



NYIC 2015 New York City Policy & Budget Priorities

Protect Low-Wage Workers

Recommendation

Protect all low wage workers who contribute to New York City's economy and social fabric.

- **Invest \$2M to Day Laborer Centers.** The City Council and the Mayor should include \$2 million in the final budget to support expansion and development of Day Laborer Centers through the Day Laborer Workforce Initiative.
- **Pass the Responsible Construction Contractor Licensing Act.** The City Council and the Mayor should pass the Responsible Construction Contractor Licensing Act to curb unlicensed contractors and prohibit the licensing of contractors who fail to pay judgments against them for wage theft violations.

History

- **In 2015:** City Council invests \$500,000 in the FY16 budget to support the expansion and development of Day Laborer Centers across the five boroughs.

Community Need and Background

In New York City, low-wage workers lose an estimated \$18.4 million per week, with the average worker cheated out of almost 15% of what the worker should have been paid. Low-wage workers in the underground economy in particular also face pervasive workforce hazards, lack of access to workforce development training and lack of infrastructure. One of the most problematic industries is the construction industry, which alone accounts for one third of the unpaid wage theft judgments won by low-wage workers represented by not-for-profit legal service providers.

New York City must continue to invest in Day Laborer Centers that provide dignified, physical spaces for day laborers, and provide support through job referrals, wage theft legal clinics, referral to critical services, and workplace development. In addition, the City should pass legislation that requires more construction contractors to be licensed and ensures that licenses are not granted to contractors who commit wage theft, create dangerous working conditions and violate other important labor laws.

Opportunity and Talking Points

In FY16, Day Laborer Centers:

Will support the inclusion of 1,000 more day laborers, granting them access to five services: 1) Job Referrals, 2) Wage Theft Legal Clinics 3) Know Your Rights Trainings 4) Referral Services to Critical Services 5) Workforce Development.

Responsible Construction Contractor Licensing Act will benefit workers, consumers and law abiding contractors:

- Benefit workers by reducing the incidence of wage theft and safety violations in the construction industry. By restricting licenses to contractors who don't commit wage theft or operate unsafe worksites, fewer workers will be employed by likely violators.
- Greater transparency about contractors' labor law compliance will make it harder for bad contractors to hire workers, will help consumers get more information about the contractors they might hire, and will even help general contractors ensure that they are hiring subcontractors who will pay their workers and operate a safe worksite.
- Benefit contractors that comply with the labor law, and that hire union labor, but who are presently undercut by contractors that cheat their workers and skimp on safety precautions.
- By requiring license applicants to self-report and alerting them to the importance of labor law compliance, applicants will become better informed about their obligations and will be more likely to comply.

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