

Congressional Progressive Caucus

U.S. House of Representatives
Washington, D.C. 20515

July 24, 2014

The Honorable Barack Obama
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Obama:

The Congressional Progressive Caucus writes to recommend a *Good Jobs Executive Order*. The initiative would build on your recent executive order to raise the minimum wage to \$10.10 for federal contract workers. As a result of your leadership on fair wages and economic inequality, hundreds of thousands of workers will receive an overdue pay raise and fewer will rely on safety-net programs. More businesses will be able to compete for contracts on the basis of quality and efficiency rather than by paying low wages. Still, too many workers employed by federal contractors experience wage theft and lack standard workplace protections. The *Good Jobs Executive Order* would address these important aspects of job fairness.

Over the past thirty years, wages and benefits have stagnated or declined for most middle-class workers, as employers have increasingly resisted their efforts to achieve collective bargaining rights and union density has declined. At the same time, violations of workers' rights like wage theft, which includes off-the-clock work and non-payment of overtime, remain unaddressed.

These trends are prevalent in the federal contracting community. A recent Demos report found that many of the federal contracting jobs in the private sector provide poverty-level or lower-wage jobs that do not support a middle class living standard for workers and their families. Many of these jobs are held by women and people of color. A report by the Health, Education, Labor, and Pensions Committee of the United States Senate (HELP) found that 35 percent of the largest Department of Labor penalties for wage theft were levied against federal contractors. According to the report, more than \$500 billion government dollars go to companies that receive federal contracts each year. These companies employ around one-fifth of the entire American workforce or approximately 26 million workers.

One of the most effective ways to spur economic growth and build the middle class is to reform federal contracting policy. **The Congressional Progressive Caucus calls for a *Good Jobs Executive Order*** that includes the following provisions:

1. **Guaranteeing labor and employment law protections.** Identify and track violations of workers' legal protections to facilitate swift corrective action. Prevent law-breakers from

receiving federal contracts. Expand worker protections to the federally-supported workers that are currently exempt from existing workplace laws.

2. **Adopting a “Fair Compensation preference.”** Provide a preference in contracting decisions for employers that pay a living wage and a full benefits package, including a health care, paid sick and family leave, and fair work schedules.
3. **Respecting workers’ rights to negotiate.** Provide a preference in contracting decisions for employers that respect the right of their workers to collectively bargain for fair wages and working conditions without having to go on strike.

Anyone who works full time should make enough to meet their basic needs. A *Good Jobs Executive Order*, which could impact millions of workers, is a logical next step after raising the wage of federal contract workers to \$10.10 earlier this year. We urge you to adopt it as a centerpiece of your ongoing effort to grow and strengthen the middle class. We stand ready to work with you.

Sincerely,



Keith Ellison
Co Chair
Congressional Progressive Caucus



Raúl M. Grijalva
Co Chair
Congressional Progressive Caucus