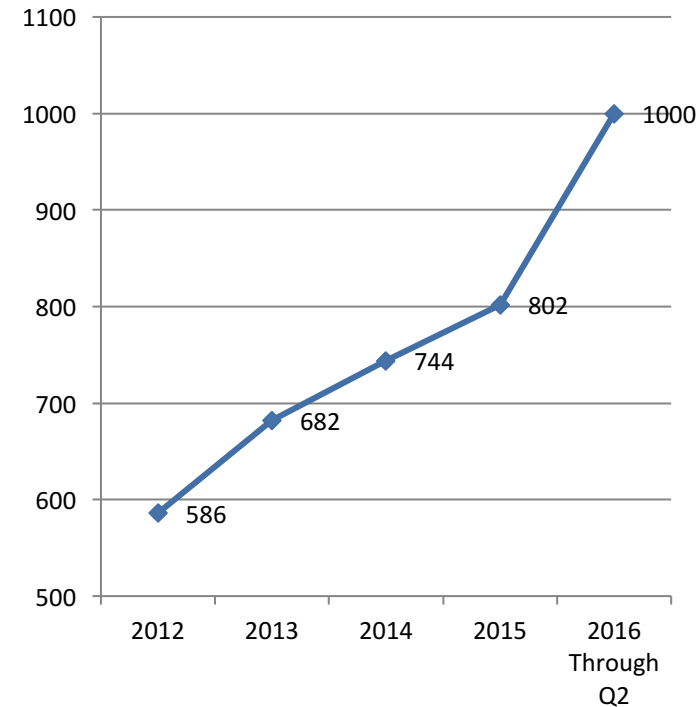


ADDRESSING THE FISSURED WORKPLACE: Strategic Enforcement

Percent of Complaint and Directed Investigations with No Violations



Back Wages per Employee: Directed Investigations



ADDRESSING THE FISSURED WORKPLACE

Impact of Strategic Enforcement

WHAT DOES \$1,000 MEAN?

\$1,000 represents multiple paychecks to typical workers in many industries*



(*based upon BLS data for average wage rates and weekly hours per occupation)

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