Department of Labor: Memorandum to the American People

Secretary Thomas E. Perez

Cabinet Exit Memo **|** January 5, 2017

Introduction

To foster, promote, and develop the welfare of the wage earners, job seekers, and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights.

The Department of Labor's mission statement is never more urgent than in a time of economic crisis, like the one President Obama inherited when he took office in 2009. In the three months before his inauguration, the economy hemorrhaged roughly 2.3 million jobs. The U.S. auto industry was flat on its back and at risk of going under. A housing crisis was devastating families and communities. Among workers fortunate enough to keep their job, chances are they had not seen a meaningful raise in years.

The crisis touched everyone and devastated many. Katherine Hackett, a Connecticut mother of two soldiers, got a pink slip after a long career in the health care industry and found herself out of work for more than a year. She wore a winter coat around the house because she could not afford to turn the thermostat above 58 degrees. She told me that she felt a "poverty of spirit." But thanks to Katherine's grit and determination—and assistance from a workforce system that had kicked into high gear and enabled her to access training opportunities—she is now excelling in a new job.

The Administration has overseen a remarkable recovery, and millions of Americans like Katherine Hackett have successfully climbed out of the worst economic crisis in generations. The Labor Department is proud to have played a central role by making targeted investments in the American workforce and renewing our focus on addressing wage and safety violations that undermine shared prosperity.

But despite a strong recovery, too many people aren't yet able to share fully in the prosperity that they help create. Like the fast food worker I met in Detroit who had been evicted from her apartment and was sleeping in her car with her three kids. Like the baggage handler in New Jersey who described to me the pain he felt when he had to tell his son he couldn't afford to buy him a birthday present. Like the school bus driver in Connecticut who had to take her baby on her route because she didn't have paid family leave.

For the last eight years, the hardworking men and women at the Department of Labor have used the tools at our disposal to help these workers and others like them. Together, we have made great progress, but we also know there's more to do to push back on decades-long trends, and that the Department is well positioned to continue to pursue this important work after we have passed the baton.

Advancing Economic Security and Shared Prosperity

Much of our work at the Department of Labor is about fortifying the basic bargain of America—that if you work hard, you can make it. In the richest country on the planet, no one who works full time should live in poverty. Every person who works should be able to earn a decent living and plan for a secure retirement.

Getting Paid What You Earn

That's why the Department's Wage and Hour Division (WHD) has taken a more **strategic approach to enforcing** the laws that protect workers' wages, allocating resources in a smarter way and deploying investigators where they can make the most impact. Three-quarters of wage and hour investigations are now conducted in priority industries where workers are most likely to be cheated out of their wages and where they are least likely to speak up for themselves – these include the hotel and motel industry, agriculture, janitorial services, garment manufacturing and the restaurant industry.

As a result of our strategic enforcement efforts, since 2009, WHD has secured nearly **$1.6 billion in back wages for more than 1.7 million workers across the country.** In fiscal year 2015 alone, we helped more than 240,000 workers recoup nearly $247 million they had rightfully earned. That's an average of more than $1,000 per worker – real money that helps them put food on the table, pay rent, and care for their children.

Our strategic enforcement also extends to protecting the rights of misclassified workers – workers who are employees under the law but are incorrectly treated as independent contractors, and therefore often denied access to critical benefits and protections to which they are entitled, such as the minimum wage, overtime, job-protected family and medical leave, unemployment insurance, worker's compensation and safe workplaces. Misclassification enables some businesses to cut costs by skirting the law, but it hurts working people, businesses that play by the rules, and American taxpayers. Since 2009, we have been engaged in an initiative to combat misclassification, entering into partnerships with the IRS and 34 states to share information and coordinate enforcement. These collaborations are making a difference. In fiscal year 2015, WHD investigations of low-wage industries, where misclassification is prevalent, resulted in more than $74 million in back wages for more than 102,000 workers.

Raising Wages

In addition to its work to make sure workers receive the wages they are owed, **the Department has used its regulatory authority to boost wages and fortify the basic bargain in a number of contexts**. In recent decades, the erosion of overtime standards—a critical feature of the Fair Labor Standards Act (FLSA)—has undermined the economic stability of many white-collar workers. Because of the erosion of the salary threshold over time, an exception to overtime protections originally meant for certain executive, administrative and professional employees applied to workers earning as little as $23,660 a year. Whereas in 1975, 62 percent of full time salaried workers were eligible for overtime based on their pay, only seven percent were eligible in 2016. **So the Department of Labor took action aimed at extending overtime protections to more than four million white collar workers by raising the threshold to $47,476.** The new standard will ensure, for example, that a convenience store manager who earns an annual salary of $30,000 cannot be required to work 50 or 60 hours per week without receiving overtime pay. The new regulation is a critical step toward ensuring that the overtime regulations do what they were always intended to do, and only bona fide white collar employees are exempted from overtime and that hard-working Americans are compensated fairly.

In an aging society where more seniors and people with disabilities are choosing to age or live at home, direct care workers are more in-demand than ever. But until recently, these workers – 90 percent of them women and half of them women of color – had been left out of the American promise of a fair day's pay for a hard day's work. It undermines our basic bargain when an estimated 40 percent of home care workers rely on public assistance to make ends meet. In October 2013, the Department published the **Home Care Final Rule**, which extends minimum wage and overtime protections under FLSA to most home health care workers. The Final Rule gives nearly 2 million workers the same basic protections already provided to most U.S. workers – including those who perform the same jobs in nursing homes.

At President Obama's direction, the Department has also worked to improve workers' wages, spurring action at the federal, state and local level. In 2014, as Congress refused to take action to raise the federal minimum wage, the President called on us to **raise the minimum wage for hundreds of thousands of workers employed by federal contractors.** As a result of the executive order, the minimum wage for federal contractors is now $10.20. Since the President called for an increase in the minimum wage in 2013, **18 states have answered his call, with 29 states and the District of Columbia now having a higher wage than the federal minimum wage.** We have also taken action to **require contractors to provide workers with up to seven days of paid sick leave**.

In addition, we have increased efforts to protect employees of federal contractors from discrimination, including implementing new regulations to address LGBT discrimination and update protections against sex discrimination in all its forms, including compensation discrimination, sexual harassment, hostile work environments, failure to provide workplace accommodations for pregnant workers, and family caregiving discrimination. We have taken these actions because they not only help workers, but they improve the quality of the services the federal government receives from its contractors. Workers who earn fair wages and have access to paid leave have higher retention rates and are less likely to get their coworkers sick. This raises the quality of work provided to the federal government.

Equal Pay and Opportunity for All

Ensuring that everyone gets equal pay for equal work is not only a moral imperative, it's an economic one. With two critical executive actions, President Obama struck at the persistent wage gap between men and women, which harms workers and their families. In April 2014, he issued an executive order prohibiting federal contractors from retaliating against employees who choose to discuss their compensation. Also, in response, the Labor Department teamed up with the EEOC to add key compensation data to existing reports. This information provides DOL and EEOC with key information for identifying and targeting pay discrimination.

With an eye toward increasing job opportunities for people with disabilities and veterans, we also made the most significant updates in 40 years to the **regulations implementing Section 503 of the Rehabilitation Act of 1973** and the **Vietnam Era Veterans' Readjustment Assistance Act of 1974**. The rules set—for the first time ever—specific, aspirational goals and benchmarks for the employment of qualified workers with disabilities and protected groups of veterans.

A Secure and Dignified Retirement

True economic security goes beyond a good job that pays decent wages – it also requires a secure retirement and health care coverage. At the Department of Labor, we take very seriously our responsibility to **protect workers' hard-earned retirement savings and other employee benefits**. Since 2009, the Employee Benefits Security Administration has recovered **more than $1.7 billion affecting 696,403 plans and more than 188.7 million plan participants**. This includes payment of health and pension benefits that were wrongly denied, recovery of losses to health and pension plans as a result of fiduciary misconduct and crimes, the restoration of accounts that participants did not know they had, and other recoveries to plans and participant accounts. The Department has also played a key role in implementing the new protections of the Affordable Care Act, such as rules allowing children to stay on their parents' plan until age 26 and prohibiting plans from excluding coverage for pre-existing conditions.

In 2016, the Department took a historic step to protect the savings of America's workers – **the conflict of interest rule** makes sure that professionals providing retirement investment advice have to give advice that's in the best interest of their clients and not divert their clients' hard-earned income into their own pockets through hidden fees and conflicted advice. A White House Council of Economic Advisers analysis found that conflicted advice by financial advisers results in annual losses of approximately $17 billion each year for retirement savers.

The Department also put in place a rule that will help more American workers save for retirement in the first place by illustrating a path forward for **state-sponsored and certain municipal IRAs** that conform to certain provisions. Approximately one-third of America's workers don't have access to retirement savings vehicles through their employers, so this rule will enable states to find innovate ways to make saving for a secure retirement easier for more Americans.

Finally, the Department's Fiscal Year 2017 budget request contained several important proposals to enhance retirement security, including support for pilots to make retirement benefits more portable and reforms to make it easier for employers to create pooled 401(k) plans by lowering costs and burdens while maintaining important consumer protections. Finally, building on its budget request the Department also spurred innovation by issuing grants to organizations to identify or develop viable programs that would make retirement benefits more portable for vulnerable populations.

Looking to the Future: Building an Economy that Works for Everyone

We are proud of the incredible progress made over the course of this Administration. I can say, without reservation, that American workers are better off today than they were when President Obama took office. The private sector has created more than 15 million jobs since February 2010, wages are on the rise, and poverty is declining.

The foundation that we've laid under the President's leadership makes the time ripe for the kind of progress necessary to create an economy that truly works for everyone. That should always be our country's goal – going forward we must aim for a future where more people have access not just to jobs that let them get by, but to careers that enable them to grow and thrive; where they can earn family-sustaining wages, have the supports they need to care for their families, and save for their kids' college or retirement. We must aim for a future where people who work full time do not have to rely on public assistance to put dinner on the table. We must aim for a future where parents aren't forced to choose between a day's pay or caring for a sick child. This isn't just lofty rhetoric – there are concrete policy steps that we know we can take that will foster shared prosperity.

Workplace Policies that Support Families

First and foremost, Congress must **increase the federal minimum wage**. The current minimum wage of $7.25 is simply not enough to sustain an individual, not to mention a family; too many Americans work 40 or 50 hours each week and still need help from their local food pantry. Congress has repeatedly failed to respond to President Obama's call to action. It's time for them to stop their obstruction.

Similarly, Congress must act to address the sad reality that the United States is the only industrialized nation without a **federal paid-leave policy**. Today, more than 99 million private sector workers lack access to paid family leave, and more than 41 million lack access to paid sick leave. We are a nation that values hard work and family – our policies must reflect those values. New parents should not have to sacrifice the time to care for their newborn because they can't afford it. Children of aging parents shouldn't have to struggle to make ends meet because their support is needed at home. A worker shouldn't feel compelled to go to work sick because he can't afford to lose a day's pay. It's long past time for us to fix this. Congress should take action to enact federal paid leave policies. Fortunately, state and local governments have not waited for Congress to act on paid leave. Four states now have paid family leave policies, and five states and 31 local jurisdictions have paid sick leave policies. We have supported such efforts with several rounds of paid-leave analysis grants to help state and local officials examine the feasibility of establishing or expanding paid-leave policies.

While we wait for Congress to act, city and state governments should continue their progress in these areas, and voters should continue to exercise their voices in favor of higher wages and more supportive workplace policies, as voters in several states did this year.

We also must make the investments necessary for all families of young children to be able to access **quality, affordable child care**. President Obama has advanced budget proposals that would do just that, and the next administration should continue to push for these critical investments in our nation's families. Our workforce has changed dramatically in the last few decades, but our workplace policies have not kept pace. Too often, child care fails both the families that need it and the workers who provide it.

We cannot meet our full potential as a nation if we don't take steps to support working parents. Women's labor force participation in the United States lags behind other nations – we estimate that adopting policies that support working families would potentially add more than $500 billion annually to our GDP by drawing more women into the workforce.

Our response to an evolving workforce and economy must also look at ways to address **unfair scheduling practices** – for example, when workers have unpredictable schedules and receive little notice of their scheduled shifts. In response to concerns from workers and labor unions, some companies have changed scheduling policies to ensure predictability and certainty – and finding that stable schedules are better for their bottom line. But a person shouldn't have to win the boss lottery to have greater schedule security. The next administration and state and local policymakers should look for ways to address this challenge.

Overly restrictive licensing laws can reduce employment opportunities, reduce inter-State mobility for licensed workers, lower wages for excluded workers, and increase costs for consumers. More than a quarter of U.S. workers now require a license to do their jobs. The share of workers licensed has risen five-fold since the 1950s. Licensing can reduce total employment, and unlicensed workers earn roughly seven percent lower wages than licensed workers with similar levels of education, training, and experience. To address these issues, in July 2015, the White House, Department of Treasury, and the Department of Labor released a Report on Occupational Licensing that made the case for reform and sparked bipartisan interest and action among academics, the press, and state/local policymakers. Since the release of the White House report and recommendations, legislators in at least 11 states have proposed 15 reforms in line with the recommendations, and four state bills have passed. Additionally, given bipartisan support for this issue, DOL will soon award the first-ever federal funding for occupational licensing reform with an emphasis on making it easier for those with licenses to move across state lines.

Enforcement Matters

Laws and regulations are only as good as the will to resources devoted to enforcing them. The next administration and Congress must adequately fund DOL's enforcement agencies to ensure they have the tools necessary to make sure workers are receiving the wages they are owed, that they are kept safe and healthy at work, and that their retirement savings are protected.

Protecting our workers here at home must also involve **effective enforcement of our trade agreements** and **capacity building for our trading partners**. We must hold other nations accountable to the labor provisions to which they have agreed and ensure they have the capability to implement those provisions. Doing so protects workers abroad and ensures a level playing field for American workers.

Providing Workers the Skills to Compete for Jobs of Today and Tomorrow

Connecting Americans to the jobs of today and tomorrow has been at the heart of the Department's mission for decades. During the Obama Administration, we have made tremendous strides in ensuring that our skills and training programs are targeted, effective, and built to last. That's because we know that one of the surest paths to better, higher-wage jobs is investing in training and education for in-demand skills. Additionally, our ability as a nation to attract and keep good jobs here in the U.S. and grow our economy will be realized by tapping into the full potential of the American people.

Job-Driven Training

In the 2014 State of the Union Address, President Obama tasked Vice President Biden with overseeing a thorough review of our workforce development system with the aim of ensuring that these programs were preparing workers for in-demand jobs. The animating principle of this review was "**job-driven training**," validating the Administration's focus on industry and sector partnerships. These principles were inscribed into law with the overwhelmingly bipartisan Workforce Innovation and Opportunity Act (WIOA), the largest overhaul of our workforce system in more than 15 years. Under WIOA, the Department was able to better align core workforce development programs, which help approximately 20 million people each year look for work, train for in-demand careers, and connect with local employers ready to hire.

In 2016, DOL and the Department of Education released the WIOA rule that – for the first time since the enactment of the Workforce Investment Act – requires that any funded training program report employment outcomes for all participants. Additionally, to ensure that this information is easily accessible for students rather than sitting unused in federal or state databases, we are creating a standardized format – or scorecard—for training providers receiving federal funding to report their outcomes and useful ways for this data to be displayed and disseminated. When fully implemented, this requirement will mean that workers choosing among different training programs that receive WIOA funding will be able to easily compare them on criteria that matter, like how much the program costs, the percentage of participants who actually complete the program, and the average earnings of participants.

Additionally, the launch of the Workforce Data Initiative made accessible a new combination of federal, local, and private sector datasets on training, skills, jobs, and wages to enable a new ecosystem of products and services for job seekers, employers, government programs, and recruitment platforms. A set of private sector tech companies already used this "Skills API" to build new digital products as part of the Opportunity Project, an initiative that spurs the development of digital tools that use federal and local open data to increase access to Opportunity in communities around the country.

Strengthening Apprenticeship

One of the most important workforce tools is the **apprenticeship**, a tried-and-true model for punching one's ticket to the middle class. The United States has historically underinvested in this earn-while-you-learn model to our disadvantage. In 2014, President Obama issued a challenge to double the number of apprentices in registered apprenticeship programs within five years. Since then, the nation has seen the largest increase in apprenticeships in a decade, adding more than 125,000 new apprentices. More than 500,000 people are now experiencing this proven training method in more zip codes and in more industries.

This growth was the result of a concerted effort by the Department to leverage every available resource to rethink what modern apprenticeship in America could be and who would benefit. In 2015, the Department made an **$175 million investment in grants to 46 public-private partnerships to build on the centuries-old foundation and expand apprenticeship to new industries** like healthcare, information technology, and advanced manufacturing, while also reaching traditionally underserved communities to add approximately 34,000 new apprenticeships. The Department launched and expanded ApprenticeshipUSA LEADERs, a campaign to recruit industry leaders – now 181 members strong -- to promote the apprenticeship model with other firms and help build a national movement.

In 2016, the Administration built on this progress and took another step to increase access to apprenticeship—using $90 million provided by Congress for new investments through ApprenticeshipUSA to help states **strengthen regional industry partnerships, spur partnerships in fast-growing and high-tech industries, and increase diversity among apprentices**. These efforts have shored up the foundation for the rapid and sustained expansion of quality apprenticeship nationwide.

Because it's not an either/or choice when it comes to apprenticeship and college, we established the Registered Apprenticeship College Consortium (RACC), making it easier for apprentices to earn college credit for their work, and to take these credits with them to any other participating college where they can be applied towards an associates, bachelors, or advanced degree. To date, the RACC has expanded to more than 253 colleges and 975 training programs.

Investments in Key Occupations

The Department doubled down on expanding funding and support for training in in-demand occupations such as technology. Over half a million job openings are in information technology fields like software development, network administration, and cybersecurity - many of which did not even exist just a decade ago. The average salary in a job that requires information technology (IT) skills – whether in manufacturing, advertising, retail or banking – is 50 percent higher than the average private-sector American job.

The Department also used the job-driven training principles to invest **more than $1 billion in grants to partnerships designed to address specific, demonstrated workforce needs**. This included $150 million in "TechHire Partnership grants" for 39 programs in 25 states and Washington, D.C. to support innovative ways to get workers on the fastest paths to well-paying information technology and high-growth jobs in in-demand sectors like healthcare, advanced manufacturing, and financial services. TechHire launched in March 2015, catalyzing cities, states, and rural areas to partner with employers to design and implement new approaches like coding boot camps to train workers for well-paying tech jobs, often in just a few months. TechHire has grown to more than 70 communities, and nearly 4,000 people have been placed into jobs paying well above the average private-sector median wage. Going forward, Opportunity@Work in partnership with the Department of Education will carry forward TechHire, working closely with local champions around the country.

Targeting Resources to Maximize Populations Served

In January 2014, long-term unemployment was at historic levels—the long-term unemployed made up nearly 40 percent of the total unemployed population. To address this problem, in January 2014, President Obama launched the "Ready to Work" initiative with a three-part call to action – to employers, to communities across the country, and to federal agencies – to help Americans who are ready to work find jobs, and to help more of the long-term unemployed get back to work. In response, **the Department of Labor awarded approximately $170 million to 23 innovative partnerships to get the long-term unemployed back to work in 21 states**. So far, these grants have reached about 5,000 long-term unemployed individuals.

We have also focused our efforts to help those for whom opportunity has been elusive, including people with disabilities, veterans, disconnected youth, people who have been involved in the criminal justice system, and parents who struggle to balance taking care of their children with getting the training they need to secure their family's place in the middle class. Taking lessons learned from state and local government, the Department invested more than $15 million in Linking to Employment Activities Pre-Release, or LEAP grants, to 31 partnerships across the country. The promising new approach brings the services offered at some of the nation's 2,500 American Job Centers "behind the fence" to work hand in hand with services offered by correctional facilities to help soon-to-be-released inmates transition to working life in their communities. In addition, the Department's Disability Employment Initiative, veterans' Veterans' Employment and Training Services, Re-entry Employment Opportunities program, and Strengthening Working Families Initiative have provided education and career services to those who may otherwise have been left out

Supporting Institutional Resources

To strengthen institutional resources for workers, the Department has invested in our nation's **community colleges**, which meet workers where they are, empowering adult learners with the tools they need to succeed in the workforce. In 2011, we awarded the first round of funding for the Trade Adjustment Assistance Community College and Career Training grant program, or TAACCCT. Over four years, it became a **nearly $2 billion investment to help community colleges partner with employers in their communities** to build instructional programs that would meet the workforce needs of a growing economy.

To date, TAACCCT grants have reached more than 700 community colleges, helping to update and improve their training infrastructure, and developing or enhancing more than 2,500 new programs of study. As a result, 300,000 participants have earned an estimated 160,000 credentials. In addition to driving long-term systems changes in states across the country, the grants also created the largest library of open education resources (OER) in the country through a requirement that all funded materials be provided for re-use online free of charge. The resulting SkillsCommons currently includes more than 6,000 resources in 16 high-demand fields, which have been downloaded, adapted, and reused more than 100,000 times.

Looking to the Future: Expanding Opportunity in the 21st Century

Bipartisan collaboration in many of these areas provides tremendous opportunities. Apprenticeship enjoys remarkable support in and out of Washington, D.C., and we've seen a diverse set of states invest in innovative apprenticeship programs that demonstrate best practices for the future. Legislators on both sides of the aisle have supported our re-entry programs, because they are a win-win-win. They help people put their lives back together and reintegrate in their communities, give employers greater access to skilled workers, and reduce recidivism.

We must continue to work together toward our shared goal: a workforce investment system that, regardless of a person's zip code or circumstances, helps citizens acquire the skills they need to get good jobs and climb career ladders.

Moving forward, we must use the framework of WIOA to continue to **coordinate efforts** of key workforce partners—business leaders, workforce boards, labor unions, community colleges, nonprofits and state and local officials— and to **implode stovepipes** that inhibit coordination of the federal agencies that serve workers. One key aspect of this coordination must be a continued focus on measuring worker outcomes, sharing those outcomes with individuals choosing among training programs, and using outcomes to drive policy and funding decisions at the federal, state, and local levels. These efforts are essential to maintaining a more job-driven approach to training and skills development. Working across government to build on WIOA's performance accountability in training programs ensures consumers can get information about programs that work, and gives taxpayers the confidence that they are getting the best services for their money.

It is likewise critical to continue to **engage the business community** in the design of all our programs. We can't help people get jobs unless we are talking to the job-creators. We have to make sure training is aligned with the labor needs of businesses. No more "train and pray" – when you train people to make widgets and then pray that someone out there is hiring widget-makers. Getting employers on board is how we build a workforce system that fires on all cylinders.

Finally, we must also recognize that without adequate resources, many workers who need training, re-training, or apprenticeship opportunities to move into a career that can support their families will be left out of our increasingly competitive economy. Providing adequate funding for workforce training and apprenticeship is key to ensuring that our nation's workers have the skills they need to succeed.

A Safe, Healthy Workforce

Workplace injuries and illnesses can have a devastating effect on workers and their families. They can force families out of the middle class and into poverty, or crush a family's hope of entering the middle class. All workers deserve to return to their families at the end of the workday safe and secure.

Before the Occupational Safety and Health Administration (OSHA) was created in 1971, an estimated 14,000 workers were killed on the job each year, or about 38 workers every day. Today, with a national workforce almost twice as large, that number has fallen by nearly two-thirds. In addition, 2015 saw a significant drop in the rate of workplace injuries and illnesses.

OSHA is a small agency relative to the scope of its mandate, with about one compliance officer for every 62,000 workers − even when state partners are included. During the Obama Administration, OSHA changed the way it measures the impact and scope of its enforcement decisions to more effectively target resources to ensure that workers are protected from the most critical hazards. The agency also developed a **special enforcement program** to focus on violators who demonstrate indifference to their legal responsibilities, as well as increasing the use of **corporate-wide settlement agreements**. Finally, the agency engaged employers to adopt **robust safety and health management programs** to mitigate hazards before workers are harmed in the first place.

Protecting America’s Miners

Following the worst coal mining disaster in decades at Upper Big Branch in West Virginia that killed 29 miners, the Mine Safety and Health Administration also took steps to strategically deploy all of its enforcement tools to make clear that it would no longer tolerate business as usual. Reforms to the **Pattern of Violations** program led to a 40 percent reduction in violations by the top 200 mines cited for the most serious violations between 2010 and 2015. And **special impact inspections** have led to improved and sustained compliance, with the most serious violations dropping by 41 percent since the program began in 2010.

As a result of one of the most far-reaching accident investigations in the agency’s history, MSHA uncovered that Massey Energy, then the owner of Upper Big Branch, promoted and enforced a workplace culture that valued production and profit over safety, and put miners’ lives at risk. MSHA’s investigation led to the successful criminal prosecution of Massey’s chief executive Don Blankenship.

MSHA’s efforts are paying off for miners. Since 2009, mining deaths have been at their lowest recorded levels in six out of seven years. **Fatalities were at their lowest levels ever in 2015.**

Taking Steps toward Safer Workplaces

The Department also published several rules aimed at making work safer. Earlier this year, 78 years after Secretary Frances Perkins launched the Stop Silicosis campaign, we published OSHA’s final **Silica Rule**, a standard that we estimate will save more than 600 lives a year and protect the health of thousands of others. Crystalline silica dust particles are hazardous when workers breathe them in, resulting in silicosis, lung cancer, chronic obstructive pulmonary disease, or even kidney disease.

Coal dust has likewise killed or contributed to the deaths of more than 76,000 coal miners since 1968. In 2014, we published a final **Coal Mine Dust Rule** that will save miners’ lives by limiting their exposure to respirable dust in all coal mines. The evidence suggests extraordinary compliance with the rule, even with new, more stringent requirements for taking samples of the air that miners breathe. Over the first full year of the respirable dust rule, nearly 99 percent of 61,000 air samples taken in coal mines by operators and by MSHA were in compliance.

Looking to the Future: Rejecting the False Choice of Profits or Safety

We’re working hard to make sure that no one has to sacrifice their life for their livelihood. All workers deserve basic protections on the job that give them the chance to enjoy decent health and quality of life for years to come. Going forward, we need to push back against the notion that some jobs are inherently dangerous, that workplace injuries in some circumstances are unavoidable. They’re not. As workplaces and the technologies they use continue to evolve, so too must our safety and health practices.

Workers’ Compensation

Where injuries do occur, they should never lead to poverty. But because many states have chipped away at the workers’ compensation system, too often that’s exactly what happens. **The**

promise of workers' compensation must be restored, not only to preserve the livelihood of injured workers and their families, but to give employers incentives to utilize injury and illness prevention programs to mitigate hazards before someone gets hurt or becomes ill. The Federal government must stand on the side of America's workers who too often are victims of inadequate and dysfunctional state systems.

Chemicals in the Workplace

We must be also more aggressive in **preventing workplace illnesses**. These illnesses contribute to the deaths of tens of thousands of workers every year, but are rarely even linked to their deaths. One of the big challenges ahead is addressing how we control the use of chemicals in the workplace. Chemicals are developed and brought to market much faster than workplace regulators are able to write rules of the road for worker exposure. The solution will require businesses, regulators, scientists and others to think both creatively and collectively about how to ensure that the pace of our efforts to protect workers matches the pace of the science.

Child Labor and Farmworkers

While our Administration has done much to focus our efforts on protecting the most vulnerable workers, including temporary workers, low-wage workers and workers in the most hazardous industries, we have not done enough to protect one group truly worthy of our special attention – children. Too many children remain susceptible to injury, illness, and even death on the job. **Steps should be taken to protect those children we know are in harm's way, including young people working in grain elevators and tobacco fields**.

More broadly, agricultural workers across the country continue to suffer injuries and fatalities at unacceptable rates. Congress has historically walled off many agricultural workers from safety regulations, but it's clear that too many agriculture workers face grave risks to their health and safety because of a lax regulatory structure that permits unsafe conditions to remain in place.

Strengthening Criminal Penalties

There remain a small but important number of employers who, despite the known benefits of a safe and healthy workforce, and despite repeated enforcement actions, still view employee injuries and civil penalties as "the cost of doing business." We must have **more tools to deal with those employers who willfully put workers' lives at risk**, including tougher criminal penalties for the worst violators and increased monetary penalties that can act as a credible deterrent.

Preparing for the Future of Work

The Labor Department has established a foothold in discussions about the "**Future of Work**," helping us expand the aperture of that conversation from the tech sector and gig economy to ensure that it includes all workers across all industries. As WHD Administrator David Weil has so ably documented, work arrangements have been undergoing a profound change for decades – long before our phones fit in our pockets – in ways that threaten the basic social compact for American workers.

In 2015, after a year of research, listening and building relationships, the Labor Department hosted a three-day Future of Work symposium that brought together hundreds of business leaders, workers, advocates, technology developers, academics, investors and other thought leaders. We focused on how the social compact is changing and the role that government has in adapting our worker protection and training programs to the new ways that people are working.

Since the symposium, our agencies have worked to incorporate what we learned into their strategic enforcement plans and the evolution of our training programs.

The "Gig Economy"

To chart the path forward, we also need more data regarding **emerging trends**. In early 2016, we announced that our **Bureau of Labor Statistics will conduct a survey on contingent and alternative employment** for the first time since 2005 to help us understand how many of America's workers are participating in "gig work"—that is, nontraditional work arrangements.

We've also made progress on a critical piece of the social safety net in this new era. In President Obama's 2016 State of the Union address, he called for basic benefits to be "just as mobile as everything else is today." To start the journey of make real the President's call to action, this year, we awarded **grants to innovators who are taking on the challenge of designing portable benefits models.**

Strengthening Worker Voice

The Labor Department also made great strides in ensuring that the future of work includes a **strong voice for workers**. We were critical partners in hosting the first-ever White House Summit on Worker Voice in October 2015. Following the Summit, we fulfilled the President's direction to continue the conversation around the country, bringing together innovative and creative partners both from within and outside the labor movement to work on creating a dynamic set of options to empower workers. The Department's recent launch of worker.gov, a new way of providing information to workers, is a great example of how we are harnessing new technology to connect and support workers to stand up for themselves.

In addition to finding new ways to empower workers in the future of work, we also made great strides in lifting up employers who understand the value of shared prosperity. In partnership with the White House, we contributed to a community of corporate leaders engaging in "inclusive capitalism," where business leaders adopt practices that look beyond quarterly profits to practices that support workers and promise long-term value. In addition, we supported the work of organizations and experts who are building the infrastructure of inclusive capitalism through the development of new metrics, transparency and disclosure, and standards for defining business success.

Innovation and the Dignity of Work

As conversations about the Future of Work move forward, it is important to always remember that the challenges associated with changing technology and what it means for the workforce in many ways aren't entirely new ones. A nation that successfully moved from farm to factory to mainframe can certainly find a way to harness new digital technologies and data-driven decision making in a way that ensures workers are fairly treated and prosperity is broadly shared. We can't fall into the trap of believing that the latest innovation is so transformational that we simply can't accommodate and acclimate.

At the same time, we can't be afraid of technological change. I reject the notion that we have to put the brakes on innovation in order to preserve or advance the dignity of work. We need to facilitate innovation, keeping in mind that previous generations of automation did not cause the sky to fall and did not portend the end of work, as some alarmists predicted.

The Labor Department's mission is to champion the rights of workers, and we will do so no matter what form their work takes. It doesn't matter whether the workplace is virtual or brick-and-mortar—whether the work is associated with a mile-long manufacturing facility or a website—we will continue to enforce labor standards and advocate for the men and women doing that work.

The largest question for the next administration and beyond is how we embrace innovation in this dynamic economy while ensuring that the changing nature of work continues to honor the bedrock principle that workers are not in it alone in securing basic protections. Today, due in part to new business models and the more transient and attenuated employment relationships that characterize the fissuring of work, we are seeing more workers lose the assurance of a fair wage guaranteed by the FLSA, the support promised by the workers' compensation system when they are injured on the job, and the promise of a secure retirement provided by defined benefits plans.

How we achieve a balance between embracing new technologies and employment arrangements and ensuring that workers are afforded basic protections will be a central question for policymakers going forward. As work changes and the impact of technology continues, how will we ensure workers do not fall through cracks in the social safety net and fortify the pillars of the 21st century middle class? And how will we protect those pillars and principles to address inequality in the future? We will find the right balance only if we take seriously the importance of workers having a voice in their workplaces. When workers have a voice, they can be critical partners in both building a strong middle class and a dynamic and growing economy.

To support those employers who want to find the right balance by recognizing that American workers are an asset to be valued and not a cost to be minimized, the next administration should continue President Obama's efforts to **move the private sector to focus not on short-term quarterly reports, but on long-term investments** that have the dual benefit of generating profits for businesses while also promoting shared prosperity for all Americans. These long-term investments include adopting high road labor standards to encourage higher employee productivity and retention, robust training, including expanding apprenticeship programs, and giving workers a stake in the company's future through different forms of employee ownership.

Closing Statement

I am proud that, for the last two years, the Department of Labor has had the distinction of being ranked the most improved large federal agency, according to the annual Best Places to Work in the Federal Government report issued by the Partnership for Public Service. These results reflect our renewed commitment to engaging our team of mission-driven professionals, to harnessing their full potential and to ensuring we live the values we preach. We know that the more productive and engaged our employees are, the better we can serve the American people.

Collectively, the Labor Department's vision is a future where prosperity is broadly shared; where America's wage earners, job seekers, and retirees can get a piece of the wealth they create. That has been our mission for more than 100 years, and will be for the next century and beyond.