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December 20, 2023

Wisconsin State Assembly
Assembly Committee on State Affairs
P.O. Box 8952
Madison, WI 53708

Dear Representative,

On behalf of thousands of supporters and activists across Wisconsin, the Center for Individual Freedom (CFIF) writes in support of Assembly Bill 477. In our federalist system, states prominently serve as “laboratories of democracy,” and in that vein we’re pleased to see Wisconsin approaching the so-called “gig economy” issue by offering greater flexibility and choice to workers – precisely the qualities that gig economy workers seek in opting to work in that growing economic sector.

Surveys of gig workers consistently confirm that truth. Regardless of the particular platform in which they choose to work, individuals prefer this type of work because of the flexibility and choice that it offers. The ability to work their own hours, set their own schedules and effectively be their own bosses allows them to better navigate family schedules or simply earn additional income if and when they want it.

Unfortunately, however, U.S. labor laws remain rooted in traditional binary employment models, and consequently haven’t yet resolved how to address rapidly emerging gig work and benefits on a national scale. Specifically, current conversations remain dominated by whether to classify workers as either “employees” or “contractors,” which largely misses the mark. In many cases, for instance, gig workers drive or deliver in their off time from their full-time jobs and have no desire to be classified as “employees” in their gig capacity. Other gig workers may work full-time hours, but for a variety of separate gig companies, switching back and forth among them throughout the day as demand rises and falls.

With that reality in mind, we’re pleased to see the Wisconsin legislature approach this issue by prioritizing flexibility. By creating a new, “portable benefit account” that gig workers can choose, individuals can participate in benefit plans to cover insurance, health insurance and retirement *if it fits their needs*. That renders obsolete the binary “employee versus non-employee” controversy, and gives gig workers the benefits they prefer without impeding

others' ability to work part-time. Additionally, it puts the option where it should be: in the hands of workers. Further, by making the accounts portable, individuals aren't tied to a single company and can choose to work for whichever platform fits their needs. As demand for employees increases across the country in nearly every sector, that option provides another area where employers can potentially compete for workers and differentiate their companies.

Accordingly, we appreciate that the Wisconsin legislature is moving to help enable workers to exercise choice instead of shoehorning them into outdated employment definitions, while also allowing gig companies the opportunity to provide meaningful benefits. We you taking the time to consider our perspective and stand ready to discuss it further at your convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jeffrey Mazzella', with a stylized flourish at the end.

Jeffrey Mazzella
President