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Just Pay Cincy: Anti-wage theft ordinance model for Ohio

Good afternoon. My name is Hannah Halbert. I am a workforce researcher with Policy Matters Ohio, a statewide non-partisan, nonprofit, research institution with the mission of creating a more prosperous, equitable, sustainable and inclusive Ohio. As part of my work at Policy Matters, I research issues that impact working poor families, including wage theft. Thank you for this opportunity to testify in support of the Just Pay ordinance.

Policy Matters Ohio studied the state of Ohio's wage and hour enforcement system in 2011, just as the recession was officially coming to an end. At that time we found that the state of Ohio had only six wage and hour investigators covering the entire state, making Ohio one of the most poorly staffed states in the nation, according to our survey of state enforcement, which covered forty-three states and D.C. At that time Ohio had one investigator for every 616,000 private sector workers. It is my understanding through the work of the Cincinnati Interfaith Workers Center that state and federal enforcement of wage theft has not improved significantly. This lack of enforcement clearly harms workers but also harms law-abiding employers, and our communities. A 2009 study by that Ohio Attorney General estimated that Ohio had 92,500 misclassified workers costing up to \$20 million in payments for unemployment compensation, \$103 million in workers compensation premiums, and over \$36 million in state income tax revenue.

Cincinnati City Council has the opportunity to become the first in Ohio to pass an ordinance that will step up local enforcement of wage and hour laws. This measure will ensure that more Cincinnati workers are paid legally required wages for all of the hours that they work, by improving monitoring and enforcement of basic employment laws. It will also protect law-abiding employers from unfair competition from unscrupulous businesses who are willing to break the law to make a profit.

The Just Pay ordinance is a model for all Ohio cities and a testament to the hard work of the Cincinnati Interfaith Workers Center, the Just Pay campaign, and other leaders. Cincinnati has the opportunity to take a clear stand against wage theft. It's a call to action that other cities and the state should follow.

*Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute
with offices in Cleveland and Columbus.*