

# FREELANCERS UNION



Thank you to the Chair, Representative Dan Osman and the entire committee for the opportunity to submit testimony in support of the Freelance Isn't Free Act (HB2399). I am Rafael Espinal, President of the Freelancers Union and former New York City Councilmember. The Freelancers Union represents over 500,000 members nationwide, with many of our members living in the heartland.

Freelancers work from Cottonwood Falls and Dodge City to Wichita and Topeka. Freelancers are service providers, micro business owners and contractors; working as accountants, healthcare workers, writers and adjuncts. They are “creatives” working as artists, photographers, musicians, designers and makeup artists. These workers offer valuable skills, efficiency, and on-demand labor to large and small businesses---they are truly the backbone of the nation's economy.

Over 70% of freelancers struggle, and the average unpaid freelancer loses nearly \$6,000 per year. For our members, this represents about 13% of their annual income. With such great income instability, it becomes increasingly difficult to cover basic expenses such as rent, health insurance, and quarterly tax payments. But loss of income does not stop there: it has a cascading effect--- stifling business growth, incurs debt, and makes surviving in Kansas nearly impossible. Finally, it violates a basic agreement we have here in this country: work deserves pay.

Today, you'll hear from experts and independent workers in diverse industries battling the same problem for a variety of reasons. Our members in digital media tell us about the barriers to getting a contract. We hear from members who work in the freelance manufacturing industry about widespread abuse on set and how late payment or payment at all is the norm, not the exception. We hear from members who have to spend months chasing down a client and be strung along until the client is ready to pay if at all. We witness predatory practices from too many businesses that essentially run on free freelance labor---and face few repercussions. It's time we put an end to this together.

The Freelance Isn't Free Act was a first-of-its-kind legislation that was passed into law by the New York City Council in 2017. With my help as chair of the Consumer Affairs Committee, we were able to pass this important piece of legislation to protect freelancers in New York City. The Freelance Isn't Free Act has been a great success here where the NYC Department for Consumer and Worker Protections has received over two million dollars in restitution under this law. The Freelance Isn't Free Act will help freelancers get paid what they're owed, on time, and in full.

This legislation will provide badly needed worker protections and stronger business practices for companies who utilize freelance labor. By mandating written contracts, we help both parties set clear expectations at the outset to mitigate future conflicts. 30-day payment terms ensure that workers are not forced to borrow to cover the distance between the day the work is completed and the day the check arrives. By formalizing and increasing penalties for nonpayment, we dissuade unethical business practices. Instituting double damages and attorney's fees will make it more financially viable for freelancers to invest the time and money needed to take deadbeat clients to court.

We believe that being able to offer freelancers the additional support of Kansas state government involvement in nonpayment claims will also prove invaluable. The freelance workforce is not going anywhere--in fact, it's growing. Kansas has the opportunity to be a leader and protector of working people. We look forward to working with this committee and Representative Osman on passing this important legislation. Thank you for your time and consideration.

In Solidarity,

A handwritten signature in black ink, appearing to read 'Rafael Espinal'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Rafael Espinal, Executive Director, Freelancers Union