



Workers' Boards: Frequently Asked Questions

By Kate Andrias, David Madland, and Malkie Wall

What is a workers' board?

A workers' board—also known as a wage board or industry committee—is a governmental body that sets minimum wage rates, benefits, and workplace standards for an entire occupation, sector, or industry. In order to ensure that those standards meet the needs of a range of stakeholders, the board includes representatives of workers and employers and enables public participation.

What does a workers' board do?

Workers' boards investigate challenges facing workers in a particular sector and make recommendations regarding minimum wage rates, benefits, and workplace standards. Boards can also set scheduling requirements, paid leave policies, training standards, and portable benefit contribution rates. As part of their operations, boards conduct hearings and outreach activities as well as issue reports on their findings.

Why is a workers' board necessary?

American workers today face stagnant wages, soaring income inequality, and persistent racial and gender pay gaps. Even as overall economic productivity grew by roughly 70 percent over the past 40 years, hourly pay rose by a meager 12 percent.¹ Incomes for those at the top have skyrocketed over that same period, while real wages have barely budged for many workers, especially those with below-average earnings.² Women, as well as Black and Hispanic workers, make significantly less than white men.³ Workers boards' have the ability to help address these challenges by raising wages and standardizing compensation.

Who can benefit from a workers' board?

Most workers, as well as high-road firms, could gain from a workers' board. Because workers' boards can set standards across an entire sector, all workers in the industry, occupation, or region can benefit. Workers' boards can also set standards above the legislated minimum wage and develop wage scales to account for greater skills and experience, which means that boards are able to increase compensation for both low- and middle-income earners. By helping standardize compensation, workers' boards can also limit opportunities for discrimination, thereby helping close pay gaps faced by women and people of color. In addition, because workers' boards



For more information, see also:

["A How-To Guide for State and Local Workers' Boards"](#) and ["Workers' Boards: A Brief Overview"](#).

promote similar pay for similar work, they encourage firms to compete based on productivity rather than low compensation and ensure that high-road firms that provide good wages and benefits are not undercut by low-road companies.

Many employees already have the right to join a union and collectively bargain under the National Labor Relations Act. Why would you need a workers' board on top of that?

Boards are particularly helpful in industries with low union density and where traditional collective bargaining is unusually difficult. Although the National Labor Relations Act (NLRA) grants employees the right to organize and join unions, decades of attacks from corporations and right-wing politicians have severely weakened unions' ability to bargain on behalf of workers.⁴ Today, just 6 percent of private sector workers are unionized,⁵ and several occupations—such as domestic workers and agricultural laborers as well as independent contractors—remain entirely excluded from federal labor law protections. Furthermore, contemporary firms increasingly outsource jobs in ways that make it difficult for workers to engage in the type of traditional worksite-level bargaining that the NLRA protects.⁶ Most reforms to promote unions and collective bargaining require federal policy changes, but states and many local governments have the authority to enact workers' boards and help ensure that workers in sectors and occupations with low density and barriers to unionization are still covered by high standards.

Why not just raise the minimum wage?

A workers' board complements a minimum wage floor. Raising the statutory minimum wage is a crucial policy for increasing wages at the bottom end of the wage spectrum. The real value of the federal minimum wage has eroded by 31 percent since its peak in 1968 and by 17 percent in the past decade alone.⁷ The Economic Policy Institute estimates that nearly 40 million workers would directly or indirectly benefit by raising the minimum wage to \$15 an hour.⁸ A workers' board increases compensation for low-income workers as well as those with more middle-class incomes, therefore working in tandem with increases in the minimum wage. Indeed, when the economist Arindrajit Dube simulated the effects of wage boards, he found that “wage boards are much better positioned to deliver gains to middle-wage jobs than a single minimum pay standard.”⁹ Workers' boards can also set additional standards such as for fair schedules and paid leave.

Do workers' board recommendations immediately become law?

Workers' board recommendations are reviewed by a government body and may be subject to public comment. While board decisions are not immediately binding, their recommendations carry significant weight. In cases where the government chooses to reject board recommendations, their reasoning for doing so should be provided. Board recommendations must also be consistent with statutory standards.

How can workers' boards be used to build worker power?

Wherever possible, workers' boards should encourage worker participation in the decision-making process. By designing a representative process for selecting membership, providing workers a right to participate, mandating release time, and incorporating public hearings and notifications, boards can ensure that worker voices are heard and that decisions are in the best interest of the public. Authorizing laws should also support worker organizations by ensuring that these organizations can access and educate workers about their rights and opportunities to testify on work conditions and by providing funding for them to help ensure compliance with board decisions as co-enforcers.

Where have workers' boards been adopted?

Several states have laws that allow for workers' boards, including California, New Jersey, and New York.¹⁰ Recently, there has been renewed interest in utilizing and expanding these types of boards. In 2015, New York used a wage board to raise the fast-food industry minimum wage to \$15 an hour,¹¹ and in 2018, Seattle created a workers' board for domestic workers.¹² This past year, the New York Legislature passed legislation granting farm laborers collective bargaining rights and establishing a farm laborer wage board.¹³ A growing number of states, including Washington and Oregon, and cities are considering similar proposals.¹⁴

Kate Andrias is a professor of law at the University of Michigan. David Madland is a senior fellow and the senior adviser to the American Worker Project at the Center for American Progress. Malkie Wall is a research assistant for Economic Policy at the Center.

Endnotes

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- 2 Elise Gould, “State of Working America Wages 2018” (Washington: Economic Policy Institute, 2019), available at <https://www.epi.org/publication/state-of-american-wages-2018/>.
- 3 Ibid.
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- 5 Barry Hirsch and David Macpherson, “Union Membership and Coverage Database from the CPS,” available at <http://unionstats.com> (last accessed November 2019).
- 6 Jess Forden, “Challenges for Workers in the Age of Fissured Jobs and Joint Employers” (New York: Roosevelt Institute, 2019), available at http://rooseveltinstitute.org/wp-content/uploads/2019/04/RI_Joint-employer_issue-brief_201904.pdf.
- 7 David Cooper, Elise Gould, and Ben Zipperer, “Low-wage workers are suffering from a decline in the real value of the federal minimum wage” (Washington: Economic Policy Institute, 2019), available at <https://www.epi.org/publication/labor-day-2019-minimum-wage/>.
- 8 David Cooper, “Raising the federal minimum wage to \$15 by 2024 would lift pay for nearly 40 million workers” (Washington: Economic Policy Institute, 2019), available at <https://www.epi.org/publication/raising-the-federal-minimum-wage-to-15-by-2024-would-lift-pay-for-nearly-40-million-workers/>.
- 9 Arindrajit Dube, “Using wage boards to raise pay” (Economists for Inclusive Prosperity, 2018), available at <https://econfip.org/wp-content/uploads/2019/02/4.Using-Wage-Boards-to-Raise-Pay.pdf>.
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