

Workers' Boards: A Brief Overview

By Kate Andrias, David Madland, and Malkie Wall

Too many American workers face stagnant wages, soaring economic inequality, and persistent racial and gender pay gaps. State and local policymakers can take action to address these challenges by establishing workers' boards. These governmental bodies bring together representatives of workers, employers, and the public to raise minimum wage rates, benefits, and workplace standards across entire occupations, sectors, and industries.

Workers' boards can be adopted in tandem with other policies—such as statutory minimum wages and paid leave policies—that raise basic standards for all workers. What distinguishes workers' boards is their ability to lift standards above legislated minimums and address industry-specific issues. They can also adjust standards to account for different levels of training and experience and involve workers and their organizations directly in governance decisions. These features allow workers' boards to raise pay for low- and middle-income earners. Indeed, simulations suggest that "wage boards are much better positioned to deliver gains to middle-wage jobs than a single minimum pay standard." Because workers' boards promote standardized compensation, they can help rein in pay discrimination against women and people of color. In addition, they level the playing field for high-road employers by ensuring that companies compete on the basis of productivity rather than by undercutting wages and benefits.

Workers' boards are particularly useful in the context of today's economy. Nationally, just <u>6 percent</u> of private sector workers are union members, and large firms increasingly <u>outsource employment</u> in ways that make it difficult for workers to engage in the type of traditional worksite-level bargaining protected by the National Labor Relations Act. Workers' boards can ensure that all workers, including those who are prevented from unionizing or who work in industries with significant barriers to collective bargaining, are covered by high standards and have a voice in the standards that govern their industry.

To ensure that workers have a real voice and that decisions are in the best interest of the public, board processes should ensure representative board membership, codify workers' right to participate, and require public hearings and notifications.

While workers' boards may be unfamiliar to many progressive policymakers, several states—including <u>California</u>, <u>New Jersey</u>, and <u>New York</u>—have long had laws allowing for similar boards. Several <u>cities</u> and <u>states</u> have expressed renewed interest in <u>utilizing</u> and <u>expanding</u> this strategy in recent years.



For more information, see also:

"A How-To Guide for State and Local Workers' Boards" and "Workers' Boards: Frequently Asked Questions".