

New York City: Partnering to Improve Domestic Workers' Job Quality

DOMESTIC WORK: THE INVISIBLE BACKBONE OF THE ECONOMY

Domestic workers provide labor to private households. They clean, cook, and care for children, the sick, and the elderly and include workers such as nannies, home cleaners, and home care attendants. Many domestic workers operate within the informal economy, and large numbers of them are exempt from protections afforded by labor laws and regulations under the Fair Labor Standards, Occupational Safety and Health, and Civil Rights Acts. This labor force is largely comprised of women, many of whom are immigrants, for whom domestic work is an entry point into the US economy.

Data needed to understand the scale and characteristics of this workforce are limited. Domestic workers are usually paid “off the books,” making it difficult to estimate the size of this workforce and its economic impact. Using employer-reported wage record data, the New York State Department of Labor estimates there are 240,000 domestic workers statewide. They base this on the assumption that only 10 percent of employers report wages paid to their domestic workers to the unemployment insurance system.¹ *Home Is Where the Work Is*—a report on the state of domestic work in New York—estimates that there are approximately 200,000 domestic workers in New York City alone. The report used data on population characteristics, such as high-income families with children and the very elderly, collected by the US Census to inform estimates about demand for in-home child and elder care services.²

KEY TAKEAWAYS

- Workers in the informal, or “gray,” labor market [such as domestic workers] need different approaches to skills development than typical workforce strategies.
- Before developing a workforce training program, gain clarity on the potential and pitfalls of establishing industry and worker standards for training and credentialing [e.g., mutual employer and worker responsibility, effect on job quality, and working conditions].
- Use worker training as a way to provide workers with the tools and skills to negotiate workplace terms and job quality.
- Engage “high-road” employers, who understand key responsibilities as employers, to learn how job quality, employment practices, and skills development can benefit employers and workers.
- Engage employers not considered “high-road” to understand how new training or credentialing strategies will impact their workers.
- Identify and organize key criteria and approaches into a framework that can serve as the road map to building a skills development program.

The demand for domestic workers is increasing. Parents are working longer hours and in multiple jobs. The growing elder population is living at home and for longer. And

¹ <http://www.labor.ny.gov/legal/domestic-workers-bill-of-rights.shtm>. This is considered to be a very conservative estimate. The percentage of employers that report wages paid to domestic employees to the unemployment insurance system is likely lower than 10 percent.

² Domestic Workers United and Data Center. *Home Is Where the Work Is: Inside New York's Domestic Work Industry*, New York, NY, 2006, <http://www.domesticworkersunited.org/homeiswheretheworkis.pdf>

busy workers seek help with domestic tasks. But domestic workers do more than enable their employers to play their part in other segments of the economy. Domestic workers also have an impact on the quality of care provided to young children and to the elderly. Providing quality care to seniors has the potential to help them maintain good health and delay or prevent institutionalization.³ Quality early-learning support to young children is widely recognized as improving educational outcomes that affect long-term chances for economic success.⁴

THE PARTNERSHIP

The New York City Communities that Work Partnership is built on a long-standing collaboration among organizations that worked together to pass the New York State Domestic Workers Bill of Rights (BOR). In 2010, the BOR law granted domestic workers the right to paid overtime at time-and-a-half wage rates, a day of rest every seven

days, and other labor protections from which they had been previously excluded.⁵ Passage of this BOR in New York sparked a national movement, and since 2010, six states have passed similar bills. A BOR awaits the governor's signature in Illinois, poising it to become the seventh state to enact the law.

Passage of workers' bills of rights is an important first step toward extending labor protections to domestic workers. But the New York City partners are aware of how challenging it will be—given the uniquely private nature of domestic work—to enforce new labor regulations. Thus their work has expanded to consider how they can address challenges that affect both workers and their employers through workforce development strategies. In 2015, the National Domestic Workers Alliance (NDWA), National Employment Law Project (NELP), and Hand in Hand (HiH) formed a Communities that Work Partnership (CTWP) team to explore how workforce development—including training and new

COMMUNITIES THAT WORK PARTNERSHIP

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Seven regional teams were selected competitively in July 2015. Teams comprised three to four leaders and, importantly, included a private industry partner representing employer voice. The regional team in New York City included the National Domestic Workers Alliance, Hand in Hand, the National Employment Law Project, and the New York Domestic Worker Coalition. The partners collaborated to advance industry-led workforce development strategies in their region. AspenWSI and a core management team facilitated peer learning and leadership development for the Communities that Work Partnership and documented their efforts in order to accelerate learning in the field. The seven Partnership Briefs are part of a package of learning materials to be released in the fall of 2016, available at as.pn/communitiesthatwork.

³ "PHI Coaching Approach Demonstration Yields Positive Outcomes for Employers," *Learning Through Evaluation*, Number 2, 2011. <http://phinational.org/sites/phinational.org/files/clearinghouse/CCSLevaluation-08052011.pdf>

⁴ *Quality Early Education and Child Care from Birth to Kindergarten*, American Society of Pediatrics, January 2005. <http://pediatrics.aappublications.org/content/pediatrics/115/1/187.full.pdf>

⁵ <https://labor.ny.gov/legal/domestic-workers-bill-of-rights.shtm>

The New York City Partnership

The National Domestic Workers Alliance is a coalition of 53 domestic workers' rights groups that advocates for better conditions for workers and attempts to change the understanding of the value of these workers for families, communities, and the economy overall. The New York City affiliate of the NDWA collaborated on this project.

The National Employment Law Project advocates for policies that create meaningful jobs, expand access to work, and strengthen protections and support for low-wage workers and the unemployed.

Hand in Hand—a national network of employers of nannies, housecleaners, and home care attendants—work together to improve their employment practices and change public policy and cultural norms with respect to domestic workers.

credentials—could create a career lattice for New York City's domestic workers to help them command higher wages and better working conditions. The intent was to explore approaches that would benefit caregivers, care recipients, and domestic worker employers. The National Domestic Workers Alliance, representing workers' rights, partnered with NELP, an organization that works to promote policies that create good jobs and expand access to work, and HiH, representing a network of employers of domestic workers who have advocated for the passage of the Domestic Workers Bill of Rights.

The partnership is exploring the career aspirations of domestic workers, the qualifications and skill sets employers want domestic workers to possess, and the type of training that has the potential to benefit both domestic workers and employers. The partnership team determined early on in its CTWP efforts that it wanted to concentrate on the subset of domestic workers employed as nannies as a way to narrow its initial focus in

the relatively large, diverse, and unregulated domestic work industry. Through its work with CTWP, it is exploring the potential and pitfalls of establishing standards for training and credentialing among nannies.

ELEMENTS OF THE STRATEGY

The remainder of this brief describes a range of issues that the partnership is exploring as it considers how workforce development strategies can be developed to support nannies and their employers toward greater clarity on employer and worker responsibilities, improvements in job quality, and improvements in the quality of child care delivered. The partnership's work is in early stages, with completion of a workforce development framework planned for late 2016. Partners also plan to begin rollout of initial training programs in 2016. While the partners still have many questions to answer as they develop their workforce strategy, the following elements are clear.

Strategy Elements

- Organizing high-road employers
- Understanding a wider range of employers' practices (including those beyond the high road)
- Empowering workers to improve their own job quality through worker training
- Developing a framework of core elements that will make up a skills development program for domestic workers

Organizing high-road employers

HiH has been pursuing a strategy to develop a network of high-road employers that are in a position to take the lead in efforts to change cultural norms and practices of the industry. HiH considers high-road employers to be those that understand their responsibilities as employers, including rights established by the BOR. HiH endeavors to influence employers' behavior by providing tools that enable

Reaching Employers Where They Are

NDWA and HiH have partnered with Care.com—the world’s largest online job-matching marketplace for domestic workers and employers—to promote the Fair Care Pledge with its users. Care.com offers accounting and tax services to help employers pay their workers on the books, and through this work have access to an important group of domestic worker employers that are already following the law in how they pay their employees. HiH spreads the Fair Care Pledge through workshops that offer supports to employers. They expand their reach through the use of an innovative “Tupperware party” model, in which domestic worker employers recruit other employers from among their personal networks of acquaintances.

them to determine fair wages, develop written agreements with their employees, and learn about their responsibilities as employers.

After the successful passage of the New York State Domestic Workers Bill of Rights, HiH went on to develop the Fair Care Pledge—a simple yet powerful statement that families and individuals can endorse online that includes a set of practices for domestic employers, including establishing written clear agreements, fair pay, and policies about paid time off. While passage of the bill itself was a victory, without proper oversight and enforcement (which the New York Department of Labor does not have the resources to support), changes on the ground seem unlikely. The pledge is designed to help domestic worker employers take the initial steps in recognizing their employees’ rights and improving their own employment practices. In developing employer

engagement, the first step—and a goal of the Fair Care Pledge—is to help employers understand that they are employers and that their homes are a workplace. HiH’s work in New York City is concentrated among employers of nannies living in high-income neighborhoods.

Understanding a wider range of employers’ practices beyond the high road

In developing a workforce strategy, partners wanted to understand the makeup and practices of a wider range of employers beyond those adopting a high-road approach. HiH has been engaged with a project team at the University of California Los Angeles (UCLA) to publish a study based on a survey of domestic worker employers titled *Profile, Practices and Needs of California’s Domestic Work Employers*⁶ that was conducted for HiH’s California chapter.

The picture that emerges of domestic worker employers in California is complex:

- One in seven households in California hire domestic workers, but **few standards or common practices** exist among employers. Employers providing jobs to domestic workers are fundamentally different from other employers in that they do not employ workers as part of a business. Many report that they do not consider themselves to be employers or their homes to be workplaces.
- **Pay and working conditions vary** among the employers surveyed. Over three-quarters of employers do not pay a defined hourly wage but rather compensate based on a weekly or monthly rate. UCLA researchers calculated hourly wages and found that respondents pay wages ranging from a few dollars to \$59 per hour. Four in 10 employers pay less than \$14 per hour, with 17 percent of these paying below minimum wage. Another 29 percent pay wages that fall between \$14 per hour and the region’s self-sufficiency standard wage of \$20 per hour, and one-third pay more than \$20 per hour. Most employers (60 percent) state that they give workers

⁶ *Profile, Practices and Needs of California’s, Domestic Work Employers*, UCLA Labor Center, May 2016. <http://www.labor.ucla.edu/publication/domestic-employers-report/>

time off when they are injured or ill, but a wide majority of these [73 percent] do not pay their nannies for this time. Among the employers that hire on an overtime basis, only 2 percent pay their employees a wage premium for overtime.

- **Challenges faced by employers vary considerably based on their own economic security.** For many low-income employers, the wages they pay for child care are low because they cannot afford to pay their employees self-sufficiency-level wages. UCLA researchers note that strategies for helping these employers and their workers would require substantial public investment and will.
- While an **employer's ability to pay self-sufficiency wages is linked to income**, it is important to note that survey findings show that one-third of low-income households pay wages higher than \$14 per hour. Only one in five moderate- to high-income households do.

Due to the California survey's length, questions related to training were removed. A similar New York City-based survey of employers is under development by CTWP partners and will include questions about training. As they work on developing this larger research effort, the New York CTWP team has moved forward with a survey of a small sample of employers in New York City that asked them to identify the types of skills they value most in their nanny employees, and whether they would pay a higher wage for a nanny with training or a credential. Employers reported being willing to pay for their nanny to attend professional development courses and being open to renegotiating employment terms if their employee gained new skills. They also expressed strong interest in training in specific skills for nannies (for example, infant care).

Empowering workers to improve their own job quality through worker training

In spring 2016, the partnership held focus groups with 100 New York City-based nannies and another 100 located across the country. The

focus groups explored nannies' perspectives on the importance of training, education, and credentials. Major themes resulting from this research effort that are now guiding the partnership's efforts include the following:

- Workers report strong interest in skills training.
- Most workers indicate that they do not have a desire to leave their field but that their career aspirations are to have a deeper impact on the people they care for.
- Workers view training as a way to acquire knowledge and skills and deepen their value to employers.
- Workers would value receiving specialized training and certification in topics that enhance their skills. Some of these include infant and toddler development and CPR.

NDWA affiliates have offered various workshops for nannies on topics ranging from managing isolation and self-care to contract negotiation. They also provide tools, such as sample contracts. Skills development as a strategy to increase job quality, by providing workers with the tools and skills to negotiate workplace terms and conditions, will remain a bedrock of the partners' work. Helping workers recognize their value to their employers is noted as critical to helping workers build confidence, making it more likely that they will engage in contract discussions with their employers.

The partners note that this is particularly important given the nature of domestic work, as workers and the families they work for often form emotional attachments that complicate the nature of the employee-employer relationship. Many employers report feeling awkward when discussing employment terms, while many workers state that their employment concerns are often treated too informally by their employers.⁷ The informal relationship often begins with employers hiring from among their personal networks and paying the worker directly. Only 15 percent engage their employee(s) in a discussion about compensation, and two in three employers

⁷ David A. Paterson, Governor, and Colleen C. Gardner, Commissioner, Feasibility of Domestic Worker Collective Bargaining, New York State Department of Labor, November 2, 2010.

report that they set the terms of employment themselves without seeking advice from friends or from an outside agency or organization. Training workers in negotiating and relationship management skills could give them the skills to participate more actively in discussions about employment terms and help both the worker and the employer.

Developing a framework of core elements for a training and credentials program for nannies

Although the partners' developmental work is still underway, dimensions of an organizing framework are emerging: Trainings will be accessible and offered within the cultural context of the domestic workers engaged. Trainings will impart knowledge and skills in a hands-on, dynamic learning environment and will measure success through demonstrated competencies. Initial trainings will be a series of shorter, specialized units with both in-person and online components. An initial pilot will be launched in Infant and Toddler Development, the curriculum for which was designed by the University of Minnesota, Center for Early Education and Development. The partners have developed a career lattice approach that captures the unique aspects of the nanny occupation, based on a range of competencies described as valuable by both workers and employers.

GOING FORWARD

Key strategic questions remain and there is work remaining to make choices about where to start.

Can training and industry credentials (which include both contract/agreement negotiation and skills training) result in increased wages and help formalize industry practices? As the elements of the framework evolve, and specific plans for training and credentials are implemented, an approach to tracking its economic impacts will also be essential. Pilot programs aimed at specific subsectors and connected to employers' skill needs (based on the planned New York City survey) will be essential to track the outcomes of new programs.

Can the need for more formalization of the industry be balanced with not excluding

undocumented and immigrant workers from access to these jobs? The partners are initially focused on short-term credentials in specific employer-identified skills and working with immigrant workers. As more results are seen from early pilot programs and the potential of establishing standards of skills and competencies is further explored, can lessons be applied to future training strategies, and can policy and advocacy agendas be developed to offset these risks?

Given the range of types of employers that hire domestic workers (particularly the difference in income levels), how will strategies need to differ based on industry segment? Further work is needed to segment the nanny labor market and customize both training content and delivery to each segment. For example, efforts with low-income employers may be limited to improvements in the quality of work (such as clear agreement and respectful communication) as these employers will have little flexibility to pay higher wages. Efforts among higher-earning employers may be focused on skills training and credentials that have the best chances of resulting in employers increasing workers' pay and improving conditions.

The organizations involved in New York City's Communities that Work Partnership have historically focused on organizing and advocacy strategies to change policy that govern the partnership's target industry. They are now exploring how they can use a training and credentialing strategy to change the way domestic work is valued, improve the quality of care delivered to employers, and ultimately promote wage, benefit, and career progression for domestic workers. Lessons from their work have the potential to be useful in informing organizations that provide services to workers and employers operating in the informal economy (in which workers have few legal protections and employers lack knowledge and tools for managing their role) and are interested in creating and implementing training and credentialing as a strategy to improve job quality.