



## IWV Supports Legislation Clarifying that Direct Sellers be Treated as Independent Contractors

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Independent Women's Voice, which fights to enhance people's freedom, choices, and opportunities, is proud to support H.R. 3522 sponsored by Representative Tim Walberg (R-MI) which would clarify that direct sellers should be treated as independent contractors.

This bill would protect entrepreneurship and innovation--principles at the core of the American dream. Specifically, this bill would protect direct sellers, who work independently to sell products and services person-to-person, usually to friends, acquaintances and family members, but also online. **Over 18 million** Americans are directly involved in this industry. They sell a variety of goods and services, including jewelry, makeup, and supplements just to name a few.

This is a low-risk way for people to become entrepreneurs and engage in a dynamic part of the economy. Direct selling often offers flexible scheduling and work-life balance. Most sellers work on a part-time basis and have the freedom to set their own working hours. Because of this flexibility, women overwhelmingly engage in direct selling: **75 percent** of direct sellers in 2018 were women. Millennials, known for valuing flexibility and work-life balance, make up the **largest age group of direct sellers**.

Since direct sales occur outside of a traditional retail environment, these individuals rely on the outside sales exemption under the Fair Labor Standards Act (FLSA) to be defined as independent contractors. However, there is presently no specific language under FLSA that defines direct sellers as independent contractors, leaving the door open to misinterpretation.

H.R. 3522 would amend FLSA to clarify that direct sellers should be treated as independent contractors. This would not create any new regulatory burdens, but would rather clarify and modernize existing law to protect these entrepreneurs and help ensure that they can continue to enjoy their flexible work arrangement.

Many of our labor laws are outdated for the realities of our economy and Americans' work arrangement preferences. Our rapidly evolving service-based economy has generated numerous flexible employment opportunities. In today's economy, many women and Millennials aren't looking for punch-in, punch-out work arrangements that deliver a check in hand on Friday. They want control to set their schedule and earnings and are willing to make the tradeoffs for the flexibility they desire.

Policymakers should celebrate our fast-growing economy and look for ways to encourage innovation to create opportunities for everyone. IWV thanks Representative Walberg for his leadership on this important issue and urges all Members of Congress to work toward the swift passage of H.R. 3522.

Respectfully,

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