

CONGRESSIONAL
LEGISLATION

SOLANO
COUNTY

DISTRICT 3
JOHN GARAMENDI (D)

THE **FUTURE**
of **WORK**
WAGES & LABOR

Congressman Mark DeSaulnier

August 10, 2018

THE GENESIS

In 2016, before the presidential election, **we saw that many American workers were being left behind.**

During other transformative periods in our nation's history, it has taken policymakers too long to catch up, and as a result workers suffered.

Recognizing that we do not have time to wait, the 'Future of Work, Wages, and Labor' was formed to proactively grow and invigorate our workforce, while preparing for the future.

This is not a response to the Trump phenomenon, but rather a well-developed project undertaken by four Members of Congress from diverse districts across the United States.

THE MEMBERS

- **Rep. Mark DeSaulnier (D-CA)**: Former union member and small business owner, former chair of the California State Senate Labor Committee, member of the House Education and Workforce Committee
- **Rep. Mark Pocan (D-WI)**: Union member and small business owner, member of the Labor appropriations subcommittee, former member of the House Education and Workforce Committee
- **Rep. Debbie Dingell (D-MI)**: Represents auto manufacturers; served one of Michigan's largest employers, the General Motors (GM) Corporation, for over 30 years
- **Rep. Don Norcross (D-NJ)**: Former business agent for the International Brotherhood of Electrical Workers (IBEW), member of the House Education and Workforce Committee

PUBLIC MEETINGS

- **Washington, D.C.** – “Future of Work” Briefing (9/7/16)
- **Bay Area, California** – Regional Meeting (1/17/17)
- **Washington, D.C.** – “US Anti-Trust Policy’s Impact on Collective Bargaining, Wage Stagnation & Economic Growth” Briefing (3/22/17)
- **Wisconsin** – Regional Meeting: Wisconsin (4/20/17)
- **Washington, D.C.** – “Why Have Wages Stagnated” Briefing (5/24/17)
- **Michigan** – Regional Meeting (6/19/17)
- **New Jersey** – Regional Meeting (8/4/17)
- **Washington D.C.** – “21st Century Workers' Rights Forum” (9/6/17)
- **Massachusetts** – Regional Meeting (9/25/17)



FUTURE OF WORK

- **How will automation impact my job?**
 - What new jobs will be created as a result of automation?
 - How do we train people for those new jobs?
- **What impact does the cost of living have on where jobs might move in the future?**
- **What skills will be required of the jobs that will be in demand in the future?**
 - What impact will that have on our emphasis on higher education?

THE PROBLEM: Research is conflicting about what jobs will be created and which will be eliminated based on the future needs of our country.

PUBLIC OPINION ABOUT AUTOMATION

ARE YOU WORRIED ABOUT A
FUTURE WHERE ROBOTS &
COMPUTERS CAN DO MANY
HUMAN JOBS?



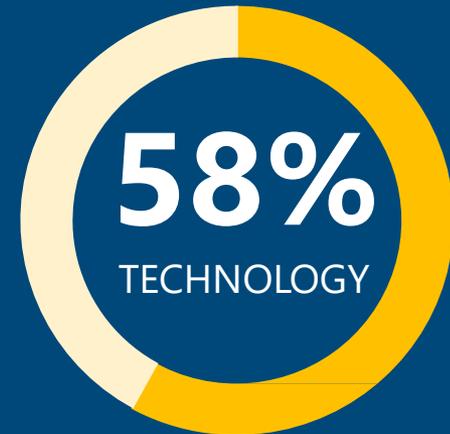
Source: Automation in Everyday
Life, Pew Research Center,
October 2017

WILL YOUR JOB
EXIST IN 20 YEARS?



Source: Freelancing in America 2017,
Freelancers Union & Upwork, October
2017

WHICH IS A GREATER THREAT
TO U.S. JOBS IN NEXT 10
YEARS – TECHNOLOGY OR
IMMIGRATION/OFFSHORING?



Source: Optimism and Anxiety,
Gallup/Northeastern, January 2018

FUTURE OF WAGES

- Is there any way to have wages match the level of productivity of today's workers?
- Is raising the minimum wage enough?
 - What about in high cost areas like the Bay Area?
- How does being in a labor union affect wages?

Labor Share of Income, 1973–2017

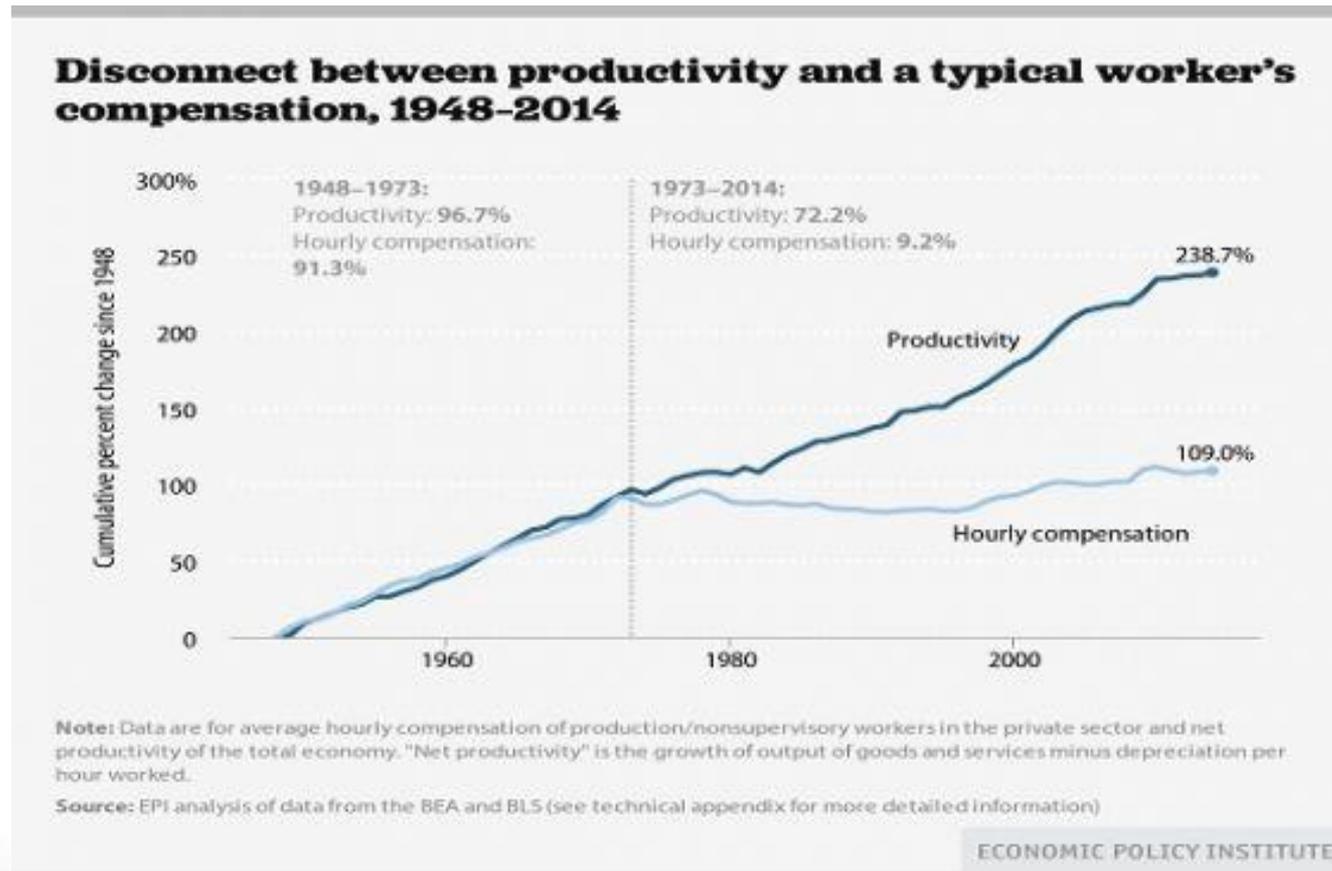


Source: Productivity and Costs, BLS (1973–2017).

Note: Labor share is defined as the sum of employee and proprietor labor compensation, divided by gross value-added output. Shaded bars indicate recessions.

FUTURE OF WAGES

THE PROBLEM: Annual wage growth between 1973 and 2017 was below 0.2 percent. During the same time, worker productivity increased by almost 74 percent, meaning that productivity has grown 5.9 times more than pay.

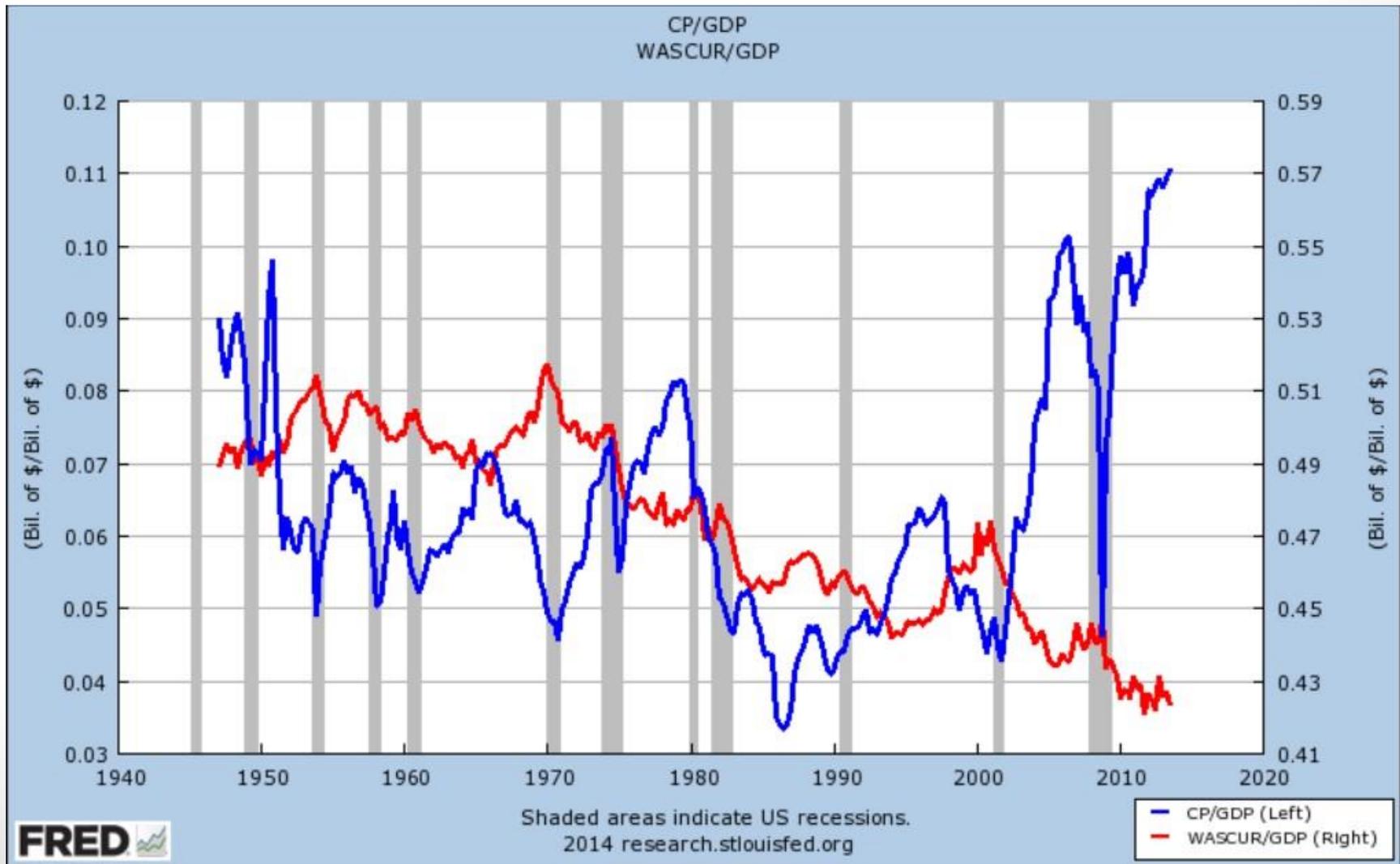


INEQUALITY

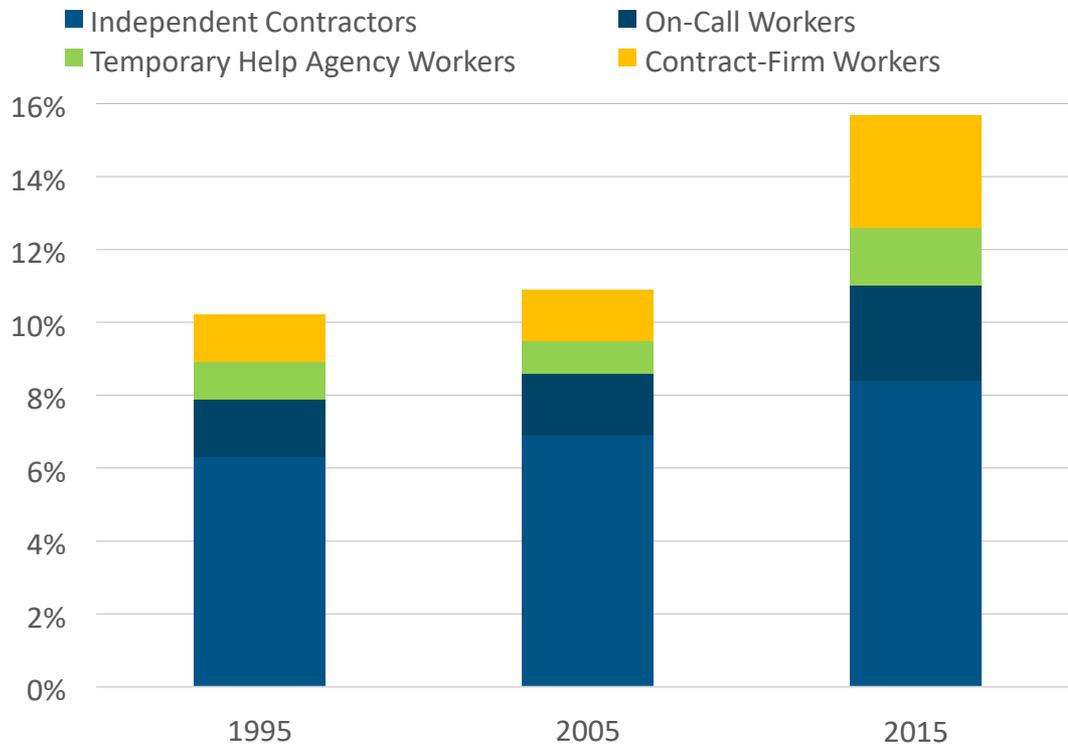
INCOME INEQUALITY IN THE UNITED STATES, 1910-2010



WAGES VS. PROFIT SHARE



THE GROWTH OF THE INDEPENDENT WORKFORCE



Source: BLS, Rand-Princeton Contingent Worker Survey, Lawrence Katz and Alan Krueger, NBER

KATZ/KRUEGER ESTIMATES THAT THE INDEPENDENT WORKFORCE NOW EQUALS **16 PERCENT (23.6 MILLION)** OF ALL WORKERS.

OTHER ESTIMATES SUGGEST THE PERCENT OF INDEPENDENT WORKERS COULD BE AS HIGH AS **36 PERCENT.**

BENEFITS FOR INDEPENDENT WORKERS

ACCESS TO MEDICAL INSURANCE



Independent Workers



Full-Time Employees

ACCESS TO RETIREMENT PLANS



Independent Workers



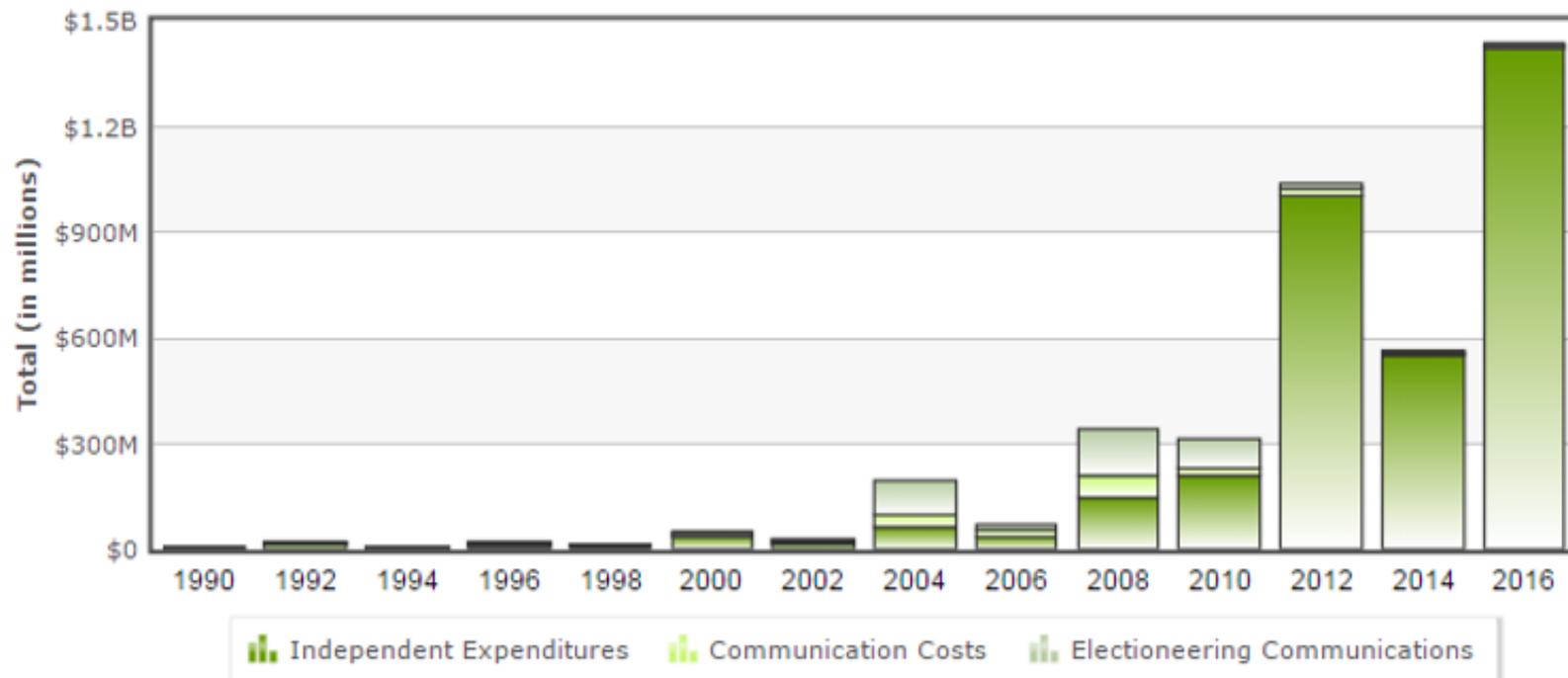
Full-Time Employees

PORTABLE BENEFIT LEGISLATION ACROSS THE COUNTRY



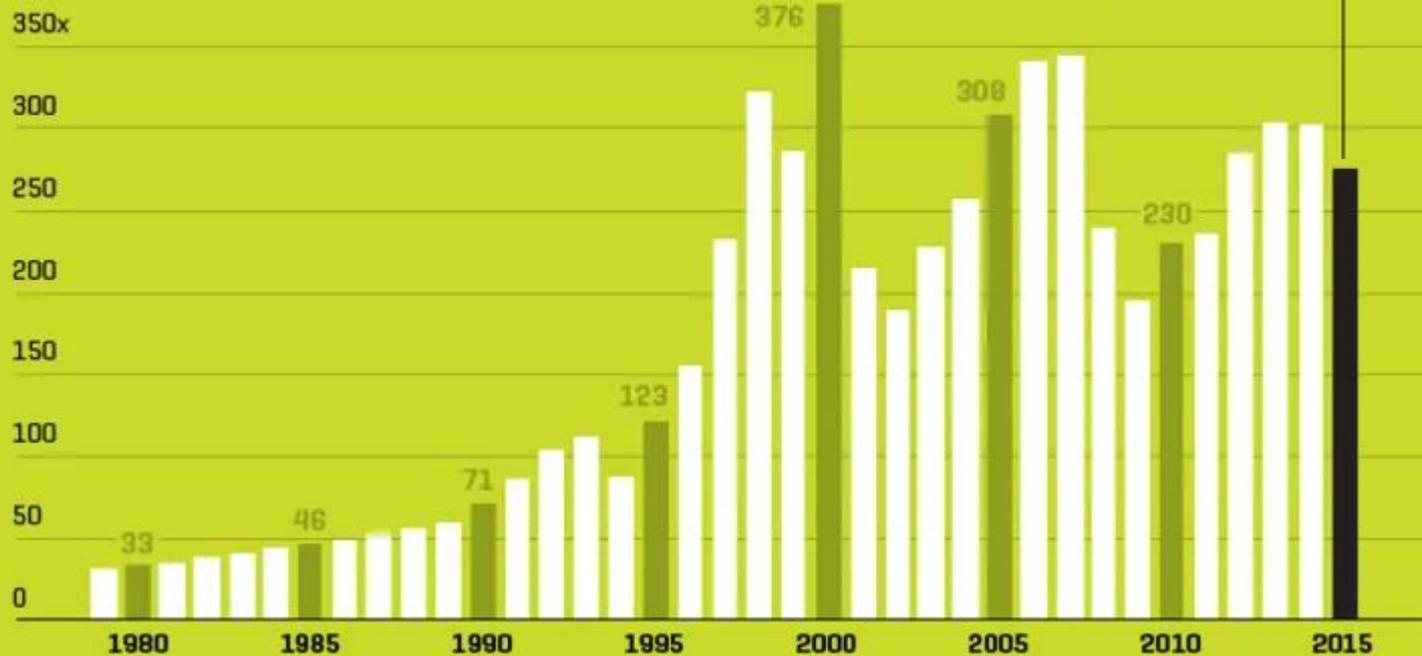
CAMPAIGN FINANCE

Outside Spending by Cycle, Excluding Party Committees



EXECUTIVE PAY

CEO-to-Worker Compensation Ratio



SOURCE: ECONOMIC POLICY INSTITUTE, BASED ON A STUDY OF THE TOP 350 U.S. FIRMS RANKED BY SALES

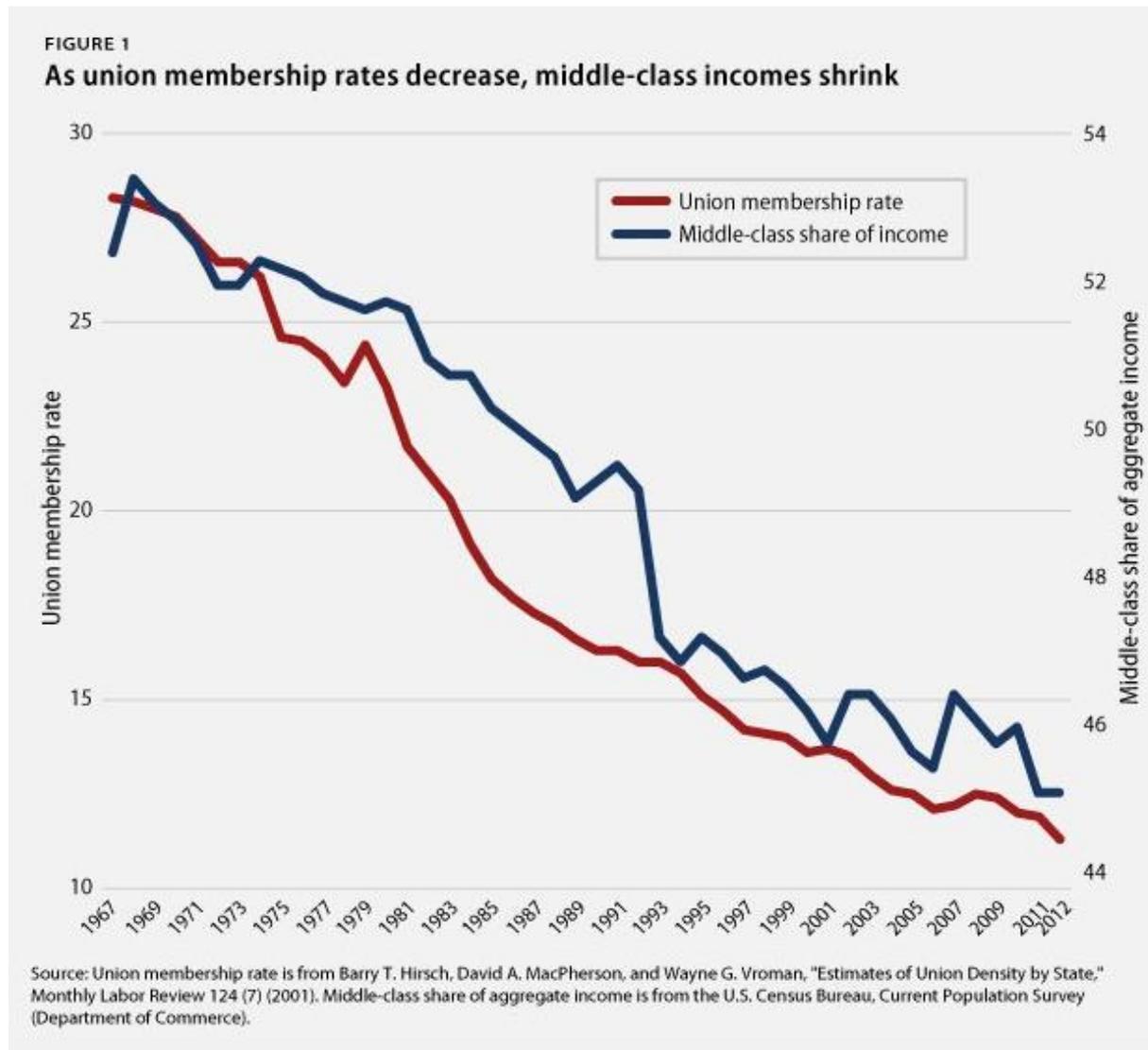
FORTUNE MAGAZINE

FUTURE OF LABOR MOVEMENT

- How can we promote participation in labor unions?
- How will the *Janus* Supreme Court decision affect private unions?
- Are there ways to modify traditional labor unions to be used in less traditional settings, like tech companies in the Bay Area?

THE PROBLEM: It is clear that labor unions provide more benefits to all workers, but labor union participation is at an all-time low.

DECLINE OF UNION MEMBERSHIP & MIDDLE CLASS WAGES



KEY RECOMMENDATIONS

'Not your grandparents' labor plan'

THE FOUNDATION:

Put Workers First – Improve worker training, raise the minimum wage nationally, and promote safety.

Worker Freedom – Guarantee flexible, predictable schedules and eliminate non-compete clauses.

Promote And Strengthen Labor Unions – Labor union participation is at 10.7% down from its high of 35% in the mid-1950s. Update 80-year old labor laws to allow unions to effectively organize.

Keep Jobs In The United States – Trade agreements must protect workers in the United States and around the globe.

INNOVATIVE SOLUTIONS:

Independent Contractors – Should be informed of the traditional protections they miss out on, and protections should be in place to give independent contractors health care, retirement security, and legal protections.

Portable Benefits – Explore benefits that are not tied to an employer including health insurance, retirement, family & sick leave, and short-term disability.

Strengthen Countervailing Forces – Power between workers and employers has shifted drastically in favor of employers. Employers are increasing profits at the expense of their workforce in an effort to maintain power over their employees. Workers need the power to assert their rights to safe workplaces and fair compensation.

Constrain Executive Pay – Impose a surtax on companies that have CEOs who earn more than 100 times their median worker pay, and reinvest in workers instead of shareholders.

INNOVATIVE SOLUTIONS *(cont.)*

Overturn Citizens United – Take away the unchecked financial influence corporations have in our electoral process to promote candidates that support de-regulations and anti-worker policies.

Hold Corporations Accountable – Current law requires employers to provide notice 60 days in advance of covered plant closings and covered mass layoffs, but does nothing to mitigate the impacts. Require companies to mitigate the impact that its moving or consolidation will have on the local community.

Government As Employer Of Last Resort – During the Great Depression, President Franklin D. Roosevelt created a program to provide financial assistance to unemployed Americans in exchange for temporary work. Explore whether the American people would benefit by having the government serve, at least temporarily, as an employer of last resort.

Hosted 70 Town Halls & Mobile District Office Hours

2015	2016	2017		2018
<ul style="list-style-type: none"> ▪ Concord ▪ Richmond ▪ Danville ▪ Pleasant Hill ▪ Rossmoor ▪ El Cerrito ▪ Orinda ▪ Clayton ▪ San Pablo ▪ Pittsburg ▪ Pacheco 	<ul style="list-style-type: none"> ▪ Walnut Creek ▪ San Pablo ▪ Antioch ▪ Facebook ▪ Richmond ▪ Danville ▪ Orinda ▪ Rossmoor ▪ Concord ▪ Pittsburg ▪ El Cerrito ▪ Martinez 	<ul style="list-style-type: none"> ▪ Facebook ▪ Martinez ▪ Pleasant Hill ▪ Antioch ▪ Richmond ▪ Lafayette ▪ Telephone ▪ Telephone ▪ Danville 	<ul style="list-style-type: none"> ▪ Moraga ▪ Richmond ▪ Concord ▪ Pittsburg ▪ Facebook ▪ Walnut Creek ▪ Telephone ▪ Facebook ▪ Orinda 	<ul style="list-style-type: none"> ▪ El Cerrito ▪ Facebook ▪ Martinez ▪ San Pablo ▪ Pleasant Hill ▪ Lafayette ▪ Concord ▪ Antioch ▪ Moraga ▪ San Pablo ▪ Danville ▪ Facebook ▪ Moraga ▪ Concord ▪ Concord

Mobile District Office Hours

<ul style="list-style-type: none"> ▪ El Cerrito ▪ Pittsburg 	<ul style="list-style-type: none"> ▪ Bay Point ▪ Walnut Creek 	<ul style="list-style-type: none"> ▪ Richmond ▪ Lafayette ▪ El Cerrito 	<ul style="list-style-type: none"> ▪ Moraga ▪ Martinez ▪ Walnut Creek 	<ul style="list-style-type: none"> ▪ Bay Point ▪ Kensington ▪ Walnut Creek ▪ Walnut Creek
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The logo for the Democracy Awards features a blue square on the left containing a white stylized 'C' above a scale of justice. To the right, the word 'DEMOCRACY' is written in large, bold, black capital letters, with a stylized American flag (red and white stripes) integrated into the letter 'D'. Below 'DEMOCRACY', the word 'AWARDS' is written in the same large, bold, black capital letters.

DEMOCRACY AWARDS

2018 FINALIST | **CONSTITUENT SERVICE**

“Rep. DeSaulnier and his staff are to be congratulated for not only being a model for colleagues in Congress, but for helping to restore trust and faith that our democratic institutions can work.”

– Bradford Fitch, **President and CEO of the Congressional Management Foundation**

*DeSaulnier’s office was one out of six in Congress (3 Democrats, 3 Republicans) considered for this award.

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