



## What's at Stake

Today, **1 in 5 jobs in America** is held by an independent contractor. Over half of these workers say no amount of money could convince them to pursue traditional jobs instead.

Independent contractors value being their own boss. Flexible contract work is especially attractive to stay-at-home mothers, students, and those with health conditions that **inhibit them from working in a traditional setting**.

The Protecting the Right to Organize Act (PRO Act) would make sweeping changes to the National Labor Relations Act that would reclassify millions of independent contractors as employees, similar to California's AB 5 law. Proponents of the PRO Act argue that it protects workers' rights.

In reality, AB 5:

- **Kills workers' preferred flexible work arrangements.**
- Leaves businesses with less resources overall for wages and jobs.
- Causes layoffs when businesses cannot afford the high cost of reclassifying workers as employees.

The House-passed PRO Act would adopt this misguided policy at the federal level.

## Keeping Independent Contractors from Working

**Fifty-nine million Americans have worked as independent contractors.** Technology has greatly expanded the sharing economy including rideshares, deliveries, and tasks, but many workers across a wide variety of professions choose to work as contractors, including event planners, optometrists, artists, writers (freelancers), and so many more.

This work is not simply a last resort for individuals, many of them seek it and prefer it. For example, **75 percent of freelancers are working independently by choice.**

The PRO Act takes away this choice. For many, it would take their jobs and incomes away entirely.

Reclassifying workers as employees raises labor costs for businesses by an estimated **20-30 percent** and would cost an estimated an \$57 billion nationwide. Companies would reduce or eliminate their independent contractor workforce and may not expand their staff.

**The PRO Act like AB 5 is fundamentally bad policy that should be rejected.**

## Addressing Misperceptions

MISPERCEPTIONS	FACTS
<p><b>The PRO Act like AB 5 will improve gig workers' lives.</b></p>	<p>Independent contractors understand they are making a tradeoff: Traditional jobs generally offer better benefits and more stability, but contract work offers independence and flexibility. The PRO Act would take this choice away from workers and threaten their livelihoods.</p>
<p><b>The number of full-time workers hired to replace contractors will balance out the lost income for contract workers.</b></p>	<p>No. In California, companies are either hiring a much smaller number of full-time employees, reducing their independent contractor workforce, or outsourcing to other states.</p>
<p><b>If workers are unduly burdened by the PRO Act, they should simply seek an exemption from the law as Californians did from AB 5.</b></p>	<p>The PRO Act has no exemptions like AB 5. Even if it did, carving out protections for one's own work unfairly excludes those who do not have the money or clout to lobby for an exemption. All workers deserve the freedom to choose the best work arrangement for their situation.</p>