Congress of the United States
Washington, DC 20515

September 25, 2013

The Honorable Barack Obama
President of the United States
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

We are encouraged by your statements during your recent speech in Galesburg, Illinois about growing income inequality in which you said, "That's why reversing these trends must be Washington's highest priority. It's certainly my highest priority… But I will not allow gridlock, inaction, or willful indifference to get in our way. Whatever executive authority I have to help the middle class, I'll use it." We stand ready to support an executive order that would help put the middle class within reach for two million workers whose jobs are currently funded by the federal government.

As you know, real wages have been stagnating for working and middle-class families for over 30 years. The prevailing wage protections put in place over the three decades from the 1930s to the 1960s now cover only 20% of federally funded private-sector work; even for covered workers, wage rates can be little higher than the federal minimum.

According to a recent study by Demos, the federal government now funds over two million jobs paying under twelve dollars per hour – more than Walmart and McDonald's combined – in such industries as food, apparel, trucking, and auxiliary healthcare.[1] In another report on the federal-contract workforce, the National Employment Law Project (NELP) interviewed over 500 contract workers and found that 74% are paid less than $10 per hour and 58% receive no benefits from their employer.[2]

Low-wage federal contract workers are also subject to serious breaches of employment and occupational safety law. Offending employers frequently continue to receive continued contract awards. A 2010 GAO report found 25 of the 50 largest assessments for unpaid wages and 8 of the 50 largest OSHA penalties imposed by the Department of Labor from 2005 through 2009 were against companies that received federal contracts in 2009.[3] NELP's federal

---

[1] *Underwriting Bad Jobs: How Our Tax Dollars are Funding Low-Wage Work and Fueling Inequality*, Demos, May 2013.
[2] *Taking the Low Road: How the Federal Government Promotes Poverty-Wage Jobs Through Its Contracting Practices*, National Employment Law Project, July 2013.
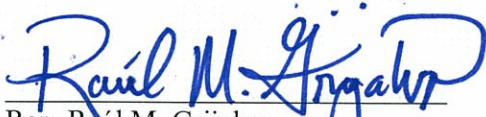[3] *Assessments and Citations of Federal Labor Law Violations by Selected Federal Contractors*, GAO-10-1033, Sep 17, 2010. http://www.gao.gov/assets/310/309785.pdf.

contracting report found that over one-in-five of workers contacted reported suffering violations of federal wage-and-hour law, including sub-minimum wage rates, non-payment of overtime premiums, and off-the-clock work.

Reversing the trends like these that help drive income inequality will require aggressive and creative use of every legislative and non-legislative tool at the U.S. government's disposal. With introduction of the Fair Minimum Wage Act of 2013 and other legislation that would update the minimum wage, Democrats in Congress have responded. However, in the face of continued Republican opposition, your executive authority can provide relief.

We urge you to issue an executive order to raise wage standards, safeguard the legal rights and safety and provide labor stability for the low-wage workers on whom these federal agencies rely to fulfill their mission. We also urge the creation of a structure that will monitor implementation and compliance with these orders. Addressing the rights and standards of this workforce would be a major first step in reversing the long-term decline in living standards and working conditions for America's low-wage workers. We look forward to working with you.

Sincerely,

Rep. Raúl M. Grijalva
Co-Chair of Progressive Caucus
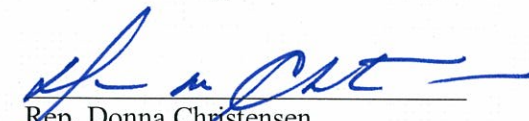
Rep. Keith Ellison
Co-Chair of Progressive Caucus

Rep. Earl Blumenauer
Member of Congress

Rep. Matt Cartwright
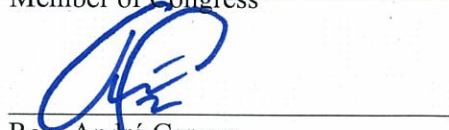Member of Congress

Rep. Corrine Brown
Member of Congress

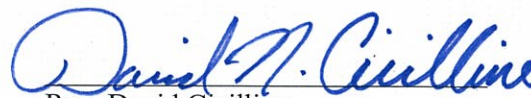Rep. Donna Christensen
Member of Congress

Rep. Michael E. Capuano
Member of Congress

Rep. Judy Chu
Member of Congress

Rep. André Carson
Member of Congress

Rep. David Cicilline
Member of Congress

(signature)
Rep. Yvette D. Clarke
Member of Congress

(signature)
Rep. Luis V. Gutiérrez
Member of Congress

(signature)
Rep. Steve Cohen
Member of Congress

(signature)
Rep. Janice Hahn
Member of Congress

(signature)
Rep. John Conyers, Jr.
Member of Congress

(signature)
Rep. Rush Holt
Member of Congress

(signature)
Rep. Elijah E. Cummings
Member of Congress

(signature)
Rep. Mike Honda
Member of Congress

(signature)
Rep. Danny K. Davis
Member of Congress

(signature)
Rep. Steven Horsford
Member of Congress

(signature)
Rep. Rosa DeLauro
Member of Congress

(signature)
Rep. Sheila Jackson Lee
Member of Congress

(signature)
Rep. Donna F. Edwards
Member of Congress

(signature)
Rep. Hakeem Jeffries
Member of Congress

(signature)
Rep. Marcia L. Fudge
Member of Congress

(signature)
Rep. Eddie Bernice Johnson
Member of Congress

(signature)
Rep. Alan Grayson
Member of Congress
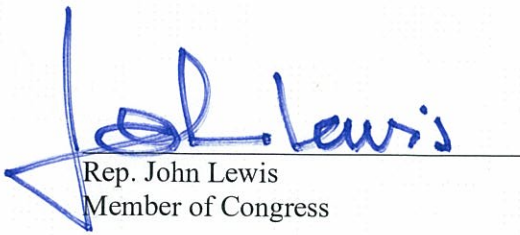
(signature)
Rep. Hank Johnson
Member of Congress
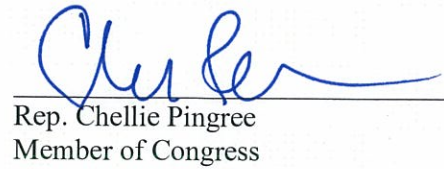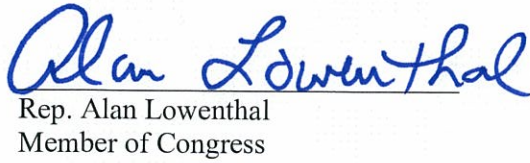
(signature)
Rep. Al Green
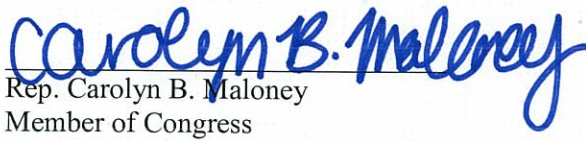Member of Congress
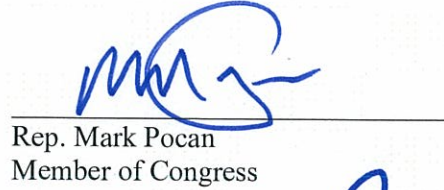
(signature)
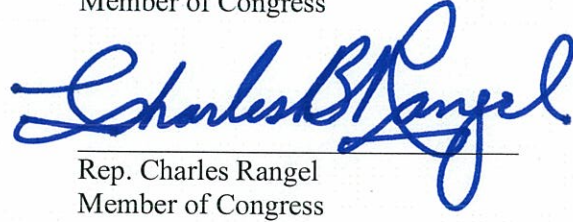Rep. Barbara Lee
Member of Congress

Rep. John Lewis
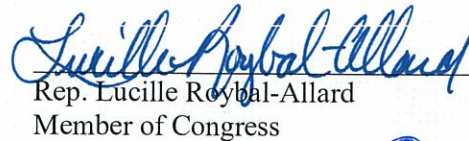Member of Congress

Rep. Chellie Pingree
Member of Congress

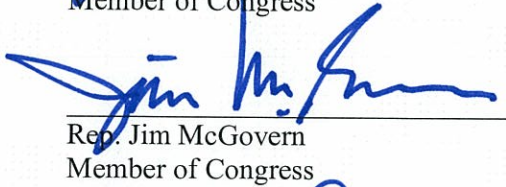Rep. Alan Lowenthal
Member of Congress
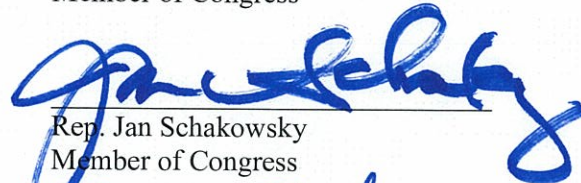
Rep. Mark Pocan
Member of Congress
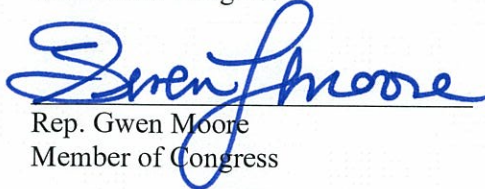
Rep. Carolyn B. Maloney
Member of Congress

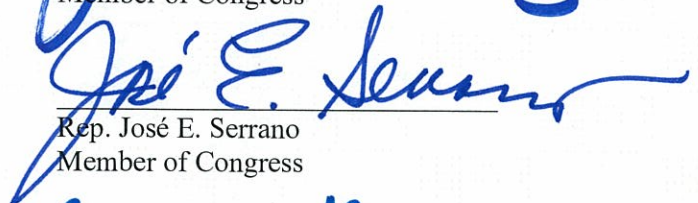Rep. Charles Rangel
Member of Congress
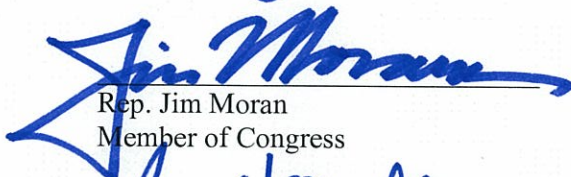
Rep. Jim McDermott
Member of Congress

Rep. Lucille Roybal-Allard
Member of Congress
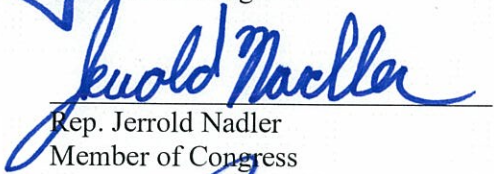
Rep. Jim McGovern
Member of Congress
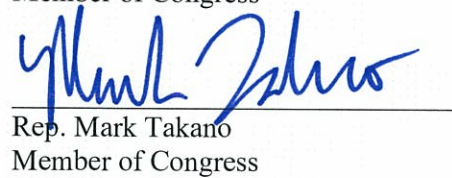
Rep. Jan Schakowsky
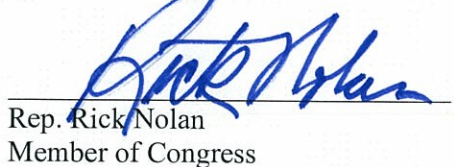Member of Congress

Rep. Gwen Moore
Member of Congress

Rep. José E. Serrano
Member of Congress
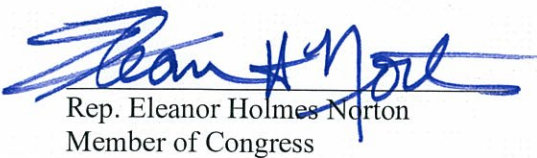
Rep. Jim Moran
Member of Congress

Rep. Louise M. Slaughter
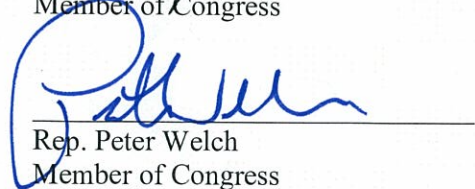Member of Congress

Rep. Jerrold Nadler
Member of Congress

Rep. Mark Takano
Member of Congress

Rep. Rick Nolan
Member of Congress

Rep. Maxine Waters
Member of Congress

Rep. Eleanor Holmes Norton
Member of Congress

Rep. Peter Welch
Member of Congress

Frederica S. Wilson

Rep. Frederica Wilson
Member of Congress