



March 26, 2024

Dear Member of Congress:

On January 10th, 2024 President Biden's Department of Labor led by Julie Su published a final rule that would change the method of determining whether or not a worker is a traditional employee or an independent contractor under the Fair Labor and Standards Act.

The rule, which went into effect March 11th makes it more difficult to be classified as an independent contractor. **The Independent work model and as a result limits individuals' freedom to support themselves and their families in whatever way works best for them.**

Independent work represents a dynamic part of the economy that provides the opportunity for supplemental income, a flexible and self-made career, and an ability to pursue other interests, passions, and develop skills. In cases or economic downturn, the independent work model also provides a means to continue to work if the traditional employment system is experiencing instability.

The reclassification experiment has already been tried on the state level by the same people now rallying behind Biden's DOL rule. Julie Su, who now leads the Department of Labor, was the architect of California's disastrous Assembly Bill 5 (AB5) that sought to reclassify independent workers in the state. What followed were mass layoffs not only for those in the independent worker space, but research has found it was correlated with increased unemployment for traditional employees as well.

Congressman Kevin Kiley (CA-03) saw firsthand the harm that Julie Su's AB5 did to his constituents and the industries that California relies on. As a result, he introduced a resolution (H.J. Res. 116) to rescind the new Department of Labor Rule and protect workers' freedom and choice in how they earn a living. **The LIBRE Initiative supports H.J. Res. 116 and the millions of independent workers that value their flexibility.**

This new DOL rule strips away the flexibility that **50 percent of Latinos and 36 percent** of all U.S. workers enjoy by forcing reclassification into traditional employment. **Minority communities in particular stand to be disproportionately harmed by this rule. LIBRE Initiative estimates find that 26 percent of all independent workers are Hispanic and 14 percent of independent workers are Black.**

It is therefore unsurprising that **both the Hispanic and Black Chambers of Commerce** in addition to hundreds of economists publicly opposed efforts to restrict independent work. For many, the absence of independent work options can often mean unemployment. Without flexible schedule options that are possible through independent work, parents of young children, caretakers of elderly family members, and individuals with disabilities may not be able to participate in the labor market at all.

A true effort to support workers means increasing their choices and responding to their preferences. Overwhelmingly independent contractors prefer their situation over traditional employment. Restricting independent work hurts the millions of Americans who make the deliberate choice on how they are going to support their families.

As of March 21, 2024, H.J. Res. 116 has passed through the House Committee on Education and Workforce. **The LIBRE Initiative strongly encourages you to consider voting YES and standing up for a workers' right to earn a living in whatever way they see fit.**

Sincerely,

Helder Toste
The LIBRE Initiative
Htoste@belibre.org

www.BeLIBRE.org