A 21st Century Labor Contract

The American economy is the largest in the world, but opportunity remains out of reach for far too many. Workers in communities across the country have to work a second or third job to support themselves and their families -- a result of a lack of good jobs that pay a living wage with benefits. Real wages have barely grown over the last forty years and almost a quarter of workers don’t earn enough to keep a family out of poverty. And while President Trump brags about how low the headline unemployment rate is, he fails to mention that the Black unemployment rate is nearly twice as high as the white unemployment rate and the share of prime-age Americans with a job is still below its peak in the 2000s.

The decline of labor unions is a major reason why American workers are struggling. Unions raise the bar for all workers -- but today, only about 10 percent of workers are union members, which has led to a reduction in the wages of all American workers. One study found that wages for non-union men working in the private sector would have been 5 percent higher if the share of workers in a union hadn’t declined.

The decline of unions is both a symptom and cause of our rigged political system. Unions have always been among the best political advocates for working people--union and non-union alike--and provide a check against corporate interests capturing and corrupting our democracy. Unions, after all, have been on the frontlines of the Fight for Fifteen, the fight to save the Affordable Care Act, and the fight for comprehensive immigration reform.

As President, Beto will propose a new contract between workers, employers, and the federal government. The centerpiece of that contract is ensuring that any worker who wants to form a union can form one, while also empowering all workers by providing them with many of the same protections that unions provide such as overtime and paid sick days. Establishing a baseline of strong labor rights for all workers will encourage employers to compete through productivity and innovation, not through how little they can pay their workers and how effectively they evade labor laws.

Beto will also ensure that no worker falls between the cracks of our wage and collective bargaining laws. These laws were written back in the 1930s and specifically excluded groups of workers--such as domestic service and farm workers--who were not predominantly white men. Employers have also deliberately pushed workers into those cracks by misclassifying employees as independent contractors, contracting them out to other companies so they do not have collectively bargain with them, and using the threat of immigration enforcement to prevent them from asserting their rights. Under Beto’s 21st Century Labor Contract, all workers will have a living wage and other protections as well as the right to join a union.

As President, Beto will fight for a new contract between workers, employers, and the federal government. He will champion a 21st Century Labor Contract, so that all workers:

- Will be able to join a union if that’s what they want;
- Will get paid a living wage regardless of industry;
- Will need just one job to take care of their family and have time for a fulfilling life outside of work without sacrificing economic security;
- Will be hired and paid based on what they do—not who they are;
- Will have access to the training they need in a changing labor market; and
- Will have access to a fair labor market.
All workers will be able to form a union with their coworkers if that’s what they want.

When unions are strong, our middle class is strong. That’s why, when union membership was at its highest levels, so too was income equality. And it’s why, today, with union membership lower than it’s been at any time since the 1920s, income equality is at historically high levels.

Our system of union organizing and collective bargaining is broken, rewarding employers who take the low road and violating their workers’ right to form a union. As president, Beto will work with labor unions, unorganized workers, small businesses, and corporate leaders to ensure that every American worker has a voice and representation. This will guarantee collective bargaining rights for all workers, making it easier for workers to organize and making it easier for unions to bargain with multiple employers. The end result of these reforms will be a vibrant union movement and an economy where all workers can benefit from economic growth.

As president, Beto will:

● **Guarantee collective bargaining rights for all workers.** Beto believes that the right to join a union and collectively bargain is a human right. He will champion legislation that ensures that all workers have this right, including public sector workers (embracing the provisions of the Public Service Freedom to Negotiate Act), agricultural and domestic service workers, as well as front-line supervisors and independent contractors.

● **Make union organizing easier by passing the Protecting the Right to Organize Act.** In today’s economy, it’s too easy for employers to stop employees from organizing. Employers face no monetary penalties when they violate their workers’ union organizing rights and can require their employees to attend anti-union meetings. As President, Beto would work with Congress to pass The Protecting the Right to Organize Act, which includes: increasing monetary penalties for employers; making corporate directors and officers liable for participation in or knowledge of the violation of workers’ rights; allowing workers at one company to picket, strike, or support a boycott in solidarity with workers at other companies; and eliminating so-called right-to-work laws, which make it harder for unions to support themselves financially and are associated with lower wages.

● **Reform labor law to make it easier for unions to bargain with multiple employers in an industry.** Bargaining with a single employer has secured important victories for millions of workers across the country, but that should only be the beginning. Beto will also reform labor laws to make it easier for workers to negotiate wages and benefits across industries—requiring employers to bargain with employees on a multi-employer basis if a majority of employees at multiple worksites vote to do so. This would prevent employers from engaging in the race to the bottom on wages and working conditions, encouraging them to compete with one another through productivity and innovation.

● **Let workers bargain with the firms that have power over them.** One of the biggest challenges facing workers today is the “fissured workplace,” where large, profitable corporations use outsourcing or franchising to reduce workers’ pay. Beto will appoint members of the National Labor Relations Board who support a strong “joint employer standard” so that corporations can’t
use outsourcing and franchising to avoid bargaining with them and would seek to codify that change into law. Unionized workers would be able to bargain with firms that are not their direct employers but have power over their working conditions.

**All workers will get paid a living wage regardless of industry.**

In the wealthiest country in the world, no one should live in poverty, but the failure to raise the federal minimum wage leaves millions of working families without the resources they need to put food on the table and a roof over their heads. Indeed, workers have lost nearly a full year’s salary from the failure of politicians in Washington to raise the minimum wage for a decade. Tens of thousands of workers have stepped into the void, demanding that we #RaiseTheWage. State and local governments across the country have followed their lead, but the federal government has so far failed to heed their call.

As President, Beto will:

- **Raise the federal minimum wage to $15 and end the decades-old holes in minimum wage and other labor laws that are rooted in racism, sexism, and ableism.** He would call for legislation ending the subminimum wages for tipped workers and workers with disabilities and apply Fair Labor Standards Act protections to all workers, including agricultural and domestic service workers. The federal minimum wage would be indexed to the national median wage going forward.

- **Address misclassification of gig and other workers as independent contractors.** Raising the minimum wage will do little for workers whose employers misclassify them as independent contractors to avoid labor laws. Beto will make cracking down on misclassification one of the top enforcement priorities of his Labor Department—and he’ll support turning the “ABC test” into law, which would ensure workers are presumed to be employees unless their employers prove otherwise. This will make it so gig workers and other workers who are misclassified as independent contractors enjoy minimum wage, overtime, and other rights.

- **Establish wage boards in industries with low union membership to deliver immediate wage gains.** In low-wage industries where union representation is low or non-existent—such as fast food and ride-sharing—Beto supports empowering boards with equal employee and employer representation in an industry to bargain over national wage levels, which would be enforced by the Department of Labor as regulations. Wage boards would help ensure that workers in these industries immediately see their wages increase, but would not be a long-term substitute for labor organizing and collective bargaining.

This approach has been tried and tested: industry wage boards were part of the 1938 Fair Labor Standards Act but were repealed as part of the attack on New Deal labor legislation after World War II. In 2015, a New York wage board set the minimum wage of fast food workers on a path to $15 an hour. Beto would not only encourage states and municipalities to create their own wage boards, but his Administration would also support them in developing other innovative ways of strengthening workers' voices.

**All workers will need just one job to take care of their family and have time for a fulfilling life outside of work without sacrificing economic security.**
Workers are human beings and have commitments outside of work—whether it be taking care of children and other family members, being an active member of their church, or going to school at night. Yet, employers increasingly demand more of their employees’ time and the decline of worker bargaining power has disempowered workers to ask for that time. These demands on workers’ time punish women in particular as they do the bulk of caregiving in our society and pay the price for it in the form of lower wages.

As President, Beto will push for a suite of policies that will make it easier for workers to balance work and family in addition to providing paid family and medical leave, universal preschool, and expanding access to child care. He will also:

- **Restore the Obama-era overtime rule.** Millions of Americans are working overtime but aren’t getting paid for it. The Obama Administration proposed raising the salary threshold that entitles workers to overtime pay—time and a half for work over 40 hours a week—from less than $24,000 to around $50,000. The Trump Administration is now seeking to replace the Obama rule with one raising the threshold to less than $36,000, leaving out 8 million workers. As President, Beto will call for the Department of Labor to reinstate the Obama Administration’s overtime rule, strengthening protections for these 8 million workers and promoting work-life balance.

- **Provide seven days of sick leave a year.** Workers should not be punished for being sick—or for caring for a loved one who has fallen ill. Beto will work with Congress to pass the Healthy Families Act, which will provide workers seven paid sick days a year.

- **Require employers to compensate workers for last-minute scheduling changes and promote flexible work arrangements.** The rise of volatile and just-in-time scheduling effectively reduces workers’ take-home pay while making it impossible for them to balance work and family responsibilities. Beto supports requiring employers to bear the cost associated with last-minute decisions by requiring them to compensate employees for being on call and pay workers when they change workers’ schedules with less than a week’s notice. He also supports giving workers a right to request flexible schedules without fear of reprisal as is done in New Hampshire, Vermont, and San Francisco.

**All workers will be hired and paid for what they do—not who they are.**

Women who work full time and year round are paid just 80 cents for every dollar earned by white men, costing them more than $400,000 over their entire careers. The gap is even larger for women of color: Black, Latina, Native American, and Native Hawaiian and Pacific Islander women all earn less than 65 cents for each dollar paid to white men.

Gender and racial wage gaps persist even after controlling for workers’ education, industry, occupation, and other observable characteristics. The evidence shows that outright discrimination plays an important role in those gaps. And many of those characteristics themselves are manifestations of the way labor market and society as a whole devalues the work of women and people of color.
Many of the policies throughout Beto’s plan for workers will go a long way toward closing gender and racial pay gaps—but Beto will also enact a set of deliberate policies aimed at closing these gaps completely. To that end, Beto will:

- **Sign the Paycheck Fairness Act.** This legislation will ban employers from seeking salary histories, protect workers from retaliation for discussing pay with their coworkers, require employers to prove pay gaps are job-related business necessities, allow workers to participate in class-action lawsuits challenging pay discrimination, and authorizes negotiation programs for women and girls. The Act was passed by the U.S. House of Representatives this year.

- **Protect LGBTQ+ workers from discrimination.** Beto supports The Equality Act, which applies federal civil rights law—including employment discrimination—to LGBTQ+ Americans.

- **Require reasonable accommodations for pregnant workers.** Beto supports the Pregnant Workers Fairness Act, which requires employers to make the same sorts of reasonable accommodations for pregnant workers that they make for workers with disabilities.

- **Protect workers lacking immigration status from retaliation and threats by employers.** Workers who lack immigration status are frequently afraid to assert their rights when they are the victims of wage theft, sexual harassment, and other workplace violations because of the threats or perceived threats of deportation from employers. In addition to enacting comprehensive immigration reform, Beto will appoint officials at U.S. Immigration and Customs Enforcement and the U.S. Department of Labor who are committed to preventing employers from using immigration enforcement as a means of retaliating against workers. He also supports legislation that will make workers who report unsafe or unfair labor practices eligible for U Visas and prohibit employers from using threats related to immigration status against employees.

- **Ensure fairness for part-time workers.** Part-time workers—who are predominately women—tend to get paid 10-20 percent less per hour than full-time workers even after controlling for personal and job characteristics. Beto supports legislation making it illegal for employers to pay their part-time workers a lower hourly wage than full-time employees and deny them opportunities for promotions or time off. It would also require them to provide the same benefits package, prorated to reflect the hours part-time workers work.

- **Give the Equal Employment Opportunity Commission (EEOC) supervisory power and resources.** The EEOC currently only brings discrimination cases against employers after workers file a charge. This requires workers themselves to identify the discriminatory behavior, even though that type of behavior is not always visible to employees or potential hires. Beto supports giving the EEOC the resources and authority it needs to supervise the pay, hiring, and other practices of large employers. Where disparate outcomes exist and cannot be explained by a legitimate business justification, large employers will have to fix the disparity. If the disparity continues, the EEOC will bring cases against them. This system builds off longstanding Equal Employment Opportunity laws for federal contractors and is modeled off how the Department of Housing and Urban Development and the Consumer Financial Protection Bureau enforce racial discrimination cases under the Fair Housing and the Home Mortgage Disclosure Acts.
• Instruct the Bureau of Labor Statistics and Census Bureau to collect better data on racial and gender wage gaps. The wage gap between Black and white workers has grown in recent decades and an increasing percentage of it is “unexplained” even after controlling for age, years of education, and other observable characteristics. Similarly, a good portion of the gap between men and women is “unexplained.” As President, Beto will instruct statistical agencies to identify what the currently unobserved drivers of the racial and gender wage gaps are and, to the extent possible, integrate them into the Current Population and American Community Surveys.

All workers will have access to the training they need in a changing labor market.

High-quality workforce training programs can significantly boost workers’ employment prospects and paychecks. Workers who complete an apprenticeship earn $50,000 on average and these programs earn them an additional $300,000, on average, over their lifetimes. Yet, just two out of every thousand workers enter an apprenticeship program. That’s, in part, because the U.S. underinvests in workforce training: other countries devote up to 10 times as much to vocational training as we do—and spending on Department of Labor training programs has declined by 20 percent in real terms since 1985.

At the same time, U.S. workforce development programs too often focus on the needs of businesses instead of workers. A majority of members of state and local workforce development boards, for example, come from the business community. The small role of unions and worker organizations in the workforce development system compared to other countries reflects the lack of economic and political power workers enjoy in this country.

As President, Beto will:

• Make community college free: Create a federal-state partnership to eliminate tuition for 2 years of community college so students—including Dreamers—can earn credits toward a four-year degree or receive high quality occupational training that is in demand among employers.

• Launch 5 million paid apprenticeships linked to good jobs over the next decade. Under Beto’s plan, $90 billion of federal funding will be available to employers and unions over 10 years to design high-quality Registered Apprenticeships in sectors that do not already have a strong history of apprenticeships. The federal government will pay up to 40 percent of the wages of apprentices enrolled in these programs. Grants will be awarded competitively based on the quality of the training program, industry wages, prospects for career growth, and plans to recruit marginalized groups and displaced workers.

• Triple funding for workforce development and sectoral training programs. Triple funding for the Department of Labor’s Adult Training programs to $2.4 billion a year to allow more Americans to attend higher quality training programs. At least half of that increase would be dedicated to sectoral training programs aligned to high-growth jobs, run by labor-management partnerships. Funds also would be available for wrap-around services like child-care.

• Require corporations that boost executive pay to also invest in training for their workers. Tie executive pay at publicly traded corporations to investment in training for workers making less than $100,000. This will help address the decline of employer-provided training: one study found a 28 percent drop in the share of workers who received employer-provided training.
between 2001 and 2009.

- **Requiring unions and worker organizations make up one third of the membership of state and local Workforce Development Boards.** These boards—which distribute federal workforce development funding—are currently required to have workers make up 20 percent of their membership. This will ensure that the interests of workers are adequately represented in state and local workforce development decisions, building worker power in their communities.

**All workers will have access to a fair labor market.**

- **Quickly fill Federal Reserve vacancies with appointees focused on full employment.** High-pressure labor markets, where employers must compete for employees, are a powerful force for raising wages and reducing gender and racial wage gaps. As President, Beto will work to quickly fill any Federal Reserve vacancies that arise with diverse, highly respected appointees who are focused on maximizing employment, especially given persistently low inflation and wage growth over the last decade.

- **Ban non-compete agreements.** Non-compete agreements prevent workers from finding new employers in the same industry, hampering their ability to get a raise. Recent research shows that 2 in 5 workers have signed them, and, far from being used to protect trade secrets, frequently cover fast food and other low-wage workers. Beto will work to pass legislation—as is currently in force in California—that would ban non-compete agreements.

- **Prohibit forced arbitration clauses.** Forced arbitration clauses require workers and customers to waive their right to sue a company and must go through arbitration proceedings that overwhelmingly favor companies. Recent research shows that 60 million workers have lost their right to go to court against their employer as a result of these clauses. Beto will work to pass legislation—like he wrote in Congress—that will ban mandatory arbitration clauses.

- **Step up and improve labor law enforcement.** Labor laws are only effective if they are enforced. Beto supports a massive increase in funding for labor law enforcement with a focus on fighting misclassification of workers as independent contractors, wage theft, and violation of health and safety laws.
  
  - Appoint National Labor Relations Board members who will refocus the agency on supporting workers’ ability to form a union quickly without interference and also focus on joint employer standards for collective bargaining.
  
  - Flag employers who are found by one part of the Department of Labor to have violated a set of labor laws for scrutiny for other parts of the Department that investigate other areas.
  
  - Have the Department of Labor make a coordinated effort to improve interoperability across parts of the agency and improve coordination of enforcement of misclassification with the IRS.
○ Reinstate the Department of Labor’s joint employer standard for violations of minimum wage, overtime, and other wage law—so large, profitable corporations can be held liable for labor law violations against workers they exercise control over.

- **Use federal health care spending as a lever to raise wages for health and long-term care workers.** Beto will immediately use the leverage of the trillions of dollars spent by Medicare and Medicaid to ensure that all health and long-term care workers can join a union and have a $15 minimum wage even before new legislation passes.

- **Create a new classification of high-road employers that will receive priority in federal contracting.** Beto will use the federal government’s purchasing power to encourage employers to pay a living wage, provide workers overtime rights, provide them with paid family and medical leave, and meet sustainability goals. The federal government will also create a new Diversity, Equity and Inclusion standard (similar to a LEED standard for green buildings) and federal government contractors will be encouraged to meet it. Employers that have violated the National Labor Relations Act will also be barred from federal contracts for five years.