State of
Worker-Centered Models

LITERATURE REVIEW

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Purpose

Economic mobility for working people is deeply shaped by the structures and power relationships among workers, employers, and consumers. The origins of the modern labor movement in the United States sought to create new structures and realign these relationships as a response to the abuse and exploitation of workers—unfair wages, discrimination, exposure to toxic substances, and inhumane housing conditions—during the formative industrial era of American history. In response to the tensions between workers (skilled and unskilled) and their employers, national labor unions began to form in the mid-nineteenth century—giving birth to a process known as collective bargaining, which allowed workers to negotiate better wages, benefits (paid sick leave, vacation, holidays), and health and safety protocols (Domhoff).

Although the economic and political impact of those early efforts are felt throughout the modern-day workforce, the economic and regulatory frameworks have changed so significantly that unionionization is no longer the primary pathway for blue-collar workers to achieve a decent standard of living. Moreover, racial equity was not a key driver of the mainstream labor efforts of the last century. The rhetoric at the time about Black workers echoes today's nativist attacks on immigrant workers, with the AFL-CIO—a much different organization today—complaining that Black male workers were "'cheap [men]' who worked too hard for too little, undermining White workers" (Barrett, 2002).

To address the twin challenges of a "fissured" and global economy, where large numbers of people have been uprooted by both technological developments and the depth of systemic racism in the labor context, a range of worker-centered models and practices have been adapted across many industries. These models show great promise but require more support from worker advocates, philanthropy, academia, and government to become scalable and benefit a larger swath of the population. This literature review will focus on the evolution of the field's most successful models and provide tailored recommendations for the Bill & Melinda Gates Foundation EMO team to further develop their economic mobility and opportunity strategy.

Membership Mobilization Model

As noted above, the early twentieth century formation of the American Federation of Labor (AFL) ushered in a new era of union supremacy with its large membership numbers that gave birth to the now-commonly held belief that only by self-organization along occupational lines and a concentration on job-conscious goals would the worker be "furnished with the weapons which shall secure his industrial emancipation" (AFL-CIO, timeline). Please see the current list of active unions in the US.

BENEFITS TO ALL WORKERS

The advantages of the membership model include substantial impacts on wages, fringe benefits, total compensation, and workplace safety for non-unionized and unionized workers. On average, unions were responsible for raising compensation by 28% and played a pivotal role in securing legislative protections such as sick leave, family leave, vacation, and safety and health enforcement in the workplace (Walters, 2003).

SUMMARY BREAKDOWN

Unions help set industry pay standards. For example, non-unionized workers with a highschool degree earn 5% more in unionized industries than workers in non-unionized industries.

Unionized workers **receive better pension plans with employers contributing 28% more than non-union employers.**

Unionized workers receive **26% more vacation time and 14% more total paid leave** (vacations and holidays).

Unionized workers are **28% more likely** to have employer provided health insurance and **54% more likely** to be in employer-provided pension plans.

Unionized workers are typically more informed about their rights and more likely to benefit from social insurance programs such as unemployment insurance and workers compensation (Walters, 2003). Unions are thus an intermediary institution that provides a necessary complement to legislated benefits and protections.

IMPLICATIONS ON MOBILITY & EQUITY

Although union membership has clear benefits for workers as a whole, union membership has plummeted over the last 50 years. The advancement of technology over the late twentieth century transformed the traditional membership models and began to undermine the craft system production model—iron, coal mining and the garment trades. Tensions between skilled and unskilled workers continued to weaken the collective bargaining powers of a transitioning labor force.

Furthermore, the trade union movement, with its history of overt discrimination, had disproportionately benefitted White, cis men. Historically, any attempts to integrate unions were met with fierce opposition from leadership and members, and those impacts are felt even today with union leadership structure and decision-making power remaining in the hands of skilled White male workers *(Unions Making History in America)*.

Today's rising economic inequality and the widening of the racial wealth gap are deeply rooted in our history of systemic racism, which enabled the rise of a racialized two-tiered labor force, undermining all workers with its race to the bottom fueling racial resentment. According to the Racial Wealth Divide Report, the median Black family, with just over $3,500, owns just 2%of the wealth of the nearly $147,000 that the median White family owns. Additionally, the median Latino family, with just over $6,500, owns just 4% of the wealth owned by the median White family. Put differently, the median White family has 41 times more wealth than the median Black family and 22 times more wealth than the median Latino family (Inequality.org, 2017).

THE RACIAL WEALTH GAP

Source: Racial Wealth Divide Report by inequality.org (2019).

KEY INDUSTRIES WITH STRONG UNIONS

In 2020, union membership rate was at 10.8% across industries. Within the public sector, the union membership rate was highest in local government (41.7%), which employs many workers in heavily unionized occupations, such as police officers, firefighters, and teachers. Among private-sector employees, utilities (20.6%), transportation and warehousing (17%), and telecommunications (14.3%) have the highest unionization rates. By contrast, food services and drinking establishments (1.2%), finance (1.2%), and professional and technical services (1.3%) have the lowest unionization rates (BLS, 2021).

THE DECLINE IN TRADE UNIONS AND FUTURE OF WORK

Post 1960s, union membership amongst major race and ethnic groups continued to rise across industries. Nonetheless, the decline in membership amongst White men has been a recurring trend since the 1970s. During those three decades of deindustrialization, the United Auto Workers' membership dropped from 1.2 million to 390,000,mainly due to robots replacing line workers and the loss of market share to foreign manufacturers. As a consequence, manufacturing jobs have seen only a 5% increase in pay since 1985, which translates into declining wages given inflation. The departure of White men in trade unions contributed to the decline of collective bargaining power. In 2020, Black workers continued to have higher union membership rates (12.3%) than White workers (10.7%), Asian workers (8.9%), or Hispanic workers (9.8%) (Kleykamp, 2013). By age, union membership rates continued to be highest among workers ages 45 to 64. In 2020, 13.2% of workers ages 45 to 54 and 13.0% of those ages 55 to 64 were union members. But unionization no longer brings about the good wages and benefits that it did in the past.

For the first time in decades, union membership is on the rise among young people. But, just like the rapidly changing workforce and growth of the gig economy, that too is beginning to shift. According to the Economic Policy Institute (EPI), in 2017 there were 262,000 new union members in the United States. Seventy-five percent of this increase came from young people, which EPI considers those aged 34 and under; for the purposes of this review, this broadly refers to the older subset of Generation Z and most Millennials (ages 16 to 35). The resurgence of the membership model amongst this demographic is heavily contingent on the belief that young people also hold the most favorable attitudes towards labor of any generation and that their support for political parties skews heavily towards those that support pro-worker policies (like standing against "right-to-work" laws), including the Democrats and, increasingly, the Democratic Socialists of America (DSA). Based on these trends, unionized industries are turning their gaze towards this growing demographic to increase their numbers and collective bargaining power in battleground states (Schmitt, 2018).

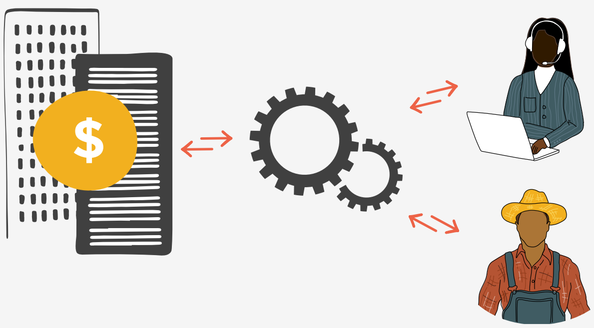
Of the 15.93M unionized workers in the United States, 14.3M members live in just seven states (California, 2.4M; New York, 1.7M; Illinois and Pennsylvania, 0.7M each; and Michigan, New Jersey, and Ohio, 0.6M each). However, these states accounted for about one-third of wage and salary employment nationally. As previously mentioned, systemic racism and technology have contributed to the decline of unions and, ultimately, collective bargaining power in the workplace. Furthermore, legislative attacks on union memberships in battleground states have accelerated the decline. For the past few decades, a number of states have adopted right-to-work legislation, often referred to as "right to work for less" laws. According to the National Right to Work Legal Defense Foundation, right-to-work laws prohibit union security agreements, or agreements between employers and labor unions, that govern the extent to which an established union can require employees' membership, payment of union dues, or fees as a condition of employment, either before or after hiring. Consequently, the National Economic Policy Institute found that wages in right-to-work states are 3.2% lower than those in non-RTW states, after controlling for a full complement of individual demographic and socioeconomic variables, as well as state macroeconomic indicators (Gould, 2011). Responding to the call for greater protections of workers—particularly vulnerable workers—has given birth to the next iteration of workers rights models, including worker centers, cooperatives, and the WSR model.

Employee Ownership Models

The employee ownership model provides workers with additional pathways to economic mobility and long-term financial stability as a means of tackling the country's growing racial wealth divide gap. The three main model categories for employee ownership within companies are Employee Stock Ownership Plans (ESOPs), Worker Cooperatives, and Employee Ownership Trusts (EOTs).

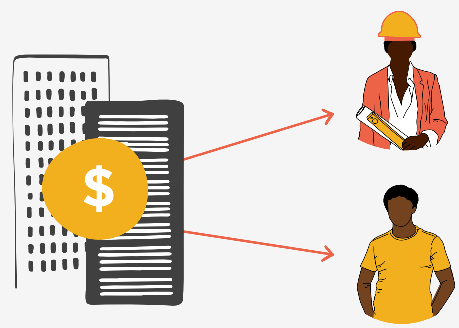
Each of these offer a range of increased access to autonomy and mobility, as well as employee control and engagement:

Employee Stock Ownership Plans (ESOPs)



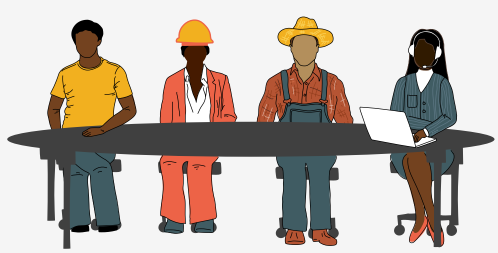
ESOP is the most commonly found form of employee ownership in the U.S. An ESOP is a retirement plan that is created to transfer shares of a company to a trust that is either partially or fully owned by the employees. Employees will receive the benefits once they retire, but the benefit of this model is that employees feel that they are working towards their own investment.

Employee Ownership Trusts (EOTs)



An EOT is similar to an ESOP, with the main difference being that ESOPs can be sold and acquired, with the employees losing their benefits. Employees have access to increased pay and benefits, but do not have tangible input in the strategic direction of the company.

Worker Cooperatives



A Worker Cooperative is a business owned and controlled by employee-owners who can elect to serve on the Board of Directors, promoting more democratic and equitable processes.

BENEFITS TO WORKERS

In most cases, employee ownership benefits everyone, including owners of businesses, employees, companies, and underserved communities.

SNAPSHOT OF BENEFITS

PROVIDE AN EXIT STRATEGY FOR OWNERS: Selling the business to employees can be a way to provide continuity and preserve the culture of the business while providing stable, long-term solutions to leadership transitions.

JOB RETENTION: Employee shareowners are six times less likely to be laid off and in fact may help to stabilize communities by maintaining employment and expanding consumer purchasing power; during the COVID-19 pandemic, employee owned companies reported the lowest levels of job loss—11% amongst worker cooperatives (Hoover, 2020).

INCOME STABILITY: Employees are also up to five times more likely to have another retirement plan, and a recent study also finds that workers participating in an ESOP hold more than twice the average total retirement balance of Americans nationally.

EMPLOYEE PARTICIPATION: workers/members can participate in decisions affecting their work including pay scales, scheduling/hours, and health and safety conditions.

PROVIDE TAX BENEFITS TO THE COLLECTIVE AND INDIVIDUAL MEMBERS: Certain employee ownership structures qualify for tax benefits, which can be substantial.

KEY INDUSTRIES AND STAKEHOLDERS

According to a 2018 report from the Economic Policy Institute, labor income for the bottom 90% of Americans as a share of all market-based income shrunk by 11 percentage points between 1979 and 2015 (Bivens, 2018). And yet every year, millions of Americans benefit from employee ownership and broad-based profit-sharing plans that ensure workers receive a share of the wealth that they help create.

The overwhelmingly positive benefits of this model has garnered an array of supporters from city and state policymakers across ideological divides—from the conservative strongholds of Iowa and Nebraska to the progressive bastions of Berkeley, California, and Newark, New Jersey—are increasingly adopting policies to support and expand the use of employee ownership and broad-based profit-sharing (Yassi, 2019). For example, the New York City Council made one of the largest pledges of government support in history, investing $1.2M in the NYC Worker Cooperative Business Development Initiative in 2014, a definitive nod of support to the 5,000 workers in the U.S. participating in the worker cooperative model (NWC, 2016). With continued support from the De Blasio Administration, New York City invested more than $15M to accelerate the increase of cooperative small businesses to create employee ownership strategies for its business sector (custodial, childcare, and eldercare). Currently, more than 90% of worker-owned businesses in New York City are led by people of color. Subsequent support from New York State aided the highest net growth in national worker cooperatives between 2017 and 2018.

Male-dominated fields such as real estate (business development, construction) and manufacturing (warehousing, steel, computers/electronics, heavy machinery), overwhelmingly support the employee ownership model. In recent years, the tech industry has reserved ownership options for its top-tier talent (declining by 70% from 2002 to 2010), which represents a very small, often White group of workers (Blasi, 2019).

IMPACT ON MOBILITY AND EQUITY

The factors that contribute to racial and gender wealth gaps, including lower levels of retirement savings, lower levels of business and financial assets, and lower job quality (as reflected in pay, benefits levels, and worker voice) can be addressed through the employee ownership models and is frequently championed by social justice labor advocates. “The business, economic and human case for an expansion of employee ownership, specifically for Black and Brown workers, is hard to overstate,” write Philip Reeves and Todd Leverette, in Impact Alpha, an online publication covering the world of impact investing. Reeves and Leverette are partners at Apis & Heritage Capital, an investment firm incubated by the Democracy at Work Institute to facilitate an increase in employee-led buyouts through the Legacy Business Initiative that focuses on expanding business ownership as a means to build wealth for workers of color.

Pre-COVID-19, U.S. ESOPs held nearly $1.4 trillion in plan assets, with the average employee ownership stake at over $130,000. Research indicates that for marginalized and low-wage workers, ownership stakes significantly increase household wealth: "On average, employee owners making less than $30,000 have 17% greater median household net worth and 22% higher median income from wages than their non-owner peers" (Khan, 2020). Unlike traditional employment models, these benefits extend to entry-level workers in companies governed by employee owned models where pay is nearly double the minimum wage, with increased long-term earnings for workers when including profit-sharing benefits. Furthermore, the distribution of revenue across membership each year averages $190,890 and $8,000 per worker participating in the worker cooperative model (Palmer, 2019).

> *On average, employee owners making less than $30,000 have 17% greater median household net worth and 22% higher median income from wages than their non-owner peers.*

While employee share ownership can play an important role in narrowing wealth disparities, workers of color are not yet reaping the same benefits as White workers. For example, a recent study of the dollar value of employee shared ownership revealed that Black workers only hold 61% (i.e. approximately $12,000 in wealth) of the dollar value of White non-Latinx workers. Comparatively, just less than 11% of Latinx workers participate in sharing programs, holding a median wealth level of less than $10,000, and approximately 17% of Black workers participate in sharing programs, holding a median wealth level of less than $7,000. Furthermore, 22.4% of all White adult workers participate in some kind of employee share ownership program nationally, while only 14.3% of Black and 17.3% of Latinx adult workers do.

An analysis of the workforce by gender revealed that only 16% of workers participating in any form of employee ownership models are women, of which 10% identify as Black and/or Latinx (Weissbourd, 2021). The low participation of women can be linked to the male-dominated fields, such as real estate and manufacturing, that have overwhelmingly adopted the employee owned model framework. In order to ensure that these programs' benefits are broadly shared, state and local policymakers must do more to expand the use of profit-sharing, as well as think through how to target underserved populations of workers that would benefit the most from sharing programs.

IMPACT OF COVID-19 ON EMPLOYEE OWNERSHIP

Significant job loss in the small business sector is a foregone conclusion in a recession and global health pandemic. The business, economic, and human case for an expansion of the employee ownership model, specifically for Black and Brown workers, is hard to overstate. Local and regional governments have a unique opportunity to double down on their support for small businesses in their adaptation of employee ownership frameworks, significantly reducing the impact of COVID-19 on their communities and shortening the road to recovery.

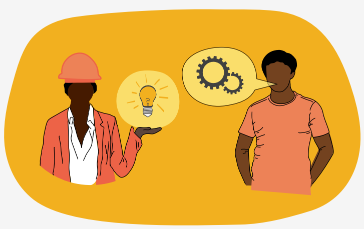
Employee ownership and broad-based profit-sharing programs can help to ensure that workers are rewarded for the wealth they help create, to close racial wealth disparities, and to strengthen local economies. While less than half of working Americans benefit from these sorts of sharing plans, state and local policymakers should continue to support their growth—even in uncertain times. For example, when worker cooperatives throughout the U.S. were surveyed about the impact of COVID-19 on their small businesses, the results showed that cooperative businesses were able to retain 68% of their workforce, while reducing/furloughing just 29% of their workers (Hamilton, 2020), compared to non-employee owned businesses who laid off 40% of their workforce during the first six months of COVID-19 (BLS, 2020).

Cities across the U.S. are taking note of the positive effects of employee ownership models on local economies. As of 2021, Berkeley, Boston, Miami, Minneapolis, Madison, and Philadelphia have all funded technical assistance related to employee ownership. Los Angeles is partnering with local providers to use workforce development funds for feasibility studies to save jobs via employee owned business models. Community wealth building groups from Cleveland to Rochester are designing systems-level interventions that include an employee ownership framework (Hoover, 2021).

Worker-Driven Social Responsibility

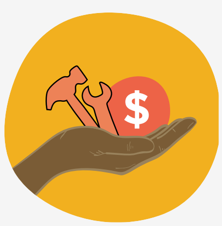
While the debate on the best pathway to economic mobility continues, one proven avenue is the Worker-driven Social Responsibility model (WSR). This model proves that in order to achieve meaningful and lasting improvements, human rights protections in corporate supply chains must be worker-driven, enforcement-focused, and based on legally binding commitments that assign responsibility for improving the working conditions of workers at the bottom of the supply chain to the global corporations at the top.

The success of WSR programs are rooted in the following six principles:



1. LABOR RIGHTS INITIATIVES MUST BE WORKER-DRIVEN

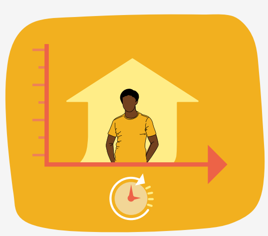
2. OBLIGATIONS FOR GLOBAL CORPORATIONS MUST BE BINDING AND ENFORCEABLE



3. BUYERS MUST AFFORD SUPPLIERS THE FINANCIAL INCENTIVE AND CAPACITY TO COMPLY

4. CONSEQUENCES FOR NON-COMPLIANT SUPPLIERS MUST BE MANDATORY

5. GAINS FOR WORKERS MUST BE MEASURABLE AND TIMELY



6. VERIFICATION OF WORKPLACE COMPLIANCE MUST BE RIGOROUS AND INDEPENDENT

WSR programs are a combination of change in corporate practices and strict worker-centered enforcement standards. They have been described as a "potent mix of proactive and reactive enforcement mechanisms" (Dias-Abbey, 2018) that outperforms corporate social responsibility programs and archaic local labor laws (Gladstone 2020). Corporate Social Responsibility (CSR) programs were designed as a loosely regulated, corporate-controlled, voluntary multi-billion dollar social auditing industry, which exists solely to address standard labor violations to the extent that it protects companies from reputational damage (Anner 2012). Without access to remedies, workers regularly face low wages, limited/no access to benefits, unsafe working conditions, and no access to mobility within the company.

Outside of the WSR model, 80% of farmworker women report having been sexually assaulted or harassed in a recent California survey; 94% of farmworkers that fall victim to labor human trafficking on H2-A visas have reported experiencing fraud; and 183 farmworkers died from work-related injuries in 2019. WSR programs have taken root in industries dominated by workers of color and have been proven to raise wages, transform day labor into permanent employment, and improve stable scheduling, all which are tied to mobility (Fair Food Standards Council, 2021).

SUCCESS AND BEYOND

Two of the most cited WSR programs, the Fair Food Program and the Milk with Dignity program, are being championed by workers, public policy experts, philanthropy, and the private sector as success models to replicate across supply chain industries.

Identifying the key to address historical imbalances of power for farmworkers, the Coalition of Immokalee Workers launched a new model and program to level the playing field and enforce farmworker's human rights through the Fair Food Program in 2001. The Fair Food Program, often referred to as the "best workplace-monitoring program"for low-wage workers, is a partnership between growers, workers, retailers, and consumers that continues to challenge some of the agricultural industry's barriers to economic mobility. This model allows farmworkers to earn historically high wages—25-30% higher than their counterparts in 2020—and use the power of the consumer through a worker-centered Code of Conduct to hold corporations accountable for the treatment of these workers (Greenhouse, 2014).

In 2017, the Milk with Dignity campaign was launched as a response to the exploitation of the dairy industry workforce that spans from 16-hour workdays without a day off to inhumane housing attached to cow barns, guaranteeing exposure to toxic fumes for approximately 1,500 immigrant workers and their families. Migrant Justice, a Vermont-based worker organization, has channeled over $825,000 toward expanding health benefits and safety improvements in the dairy industry, as determined by farmworkers through their WSR programming. Without the Milk with Dignity program, farmworkers are exempt from state minimum wage and are only guaranteed the stagnant federal minimum wage of $7.25—a difference of nearly $3.75 per hour (Milk with Dignity Standards Council, 2020). Although individually these are small changes, taken as a whole, these factors are and will continue to foment a less stressful environment that will likely lead to generations of healthier, thriving communities.

Emerging Models in the Gig Economy

For the past two decades, smartphone technological advances have changed the way in which employees interact with employers, often referred to as the gig economy. Currently, the gig economy is comprised of three actors: 1) the independent workers paid by the gig (i.e., a task or a project), as opposed to those workers who receive a salary or hourly wage; 2) the consumers who need a specific service, e.g. a ride to their next destination or a particular item delivered; and 3) the companies that connect the worker to the consumer in a direct manner, including app-based technology platforms. The goal of this system is to help workers identify quick, fast, and temporary jobs, while allowing employers to remain connected to an unlimited supply of cheap and eager temporary workers paid only for the specific job/task. While being super-connected via app-based technology platforms has expanded opportunities to non-traditional workers, the rise of the freelancer workforce is challenging policy makers to answer how to define labor, identify who labor advocates engage, and hold accountable the companies acting as a medium through which workers are connected to the consumer (Charlton, 2021).

BENEFITS TO WORKERS

With low barriers to entry and fewer limits on opportunities to earn income, this on-demand workforce has experienced the following benefits:

FLEXIBLE WORK: For individuals and families with complex or fluctuating needs, i.e. students, young families, and those with health problems, deciding when to work and how much to work can provide a less strict routine that adheres to the worker's lifestyle and self interests.

LOW COMMITMENT: Workers are paid for performing a particular job/service with no commitment to one company; it is very easy to leave and take up employment elsewhere if workers are not satisfied with wages, hours, and/or the employer relationship.

REMOTE WORKING: Workers have the freedom to travel around during the day, avoiding the restrictions of office life.

KEY INDUSTRIES AND STAKEHOLDERS

As noted above, in the gig economy there are three major stakeholders: technology platform companies, which offer direct transactions between consumers and providers; gig workers, who provide labor (usually a low-income and less-educated workforce) and/or goods (skilled workers who can command higher fees and tend to be more educated); and the consumers who ultimately engage with both the platform and gig workers in exchange for services/products.

Fueled by the difficulty of finding traditionally stable jobs in economically-deprived communities, independent workers of the gig economy now represent 30% of the U.S. workforce, up from 10% in 2005. Regionally, the South (27%) saw the largest growth in the number of self-employed individuals and the West (21%) saw the second-largest growth in independent workers between 2005 to 2015. Currently, 57M Americans engage in the gig economy. As workers continue to search for income opportunities and better work-life balance, economists expect an additional 2M gig workers in 2023. The industries with the highest percentage of gig economy workers are agriculture and mining, construction, finance, professional and business services, and other services (Gibson, 2021).

IMPLICATIONS ON EQUITY

One of the major tensions of the gig economy is the misclassification of workers and the subsequent immunity afforded to technological platforms, which exempts these employers from providing benefits and stable employment. The lack of minimum wage, overtime payment, employment insurance coverage, paid time off, employer contributions to retirement savings, and extended health and maternity benefits had led to profound economic insecurity on a local, regional, and national level (Chodosh, 2021).

In 2018, the Bureau of Labor Statistics released its own analysis on the effects of the gig economy, which asserted that the traditional model for jobs provided more long-term security/mobility for workers (BLS, 2018). Gig positions can last months or even years without turning into permanent jobs working directly for employers, which offer better pay and room for advancement. The largest category of alternative workers, independent contractors, are disproportionately in their mid-40s or older from vulnerable communities, who have been left out of the traditional workforce due to wage discrimination, layoffs, immigration status, and other health concerns that limit their ability to find stable employment. Furthermore, gig workers are disproportionately Black and Brown, meaning that policies enacted by gig companies affect those communities more (Chodosh, 2021). A 2015 Uber report, for example, found that 63% of its drivers are non-White, while a survey of delivery workers and rideshare drivers in San Francisco found that 80% of gig workers there are non-White (Benenson, 2015). This dynamic is mirrored across industries within the gig economy, including professional categories such as caregivers, finance, and other professional services.

California has often led the way in introducing legislation that is adopted elsewhere in the U.S. In 2019, California's Fair Work campaign successfully scored a notable legal win that paved the way for gig workers to get holiday and sick pay (Fisherman, 2019). Senator Elizabeth Warren, Senator Bernie Sanders and now-Vice President Kamala Harris supported the bill, which was also backed by California Governor Gavin Newsom. During the implementation of the gig worker law (AB5), policymakers saw fierce opposition from companies who poured $200M into a ballot measure known as Proposition 22, which allowed gig workers to opt out of benefits and remain independent contractors. In October 2020, the National Employment Law Project published a comprehensive fact sheet detailing why Proposition 22–the ballot measure co-written by Lyft that exempted it from following California labor laws–posed a "singular" threat to people of color (Partnership for Working Families, 2019). Ultimately, Proposition 22 was approved with 59% of the vote in November 2020 (Conger, 2021). Fresh off their victory, gig companies are busy extracting concessions from major labor unions that could codify and expand the set of legal exploits, loopholes, and violations we refer to as "the gig economy." Policymakers, government agencies, worker organizations, and activists are currently raising capital and repositioning themselves to repeal Proposition 22 (Eidelson, 2021). Given the legislative challenges of the gig economy, workers rights advocates are looking towards creating new worker owned models to respond to labor concerns in real time.

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IMPACT OF COVID-19 ON THE FUTURE OF WORK

The labor market implications of the pandemic have highlighted the disadvantages of relying on the gig economy without regulations and safety nets for workers. COVID-19's impact has been lopsided, reshuffling employment demands and causing historic long-term joblessness for vulnerable populations without access to stable employment.

SNAPSHOT OF THE DISPROPORTIONATE IMPACT

PATHWAYS FORWARD

The UCLA Labor Center and the SEIU-United Healthcare Workers West surveyed over 300 app-based workers in California to highlight the impact of COVID-19 and test their reactions to a relatively new worker ownership model. As previously stated, worker ownership models are not a new concept to the labor movement, but have yet to be implemented within the gig economy. The gig economy model necessitates cutting every cost possible, usually by externalizing them through misclassifying workers so they do not qualify for expensive benefits like a minimum wage or health insurance. The implementation of this structure would allow individual workers to band together in jointly-owned and democratically-controlled organizations that provide staffing services to gig companies—giving more collective bargaining power to vulnerable populations in lieu of regional and national legislation. UCLA and SEIU will pilot this model in 2022 and publish the results (Herrera, 2020).

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Worker Center Organizations Driving Impact

(all have 501c3s status or fiscal sponsorship)

Asian Pacific American Labor Alliance (APALA): the first and only national organization of Asian American and Pacific Islander (AAPI) workers; backed with strong support of the AFL-CIO, APALA has more than 20 chapters and pre-chapters and a national office in Washington, D.C.

EBASE (East Bay Alliance for a Sustainable Economy): this organization advances economic, racial, and social justice by building a just economy based on good jobs and healthy communities. It addresses the root causes of economic injustice by developing strategic alliances among community, labor, and people of faith to build power and create change with low-income workers and communities of color.

Immigrant Worker Center Collaborative: a Massachusetts-based worker center collaborative, it received a grant to partner with the Greater Boston Labor Council to focus on organizing immigrant sub-contracted workers into campaigns that expand labor standards and develop municipal policy campaigns for labor standards expansion and enforcement.

Labor Innovations of the 21st Center (LIFTFund): this fund is dedicated to supporting collaboration around new forms of worker organizing. Established in 2011 as a partnership between the AFL-CIO and philanthropic institutions, the LIFT Fund supports projects that lead the field and push the edges of how worker centers and labor unions collaborate to support worker organizing.

National Black Worker Center: a Black-led power building and worker's advocacy rights organization that trains Black worker activists to organize in their workplace/communities, provides analysis of the workforce systematically exploits Black workers, and launches regional and national campaigns to build collective bargaining power for Black workers.

New Orleans Worker Center for Racial Justice: a nonprofit organization dedicated to building worker power at the intersection of race, gender, and immigrant justice. It offers three flagship membership-based programs that support the Southeast region's Black and immigrant populations' leadership pipeline for hundreds of workers and families into public life and social movement participation through education, advocacy/organizing, and policy reform.

Warehouse Workers Resource Center: a 501(c)(3) nonprofit organization founded in 2011 dedicated to improving working conditions in the warehouse industry in Southern California and beyond. It focuses on education, advocacy, and action to change poor working conditions in the largest hub of warehousing in the country.

WSR-Network: The WSR Network was created to develop and implement a strategy to expand the WSR model into a range of sectors and regions. The Network's goal is to build understanding of the model among a wide range of relevant actors, provide support and resources for worker-led efforts to replicate the model, and shift the paradigm to establish the model as the baseline for workers' rights programs within global supply chains.

Employee Owned Model Groups and Nonprofits Driving Impact

1worker1vote: a national network of hybrid, shared ownership, regional and municipal ecosystems, starting with unionized worker-owned cooperative businesses to overcome structural inequalities of opportunity, mobility, and income. They believe that building pathways out of poverty leads to pathways toward prosperity.

The Democracy at Work Institute: the only national organization dedicated to building the field of worker cooperative development. It was created by the U.S. Federation of Worker Cooperatives (USFWC) to ensure that worker cooperative development in economically and socially marginalized communities is adequately supported, effective, and strategically directed.

Fifty by Fifty: An initiative of The Democracy Collaborative that aims to create a more inclusive economy through employee ownership. Their goal is to catalyze a movement with the knowledge, resources, and skills to grow the number of employee owners in the U.S. from 10 million to 50 million Americans by 2050.

Employee Ownership Foundation: a recognized 501(c)(3) organization whose goal is to help more individuals become employee ownership through education and partnerships with leading labor institutions.

Workers to Owners Collaborative: A national collaborative of organizations working to expand the worker cooperative model to reach communities most directly affected by social and economic inequality, specifically people of color, recent immigrants, and low-wage workforces.

Gig Worker Advocacy Groups and Nonprofits Driving Impact

Gig Workers Rising: a campaign launched in 2018 to support app-based workers who are organizing for better wages, working conditions, and respect on the job.

Gig Workers Collective: a nonprofit group, led by veteran organizer Vanessa Bain, will bring the time, resources, and focus to the fight for fair pay and better treatment for all gig economy workers, from Instacart shoppers to Lyft drivers.

The Gig Economy Data Hub: a joint venture between the Industrial & Labor Relations School at Cornell University and the Aspen Institute's Future of Work Initiative. It brings together (mostly large scale, quantitative) studies of the gig economy that have been done by other entities.

Mobile Workers Alliance: a group of gig workers across California who are fighting for fair wages, benefits, and a union through education, organizing, and policy campaigns.

One Fair Wage Emergency Fund Campaign: One Fair Wage is a national coalition, campaign and organization seeking to end all subminimum wages in the United States and increase the sustainability of wages and working conditions in the service sector. It played a pivotal role in the adaptation of the One Fair Wage for all workers policies in seven states.

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