

Flexibility to meet the needs of workers and consumers in the 21st century

Background

Even before the COVID-19 pandemic, the 21st century demanded a more flexible jobs market to help workers and businesses adjust to technological changes and shifting consumer preferences. Already over <u>36 percent</u> of the workforce does some freelancing, accounting for \$1.3 trillion in earnings in 2020. The COVID-19 pandemic and related government actions have accelerated the need for Congress to clear the way for people to pursue work that fits their skills and lifestyle; businesses to adjust to shifting worker and consumer demands amid supply chain disruptions; and for our country to emerge with a more robust economy that works for everyone.

The <u>unemployment</u> rate has recovered some from a pandemic high in 2020, but labor force participation is significantly lagging, as many have left the workforce. Surveys during the pandemic consistently indicate that workers are demanding increased flexibility to <u>work remotely</u>, control their work hours, and pursue <u>self-employment</u>. As workers and businesses face government barriers to new solutions, now is the time to advance policies that embrace rather than hinder the flexibility Americans seek.

Policy Solutions

Workers and their families have the right to more choice and flexibility, both in pursuit of independent work and traditional employment through greater contract freedom. Pro-worker reforms will help drive 21st century economic opportunity including several current bills in Congress right now:

- The Modern Worker Empowerment Act (<u>S. 526/H.R. 1523</u>) by Sen. Tim Scott and Rep. Elise Stefanik. Adopts a common law independent contractor test across the federal government, providing a consistent policy allowing self-employment.
- The Working Families Flexibility Act (<u>S. 247/H.R. 1980</u>) by Sen. Mike Lee and Rep. Mary Miller to give workers the flexibility to accumulate paid leave in lieu of overtime pay through employers.
- The Save Local Business Act (<u>S. 1636/H.R. 3185</u>) by Sens. Roger Marshall and Scott, Reps. James Comer and Virginia Foxx to ensure the federal joint employer standard protects rather than undermines small and local businesses using vendor and franchise models.

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