



OPPORTUNITY AMERICA

LABOR AND EMPLOYMENT ISSUES THE SHARING ECONOMY

In January 2016, Opportunity America hosted a briefing in Washington on the labor and employment issues raised by the growth of the sharing economy. A panel of thinkers and stakeholders – a spokesperson from Lyft, a labor advocate, two policy experts – briefed employers and employer representatives from the old economy about recent proposals to provide employee benefits to contingent, independent workers at new-economy companies like Lyft, Uber and TaskRabbit. Opportunity America president Tamar Jacoby moderated the discussion.

MODERATOR Tamar Jacoby president, Opportunity America

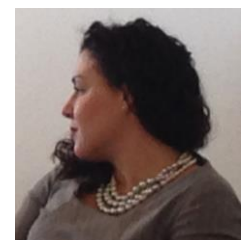


"Companies like Uber and Lyft have a different kind of relationship with workers, and this new way of doing things is going to affect labor and employment practices across the U.S. labor market . . . People who work in the sharing economy are drawn to it because of the freedom – being their own boss and setting their own schedules. But they also want stability and a safety net. The \$64,000 question: what should those benefits look like?"

"Several of your organizations have signed a proposal that would create what you call a 'portable' benefits fund. Part-time workers would be eligible for partial, pro-rated employee benefits. Employers would put money to cover those benefits into fund run by a third party. When the worker moves on to another company, that company too would contribute money into the fund. Then, 40 years later, when the worker retires, he or she could draw on the accumulated benefits."

Lauren Belive federal government relations manager, Lyft

"This is not just a discussion about the sharing economy. It's a discussion about a system that isn't working for a lot of people. Many millennials get a new job every year. Today's average graduate will have 40 jobs in their lifetime. These kinds of workers need a portable benefits system."





Saket Soni executive director, National Guestworker Alliance and New Orleans Workers' Center for Racial Justice

"The old compact between employers and workers doesn't apply in the sharing economy. Both employers and workers need a different solution. We think it's pro-rated benefits and an affordable safety net. That's an area where companies and worker advocates can find common ground."

Conor McKay director, Future of Work Initiative, Aspen Institute

"I work for an initiative that's bringing Democrats and Republicans together to think through these issues – a group spearheaded by Senator Mark Warner and former Governor Mitch Daniels The general feeling is that portable benefits are something both sides can agree upon. The stickier issues that nobody has been able to agree on are questions like who pays?"



Eli Lehrer president, R Street Institute



"What's in it for the employer? We need to provide an incentive for employers to participate in a portable benefits system. One way to do that would be to reverse the presumption about who is an employee and who is an independent contractor. As is, courts in many states put the burden on the employer to prove that the worker is an independent contractor. Employers who contribute to a portable benefits fund should not have to prove that. In their case, the burden should be on the worker – if workers want full employee benefits, they should have to prove they are employees."



Opportunity America is a Washington-based nonprofit promoting economic mobility – work, skills, careers, entrepreneurship and inclusion. The organization works to advance more equal opportunity by influencing policymakers at the state and federal levels and encouraging engagement by civil society, including employers.