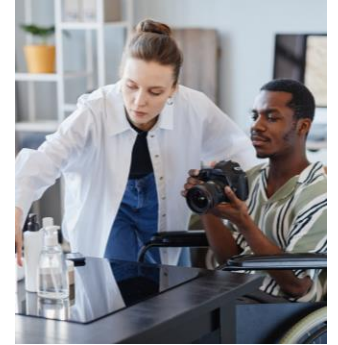




The Path to Fair Employment

Ending Subminimum Wage for Workers with Disabilities Under Section 14(c) of the Fair Labor Standards Act



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About Disability Belongs™



We're a **diverse, disability-led nonprofit** that works to create systemic change in how society views and values people with disabilities, and that advances policies and practices that empower people with disabilities to have a better future.

Our mission is to **fight stigmas and advance opportunities so people with disabilities can fully participate in all aspects of community.**



Our Policy and Civic Engagement Priorities

- **Eliminate** barriers to work
- **Promote** competitive, integrated employment
- **Support** effective school-to-work transitions
- **Advance** accessibility best practices across sectors
- **Empower** disabled people to advocate for themselves

DisabilityBelongs.org/Policy



Our Request

1. Release Pending Rule (RIN: 1235-AA14)

- Release pending rule regarding Section 14(c) of the Fair Labor Standards Act for public comment

2. End Subminimum Wage

- End the 14(c) program that permits employers to pay workers with disabilities less than the federal minimum wage

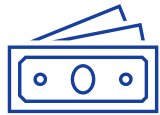
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The Time Is Now



Employment landscape has drastically changed



Better alternatives to subminimum wage



A growing movement across the country



Benefits workers and employers alike



Aligns with Department's mission and purpose



A System in Need of Change

- **Outdated Service Model**

- Section 14(c) was originally enacted in 1938 to provide employment opportunities for individuals with significant disabilities returning from war
- The workforce landscape has evolved significantly since then

- **Barrier to Progress**

- While 14(c) once created employment opportunities, it now serves as a barrier:
 - Limiting opportunities for fair pay and wage increases
 - Deprioritizing professional/skills development
 - Promoting segregation of workers with disabilities



A New Era in Disability Employment



Changing Employment Landscape

- The employment landscape for individuals with disabilities has shifted toward competitive integrated employment (CIE)
- Growing momentum across states to transition away from subminimum wages



Need for Competitive Integrated Employment

- Studies show sheltered work environments have only a 5% success rate in moving workers into CIE
- Companies leading in disability inclusion obtain significant financial benefits, including 1.6 times more revenue, 2.6 times greater net income



Toward Equitable Wages

- **Shifting Societal Expectations**

- 128 different disability advocacy organizations, along with major employers such as Microsoft and JP Morgan Chase, **oppose subminimum wages**

- **Proven Transition**

- 16 states have already phased out Section 14(c), with more states underway
 - All of these states increased employment for persons with cognitive disabilities
 - Only one of these states (California) had extra federal funding to do so
- States utilized proven alternatives
 - Supported employment
 - Customized employment
- Eliminating subminimum wages is possible, even without additional financial support



State Examples

- **Vermont**

- Employment rates for individuals with cognitive disabilities nearly doubled, increasing from almost 25% to almost 50% during the phase-out of 14(c)
- Achieved by reallocating state funds from sheltered workshops and enclaves to provide individualized support

- **Maine**

- Implemented a pilot program that reduced state funding for seven sheltered workshops, affecting approximately 220 individuals
- These individuals received funding for community support and supported employment services through a waiver program



More State Examples

- **Washington**

- Employment of those with cognitive disabilities increased over 8% during the period that 14(c) phased out

- **Oregon**

- Employment of those with cognitive disabilities in Oregon increased over 3% during the period that 14(c) was phased out
- Oregon IDD agency administrators paid special attention to case manager investment and engagement in the Employment First process, and designed training to increase their skills in this area



Benefits to Employers

- **Employing individuals with disabilities:**
 - Increased productivity and profitability
 - Higher retention rates with increased job satisfaction and reduced turnover
 - Access to diverse, skilled talent, enhancing diversity and inclusion
 - Improved workplace culture, fostering respect and boosting morale
 - Financial incentives, including tax credits and funding opportunities
 - Stronger reputation through enhanced corporate social responsibility
 - Compliance with evolving legal standards on disability inclusion



Challenging the Narrative



People with IDD and/or significant support needs “can’t work”

- There is a growing body of evidence demonstrating that with the right supports, people with IDD thrive in integrated, competitive employment settings
- 44% of adults aged 21-64 with IDD are either employed or looking for work
- 62% of adults with IDD employed in a competitive setting have been at their current job for 3 years or more



Impact Scope

- **Approximately 40,000 individuals with disabilities** still earn subminimum wages under 14(c)
 - The majority impacted are individuals with intellectual and developmental disabilities (IDD)
- Nationwide change **would standardize fair wages and opportunities** across the U.S.
- **Sheltered workshop model perpetuates harmful stigmas**
- Supporters state that disabled workers are not capable of productive work that is valuable to the economy
 - This is symptomatic of the chronic underestimation of the disability community, which perpetuates these harmful stereotypes



Advancing Your Mission

Ending Section 14(c) directly supports the Department of Labor's mission by:

- **Fostering the welfare of wage earners**
 - Ensuring equitable wages for workers with disabilities, enhancing their economic well-being
- **Improving working conditions**
 - Decreasing segregated employment settings and promoting more respectful, dignified workplaces
- **Advancing opportunities for profitable employment**
 - Expanding access to competitive integrated employment, creating sustainable career paths for all workers with disabilities
- **Ensuring work-related benefits and rights**
 - Upholding fundamental employment rights, ensuring fair compensation and equal protections for all workers, including rights to workplace accommodations



Reminder: Our Request

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Thank You

- Thank you for your attention and commitment to creating a more inclusive future for workers
- Consider us a resource for additional data, resources, and collaborative implementation strategies
- Please contact us at Action@DisabilityBelongs.org

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